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PROCEEDINGS AND DEBATES OF THE 103d CONGRESS, SECOND SESSION

SENATE—*Tuesday, May 17, 1994*

(Legislative day of Monday, May 16, 1994)

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

The PRESIDENT pro tempore. As we approach the Great Governor of the world, the Senate will be led in prayer by the Chaplain, the Reverend Dr. Richard C. Halverson.

Dr. Halverson, please.

PRAYER

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

Let us pray:

Trust in the Lord with all thine heart; and lean not unto thine own understanding. In all thy ways acknowledge him, and he shall direct thy paths.—Proverbs 3:5, 6.

Almighty God of all wisdom and all power, manifest Yourself to us today, Your availability, Your relevance, according to the proverb with which this prayer began. Enable the Senators to make Godroom in their deliberations, their negotiations, and decisions. As they struggle for compromise, protect them from personal animosities which alienate and delay resolution. Restrain their tongues from speaking words which will later be regretted and, despite all the pressure, Lord, may their thoughts be always issue-oriented. Direct their paths in the way of respect and love and peace to just and satisfactory ends.

In the name of the Prince of Peace. Amen.

RESERVATION OF LEADER TIME

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

MORNING BUSINESS

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

The Senator from Minnesota [Mr. WELLSTONE] is recognized to speak for up to 15 minutes. The Senator from North Dakota [Mr. DORGAN] will be recognized to speak for up to 15 minutes.

The Senator from Minnesota [Mr. WELLSTONE].

Mr. WELLSTONE. Thank you, Mr. President.

(The remarks of Mr. WELLSTONE pertaining to the submission of Senate Resolution 214 are located in today's RECORD under "Submission of Concurrent and Senate Resolutions.")

Mr. DORGAN addressed the Chair.

The PRESIDENT pro tempore. The Senator from North Dakota [Mr. DORGAN] is recognized under the order for not to exceed 15 minutes.

Mr. DORGAN. I thank the Chair.

(The remarks of Mr. DORGAN pertaining to the introduction of S. 2118 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

THE FEDERAL RESERVE BOARD

Mr. DORGAN. Mr. President, today the Federal Reserve Board will meet, as always, in secret. These folks, I am sure well dressed, will go into their room, close the door, shut out the light, shut out the public, and make a decision that will affect every single American. Their decision is how high will interest rates go. Some predict today they will increase interest rates once again. If they do, it will be another wrongheaded mistake by the Federal Reserve Board.

I have here today a letter I received 2 days ago from the Chairman of the Federal Reserve Board, Mr. Alan Greenspan. In this lengthy, fascinating letter, Mr. Greenspan explains to me, as a result of my complaints, why the Federal Reserve Board has chosen to put the brakes on the American economy; why they have decided to increase interest rates in order to fight what is some perceived inflation threat.

I do not intend to share this letter with my colleagues at this point. But sufficient to say, I will come to the floor later today to, I hope, applaud the restraint of the Federal Reserve Board if they meet and decide not to increase interest rates today. But, if not, to severely criticize the Federal Reserve Board for making yet another mistake in trying to apply the brakes on the American economy, exactly when the American economy needs more propellant, more opportunity, more growth to create more jobs.

There is not over the horizon the threat of inflation. The Producer Price Index last week showed a 0.1 percent decrease, not an increase; the Consumer Price Index showed a 0.1 percent increase—very modest—indices of producer and consumer prices. There is simply not the threat that the Federal Reserve Board describes.

I hope today when the Federal Reserve Board meets it will consider the interests of the producers in this country, the people who woke up this morning to go to a business they started and they created, a business where they risk their money to open the doors, a business where they have invested their everything to try to make a living and they find they confront a monetary policy that is wrongheaded. This monetary policy, plain and simple, is a monetary policy that accommodates the financial money center banks, the financial interests in this country, but in my judgment is a monetary policy that injures the economic interests of producers in this country—it injures them at exactly the wrong time.

So I hope when I come to the floor later today it is to compliment the Fed rather than criticize them, but I am fully prepared, if the Federal Reserve Board increases interest rates once again this afternoon, to come to the floor to describe why I think the Federal Reserve Board is wrong and why I think their actions hurt this country.

Mr. President, I yield the floor.

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

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

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

The PRESIDENT pro tempore. The presence of a quorum having been questioned, the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. DOLE. Was the leaders' time reserved, Mr. President?

The PRESIDENT pro tempore. Time has been reserved.

NPR'S DEATH ROW COMMENTARIES

Mr. DOLE. Mr. President, 2 years ago, when Congress passed legislation reauthorizing the Corporation for Public Broadcasting, we passed a reform amendment strengthening the longstanding requirement that taxpayer-subsidized public broadcasting offer objectivity and balance in its programming. Events during the past several days, despite a positive outcome, raise questions about public broadcasting's commitment.

Yesterday, taxpayer-supported National Public Radio was scheduled to start running commentaries by a convicted killer on death row. The commentator was to be Mumia Abu-Jamal, convicted of the cold-blooded murder of Philadelphia police officer Daniel Faulkner in 1981. Taxpayer-subsidized NPR was to pay Abu-Jamal, the founder and former information minister of the Philadelphia chapter of the Black Panthers, $150 per commentary.

NPR argued that the Abu-Jamal commentaries would bring a "unique perspective" to public radio's coverage of crime and punishment. That one-sided "unique perspective" argument offered little comfort to the law enforcement community, the victims of crime, or the American taxpayer pumping money into the public broadcasting system.

Officer Michael Lutz, President of the Philadelphia Fraternal Order of Police, argued:

> I was under the impression he was supposed to be punished. This man is a cold-blooded killer whose appeals went to the highest court in the land, and he's getting a radio show out of the deal. It's not fair to the family of the slain officer * * *.

Philip Jenkins, a professor of history and criminal justice at Penn State University, added that Abu-Jamal is

> Somebody with a heavily political motive. Somebody like this will attract the more emotional, intellectual following, and with someone on death row, the chances of getting some kind of pardon are higher.

I am all for diversity on the airwaves, but these commentaries would have sent the wrong message at the wrong time. The last time I checked, we were trying to fight crime, not promote the fortunes of convicted murderers through taxpayer-supported public broadcasting.

After the justifiable public uproar about NPR's unique commentary plan, the taxpayer-subsidized radio network did the right thing, and Sunday canceled the death row commentaries. In announcing the about-face, NPR Managing Editor Bruce Drake conceded "serious misgivings" about the appropriateness of the commentaries, admitting "We had not arranged for other commentaries or coverage on the subject of crime, violence, and punishment that provided context or contrasting points of view."

I applaud NPR's candor in admitting its mistake. However, it is disturbing that NPR had apparently forgotten until the last minute the need to provide the balance and objectivity required in its programming, and did not wake up until Abu-Jamal had reportedly recorded at least 10 commentaries and the public got wind of the venture.

We all know that this is sort of bizarre. I cannot believe it happened, but it did happen, using taxpayers' money to subsidize National Public Radio. I think it is time that we take a look at it again, and again, and again, because who knows what is happening.

Mr. President, this episode raises sobering questions, not only for NPR, but for the taxpayer-funded Corporation for Public Broadcasting, which has oversight authority over NPR and provides much of its funding.

When it comes to public broadcasting, American taxpayers should get the balance and objectivity they are paying for. In this case, the public uproar helped pull the plug just in time. How can we be certain similar mistakes will be averted in the future? One way we can make certain is to have closer oversight by the Congress. We are giving hundreds of millions of dollars so they can go out and subsidize programs. Some are very good, some are good, some are mixed, and some are terrible. I attempted to raise this question a couple of years ago and was roundly criticized by most everyone in public broadcasting.

It seems to me that Congress has a great deal of responsibility when it comes to taking taxpayers' money from the State of Kansas, from the State of West Virginia, or from anywhere else, and even thinking about putting it into some program where somebody on death row, a convicted cop killer, would be profiting from his commentary. I did not believe it when I first read it, but I confirmed that it was true.

I am pleased that the program is canceled. But I think we need to be on the alert because those who probably thought up this idea will probably be thinking up some others that could be just as harmful and just as bad.

WILLIAM C. GREEN, JR., PUBLISHER OF THE HUNTSVILLE TIMES AND THE HUNTSVILLE NEWS

Mr. HEFLIN. Mr. President, I was deeply saddened by the death of Bill Green today. I had the opportunity to get to know him well as a journalist and friend over the years, and we always had a very good relationship.

Bill's role in the rapid growth of the Huntsville Times over the last 9 years was instrumental, as he led the paper through significant production upgrades and saw its circulation increase dramatically. Bill also played an important role in his community as a leader of many civic and cultural organizations in the Huntsville area. At the State level, the World War II veteran was a member of the Board of Directors of the Public Affairs Research Council of Alabama; a board member of Leadership Alabama; a member of the TVA Community Relations Council; and member of the Board of Directors of the North Alabama Science Center.

Bill Green was one of those people who became such a fixture within his profession and community that we thought he would be around forever. His total dedication to the field of journalism together with his personal commitment to serving the Huntsville area and State, made him one of those rare individuals who everyone respected and admired. His death leaves a void for all those fortunate enough to have known and worked with him over the years that will be hard, if not impossible, to fill.

I extend my sincerest condolences to Bill's wife, Janie, and their entire family in the wake of their tremendous loss.

RETIREMENT OF MAYOR CHESTER W. GROBSCHMIDT

Mr. KOHL. Mr. President, I rise today to honor an outstanding public servant, Mayor Chester W. Grobschmidt of South Milwaukee, WI. After 9 years as an alderman and 28 years in city hall, he retired from municipal government this April 18. Throughout Wisconsin, people consider his tenure one of the most successful in the State's history.

The citizens of South Milwaukee will attest to Mayor Grobschmidt's many contributions to their community. He has improved municipal services, including the city administration building and street department. South Milwaukee can now feel more secure with Mayor Grobschmidt's work on the city's firefighting facilities and wastewater treatment center. Students and professionals alike can thank him for South Milwaukee's expanded library. The mayor also established the Chester A. Grobschmidt senior center in the city administration building for senior citizens' enjoyment and edu-

cation. These are Mayor Grobschmidt's legacies; he is a tough act to follow.

I applaud the mayor for epitomizing good, effective municipal government. The residents of South Milwaukee will always remember fondly his qualified and stable leadership. I wish Mayor Grobschmidt a happy, well-deserved retirement.

LET'S GET MOVING ON BOSNIA

Mr. DECONCINI. Mr. President, late last week we had some significant votes here in the Senate about what we should be doing in Bosnia and Herzegovina. Specifically, we addressed the issue of lifting the arms embargo currently imposed on Bosnia and Herzegovina. I would like to make a few brief remarks about this issue.

There were two separate votes, which caused some confusion, especially since they both passed by a narrow 50–49 vote. When one looks at it closely, however, there is really no division in the Senate regarding support for lifting the arms embargo. Ninety-two Senators voted "yes" to at least one of the two amendments; only seven are not in support of lifting the embargo at all. Differences lie on whether we should do so unilaterally or on the basis of allied agreement and U.N. approval. I, for one, find the embargo so reprehensible and illegal, and view the international community's opposition to lifting it so wrong, that I have joined the 49 other Senators who stated their support for a unilateral lifting.

A strong message is being sent here. Virtually every Senator has asked the President to take action. The vote last week was not just in favor of lifting the arms embargo; it was in favor of doing something to stop the Serb militants from accomplishing their huge land-grab. If the international community, including the United States, would have demonstrated that the situation in Bosnia and Herzegovina was of genuine concern and that something was really being done to try to address it effectively, we never would have had the votes last week.

The alternative chosen so far is essentially to cover inaction with talk. Over the weekend, for example, in Geneva the United States, Russia, and several European countries adopted another new plan, which calls for a 4-month cease-fire and for a 51 to 49 split of Bosnia and Herzegovina. The cease-fire could allow the Serb militants to consolidate their holdings, and the division suggested is well below the 58 to 42 the Bosnian/Moslems and Croats have themselves called for. Meanwhile, fighting in northern Bosnia continues. What can such a plan accomplish in thwarting one-sided aggression and genocide?

A further point involves the Congress. We rightly agree that something needs to be done, and we chose lifting the arms embargo as the thing to do. I agree with that; the arms embargo should never have been applied to Bosnia and Herzegovina in the first place, and that a U.N. member has an inherent right to self-defense. But we should not delude ourselves. Many support lifting the arms embargo because there is little risk to us if it backfires. It's easy, because we will not be held accountable if something goes wrong. For some, it is also an easy, convenient way simply to attack the President.

It was pointed out during our debate that there are practical problems in actually arming the Bosnians, and even though I support it unequivocally, I do not see trying to arm the Bosnians as an alternative to NATO action, specifically airstrikes, to end Serb aggression. Although previous NATO airstrikes were threatened or carried out in such a minimalist manner that their effectiveness was limited, they did have an effect. They also illustrated that the international community may be closer to taking this type of action than lifting the arms embargo.

Massive airstrikes against Serb positions, political headquarters, and supply lines are the quickest and likely the most effective way to stop the carnage. They could more easily put the Serbs on the run before they attack the peacekeeping forces on the ground. They would keep the Serbs from engaging in an all-out offensive to destroy what is left of Bosnia and Herzegovina before that country could be armed to defend itself. They would possibly make arming the Bosnians completely unnecessary in the first place. If they do not, they would at least make the sufficient arming of the Bosnians easier.

If we really support the Bosnians, then let's support them this way. Having denied them the right to self-defense for so long, we are obligated not just to restore that right to them so late in the game but to make up the difference by offering our protection as well, and not just of a few select places designated as "safe havens." If we are unwilling to be responsible and extend to them the protection of NATO, our calls for lifting the arms embargo may be nothing more than symbolism or, perhaps worse, a cover for our own unwillingness to be responsible and say that saving people from genocide is worth some risk.

Of course, it is often difficult for Members of Congress to make responsible choices that have risks attached to them, especially in an area of Presidential prerogatives where the President himself is reluctant. I want President Clinton to express leadership, and to ask us to support him in extending NATO protection in Bosnia and Herzegovina. And I want to see the Senate, and the Congress as a whole, prepared to support him in that effort.

As a final point, let me say that lifting the arms embargo on Bosnia and Herzegovina is a matter of principle, for that U.N. member has been a victim of Serb aggression. But it has not been the only U.N. member to be such a victim and negatively affected by the arms embargo.

Croatia, too, felt the brunt of militants supported by a nationalist Serbian leadership and a Yugoslav military machine. While the lives lost there were fewer, they were still many. Croatia rarely sees a day that there is not still some fighting, and almost one-third of the country remains occupied by Serb militants in contravention of an agreed U.N. plan. Yes, Croatia was inspired by Serb successes and its own nationalist inclinations to engage in its own land grab in Bosnia and Herzegovina, but that period seems over. Thanks to the United States, in its exercise of leadership, Bosnian Moslems are not fighting against Bosnian Croats. Instead, they have formed the basis for a Bosnian federation, which has entered into a confederal and mutually beneficial arrangement with Croatia itself.

If we are to be consistent in our application of our principles, and if we want to encourage further positive developments, we should respond to this situation as well. I, therefore, think we need at least to support efforts to get the United Nations more active in Croatia itself. Perhaps we should also consider alternatives that would include lifting the arms embargo on Croatia as well.

To conclude, Mr. President, none of us wants to see more arms pumped into the Balkans. None of us wants to see American fighter pilots put in harm's way. However, because we have been unwilling to take some risks early on, the situation we are now confronting is now much worse, and more dangerous as well. If we do not do something now, it will continue to get much worse and more dangerous, but we will eventually be compelled to get involved, as we have during earlier conflicts. We have an interest in stopping this conflict, and in doing so now rather than later.

THE CSCE PLAN FOR MOLDOVA

Mr. DECONCINI. Mr. President, a little-publicized, but promising initiative by the Conference on Security and Cooperation in Europe and could end the long-simmering civil conflict that has torn Moldova apart for 2 years—if Russia decides to reject its imperialist policies, and support a good-faith, multilateral approach to resolving the conflict.

Thanks to Stalin-mandering, a small sliver of Moldova known as Transdniestria extends eastward over the left bank of the Dniester river. The population is about 40 percent Moldovan, 28 percent—highly Russophobe—Ukrainian, and 25 percent Russian.

Claiming to fear Moldova's possible unification with Romania, and charging the Moldova's capital, Chisinau with discriminatory policies, the mostly Slavic political leadership in the Transdniestrian capital, Tiraspol, engineered a secessionist movement in 1991 that produced a pro-Soviet Dniestr Republic.

Imported Cossack allies and firepower provided by Russia's 14th Army, which is stationed in the area, helped consolidate the Dniestr Republic during several bloody months in the summer of 1992. Moreover, elements of the Dniestr Republic Guard crossed the river and seized the city of Bendery on the right bank. Today, a tripartite—Russian, Moldovan, and Transdniestrian—military force keeps a tenuous peace in the conflict area. In effect, Moldova has been partitioned.

Nor is this, as Russians like to say, accidental. On February 2, an article in Rossiiskie Vesti concluded that the use of the 14th Army against Moldova was not a decision of its commanding general, but had been authorized and coordinated by the Ministry of Defense, determined to retain a valuable strategic outpost oriented towards the Balkans. In addition, an alliance of so-called Russian democrats, military officials, Russian nationalists, and the Moscow press largely lined up with the Dniestr Republic.

In response to a request from the Moldovan Government, a CSCE mission was sent to Moldova to assist in mediation efforts. The mission has produced a commendable proposal designed to preserve Moldova's territorial integrity, while providing a special status for Transdniestria. Chisinau would handle defense and foreign relations, while some functions would be carried out jointly with Tiraspol, such as finance and justice.

Tiraspol would, among other things, control its own regional budget and educational system. If Moldova in the future reunifies with Romania, Transdniestria would have the right to determine its own political status. And Russia's 14th Army goes home on an accelerated timetable.

Recently, direct talks between President Snegur of Moldova and President Smirov of Transdniestria produced a communique in which both sides pledged to resolve their differences peacefully. Meanwhile, Moldova accepted Russia's status as mediator in the Moldova-Transdniestria talks based on assurances that the CSCE proposal would be the basis for negotiations.

Unfortunately, when the Russian mediator finished reworking the CSCE proposal, it didn't look much like the original. Significantly, there is no reference to the withdrawal of the 14th Army.

Mr. President as a member of the CSCE, Russia should support the CSCE's mediation efforts rather than undermine them. As is the case in the Baltics, there is no reason for Russia to maintain military forces on the territory of independent Moldova. I urge Russia to adhere to CSCE principles and to be part of the solution, not the problem.

SAINTS CONSTANTINE AND HELEN CREEK ORTHODOX CHURCH WESTLAND, MI

Mr. LEVIN. Mr. President, this Sunday, May 22, 1994, the Saints Constantine and Helen Creek Orthodox Church of Westland, MI, will celebrate the groundbreaking for the construction of their new church complex. When completed, the church will encompass 12,000 square feet and seat 680 people, making it the largest Greek Orthodox church in the State of Michigan.

The construction of this church is the last step in the fulfillment of the longstanding dream of the community of Sts. Constantine and Helen. Founded in 1930 by a few dedicated immigrants, the church had its beginnings in a storefront on the corner of Grand River and 14th Street in Detroit. As the community grew and prospered, a new facility was built on Oakman Boulevard at West Chicago. Again, the community continued to grow and so a new home was needed.

Seven years ago the community purchased land to relocate their church. The construction was divided into two phases to allow time to raise funds. Phase I of the project, the building of the Hellenic Cultural Center, was completed in 1986. Parishioners currently attend Sunday services in the cultural center where a large photograph of the beautiful white marble altar from Oakman Boulevard stands as a reminder of the boxed pieces, currently in storage, that will be reconstructed in the new church.

Phase II, the construction of the church itself, will at long last provide a permanent home for the community and its beautiful ikonostasio (altar cover), pulpit, and altar table. Today the community has 450 families who worship and participate in religious, social, and cultural activities. With the addition of the church to the already existing Hellenic Cultural Center, they will have the opportunity to expand its activities and grow with its parish. I congratulate the many dedicated people of Saints Constantine and Helen for their dedication and hard work, and join them in their joy and celebration. I wish the parishioners many years of happiness in their new home.

RICHARD NIXON

Mr. WARNER. Mr. President, as our Nation lays to rest one of our greatest Presidents, I pause with deep humility to think of the many things this fine American did for our country, and for me.

Elected officials are often asked this question, especially by young aspirants: "How did you get into politics?" My answer is clear, straightforward: Richard Nixon.

In 1960, I was enjoying an exciting career as an assistant U.S. attorney when a call came: Would I be interested in becoming a speech writer at the White House? In April, I seized the opportunity. Subsequently I transferred to the Advance Team, as the Nixon campaign team began to form. In that capacity, I have traveled with the Vice President and his lovely wife, Pat, to many States from coast to coast. Advance men can often form personalized working relationships with their principals. I value the many occasions when the Vice President would share his wisdom on a wide range of subjects—political and nonpolitical—to those of us at his side on our trips.

Here is an example of the man I admire. On the morning following his defeat in the November 1960 Presidential election, I was tasked with making arrangements to fly the Vice President and Mrs. Nixon, along with 30 to 40 staff members, back to Washington. It was a sad day. Having boarded all staff on the plane, I was escorting the Vice President up the ramp when he paused, in his usual polite way, to thank a mechanic who was readying the plane for the long flight from California to Washington. The mechanic was holding a small, portable radio tuned to news of the election coverage—particularly reports alleging voter fraud, particularly in the city of Chicago. Two of the Vice President's senior political advisers, also standing there listening, turned to the Vice President and suggested that the question of fraud might make it possible to contest the election.

The Vice President, without a moment's hesitation, said "absolutely not, for the succession of the Presidency in America, the Nation that stands as a symbol of hope and freedom, should never be placed in doubt for even a minute, following an election." Then he turned and walked up the ramp of the waiting plane. I confirmed this was the first time he voiced that decision, a decision he adhered to steadfastly in the days that followed when others brought up the same question of contesting the election.

In the years that intervened between 1960 and 1968, I would occasionally visit with the Vice President and perform a few volunteer services. Then, in 1968, I was pleased to be asked to join the campaign team, and was given senior management responsibility in a newly formed organization, Citizens for Nixon, based in Washington, DC. After his election to the Presidency, I gained valuable experience working for sev-

eral months in his transition office. There I expressed an interest in working in the Department of Defense to Defense Secretary-designate Mel Laird, and eventually received an appointment as Under Secretary of the Navy. In 1972, the President gave me the honor of serving as Secretary of the Navy. During the 5 years I spent in the Defense Department, I had many opportunities to observe the President's steadfast support for a strong national defense and his understanding of the critical relationship between defense capabilities and a strong foreign policy—a view he articulated to the end.

In the spring of 1974, the President asked me to visit him in Key Biscayne, FL, to discuss his concerns with the direction in which the celebration of our Nation's bicentennial was moving. I spent a memorable afternoon with the President and General Haig. The President expressed his hope that the bicentennial celebration would eventually lift the spirits of the Nation from what he then perceived as a tragic abyss in the wake of the gathering clouds of Watergate. He asked me to visit him again a week or so hence to provide him with ideas as to how to encourage the maximum number of people across America to become involved in programs they—not government—desired to honor their local communities and our great Nation.

During the followup meeting, the President reiterated his strong belief that the bicentennial should be celebrated in a simple, historic way, with maximum participation on the village greens of every crossroad, town and city in America. He wanted the larger, expensive programs kept in balance so a not to obscure individual participation. The decision was made that I would take on responsibility for the Federal role, as head of the newly congressionally established Bicentennial Administration. Again, I am grateful to the President for appointing me to this post. Working at the local and State levels of government with city councilmen, mayors, and Governors gave me the breadth of experience which enabled me to be a better rounded candidate for the U.S. Senate.

History is documenting, and will continue to document, the greatness of the 37th President of the Untied States. I remember so vividly his many visits to the Senate, when he would patiently sit with groups, large and small, of Senators from both parties and freely share his experiences—his mistakes as well as his successes—in the hope that we could better serve he goals of America through the legislative process. He loved his service in the House and Senate.

Thank you, President Nixon.

IRRESPONSIBLE CONGRESS? HERE IS TODAY'S BOXSCORE

Mr. HELMS. Mr. President, as of the close of business on Monday, May 16, the Federal debt stood at $4,587,879,355,962.65. This means that on a per capita basis, every man, woman, and child in America owes $17,597.57 as his or her share of that debt.

SIMPLE JUSTICE—BROWN VERSUS BOARD OF EDUCATION 40 YEARS AGO TODAY

Mr. KENNEDY. Mr. President, today we commemorate the 40th anniversary of the landmark Supreme Court decision Brown versus Board of Education. Forty years ago today, the Nation's highest Court spoke in one clear, unanimous and ringing voice that the Constitution's guarantee to every person of the equal protection of the laws prohibits official school segregation in the Nation's public schools. Brown was more than just a judicial decision—it was a powerful call to redeem the promise of the Constitution and remove the stain of racism from the fabric of our society.

The legal battle that produced the Brown decision was a heroic one. The battle was led by Thurgood Marshall, the brilliant lawyer who headed the NAACP's team of lawyers and who later served with such magnificent distinction himself on the Supreme Court. Justice Marshall was aided by one of the best legal teams ever assembled: William T. Coleman, Jr., who later served brilliantly as Secretary of Transportation; Louis Pollak, Robert Carter, and Constance Baker Mottley, all of whom went on to serve with great distinction on the Federal bench. Two other outstanding lawyers on the team were James Nabrit and Jack Greenberg. Their goal was to abolish the hateful Jim Crow laws that existed throughout much of the Nation, and with Brown and the cases that followed it, they succeeded.

Today is a day to remember one of the greatest triumphs in our judicial history, and to honor the people who turn the dream of justice for millions of our people into a constitutional reality.

A recent article by Patricia J. Williams which appeared in the Nation, which is entitled "Among Moses' Bridge-Builders," describes the history of the decision, and its continuing legacy, in the lives of the Brown children. Although their names will be forever attached to the cause of desegregation, the Browns insist that they not be made into icons, that it is the struggle of all African-Americans that deserve to be remembered and honored. The article is a moving and thoughtful account. I commend it to my colleagues, and I ask unanimous consent that it may be printed in the RECORD.

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

[From the Nation, May 23, 1994]

AMONG MOSES' BRIDGE-BUILDERS

(By Patricia J. Williams)

When The Nation asked me to write an essay on the fortieth anniversary of Brown v. Board of Education, I felt as though I were being called to the grandest project of my career. This is the case, after all, that shaped my life's possibilities, the case that, like a stone monument, stands for just about all the racial struggles with which this country still grapples. When The Nation also suggested that a conversation with the Brown family might be the focal point of such an essay, I actually got nervous. The symbolic significance of the case had definitely made them Icons of the Possible in my mind: Oliver Brown, now deceased, whose name is first in a list of many others and whose name, as a result, became the reference for all subsequent generations of discussion; Leola Brown Montgomery, Oliver Brown's widow; Linda Brown Thompson, the little girl (formerly a teacher for Head Start and now program assistant for the Brown Foundation) on whose behalf Oliver Brown sued; the middle daughter, Terry Brown Tyler; and Cheryl Brown Henderson, the youngest daughter and also an educator.

"Don't make icons of us," was just about the first thing out of Cheryl's mouth, when she finally responded to the gushy messages I left on the answering machine at the Brown Foundation, the organization she founded and heads. But . . . but . . . , I said, distinctly crestfallen.

"It was pure accident that the case bears our name," she continued, with no chance for me to argue about it. "It's just a name, it could have been a lot of people's names. It's not our case. Ask us about the Brown Foundation."

The foundation is an organization dedicated to "setting the record straight," as Cheryl Brown Henderson put it. "I'm afraid that a lot of people believe the lawsuit to be something that happened as a very isolated incident, when in fact there were many, many cases that preceded it. We're talking about public school cases that began back in 1849, and, in Kansas, began in 1881." I knew that, of course—"of course" only because teaching the history of civil rights is a big chunk of what I do for a living. I'm even someone who's always complaining that too often the civil rights movement has been too neatly condensed into a few lionized personalities, rather than understood as a historical stream of events. But still—this was different somehow, this was Brown, after all, and here I was in the presence of Legend Incarnate and, well, inquiring minds do want to know. Of course, I didn't quite put it that way. I just asked them to share the sustained insight and privileged perspective that residing inside the edifice of great moments in social history might bring.

"Our family came to Kansas for the railroad in 1923," said Mrs. Leola Brown patiently, apparently quite used to cutting through the exuberent excesses of questions with no borders, never mind answers. "A lot of the early African-American and Hispanic residents of Topeka came for employment purposes. The headquarters of the Santa Fe railroad were here. There were decent wages and you could be part of a union and have job security, those sorts of things."

"When did you join the N.A.A.C.P.?" I pressed, longing for detail about what, at odd

moments, I caught myself thinking of as "our" story. "Were there any significant events in your life that precipitated your involvement in the case against the school board?"

"We joined for no specific incident. It was in 1948 or '49, something like that. There was nothing specific. It was everything. We were discriminated against in all phases of life. We couldn't go to the restaurants or the shows, or if we did, we had to sit in a certain place, we had to go through a certain door to get there . . . " she trailed off. "It wasn't only about the schools, you see, it was about all of the things that were against us, all the rejection and neglect, all the things we could not do here."

As Mrs. Leola Brown spoke, describing conditions that affected millions of blacks as well as her family, I understood why her daughters were so insistent on my not making this story into an exceptional one. It was a story that couldn't, shouldn't be made into private property; it was an exemplary story, but far from unique.

My family too joined the N.A.A.C.P. not because of a great event but because of all the ordinary daily grinding little events that made life hard in the aggregate. I knew the back of the bus stories, the peanut gallery stories, the baggage stories, the having to go to the bathroom in the woods stories—the myriad, mundane, nearly invisible yet monumentally important constraints that circumscribed blacks, and not only in the South.

My father, who grew up in Savannah, Georgia, during the 1920s and '30s, remembers not only the inconveniences but the dangers of being black under Jim Crow. "You had to be careful of white people; you got out of the way, or you'd get hurt, immediately. If you saw a white person coming, you got off the sidewalk. Don't make too much noise. Know which side of the street to walk on. You were always conscious of the difference. The big conversation in all 'colored' homes was just that, color. It affected everybody."

"That's exactly why Brown is indeed 'our' story," advised a friend of mine who, being fifteen or so years older than I, was old enough to have worked for N.A.A.C.P causes and gone on enough marches to have worn out many pairs of shoes. "The civil rights movement was all about ordinary people who weren't necessarily on the road to Damascus. If some lent their names, other lent their backs, or their expertise or their lives. It was life-threatening work after all, so nobody did it to get their name up in lights; you did it because there was no alternative. Neither fame nor anonymity existed as issues per se—that's come later, as the country seems to have sorted out who it going to remember and what it will forget. It was about group survival. You were always thinking about what would make it better for the children."

I pressed the Browns about this centrality of segregation in people's lives. Segregation affected most aspects of daily life, they explained, but they noted that the situation in Kansas was not exactly like what was going on in many Southern states. The neighborhood in which the Browns lived, for example, was fully integrated at the time the suit was initiated, and unlike many children even today, Linda Brown, in the wake of the case, was able to finish her education at integrated schools. The Browns describe most of the neighborhoods in Topeka as having been pretty stable over time—although the Browns' old neighborhood and the all-white school that was the object of the suit no longer exist. "The highway has come through." Although Topeka did undergo some of the divisive and segregating effects of urban renewal programs, the Browns say Topeka did not undergo major upheavals during the 1960s, as did most Northern cities where white flight changed "urban centers" into "inner cities" overnight.

How, I asked, does one reconcile the racism that produced the rigid school segregation in Topeka yet permitted people to live side by side? "You have to understand Kansas history," said Cheryl Brown Henderson. "The ear that won the state the name of 'Bleeding Kansas' was born out of the battle about whether it would be a slave state or not. . . . When Kansas became a free state, it became a kind of promised land for people of African descent. They started moving in great numbers westward, and out of the South." She described the struggle to integrate schools as well over a hundred years old, typified by such compromises as when "the Kansas legislature in the 1870's enacted a law saying that if you were a community of a certain size, you could have segregated schools, but if you were a small community, and it was not economically feasible to have a school for, say, three children—then you could not segregate on the basis of race. This has always been a place of great contrasts and contradictions."

Kansas is indeed unique in history, but it is not alone in the peculiarity of its contradictory attitudes about race. Perhaps part of the difficulty in reviewing the years since Brown with anything like a hopeful countenance is that we as a nation have continued to underestimate the complicated and multiple forms of prejudice at work in the United States. Segregation did not necessarily bar all forms of racial mixing; its odd, layered hierarchies of racial attitude were substantially more complicated than that. My grandfather, for example, was a doctor who owned many of the houses in the neighborhood where he lived. "Dad's tenants were white, Irish," says my father. "But I never even thought about where they went to school. We all lived kind of mixed up, but the whole system made you think so separately that to this day I don't know where they went to school." There is an old story that speaks to the profundity of these invisible norms: Three men in the 1930s South set out to go fishing in a small boat. They spent the morning in perfectly congenial and lazy conversation. At lunchtime, they all opened their lunchbuckets and proceeded to eat, but not before the two white men put an oar across the middle of the boat, dividing them from their black companion.

The continuing struggle for racial justice is tied up with the degree to which segregation and the outright denial of black humanity have been naturalized in our civilization. An aunt of mine who is very light-skinned tells of a white woman in her office who had just moved from Mississippi to Massachusetts. "The North is much more racist than the South," she confided to my aunt. "They don't give you any credit at all for having white blood." This unblinking racial ranking is summarized in the thoughts of James Kilpatrick, who stated the case for Southern resistance in a famous and impassioned plea:

For this is what our Northern friends will not comprehend: The South, agreeable as it may be to confessing some of its sins and to bewailing its more manifest wickednesses, simply does not concede that at bottom its basic attitude is "infected" or wrong. On the contrary, the Southerner rebelliously clings to what seems to him the hard core of truth in this whole controversy: Here and now, in his own communities, in the mid-1960s, the Negro race, as a race, plainly is not equal to the white race, as a race; nor, for that matter, in the wider world beyond, by the accepted judgment of ten thousand years, has the Negro race, as a race, ever been the cultural or intellectual equal of the white race, as a race.

This we take to be a plain statement of fact, and if we are not amazed that our Northern antagonists do not accept it as such, we are resentful that they will not even look at the proposition, or hear of it, or inquire into it.

Dealing with the intractability of this sort of twisted social regard is what the years since Brown have been all about. Legal remedy after legal remedy has been challenged on the basis of assertions of not being able to "force" people to get along, that "social equality" (or, these days, "market preference") is just not something that can be legally negotiated. One of the attorneys who worked on the original Brown case, Columbia University School of Law Professor Jack Greenberg, dismissed these arguments concisely: "You have to wonder," he says, "how it is that Plessy v. Ferguson, which made segregation the law for about sixty years, didn't come in for the same kinds of attacks as 'special engineering.'"

Have you been disappointed by the years since 1954? I asked Mrs. Leola Brown Montgomery. Of course, she said. And then added, "But I don't think that anybody anticipated the country's response. The attorneys, the parents, we didn't really understand the insidious nature of discrimination and to what lengths people would go to not share educational resources: leaving neighborhoods en masse because African-American children could now go to the school in your neighborhood. Not offering the same kinds of programs, or offering a lesser educational program in the same school—I don't think anybody anticipated what we've ended up with * * * But we're currently still in the midst of the country's response, in my opinion."

Duke University School of Law Professor Jerome Culp has observed that the litigators and activists who worked on Brown in the early 1950s assumed at least three things that have not come to pass: (1) that good liberals would stand by their commitments to black equality through the hard times; (2) that blacks and whites could come to some kind of agreement about what was fair and just—that there was a neutral, agreed-upon position we could aspire to; (3) that if you just had enough faith, that if you just wished racism away hard enough, it would disappear.

"Growing up," says my father, "we thought we knew exactly what integration meant. We would all go to school together; it meant the city would spend the same money on you that it did on the white students. We blacks wouldn't be in some cold isolated school that overlooked the railroad yards; we wouldn't have to get the cast-off, ragged books, We didn't think about the inevitability of a fight about whose version of the Civil War would be taught in that utopic integrated classroom."

The Brown decision itself acknowledged the extent to which educational opportunity depended on "intangible considerations" and relied "in large part on 'those qualities which are incapable of objective measurement but which make for greatness.'" Yet shaking the edifice of education in general since 1954 has become vastly more complicated by the influence of television, and the task of learning racial history has been

much confounded by the power of mass media.

"We've become a nation of soundbites," says Cherly Brown Henderson. "That millisecond of time to determine our behavior, whether it's behavior toward another individual, or behavior toward a product we might purchase, or our behavior with regard to what kind of housing or community we want to live in—I really think we allow that millisecond to determine far too much of our lives. When you take something that short and infuse it with a racial stereotype, and no other information is given, the young person looking at that—even the older person who spends most of his time watching television—that's all they know. How can you expect them to believe anything else? They're not going to pick up a book and read any history, do any research, or talk to anybody that may in fact be able to refute the stereotype."

In addition to stereotypes, perhaps the media revolution has exacerbated the very American tendency to romanticize our great moments into nostalgia-fests from which only the extremes of Pollyanna-ish optimism or Malthusian pessimism can be extracted. The Hollywood obsession with individual charismatic personalities diminishes the true heroism of the multiplicity of lives and sacrifices that make for genuine social change. Such portrayals push social movement out of reach, into the mythic—when in fact it emanates from the realm of the solidly and persistently banal. For all the biblical imagery summoned to inspire the will to go on with the civil rights struggle in this country, if the waters have parted at any given moment, perhaps it has been more attributable to all those thousands of busy bridge-builders working hard to keep Moses' back covered—just people, just working and thinking about how it could be different, dreaming big, yet surprised most by the smallest increments, the little things that stun with the realization of the profundity of what has not yet been thought about.

My father muses: "It's funny * * * we talked about race all the time, yet at the same time you never really thought about how it could be different. But after Brown I remember it dawning on me that I could have gone to the University of Georgia. And people began to talk to you a little different.

The white doctor who treated my family in Boston, where I grew up, "used to treat us in such a completely offhand way. But after Brown, he wanted to discuss it with us, he asked questions, what I thought. He wanted my opinion and I suddenly realized that no white person had ever asked what I thought about anything."

Perhaps as people like my father and the doctor have permitted those conversations to become more and more straightforward, the pain of it all, the discomfort, has been accompanied by the shutting down, the mishearing, the turning away from the euphoria of Brown. "It has become unexpectedly, but not unpredictably, hard. The same thing will probably have to happen in South Africa," sighs my father.

When Frederick Douglass described his own escape from slavery as a "theft" of "this head" and "these arms" and "these legs," he employed the master's language of property to create the unforgettable paradox of the "owned" erupting into the category of a speaking subject whose "freedom" simultaneously and inextricably marked him as a "thief." That this disruption of the bounds of normative imagining is variously perceived as dangerous as well as liberatory is a tension that has distinguished racial politics in America from the Civil War to this day. Perhaps the legacy of Brown is as much tied up with this sense of national imagination as with the pure fact of its legal victory; it sparkled in our heads, it fired our vision of what was possible. Legally it set in motion battles over inclusion, participation and reallocation of resources that are very far from resolved. But in a larger sense it committed us to a conversation about race in which all of us must join—particularly in view of a new rising Global Right.

The fact that this conversation has fallen on hard times is no reason to abandon what has been accomplished. The word games by which the civil rights movement has been stymied—in which "inner city" and "underclass" and "suspect profile" are racial code words, in which "integration" means "assimilation as white," in which black culture means "tribalism," in which affirmative action has been made out to be the exact equivalent of quota systems that discriminated against Jews—these are all dimensions of the enormous snarl this nation has been unraveling, in waves of euphoria and despair, since the Emancipation Proclamation.

We remain charged with the task of getting beyond the stage of halting encounters filled with the superficial temptations of those "my maid says blacks are happy" or "whites are devils" moments. If we could press on to an accounting of the devastating legacy of slavery that lives on as a social crisis that needs generations more of us working to repair—if we could just get to the enormity of that unhappy acknowledgment, then that alone might be the paradoxical source of a genuinely revivifying, rather than a false, optimism.

The most eloquent summary of both the simplicity and the complexity of that common task remains W.E.B. Du Bois's essay "On Being Crazy":

After the theatre, I sought the hotel where I had sent my baggage. The clerk scowled.

"What do you want?" he said.

Rest, I said.

"This is a white hotel," he said.

I looked around. Such a color scheme requires a great deal of cleaning, I said, but I don't know that I object.

"We object," said he.

Then why, I began, but he interrupted.

"We don't keep niggers," he said, "we don't want social equality."

Neither do I, I replied gently, I want a bed.

SHANNON WILBANKS

Mr. HOLLINGS. Mr. President, most Members of this body are blessed with a core group of loyal, reliable aides—key staff members who have served with great competence and loyalty for many years. That certainly describes Shannon Wilbanks, who is leaving my staff this week after a decade of tremendously dedicated service to the Senate and to the people of South Carolina.

Mr. President, Shannon proudly displays at her desk a photograph of a 3-year-old girl wearing a "Hollings for Senate" boater hat. That little girl was Shannon Wilbanks. While still in high school, Shannon began working as an intern in my Charleston office. She continued in that capacity while a student at the College of Charleston, later coming on board as a full-time staff member during my 1986 Senate race.

After that election, I prevailed upon Shannon to transfer to my Washington office to work directly with me. As a perfectionist with a penchant for organizing herself and others, she was perfect for the job. Time and time again, I tapped her talents as a writer, as well as her ability to deal with constituents with tact and excellent judgment.

I will never forget the extraordinary job Shannon did in the wake of Hugo in 1989. In the months after the hurricane, she worked out of my Charleston office to help organize assistance to thousands of victims, especially those in her hometown of Summerville, which was particularly hard hit by the storm. Countless people later wrote to me or thanked me personally for the work she did in helping put their lives and homes back together.

Mr. President, Shannon will soon take up new responsibilities with the chamber of commerce in Greenville, SC. She has already put down roots in the Greenville community, where she is active in volunteer efforts of the local junior league. Despite her new venue and new challenges, Shannon will remain very much a member of the extended Hollings family. I appreciate this opportunity to thank her for a job well done, and to wish her every success in the years ahead.

FEMA EMERGENCY FOOD AND SHELTER PROGRAM

Mr. BOND. Mr. President, I state my strong opposition to a proposal in the President's budget for fiscal year 1995 to transfer the administration of the Emergency Food and Shelter Program from the Federal Emergency Management Agency [FEMA] to the Department of Housing and Urban Development [HUD]. For over 10 years, the Emergency Food and Shelter Program has been a very successful program that is exemplified by a partnership between FEMA and 6 highly creditable and effective national nonprofits.

This partnership is responsible for a program that has been able to deliver aid both effectively and efficiently to countless thousands of persons in thousands of communities facing hunger and homelessness. In particular, the Emergency Food and Shelter Program provides assistance to over 10,500 nonprofit and governmental local agencies which provide direct service to homeless and hungry people nationwide. This program has distributed over $1 billion since it began in 1983 and, in many States, is the largest source of Federal assistance available to service providers for homeless people. This program funds food banks, soup kitchens, and shelters as well as purchasing directly food and shelter for the homeless. It also provides emergency home-

lessness prevention services, notably rent or utility assistance, for individuals on the verge of becoming homeless.

What makes this program even more special and unusual is that over 97 percent of the funding goes directly to people needing emergency food and shelter; this means that less than 3 percent of the funding goes to administrative costs.

I urge my colleagues to oppose the transfer of the Emergency Food and Shelter Program from FEMA to HUD. As they say: Don't fix it if it isn't broken. This program isn't broken and it doesn't need fixing. This program does not need to be transferred to HUD; to do so risks the tremendous success of the program.

SENATOR ROBERT DOLE'S COMMENCEMENT SPEECH AT THE CITADEL

Mr. THURMOND. Mr. President, 152 years ago, The Citadel, the Military College of South Carolina, was established in the port city of Charleston. A single gender school of demanding discipline, it has successfully educated thousands of young men in academics and leadership skills. Citadel graduates have become successful leaders in both the public and private sectors, as well as having been involved in every American military conflict since the Mexican War. Thanks to its effective teaching techniques, The Citadel has earned an enviable reputation as one of the best public colleges in the United States, and there is not a better military school anywhere in this Nation than The Citadel.

This past Saturday, my good friend and colleague, Senator ROBERT DOLE, addressed the 1994 graduating class of cadets. Appropriately, Senator DOLE chose as the subject of his speech the challenges of leadership that face our great Nation and the young men who were receiving their diplomas. He reflected upon the words of a great South Carolinian, James F. Byrnes, who said that "* * * the difference between average people and great people can be explained in three words—'and then some.'" Senator DOLE challenged his individuals to seek and accept responsibility, to be good leaders "and then some."

Mr. President, Senator DOLE's remarks were enthusiastically received and he made a magnificent impression on everyone who attended Saturday's ceremonies. I know that I speak for every Member of this body when I say that we are proud of Senator DOLE; he is a brave soldier, a true patriot, a great American, and a true leader.

I ask unanimous consent that a copy of Senator DOLE's remarks be inserted in the RECORD following my remarks.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

AMERICAN LEADERSHIP * * * AND THEN SOME

(By Senator Bob Dole)

Thank you, General Watts. It's a privilege to join the class of 1994, their parents, friends, and all members of the Citadel family.

This is my first visit to this historic institution, although I have long heard about its excellence from a number of sources.

As you know, my colleague, Fritz Hollings, is a proud graduate of The Citadel, and asked me to extend his greetings today.

But, it was the invitation of South Carolina's senior Senator—one of the most respected members of the Senate—Strom Thurmond—that brought me here today. Strom is a Clemson graduate, but he did tell me that he was Governor when the South Carolina legislature established The Citadel on December 20, 1842.

I've learned a great deal from Strom over the years, but one thing he never told me was that Citadel cadets are so knowledgeable about agriculture. I've been to hundreds and hundreds of farms in Kansas, and not one farmer has ever told me that his cows "walk and talk, and are full of chalk."

GENERAL MARK CLARK

Another connection we share is the fact that like countless Citadel men, I, too, looked up to Mark Clark.

As you know, before he became president of The Citadel, General Clark commanded the United States Fifth Army throughout the World War II European campaign. As a young man, I was a member of the 10th Mountain Division of the fifth army. While I never met General Clark, every soldier knew that the man Winston Churchill called "the American Eagle" was firmly in charge.

"AND THEN SOME"

After the war was over, another South Carolinian—James Byrnes—would help to rebuild Europe as President Truman's Secretary of State. And I begin my brief remarks today by quoting this former South Carolina Governor and Senator.

Byrnes said, "the difference between average people and great people can be explained in three words—"and then some." The top people did what was expected—and then some . . . They met their obligations and responsibilities fairly and squarely—and then some. They were good friends—and then some. They could be counted on in an emergency—and then some."

THE DIFFERENCE BETWEEN AVERAGE NATIONS AND GREAT NATIONS

I believe the words "and then some" could also be used to describe the difference between average nations and great nations. The top nations do what is expected—and then some. They meet their obligations and responsibilities, fairly and squarely—and then some. They are good friends—and then some. They can be counted on in an emergency—and then some.

Perhaps the supreme example of this type of leadership occurred nearly 50 years ago on the beaches of Normandy—D-Day. And along with Senator Thurmond—who is a D-Day veteran—I will be part of a Congressional delegation traveling to Europe next month for ceremonies honoring the 50th anniversary of D-Day.

A HALF CENTURY OF AMERICAN LEADERSHIP

D-Day marked more than the beginning of the end of World War II. It also marked the beginning of what has been—under Republican and Democrat presidents alike—a half-century of American leadership.

It was American leadership that rebuilt Europe after World War II.

It was American leadership that stood for freedom in places like Korea and Vietnam.

It was American leadership that stood guard in Europe and around the world throughout the long Cold War.

It was American leadership that has kept alive any hope for a lasting peace in the Mideast.

It was American leadership that kept Saddam Hussein from controlling the world's oil supply.

It was American leadership that has always prodded nations towards the path of freedom for all their citizens.

And throughout its history, Citadel graduates have been part and parcel of the great tradition of American leadership.

THE SACRIFICE OF CITADEL GRADUATES

In fact, fifty years ago, those who sat where you do now knew that they soon might be on their way to Europe or the Pacific—and 277 Citadel men made the ultimate sacrifice for their country.

Over forty years ago, those who sat where you do now knew that they soon might be on their way to Korea—and 31 Citadel men died there for their country.

Twenty years ago, those who sat where you do now knew that they soon might be on their way to Vietnam—and 66 Citadel men have their names inscribed on the walls of the Vietnam Memorial in Washington, D.C., just as they do on the walls to the entrance of Summerall Chapel here at the Citadel.

THE COSTS OF LEADERSHIP

Today, thankfully, there are no wars on the horizon. This is so only because of the willingness of your predecessors to put their lives on the line for freedom . . . only because of a half-century of American leadership.

Has this leadership been expensive? You bet it has—both in terms of lives lost and money spent in battle and in standing guard during the long Cold War.

But has this leadership been worth the cost? Absolutely. The world is a safer, freer, and better place because of American leadership.

THOSE WHO QUESTION AMERICA'S WORLD LEADERSHIP

Today, however, there is talk around meeting tables in Washington, D.C., and kitchen tables across America, that fifty years of leadership is enough.

There are those who think that America must focus on fixing her own problems.

There are those who say that American soldiers should take orders from commanders appointed by the United Nations.

There are those who see America not as the leader of the free world, but just as another member of NATO, with no more or no less responsibility than any other country.

There are those who believe that "and then some" is far, far, too much.

PRESERVING AMERICA'S GLOBAL LEADERSHIP

That same talk and those same voices could also be heard in the days following our victory in World War II. But America's leaders remembered then that they had listened to those voices just twenty years before—in the aftermath of World War I. And they remembered that America checked out of world affairs, retreated into isolationism, and slashed our defense—actions that would be proven foolhardy when a dictator marched across Europe and bombs fell at Pearl Harbor.

America's leaders remembered. And Presidents from Truman to Bush made the tough decisions, and they made sure that America remained the leader of the free world.

Let me share with you some words of the greatest foreign policy President of our time—Richard Nixon.

Just last January, President Nixon said, and I quote—

"Some are tired of leadership," "they say (America) carried that burden long enough. But if we do not provide leadership, who will? The Germans? The Japanese? The Russians? The Chinese? Only the United States has the potential . . . to lead in the era beyond peace. It is a great challenge for a great people."

President Nixon was right.

AMERICAN LEADERSHIP STILL NEEDED

The United States may be at peace, but events in North Korea, Bosnia, and elsewhere remind us that dictators still exist, that aggressors who are not stopped will only grow more brazen and more blood-thirsty, and that leadership—American leadership—is still required. And sometimes, that leadership will mean that Americans will make the supreme sacrifice, as Patrick McKenna, a member of the Citadel class of 1989, did on April 14, during Operation "Provide Comfort" in Iraq.

Is it America's destiny to be the world's policeman? No. There are crimes against humanity and crimes against freedom committed every day in countless countries across the world. And America does not go in, guns blazing, to make it right.

LEADING BY EXAMPLE

Instead, we do what we have always done—and what we did during the long Cold War—we lead by example. We show the world that democracy is not just one method of Government—it is the only method that allows individuals to reach their full potential. And we also lead by using our economic and moral influence to bring about change, as we did in South Africa.

And if we are to lead by example . . . if we are to maintain our credibility as an economic and moral influence, then we must deal with our problems—like the deficit and like crime. And we must remember and teach the values that made America great—values like decency, honesty, and individual responsibility.

MILITARY STRENGTH AND DIPLOMATIC RESOLVE

But let me be clear: leading by example will not always suffice. For military strength and diplomatic resolve is essential to successful leadership. Without them, our example—no matter how meritorious—will be rejected or ignored.

There will be times when America's interests are at stake. . . . When freedom is threatened . . . when, like it or not, we are the only "cop on the beat." And unless we are prepared to stand by while our interests are threatened or destroyed, we must be prepared to lead—in combination with friends and allies if possible, but alone if necessary.

It is hard to imagine the world you would enter today had the attitude that some now advocate prevailed the past half-century. Imagine that D-Day never happened, and that Hitler's armies conquered Europe. Imagine that Khrushchev and not Nixon was the winner of the "Kitchen Debate," and America's children lived under communism, rather than Russia's children living under democracy. Imagine Saddam Hussein in control of the majority of the world's oil supply.

THE FUTURE AND AMERICAN LEADERSHIP

Class of 1994, I don't know what the future holds for you—but I do know that the world cannot afford a future without American leadership.

It is my hope that fifty years from now, some members of this class will travel to Europe to attend the centennial celebration of D-Day.

And I hope you will be able to say then, what we have been able to say for the past fifty years. We are Americans. We are the leaders of the free world. And we will remain so for many years into the future . . . and then some.

COMMENDING PRESIDENT CARTER ON SUCCESSFUL MONITORING OF DEMOCRATIC ELECTIONS IN PANAMA

Mr. PRESSLER. Mr. President, I commend President Jimmy Carter for his role in the successful democratic elections in Panama on May 8, 1994. President Carter led an American delegation of observers to the Panamanian elections for the second time. He also led the U.S. delegation in 1989. Sunday was the first time Panamanians had voted for a President since the 1989 election. That election was annulled by General Noriega when it became obvious his candidate would lose to Guillermo Andara. The United States subsequently sent troops to Panama to restore order and democracy in the wake of Noriega's destruction.

President Carter was among those who denounced the 1989 election as fraudulent. In the recent election, he played an instrumental role in ensuring fair voting procedures. Turnout for the May 8 vote about 78 percent—far better than U.S. Presidential elections. The President-elect is American-educated businessman Ernesto Perez Balladares. President Carter called his election a victory for democracy.

I was fortunate to accompany President Carter as an observer of the Nicaraguan elections in 1990. As Americans, it is our duty as stewards of the greatest democracy in the world to work with those around the world who seek democracy, sometimes in the face of great danger and persecution. President Carter is a shining example of that special American spirit—a commitment to assisting those who seek freedom, justice, and democracy in other parts of the world.

CONCLUSION OF MORNING BUSINESS

Mr. BAUCUS. Mr. President, will the Chair please advise the Senate the regular order.

The PRESIDENT pro tempore. Under the order previously entered, morning business is closed.

SAFE DRINKING WATER ACT AMENDMENTS OF 1994

The PRESIDENT pro tempore. The Senate will resume consideration of S. 2019, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 2019) to reauthorize and amend title XIV of the Public Health Service Act (commonly known as the "Safe Drinking Water Act"), and for other purposes.

The Senate resumed consideration of the bill.

Mr. BAUCUS. Mr. President, this is now the third day that we are on the Safe Drinking Water Act. We began consideration on Friday. We resumed consideration Monday. Under the order that the Senate agreed to, all amendments to the Safe Drinking Water Act must be offered by the close of business tomorrow, Wednesday.

I strongly urge Senators with amendments to take up their amendments now, to bring their amendments over to the floor so that the committee can deal with those amendments. There are a good number of those amendments to which the committee will agree. Some other amendments will take some work. I think then they can be agreed to. Other amendments may not be agreed to, and we would have to debate them, with a vote on those amendments.

I might also say, Mr. President, that tomorrow, it is my understanding—I do not mean to prejudge the leaders' intentions—there will be a Joint Session of Congress to hear the Prime Minister of India. In addition, there might be another period during which the Senate will be unable to conduct business. Just another way of saying, Mr. President, that today is a good day for Senators to bring up amendments. The Senate might be in late tonight, but to avoid being in too late tonight, I urge Senators to bring over their amendments now. It is 10:15; it is the morning; it is daylight. There could not be a more opportune time to bring up amendments, to debate amendments, debate them fully so that the Senate can dispose of them in a most orderly manner.

I again urge Senators to come up now, bring their amendments now, because I just know, we all know from observing, the early bird tends to get the worm. Ten fifteen is not very early, but it is early enough. I hope the Senators do come over and offer their amendments.

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

The PRESIDENT pro tempore. The presence of a quorum having been questioned, the clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. GRASSLEY addressed the Chair.

The PRESIDENT pro tempore. The Senator from Iowa [Mr. GRASSLEY].

Mr. GRASSLEY. Mr. President, I ask unanimous consent to speak as if morning business for 10 minutes.

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

AFTERMATH OF THE BUDGET BATTLE: THE CHICKEN LITTLES WERE WRONG AGAIN

Mr. GRASSLEY. Mr. President, now that the smoke has begun to clear from a recent adoption of the budget resolution in the Congress, I can say as always, when you look back on the RECORD, it allows us to compare what was the rhetoric during that debate and the predictions of that debate against what really happened.

I am thinking in terms of the arguments that were used during the Exon-Grassley debate that, No. 1, the cuts were not specific enough, and that they should be more specific and across the board; and second, if Exon-Grassley were to be adopted, all the cuts would come out of defense.

Mr. President, we are beginning to see that some of the wild comments made by opponents of Exon-Grassley were baseless and unfounded.

I would like to speak to what has happened now since the budget resolution was adopted to prove what I had said during that debate did materialize.

I want to remind my colleagues that the "Chicken Littles" in this town claimed that defense would be slashed and burned under Exon-Grassley. They claimed that 75 to 80 percent of the cuts would come out of defense.

Now, we have had in the meantime the House Appropriations Committee determining its 602(b) allocations. Defense outlays have been reduced by only $500 million. And that is out of a total of more than $3 billion in savings.

Thus, the defense cuts were only 16.5 percent of the total savings, not the 75 to 80 percent that the people in this body said that defense would be cut. It also happens that the House will be much tougher on defense than either the Senate or the conference. That is kind of the historical perspective I get. So the final contribution from defense will likely be much less than the 16 percent already designated by the House in the 602(b) allocations.

The moral of this story, Mr. President, is the same moral that we learned when we read the book "Chicken Little" in grade school: "When Chicken Little squawks, nobody listens."

So, Mr. President, I want to congratulate my colleagues in this body for eventually not heeding the cries of fear and extortion from the big spending machine in this town.

I point this discrepancy out, because it is a discrepancy between rhetoric and reality, for the permanent RECORD, in the hopes that future Congresses similarly will not heed baseless, ill-founded claims.

A second favorite argument of the big spenders is that we must be specific with our cuts during the budget process. How many times did we hear that said on the floor of this body, that Exon-Grassley cuts are across board; they are not specific enough? There were lots of specific cuts that were put in the budget by both the House and the Senate. But they did not show up in the conference report.

For example, the Senate voted 97 to 1 in support of the Gorton amendment to cut funding for the furniture for bureaucrats. How much more specific can you get than that? That money would then be used to fund the Edward Byrne Antidrug Program. In the conference report, the program is funded, but the specific cuts disappeared.

The Senate also voted 93 to 5 to support funding for certain children's health programs, and it was paid for by cutting travel funds for bureaucrats. Again, how much more specific can you get? But again, those specific cuts disappeared in the conference process.

The House included also many specific programs that were to be cut. These included the National Science Foundation, various energy programs, the Coast Guard, and others.

I have scoured this conference report on the budget resolution and I cannot find these specific cuts listed, either.

So the moral of that story is an answer to a riddle: When is a cut not a cut during the budget process? The answer: When it is specific.

The bottom line, it seems to me, Mr. President, is that those arguments, by the people who fought Exon-Grassley, saying that we were not specific enough and that it would all come out of defense, are nothing more than a red herring.

The budget process is set up to be general first and specific later. In the budget process, you determine the size of the pie—that is what Exon-Grassley did. In the appropriations process and the next step, you determine how that pie will be sliced. So do not ever buy the argument that you have to specify where cuts are going to come from during the budget process. There is an old Polynesian saying, and it goes like this:

The block of wood should never dictate to the carver.

Well, the Budget Committee supplies the block of wood; the appropriators do the carving. If we do not shrink the pie first, we will never get our arms around the spending problem. The success of Exon-Grassley this year, modest though it was, is an illustration that this formula can work. Without it, you play right into the hands of the big spenders here in this town.

PRINCE GEORGES COUNTY'S "FEMALE ACHIEVERS" PROGRAM

Mr. GRASSLEY. Mr. President, on another item, an article appeared in the Washington Post on Monday, May 16, discussing a program for at-risk youth that is finding great success in Prince Georges County. The program is called "Female Achievers" and works with middle school girls who come from difficult home lives and deal with challenging issues.

This program is to be commended for its work with at-risk teenagers and for its three ground rules: First, no lying; second, confidentiality among group members; third, communication with parents.

I recently added an amendment to the Goals 2000: Educate America Act giving parents the right to know what nonscholastic activities were taking place in the lives of their children during school hours. I said during the debate on that amendment that I do not oppose activities taking place on school grounds that are nonscholastic, but what I do oppose is those activities taking place behind parents' backs.

The third ground rule of the Female Achievers program addresses this concern. It requires communication with parents. This is the way it should be. Considering the difficulty of the times in which we live, there is a time to address nonscholastic issues in school. I commend the promoters of the Female Achievers program for including communication with parents as one of their three ground rules.

I ask unanimous consent that the article from the Washington Post be printed in the RECORD.

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

[From the Washington Post, May 16, 1994]

THE OTHER HALF OF AT-RISK YOUTH

(By Retha Hill)

Principals and teachers, counselors and relatives regard Teshema Marshall with wonder. At 12 years old, she drank hard liquor, puffed marijuana and knew what the streets of Prince George's County looked like in the wee hours of the morning.

But today, Teshema, 13, is different. And everyone agrees that the change came in Room 111 of Hyattsville Middle School.

That's where the weekly meetings are held for Female Achievers, a group of girls whose short life stories have made grown women cry. Some have been raped. Others go home to mothers addicted to crack cocaine. And some started to abuse drugs and alcohol and became sexually active before the baby fat began melting from their faces.

What they have accomplished through weekly tell-all sessions at the school is remarkable, say teachers, administrators, counselors and parents. By standing and facing the group each Tuesday, and their mothers once a month, the 42 girls are learning to take responsibility for their actions and have formed bonds with each other that Hyattsville administrators say have dramatically decreased suspensions and improved attendance.

"The Female Achievers showed me [drugs and alcohol use] aren't worth it because your friends will lead you all sorts of ways and you've got to do for yourself," Teshema said. "When you realize all the stuff you've got going for you, it is easy to stop."

With their emphasis on self-control and self-respect, the Female Achievers are part of a growing effort in the nation's urban areas to turn the spotlight of help on young girls.

All too often, say educators and community volunteers, girls are the forgotten element in the campaign to save the nation's at-risk youth. while boys are more likely to fall prey to violent crime—homicide is the leading cause of death for young black men, for example—girls are increasingly involved in destructive activity.

"Most of the programs, even with recreation, focus in on boys and saving our generation of young men," said Sheri DeBoe. She is the coordinator of the mayor's Turning Points program, which oversees separate groups that focus on personal responsibility and self-respect for young men and women at seven District junior high schools.

"But when you go the junior high schools and talk to the teachers and counselors, they will tell you the girls are worse than the boys—cursing and fighting." DeBoe said. "Through Turning Points, the [coordinators] are recognizing the fact that our girls are being ignored and are putting together programs that specifically address girls."

Similar efforts are popping up around the country. Denver holds an annual conference for black single mothers and their daughters. There are several church-based organizations in Detroit. The American Association of University Women funds an organization of young women that works on self-esteem issues in Danville, Va. The Montgomery County chapter of the NAACP has begun sessions for girls on violence and sexually transmitted diseases, an outgrowth of highly publicized rape allegations last year involving teenagers in Germantown.

Established organizations such as Delta Sigma Theta, a historically black sorority, and the Girl Scouts of the Nation's Capital are expanding their traditional outreach programs to at-risk girls. The Girl Scouts troop at Carver Terrace Apartments, for example, combines sessions where girls can talk about their lives with activities such as planting trees. In Baltimore, one troop is made up of the daughters of female prison inmates.

ALARMING NUMBERS

All are trying to address the same horrifying statistics on crime, drug abuse and sexual activity. From 1983 to 1993, the number of girls arrested for all crimes increased 25.4 percent, compared with a 15.2 percent rise for adolescent males, the FBI reported. For violent crimes, the increase was 83 percent for girls and 54 percent for boys.

Substance abuse is decreasing among teenagers, according to statistics provided by the National Center for Health Statistics. Nevertheless, 18 percent of girls 12 to 17 years old drink alcohol regularly and 4 percent smoke marijuana.

National teenage pregnancy rates remained stable through the 1980s, but the birth rate increased 23 percent from 1986 to 1990 because the rate of abortions is declining, the Alan Guttmacher Institute reported last year in a comprehensive study of teenage sexual behavior.

Girls struggle with depression and eating disorders and try to commit suicide at a rate that is four to five times that of boys, although boys succeed more often, said Anne Bryant, executive director of the American Association of University Women, which commissioned a highly regarded study on the self-esteem of girls.

Support groups like Female Achievers offer girls an opportunity to talk about sexuality, conflict and competition and problems at home, as well as providing a cheering section for their achievements. The groups also teach girls basic hygiene, proper language and other skills.

Female Achievers began last year with 15 girls after several of them complained to Principal Joseph Lupo and Elsie Jacobs, the secretary in the guidance department, that their needs were being ignored.

Like most schools in Prince George's, Hyattsville has an active Black Male Achievement program, funded by the school system to help black boys perform better in school. There is no corresponding funding for girls' groups. The 30 mentoring groups in the country for girls must compete for grants of $1,000 or less from the school system.

Jacobs agreed to organize the girls after noticing that many were not doing well academically because of a host of other problems, including sexual and physical abuse, neglect from their mothers, and alcohol and drug abuse in the home. Some girls' homes are in such disarray that they depend upon the school for clean clothes and basic supplies such as soap and feminine products, she said. The girls were acting out their problems by fighting and experimenting with drugs and sex.

"It's helped me quite a bit," said Vice Principal Linda Waples, who handles the disciplinary cases at the 750-student school. "By these girls' venting a lot of problems and learning to handle their problems, they are not coming to the [principal's] office."

This year, there have been seven suspensions of Female Achievers, out of 250 for the entire school, Vice Principal Lawrence Leahy said. Average daily attendance is 91 percent for the school and 92 percent for Female Achievers members. While members' grades are still below those of other girls at the school, Leahy said, eight are on the honor roll and the girls are making progress.

The change in the Female Achievers has been so dramatic that Jacobs is frequently approached by teachers and administrators to allow other troubled young women to join. There are 100 black, white and Latino girls—nearly a fourth of the female population at the school—on the waiting list.

Jacobs has no formal training as a facilitator. Relying on her experience as the mother of six girls and two boys and the former wife of an alcoholic, she set the ground rules: No lying. Confidentiality among group members. Communication with parents.

"I'm a strong female," Jacobs said, "but some of these things these kids have to deal with, in my greatest imagination I couldn't begin to deal with." She often fields calls at night or on the weekends about "her girls," some as young as 12, who have stayed out all night, fought with their mothers or come home high.

"We have to accept that this age group has sex, they do drugs," she said. "Once we accept it . . . then you start working on things that can change it."

There is a motto, of sorts, in the Female Achievers: If you are grown enough to do it, you shouldn't be ashamed to talk about it.

Each Tuesday morning session begins with some housekeeping business from Jacobs. Then she will call on a girl to stand and tell about her latest indiscretion or achievement.

A PLACE TO CONFESS

On one Tuesday, a 14-year-old was called to her feet by Jacobs. In a barely audible whisper, she admitted staying out all night the previous Saturday. She told about going out with a 16-year-old, then having sex with him, which she said she did not enjoy but did to keep peace with her "friend."

Her story was greeted with gasps. Several girls rose to remind her of her reputation and the dangers of AIDS and pregnancy.

Afterward, the girl said she realized that she was wrong and that she had worried her mother, who had called police. She said she didn't mind discussing what she had done with the other Female Achievers. "I have somebody to talk to," she said. "They've got the same problems I have."

At another Tuesday session, a girl was abruptly asked by Jacobs whether she was doing drugs. "Wh-why," the girl stammered, then unsuccessfully tried to suppress giggles. She had come into the meeting late, walking slowly and unsteadily.

"Because you are acting like someone who is high." Jacobs said. The girl stopped grinning. She started to protest, then was quiet.

There are girls in the group who slip. But there are many more who are thriving and now have the language to talk to their parents about the issues that are bothering them. It was at a Female Achievers meeting that Nyah Farrar, 13, told her mother that her mother's drinking was killing her, that she had missed four weeks of school last year because she was worried her mother would get drunk and hurt herself.

"We came to the first meeting and she said in front of everyone that I was drinking and she wanted me to stop," said Terra Farrar, who said she began drinking after losing her job and is a recovering alcoholic. "At first. [I felt] shame. It lasted about 30 seconds. Then I was proud that she was strong enough to do it." This year, Nyah has missed only four days and is on the honor roll.

The monthly Saturday meetings are held at the Seat Pleasant Police Department, in a neighborhood where many of the girls live. Law enforcement officials talk about the laws on statutory rape, drug use, child abuse and neglect. Occasionally, a counselor will come to encourage families that need it to get help. The meetings are usually overflowing with mothers, aunts and grandmothers.

Teshema and her mother, Renee Ramey, have been in counseling. But it wasn't until Teshema joined the Female Achievers that the two really began to talk. Ramey said her daughter rarely strays far from home now and is more conscientious about her studies. Ramey recalled the daughter who used to stay out all night and twice tried to commit suicide.

"Teshema had just given up," said Ramey, a secretary, who blamed the abusive relationship she was in for a lot of her daughter's problems. "Her attitude was, 'I'm just determined to go down this wrong road.' She's made a 360-degree turnaround. Now we talk. We have a 100 percent better relationship."

Mr. GRASSLEY. Mr. President, I yield the floor.

SAFE DRINKING WATER ACT AMENDMENTS OF 1994

The Senate continued with the consideration of the bill.

Mr. EXON addressed the Chair.

The PRESIDENT pro tempore. The Senator from Nebraska [Mr. EXON] is recognized.

Mr. EXON. Mr. President, will the Chair kindly advise me on the present matter before the Senate?

The PRESIDENT pro tempore. What is the Senator's question?

Mr. EXON. Mr. President, I would like to ask for the regular order, and I would like to make some comments with regard to the Safe Drinking Water Act and the amendments thereto.

The PRESIDENT pro tempore. The Senate is considering the Safe Drinking Water Act, and the Senator is recognized.

Mr. EXON. Mr. President, I rise to encourage support for the managers' compromise amendments to the Safe Drinking Water Act legislation. I also commend Senators BAUCUS and CHAFEE, as well as their staffs, for working out with a group of us to put the amendment before us that I think will allow the passage of this important measure. It has taken months of painstaking negotiations and considerable effort to reach this point, and I believe our negotiations have resulted in a good product.

The absolute necessity of reforming the Safe Drinking Water Act has been clear to me for some time. I can hardly convey to my colleagues the depths of frustration held by State and local officials whose job it is to comply with the existing law. By far, the vast majority of those folks want to provide clean, safe drinking water and feel overwhelmed by a regulatory framework that simply does not make sense in the real world.

The amendment before us meets the essential requirements for reform that I have held for some time: that the new law must help small communities; that the Environmental Protection Agency must be required to base its regulations on science instead of fear; that we absolutely have to get rid of the arbitrary standard setting requirements; and, finally, that we do this in a way that reduces costs while maintaining public health and public safety.

I have listened to our Governor and other State and local officials for months on this subject. Finally, through long, hard negotiations, we can say to them that we have heard their legitimate concerns and have acted upon them. I am pleased and proud to have played a part in bringing a commonsense solution back to them and to the Senate.

It has been a difficult balancing act. I suspect that there are interests on both sides of this issue that wish they had gotten more, but, in the end, I believe this represents a fair and a workable solution that ought to be embraced by all.

Although I am confident this measure will receive the support of the Senate, I remain uncertain about our prospects when the bill is in conference with the House of Representatives. Obviously, the House has not yet acted on a bill, and it would be premature to prejudge the situation at this point. I simply point out to my colleagues that I believe it is incumbent upon us to follow this legislation closely and ensure that the final package we send to the President meets the criteria that I have outlined above. We ought not wash our hands of this legislation once we pass a bill in the Senate.

With regard to the conference with the House, I also want to raise the issue of what we can do to compromise without giving up the essentials that I think are tremendously important that we worked out on the Senate bill.

Mr. President, I, once again, salute the two leaders of this bill who have gone through painstaking efforts to make sure that we have a bill not only that is workable but a bill that can pass the Senate. To them, I say thank you for listening, thank you for caring, and thank you for providing the leadership to get this job done.

Mr. President, I yield the floor.

Mr. BAUCUS. Mr. President, I take my hat off to the Senator from Nebraska. He has worked long and hard with the committee to make this a better bill. I have had many discussions with the Senator from Nebraska in the last couple of months, as with his colleague, Senator KERREY from Nebraska. It is no idle statement, Mr. President, to say very clearly that this is a better bill because of the work of the Senator from Nebraska.

The two areas that he particularly focused on were viability—that is, the bill is now modified pursuant to amendment by the Nebraska delegation, frankly, so that States can now set up voluntary viability procedures. States, at their own discretion, would have the power to set up a process to help encourage very small water systems to combine, consolidate, and to share administrative expenses, and so forth, so that they are in the nature of a larger system rather than a smaller system.

Second, the Senator has helped to improve the bill with respect to monitoring the flexibility; that is, enabling States to have their own State monitoring system more easily so that States can better take advantage of the provision of the bill to have different monitoring standards, thereby lowering the costs to small systems.

That is no idle matter, Mr. President. The State of Michigan, for example, now spends about 10 to 12 percent on monitoring—the small systems in the State of Michigan—because Michigan still has its own State monitoring program, compared to what small systems would otherwise have to spend if the State did not have its own flexible monitoring program. The Senator from Nebraska has come a long way to improve the bill so that States can more easily set up their own State monitoring systems so that small communities would not have to monitor as much as they otherwise would.

We are not sacrificing public health here, Mr. President, because, currently, often a small community would have to monitor for a contaminant, even though the contaminant is not found.

That does not make much sense. So we are providing generally that where a contaminant is not found then a small system or a large system need not monitor looking for that contaminant for 3 years before it must then check again to see whether the contaminant is there or not. Previously a system would have to monitor one quarter of each of 3 years, which was essentially an annual requirement.

Again, I thank my colleague from Nebraska and appreciate the work he has done.

The PRESIDENT pro tempore. The Senator from Nebraska.

Mr. EXON. Mr. President, I thank my good friend and colleague, the very able and talented chairman of the committee, for his kind remarks. Once again I salute him and his counterpart from Rhode Island for charting us a course through some very troubled water to the end product that I think will be a good one.

Once again, there were a lot of us who had some major concerns in this area. We were listened to. They heard us and they have acted.

Again I hope that the Senate will support this version of the important legislation and we can get on with making sure that we do have indeed safe drinking water for all Americans.

I thank the Chair and I yield the floor.

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

The PRESIDENT pro tempore. The absence of a quorum has been suggested. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

AMENDMENT NO. 1711

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

The PRESIDENT pro tempore. The clerk will state the amendment.

The legislative clerk read as follows:

The Senator from Arizona [Mr. DECONCINI] proposes an amendment numbered 1711.

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

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

The amendment is as follows:

At the appropriate place, insert the following new section:

SEC. . SEWAGE TREATMENT ALONG THE UNITED STATES-MEXICO BORDER.

(a) DEFINITIONS.—As used in this section:

(1) ADMINISTRATOR.—The term "Administrator" means the Administrator of the Environmental Protection Agency.

(2) BORDER STATE.—The term "border State" means each of the following States:

(A) Arizona.

(B) California.
(C) New Mexico.
(D) Texas.

(3) COMMISSION.—The term "Commission" means the International Boundary and Water Commission, or a successor agency of the International Boundary and Water Commission.

(4) COMMISSIONER.—The term "Commissioner" means the United States Commissioner of the International Boundary and Water Commission, or the head of a successor agency of the International Boundary and Water Commission.

(5) CONSTRUCTION.—The term "construction" has the meaning provided the term under section 212(1) of the Federal Water Pollution Control Act (33 U.S.C. 1292(1)).

(6) TREATMENT WORKS.—The term "treatment works" has the meaning provided the term under section 212(2) of the Federal Water Pollution Control Act (33 U.S.C. 1292(2)).

(7) BORDER AREA.—The term "border area" has the meaning provided the term under Article 4 of the Agreement Between The United States Of America And The United Mexican States On Cooperation For The Protection And Improvement Of The Environment In The Border Area (signed August 14, 1983, commonly known as the "La Paz Agreement").

(b) CONSTRUCTION ASSISTANCE.—

(1) IN GENERAL.—Notwithstanding any other provision of law, the Administrator is authorized to—

(A) transfer funds—

(i) to the Secretary of State, who shall transfer the funds to the Commissioner for use by the head of the United States Section of the Commission to carry out an eligible project described in paragraph (2); or

(ii) To the head of any other Federal agency to carry out an eligible project described in paragraph (2); and

(B) make a grant—

(i) to an appropriate entity designated by the President; or

(ii) to a border State;

to pay for the Federal share of the cost of carrying out an eligible project described in paragraph (2).

(2) ELIGIBLE PROJECT.—An eligible project described in this paragraph is a project for the construction of—

(A) a treatment works to protect the public health, environment, and water quality from pollution resulting from inadequacies or breakdowns in treatment works and water systems from Mexican wastewater affecting United States waters or water and sewage systems; and

(B) a treatment works to provide treatment of municipal sewage and industrial waste in the United States-Mexico border area for treatment of high priority international wastewater pollution problems;

constructed under appropriate standards under the laws of the United States and Mexico and under applicable treaties and international agreements.

(3) FEDERAL SHARE.—The Federal share of the cost of carrying out an eligible project that is the subject of a transfer or grant under paragraph (1) shall be 100 percent.

(c) AUTHORIZATION OF APPROPRIATIONS.—

(1) AVAILABLE FUNDS.—The Administrator is authorized to use such funds as made available to the Environmental Protection Agency under the heading "WATER INFRASTRUCTURE/STATE REVOLVING FUNDS" under the heading "ENVIRONMENTAL PROTECTION AGENCY" in title III of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1994 (Public Law 103-124; 107 Stat. 1294), as is necessary to carry out this section.

(2) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Environmental Protection Agency to carry out this section such sums as may be necessary for fiscal year 1995, and for each fiscal year thereafter.

Mr. DECONCINI. Mr. President, I thank and indeed compliment the Senator from Montana for his effort in bringing this bill to the floor, as well as his work on other environmental bills such as the Superfund and other issues before us in a very busy period for this Congress.

The Safe Drinking Water Act is a very, very important piece of legislation that is needed in this country for the good health and the quality of life of Americans. It is really something that we have to address and continue to address.

The Senator from Montana and the Senator from Rhode Island have been the leaders in this environmental effort for some time, and I think it is only appropriate that we are here to vote to pass this legislation.

Mr. President, the amendment that I have just sent to the desk would merely authorize the Administrator of the Environmental Protection Agency to transfer funds to the Secretary of State, appropriate Federal agency heads and other appropriate entities for waste water treatment projects to protect public health, the environment, and the water quality along the United States-Mexico border.

We on the southwest border are really plagued with problems created by our neighbors to the south because of the immense population growth in that whole country, but in particular, the growth along Mexico's northern borders. It has a lot to do with pre-NAFTA discussions, with the different economic programs and job stimulation in the Maquiladoras that have brought an immense migration to the northern states of Mexico because of their proximity to the United States. As a result, we have an environmental disaster on our hands. I will discuss just one that happens to be in my State in a few minutes.

Why wastewater treatment on the Safe Drinking Water Act? Well, it is a good question but there is a good answer. In some areas on our border, we have exposed raw sewage flowing through a community in what we call washes or dry river beds, in Arizona most of the year there is no water in these washes except this sewage coming from Mexico into Arizona. The same is true for parts of Texas, New Mexico, and California where the geography of streams flows north instead of to the south as is normal in other parts of the country. And that is precisely the situation we have in Nogales, AZ.

You have this sewage coming through a community, creating an immediate health problem of having to treat that sewage or leaving residents exposed to untreated waste containing toxic chemicals. It seeps into the ground and you have it contaminating the aquifer and the ground water.

Nogales, AZ, gets its drinking water from ground water. As a matter of fact, the community that I am from, Tucson, AZ, a community of almost 400,000 people, until recently got all of its water from ground water.

Thanks to the creation of the Central Arizona Project, Tucson now does not rely solely on ground water. The President pro tempore was on the Appropriations Committee when the then President pro tempore and chairman of the Appropriations Committee, Carl Hayden, was able to usher through the authorization of the CAP. That bill created a system of transportation of water from the Colorado River to the central part of Arizona. Morris Udall and others of us have since then been able to transfer a small portion, about 100,000 acre feet, to Tucson for drinking water purposes.

This is not for irrigation. This is so our community can continue to survive, because, with the overdraft of ground water—and even with the conservation efforts that have been put in, we are still overdrafting—this is going to save that particular community and be a part of its water supply.

Along our border—we do not have transported or imported water—we are faced with a catastrophe because we do not have safe drinking water.

This amendment is extremely critical to protect the public health—and that is what safe drinking water is all about—and the environment of my State of Arizona. And to all of the Southwest border States. It is critical, because it applies to all of them. It does not single out my State or the community I am going to talk about.

Many of my colleagues who do not hail from border States may be unable to comprehend the extent of the pollution threat to the health and the welfare of thousands of residents in this country. It is difficult even for me—and I have visited these communities countless times—to see the sickness that is there. These are American citizens who work in our country, who serve in the military, who are participants in our full society and vote here. They are sick and they are sick because of unsafe drinking water and other environmental problems that affect them. And most of it, almost all of it, comes from our neighbors to the south—Mexico—who do not have the capacity to do anything about it.

Now, I say that because they really do not have the capacity. But, in fairness to this administration in Mexico, there is an effort for the first time to actually appropriate some moneys for infrastructure along the border. President Salinas has succeeded in getting

the Congress in Mexico to appropriate $400 million for a 4- or 5-year period of time to expand infrastructure along the whole border, from Brownsville, TX, to San Diego, CA. That is over 2,000 miles, and that is not that much money when you think about the area to be covered and if you have been down there and seen the problem.

It is beyond dispute that the conditions in many border communities are deplorable and absolutely demand responsible action by this Government of the United States. Rectifying the dangerous pollution problems on our border should be, I think, one of our highest priorities. And I am sad to say, Mr. President, it is going to only get worse as NAFTA continues to expand and brings about trade that will grow at a very rapid rate.

Rectifying the dangerous pollution problems on our border, I think, has to be a high priority. We cannot just ignore it or dwell on water systems all within the inner part of this country. It is unconscionable that residents of this country reside in the breeding grounds for disease that are found on the Southwest border part of our Nation.

In my State, Nogales, AZ, is a community in desperate need of some Federal assistance to meet its water problem.

I implore my colleagues to listen and give some concern about the citizens of this country, not just of Arizona, New Mexico, Texas and California, but citizens of this country who need some special attention.

This is not a pork barrel project. This is not an itemized issue for Nogales, AZ. It only permits the transfer of funds to the State Department and other appropriate Federal agencies or border States so that they can be used for wastewater treatment to remedy this threat to the environment and public health.

Nogales is located immediately downhill and downstream from Nogales, Sonora, Mexico. Sonora is the northern state in Mexico that borders Arizona.

As you can see on this map, this is Nogales, Sonora, a city. This is the State of Sonora.

Nogales, Sonora, has a population—and it is difficult to determine—between 250,000 and 300,000 people. Nogales, AZ, has a population of somewhere between 30,000 and 35,000, depending on the tourist season. A lot of people live there a part of the year, but it is a very small community.

As you can see, the Santa Cruz River runs through the city. You see Morley Avenue that runs through the city and you see Nogales Wash. Nogales Wash is where the problem is. If the raw sewage was dumped into the river, it would also be a problem, because this wash and this river flow north from Mexico into the United States into the State of Arizona.

Until recently, raw sewage from the Mexican community flowed unmitigated into the Nogales Wash, and even the streets of the city of Nogales, AZ.

Since then, with the expansion of the Nogales International Wastewater Treatment Plant, there has been some effort to attempt to treat some of the sewage that comes through there.

In February 1994, an article appearing in the Arizona Republic described the Nogales Wash as "an open drainage ditch that carries industrial runoff and sewage right through downtown of both cities. Chlorine added round the clock since 1990 kills most of the fecal bacteria, but the water still contains a volatile mix of chemical solvents and petroleum products. In May 1991, theh was caught fire."

Why does this happen? Well, the tremendous growth on the Mexican side of the border, the increase of industrial capacity there, and the inability and inadequacy of any kind of a treatment plant causes this waste to be dumped into the wash on the Mexican side and, gravity being what it is, it flows into my beautiful State.

Chlorine is added to the water right here near the border as this flows there this very day, and it is done around the clock since 1990 in order to kill most of the fecal bacteria. But the water, after those bacteria are killed, still contains a very volatile mix of chemical solvents and petroleum products. In May of 1991, just a couple of years ago, it actually caught fire here after it had been treated by chlorine. As you know, chlorine is nonflammable, but it was the chemicals that were still in there that burned. These are horrible conditions for any State or city to have to tolerate.

The existing treatment facility was designed to satisfy the treatment needs of both Nogales, AZ, and Nogales, Sonora. That was constructed recently, and it was supposed to be for a 20-year period of time. Unfortunately the growth in Nogales, Sonora—the Mexican side—has been so great that it is going to reach its peak sometime this year, in 1994.

For a number of reasons, including the population explosion in Nogales, Sonora, the plant is just incapable of coping with all of this particular waste that is coming to it through Mexico. It is at 75 percent or more of its capacity today and will be, by next year, over capacity. It will be at 100 percent, and exceeding that.

Thus, one of Arizona's fastest growing border communities is going to be penalized because of the problems beyond its control, across the border—something that is an international problem that has to be dealt with. This is particularly disturbing with the ongoing implementation of NAFTA, because this is only going to get worse in the sense that we are going to have more economic thrust toward the border States, and we are going to have a bigger problem than we do today.

Right now there is a cancer cluster in Nogales, AZ. The specific cause is at this time is unknown, but there have been a lot of studies about it, and evidence points to chemical and heavy metal contaminants used in Mexican factories that flow down Nogales Wash from Mexico into Arizona. And the problem with safe drinking water, or unsafe drinking water in Arizona, is Mexico does not pretreat its industrial waste and the existing facility is unable to handle the amount of inflow that is coming in. Citizens of Nogales are facing a cancer epidemic.

A study by the University of Arizona Cancer Center, which is a renowned cancer center at the university's medical school, found that Nogales has 4.8 times the expected average of myeloma cases, that is cancer; 1.6 times the average of leukemia cancer; and 4.5 times the average of lupus cases. The highest rate of lupus in the world is in my State, in this small community of Nogales, in the United States—Nogales, AZ.

If you live there, because of the environment and the lack of good water supply, your chance is 4.5 times greater of getting cancer, myeloma, or lupus. Researchers do not yet know what causes the lupus, but one of the causes, it is believed, is the toxic chemicals in the water in that community.

As you can see from this very telling graph that I have here on my left, which ran in the Arizona Republic—State's largest newspaper—the residents of Nogales have dubbed one street in particular Cancer Street. That is what they call this street today. Carrillo Street, the name it was given when it was subdivided—now Cancer Street—borders the Nogales Wash where the water flows untreated, full of chemicals. It has at times actually, in times of heavy rain, overflowed into the subdivision when there has been some flooding.

I believe this chart tells the tragic story about conditions in the United States. This is not a Third World country I am talking about. This is America. In the 18 houses on Cancer Street—these are the people who live here, these are real people, these are American citizens who are dying—there are 14 cancer cases—8 are surviving and 6 are dead. This is one street, one small street in a quickly-growing border area.

I have an article from the Arizona Republic entitled "Warning Voices from Nogales," about Jim Teyechea. Jim Teyechea used to live on this street and he is a victim of a rare form of bone marrow cancer.

Over the last couple years Mr. Teyechea helped form a group in Nogales, AZ, called LIFE—that acronym is Life Is For Everyone—to protect, inform and educate the country

about toxic pollution problems near Cancer Street and the failure of that community to have good, safe drinking water.

Mr. Teyechea has brought attention to this problem. Hopefully his efforts will help produce a solution.

Mr. Teyechea will not benefit from any efforts that our Government might make if this amendment is accepted and put on this bill and implemented into law. Mr. Teyechea is not going to benefit from it—he recently died of his disease at the age of 44—but we have the opportunity now to reduce the chances for future "Cancer Streets" in Nogales and across the Southwest border.

I could continue citing case after case, not only of cancer but of abnormally high numbers of children in this area being born with birth defects and life-threatening problems. They are horrible cases and horrifying statistics.

Some may say yes, but there are other environmental problems—and there are. We have air problems in Nogales, AZ, and we have mines on the Mexican side that on occasion will blow harmful substances in this direction. Usually they blow northeast, but there is a mine east of the city that sometimes blows over the border. We have fugitive dust, we have burning garbage dumps, as is shown right here on the map. The Nogales, Sonora city dump was on fire just last week in Mexico releasing toxic smoke.

This Senator called the Ambassador from Mexico to the United States, Mr. Montaña. I thank him publicly for intervening to get that fire put out.

Last year we had a fire there that was emitting a very toxic smoke into the United States right on top of these people. Those problems aside, these people do not have a reliable, safe water system. Part of it is because the sewage seeps into the ground, into the water system, and thereby contaminates it.

I know the situation is no better in communities along the border all the way from California to Texas. There is no conclusive evidence yet, but all indications point to pollution of the border environment as the cause of these cancers, including contaminants in the water that people drink.

The administration has recognized the conditions and has taken some action to alleviate them. I thank the Administrator of the EPA, and actually this administration, for paying attention to Americans' problems, real human problems such as those in Nogales.

In fiscal year 1994 the VA/HUD appropriations subcommittee agreed to set aside $500 million for hardship communities, including those on the United States-Mexican border. Pending authorization of those projections, Nogales, AZ is listed as one of those projects for which the administration has requested funds.

So I thank Senator MIKULSKI and Senator GRAMM for their recognition of the need for action. In the 1994 appropriations bill that we are living with today, there is $500 million for hardship communities. If it was not for the leadership of the Senate appropriators, this money would not have been there, but it has not been spent. It is sitting there waiting to be spent. But the timeframe for availability of these funds is limited. Authorization is essential. That is what this amendment is all about. Nothing more. I hope that my colleagues will see fit to approve this amendment.

Let me just summarize the amendment, Mr. President. This authorizes appropriations that are already there in fiscal year 1994 and for the future. In 1994, we are talking about part of a $500 million appropriation to build wastewater treatment facilities on the United States-Mexican border to deal with the problem of international pollution. It does not include the colonias on the United States-Mexican border. I know the distinguished chairman is a strong supporter of that program and wants to keep that off this bill. But it would apply to other border communities whose environment and public health are endangered by pollution from Mexico.

It authorizes the Administrator of the EPA to transfer funds to the Secretary of State for the Commissioner of the International Boundary Water Commission, or any other Federal agency, or make a grant to an appropriate entity designated by the President or a border State, for that matter, to carry out these projects if they are eligible, such as the construction of treatment works to protect public health and environment and water quality from international pollution from Mexico.

It says the names of the border States. It says the term "border State" means the following States: Arizona, California, New Mexico, and Texas. It does not name Nogales, AZ, or Brownsville, TX, or Tijuana, Mexico, or San Diego. It just says these States.

There is no guarantee that Nogales will get funding, but here we have the money, I know the distinguished chairman would like to keep amendments off this bill that he feels can better go on other legislation. But we are under a time constraint. I have worked with the chairman for some time, and he has been very helpful and sympathetic in trying to get some assistance here.

But now I am confronted with the problem that I do not know where to go, but I come to my colleagues and ask them to put themselves in the shoes of the people who live on Cancer Street and to ask them if they would support an amendment that merely authorizes the EPA to transfer funds to the International Border Commission so that they can, if they elect to do so—and in this case, Nogales has been recommended by the administration in their budget—start the process of constructing adequate wastewater treatment facilities so that we could stop Cancer Street, so that the people of Arizona, particularly Nogales, would have an opportunity to live and drink as clean water as I do, living in the State of Maryland.

I thank the Chair, and I hope the committee will accept this amendment.

Mr. President, I ask unanimous consent that the article in the Arizona Republic, to which I referred, be printed in the RECORD.

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

[From the Arizona Republic, Feb. 27, 1994]

WARNING VOICES FROM NOGALES

(By Miriam Davidson)

NOGALES, AZ.—"This is not 'Cancer Street.'"

Jim Teyechea leaned on his cane and looked up and down the quiet Nogales side street where he lives.

"This is Carrillo Street," he insisted. "This is where I grew up."

Teyechea doesn't like the infamous nickname, but he admits there's a lot of cancer on Carrillo Street, where he has counted at least one case of cancer in each of half the houses.

Teyechea himself suffers from a rare form of bone-marrow cancer that usually strikes the elderly. He's 44.

In the four years since he was diagnosed, Teyechea has lost his six-figure job as a produce broker, gotten divorced and moved back home with his parents on Carrillo Street.

He has undergone painful chemo-therapy, radiation treatments and a bone-marrow transplant and now walks only with difficulty.

But he has survived far longer than doctors predicted he would. He said this is because he has found his purpose.

Teyechea believes contaminated air and water from across the border have poisoned him, his neighbors and dozens of others in Nogales. He has dedicated the rest of his life to telling the world what's happening in this city of 20,000, and to trying to stop the pollution coming from its sister city of 200,000 in Mexico.

Teyechea and the 40 or so other members of a group he has formed called LIFE—Living is For Everyone—have spent 1½ years collecting information, educating and protesting.

It has worked. In December, after the University of Arizona in Tucson found higher-than-expected rates of cancer and other diseases in Nogales, Gov. Fife Symington and Republican Sen. John McCain visited Teyechea.

The politicians came to Carrillo Street with a promise of at least $100,000 to study the situation. The Environmental Protection Agency also pledged more than $400,000 for studies of air and water.

Disease and pollution rates in this city are alarming. The UA's preliminary studies found leukemia occurring at almost twice the expected rate, and lupus and multiple myeloma, the cancer Teyechea has, occurring at nearly five times the expected rates.

If the incidence of lupus—an immune-system disorder that strikes mostly women—is

confirmed, UA scientists say it will be the highest rate ever found.

EVERYBODY WANTS ANSWERS

Tim Flood of the State Department of Health Services said the higher-than-expected disease rates found by the UA in Nogales have yet to be confirmed. He said his figures show the death rate from cancer there is 23 percent, the same as for the rest of Arizona.

"Everybody wants answers, but we need to know what it is we're dealing with here," Flood said.

LIFE members aren't satisfied with the state's response.

"They're just throwing money at us to make us shut up," said Susan Ramirez, whose 8-year-old daughter has leukemia.

"We've been studied to death. We want action."

LIFE members suspect the UA studies will not pinpoint an environmental cause for residents' illnesses and will only serve to justify further inaction by government and industry.

UA scientists conducting the cancer study concede it probably won't find a definite link between diseases and pollution in Nogales.

But UA researcher Joel Meister emphasized, "Environmental cleanup should not depend on certain scientific outcomes. It should have started a long time ago."

LIFE's crusade has put it at odds with many Nogales businesspeople, who say they fear the group is giving the city a bad name. Two industrial recruiters recently were quoted in a local newspaper as warning that "continued talk of Nogales as a 'cancer center' makes the rest of the nation think residents here are mutations."

"They're saying it's OK for me to die, but it's not OK to hurt business in Nogales," Teycchea said.

There is no question that pollution is causing major problems in the border city. Nogales' air is among the worst in the state, consistently worse than in Phoenix.

Winds carry dust from unpaved roads, fumes from unregulated vehicles and smoke from squatters' campfires in Mexico.

CHEMICAL COCKTAIL

Adding to the haze are sporadic fires in the Nogales, Sonora, dump, which sits near the border. Every few weeks, the dump catches fire and fills the air of Nogales, Ariz, with the stench of burning plastic, rubber and garbage.

The Santa Cruz County health director said the smoke makes people's eyes and throats sting and has forced elementary schools to cancel outdoor activities.

At the same time, an open drainage ditch called the Nogales Wash carries industrial runoff and sewage right through the downtown of both cities. Chlorine added round the clock since 1990 kills most of the fecal bacteria, but the water still contains a volatile mix of chemical solvents and petroleum products. In May 1991, the wash caught fire.

About 1½ weeks ago, the presence of potentially explosive petroleum products in the Nogales, Ariz., sewer system forced thousands of people to evacuate a large area on both sides of the border.

Susan Ramirez lived near the Nogales Wash and drank water from a private well while pregnant. Ramirez's daughter, Michelle, was diagnosed with leukemia 1½ years after she was born.

Michelle's illness is in remission, and Ramirez no longer lives near the wash.

Santa Cruz County Health Director Pat Zurick said that as recently as 1990, 89 private wells along the wash were open. Zurick believes that they mostly are used for household chores and irrigation but that a few still may be used for drinking water.

Like many along the border, Teyechea blames U.S. factories in Mexico for most of the pollution. He said that he knows people who have worked in maquiladoras, as these factories are called, and that the workers told him of industrial solvents and other toxic wastes' being taken to the dump, poured on the ground, burned or otherwise mishandled.

20 YEARS OF POLLUTION

Antonio Carbajal, president of the Sonora Maquiladora Association, said that environmental inspections by Mexican authorities have increased in recent years and that no serious violations have been found.

That may be, Teyechea said, but some maquiladoras have been operating for more than 20 years.

"I shudder to think what's over there," he said.

Carbajal, whose association represents more than 40 of the largest maquiladoras in Nogales and has no authority to enforce environmental standards, also pointed out that Carrillo Street was built over a former Army base, which may have dumped chemicals or other toxins.

The UA's Meister said that's "a possibility worth investigating," but he and other researchers doubt the Army base was responsible for the pollution problem.

"There are lots of former Army barracks in this country, and we're looking for something unique about Nogales," UA researcher Larry Clark said.

Moreover, Teyechea's group has identified cancer and lupus cases all over town, not just on Carrillo Street.

Meanwhile, Nogales Sonora, officials say they're doing what they can to stop pollution. Mayor Hector Mayer Soto said that a new, $6 million dump is being built south of town and that road-paving and tree-planting programs are under way. A Nogales feedlot has quit burning pesticide-soaked manure and is building a proper disposal pond, officials said.

But Teyechea said poverty and corruption in Mexico prevent meaningful enforcement of environmental laws.

"When I worked there as a produce broker, I never had a problem I couldn't solve with a $100 bill," he said.

As long as that continues, we're never going to solve problems of cross-border pollution."

For now, some lifelong Nogales, Ariz., residents have moved to the edge of town or to Rio Rico. Others, though frightened, as staying put.

"I figure everywhere you go, it's something," said Margaret Partida, whose 73-year-old husband has throat cancer.

The Partidas' healthy, 5-year-old granddaughter lives with them, just a few doors down from Teyechea on Carrillo Street. They have switched to bottled water but don't know what else to do.

Despite his anger, Jim Teyechea is at peace. He has had time to fight for what he thinks is right, and he's proud of the legacy he'll be leaving.

"The battle is not between living and dying," he said. "The battle is to five meaning to life.

"I'm speaking for a 12-year-old kid I just visited who's got leukemia. I'm speaking for friends of mine who've died. What I want to know is, after I'm gone, who will speak for me?"

Mr. BAUCUS addressed the Chair.

The PRESIDENT pro tempore. The Senator from Montana [Mr. BAUCUS].

Mr. BAUCUS. Mr. President, I worked often, and long hours and days, with the Senator from Arizona over this project and many others. The people of Arizona should be proud of the hard work of the Senator from Arizona. He has worked diligently and spent many opportunities to speak with me and others in the committee about this project, and others very important to Arizona.

It is also clear, Mr. President, that border problems are very serious. The pollution along the border is unbelievable. I myself visited not Nogales, but in the summer 2 years ago, the colonias along El Paso and over in Tijuana, and Juarez, across the border from El Paso. When you see these colonias, you are just astounded how people live there. Colonias essentially are small communities where there are squatters; namely, people looking for jobs come to the border areas and they build up small communities. They just build tar-paper shacks, tens of thousands, all in these little sections. No running water, no drinking water, no sewage.

The colonias I happened to visit did have electric power. That was it. It was dusty, hot; just squalid conditions. People were out there carrying water on their backs for communities to drink and to wash clothes, whatnot. The conditions are deplorable.

In addition to that, Mr. President, because there is no sewer, the raw sewage flows down into the river, into the Rio Grande. Alongside the Rio Grande is another river called Agua Negres, black ditch, because it is all sewage. That is all it is.

There are tremendous problems along the border. I assume the problems in Nogales are equally severe to those I saw in the El Paso area and the Juarez area.

I must say, Mr. President, that even though we are all sympathetic to the problem, there are solutions. For example, the bill provides for about $600 million in State revolving loan funds under the Safe Drinking Water Program. And for 1994 and 1995, the authorization will be approximately $1.3 billion. Arizona's portion will be at least $17 million. So the State of Arizona will be allocated $17 million under the drinking water State revolving loan fund to address whatever needs Arizona thinks most appropriate.

I might add, in the next several weeks, the majority leader intends to bring up the Clean Water Act. Under the Clean Water Act, Arizona will receive at least as much in further State revolving loan funds and another $17 million at least for wastewater treatment plants, sewage plants, and so forth. So that totals about $34 million in combined safe drinking water and sewage wastewater treatment expendi-

tures for decisions made by the State of Arizona. So there are dollars available to address whatever needs the State of Arizona thinks is most appropriate.

The amendment before us deals with another matter. The amendment before us deals with a pot of money—$500 million—which has emerged over the last several years under the heading of "needy communities"; that is, because the Congress was not considering the Clean Water Act last year, where this amendment more appropriately lies, because we were not dealing with and did not have before us the Clean Water Act and because there were needs in many communities, there was thought that $500 million, roughly, should be authorized for needy cities to meet urgent needs in our communities around the country.

Even though there are dire needs along the border, other States also have their needs; other cities, other communities have their needs. They think they are needy, too.

It was the thought of the committee that it probably made more sense to take these requests of needs under this $500 million general authorization and work with Senators in various States to try to find the best way to divide the money, to split the money, to split up the pot, because various communities around the country have legitimate complaints.

There are a lot of needs, I might say, in trailer parks, for example, which do not have sewage systems. I can think of lots of needs around the country.

I must say to the Senator from Arizona that many Senators have come to the committee saying they have needs in their communities. The committee has said to those Senators, although those requests are very legitimate, it makes much more sense to deal with all these requests on a more orderly basis; that is, when we take up the Clean Water Act in the next several weeks.

So I strongly urge the Senator to not press his amendment on this bill but, rather, to press it when we work with other requests and other States and other cities to find the best way to allocate that as much as possible. At that time, it is the committee's intention, when the Clean Water Act comes up, to offer a managers' amendment which is the most equitable allocation with which we can come up in distributing that $500 million.

I must also say, Mr. President, that the North American Free-Trade Agreement took a major step to address pollution problems along the border in setting up the environmental commission, the border environmental commission, as well as the North American Development Bank.

Now, the funding for the North American Development Bank will be worked out, it is my understanding, with the Treasury Department, but the funding for the border environmental commission I hope is from a mixed source; it is not just general dollars that are to be appropriated to the Environmental Protection Agency, under the rubric and control of the Environmental Protection Agency but also other sources.

If we start down the road today on this bill allocating portions of the $500 million to one community as opposed to another, we run many risks. First, we run the risk of jeopardizing additional sources to address other needs communities have, particularly along the border, when we get to the Clean Water Act. We also jeopardize the needs in other communities, communities other than along the border, because this amendment essentially authorizes $500 million, all of the $500 million, for four States. Its implication is that the dollars are to be redistributed to address pollution problems along the border, that is, along the Rio Grande.

So for all those reasons, Mr. President, I say to my very good friend, the Senator from Arizona, that although there is a need—there is no doubt about it—the more appropriate time and place to deal with this issue, that is, how to allocate this $500 million, is when we take up the Clean Water Act in several weeks.

Many other Senators have approached the committee. They want part of this $500 million. And the committee has said to those Senators, do not press your amendment now on this bill because this is not the appropriate time and place but, rather, press your case when we take up the Clean Water Act. They have all agreed to wait to take up their requests then, not now. And so when we add it altogether, I think the more fair and the more equitable, the more just approach to this problem is to take up these similar requests at the time we take up clean water, not to individually press it on a bill which really is a safe drinking water bill; it is not a clean water bill, which is the bill that addresses pollution.

Mr. CHAFEE addressed the Chair.

The PRESIDENT pro tempore. The Senator from Rhode Island [Mr. CHAFEE].

Mr. CHAFEE. Mr. President, I wish to join with the floor manager of the bill, the chairman of our committee, in his views on this amendment.

The committee, as perhaps has been pointed out, the Environment Committee, has reported out a bill to reauthorize the Clean Water Act. So that is done. That is out of the committee. We expect it to be up before the Senate in several weeks. It seems to me the Clean Water Act, since it is the program that deals with sewage treatment, is where the Senator's amendment should be rather than the Safe Drinking Water Act which is before us now.

You also have the added problem the Senator from Montana just pointed out. There are a whole group of Senators who want to tap into the $500 million that has been appropriated, and if we were to take up the Senator's amendment today, which provides for 100 percent financing for this facility, obviously it would bring all the others over here—and some who had not heard about it—who would feel distressed because they have agreed to hold back waiting for the Clean Water Act to come through here. I really think that is the proper place to have this amendment. And also obviously what is going to happen is we are going to have to get together, those who have requests or demands upon that half a billion dollars, whether it is Tijuana or the California city opposite Tijuana, wherever it be, Boston Harbor. All of this started as a coastal bill.

So I think what we have to do is get those folks together and somehow divide it up in a fair way based upon the priority or the emergency presented.

I listened to the Senator's presentation of what is taking place in Nogales, and I think he has a very strong case. But in all fairness I think the others should have an opportunity to present their case likewise.

Mr. DECONCINI. Will the Senator yield?

Mr. CHAFEE. I would reluctantly ask that the Senator not press his amendment.

Yes. Sure.

Mr. DECONCINI. I thank the Senator from Rhode Island. I appreciate the history of the Clean Water Act. The reality, if you look at this amendment, Mr. President, I say to Senator CHAFEE, you will see that this amendment only authorizes the EPA to make a transfer. It does not say they transfer $500 million. It does not say they transfer $50 million. It just says they may transfer, they are authorized to transfer some money.

So that is a decision which the EPA is going to make. What are they going to make it on? They are going to make it, hopefully, for this Senator and these people who live on Cancer Street, on this being a hardship, a public health hazard. If they do not, there is nothing I can do about it. I am not here suggesting that we write into the law that we make an authorization to Nogales, AZ, or to the International Boundary and Water Commission for Nogales, AZ.

The argument, Mr. President, is that other Senators have concerns here. Sure, they do. But that is what this body is all about. My people in Arizona and maybe other places, maybe in the Boston area, have bad drinking water, and are exposed to contaminated water and it is likely that this contamination has caused the cancer rate to be so high in Nogales, Az.

So I am confronted with, well, put it off until the Clean Water Act comes.

Yes, that has passed the committee, and I compliment the ranking member, Mr. CHAFEE, and Mr. BAUCUS, from Montana; they have that bill out here. But it is not in the Chamber. We know how this place works. It took weeks and weeks to get this bill in the Chamber. So my plea to them is take this amendment, and if the Clean Water Act comes up and we do pass it, then you can drop this amendment because it could be on that bill. But we are not deciding here how to divvy up $500 million. That money has been appropriated; it is sitting there; it is not being used. And here the EPA could use it if they were able.

So, Mr. President, I would like to proceed with this amendment. I implore my colleagues. Mr. President, I would ask for the yeas and nays on the amendment.

The PRESIDENT pro tempore. Is the demand sustained?

The demand is not sustained.

Mr. DECONCINI. Mr. President, then I will wait until I can get enough Members to get a rollcall vote on it because I am confronted, as I said, with no alternative. I do not know where to go in order to get some relief. And as I have indicated, I appreciate the concern that the Senator from Rhode Island has pointed out that we have another bill coming along on which we can work. But I ask them what would they do if in their State they had 4½ or 5 times the cancer rate attributed to poor drinking water. Would they not ask, is it not reasonable to ask that the EPA may use funds that are already appropriated and set aside, that they may use them? Not that they must but that they may use them for this hardship community? I cannot go home to Arizona and have a water quality bill go through here and not make an attempt to get some relief.

If I were asking here for specific dollars for Nogales, AZ, then I could agree—and I would have to probably reluctantly because I would be pushing for the appropriations for the money—but I could agree with the Senators from Rhode Island or Montana who say we cannot divvy up because everybody has some priority. But that is why we created the EPA—to assess and determine. Maybe this priority will fall when it is compared against where there are other problems with ground water. But so far, it is in the budget. And here is an opportunity to take action.

I just do not understand why we have to let this tragedy continue out of the sake that we do not want anybody else to offer amendments. To me that is just not a logical way to approach legislation. If you think I have a good case, if you think the people are dying in Arizona because of bad drinking water, and there is a fund of money there, then how can you oppose giving authorization for the EPA to consider—not mandating that they spend the money in Nogales, but that they "may"—that they are authorized to use that money that is already there for hardship communities?

So that is all I am asking for. I do not think that is unreasonable.

Mr. President, I ask unanimous consent that the Senator from Texas [Mrs. HUTCHISON], and the Senator from Arizona [Mr. MCCAIN], be added as cosponsors.

The PRESIDENT pro tempore. Does the Senator from Rhode Island yield for that purpose?

Mr. CHAFEE. Yes. I do.

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

Mr. CHAFEE addressed the Chair.

The PRESIDENT pro tempore. The Senator from Rhode Island.

Mr. CHAFEE. Here is the problem. There is no question but what the case the Senator from Arizona presented in connection with Nogales is an appealing one and of deep concern. But we do not know what the cases are from the other States. We have here an amendment for water infrastructure from Senator GRASSLEY, from Senator COVERDELL, from Senator HATFIELD, from Senator DOMENICI, from Senators STEVENS and MURKOWSKI, from Senator PRESSLER, from Senators BENNETT and HATCH, and others; and another, Senator CHAFEE, actually.

So it seems to me what we have to do is put these in some kind of priority. I mean the case that the Senator from Arizona made is an appealing one. But is that of greater importance for this limited amount of money that the Appropriations Committee has appropriated last year, dependent upon the authorization, than these others? I think in fairness to these others who have held back, we have to in some fashion weigh them. It may well be that the Senator from Arizona will have the lead role. But we do not know.

So, as I understand what the Senator from Arizona is suggesting, that while we have not actually appropriated nor actually required that the appropriations take place, we have passed it over to the EPA. But my experience around here is that most of the Senators do not want to have these decisions to remain in the EPA. What is the EPA going to have before it? If this is all we pass today in connection with this bill and the others hold off, then that is all EPA has before it.

I think it is better, in fairness to the others who may have powerful cases and may not, to at least have a chance to hear them out and do it in an orderly fashion as we try to do when we come up with the Clean Water Act.

So for those reasons I join with the manager of the bill, and oppose the amendment by the Senator from Arizona.

Mr. GRAHAM addressed the Chair.

The PRESIDENT pro tempore. The Senator from Florida [Mr. GRAHAM].

Mr. GRAHAM. Mr. President, I join with the chairman and the ranking member of the committee in opposing this amendment, as well-intended as it is.

I will make three comments about the amendment itself. First, the amendment is not specifically targeted to the circumstance in Nogales, AZ, but rather relates to expenditures along the United States-Mexican border, wherever they may occur. It transfers funds from the EPA to the State Department, and the State Department in turn to the Commission, the International Boundary and Water Commission, which is a successor agency to the International Boundary and Water Commission, in order to implement whatever eligible projects that Commission feels is appropriate.

Second, this calls for full funding of these projects; that is, it is 100 percent to be paid from this source of funds. Most of our projects require some level of contribution by the communities or by the State in which the project is located.

Third, the funding is to be for treatment works under the definition of the Federal Water Pollution Control Act, and as the Chair of the committee indicated earlier, that is the legislation that is encompassed in the Clean Water Act, not the legislation that is before us today which is the Safe Drinking Water Act.

Beyond those specific comments, I would point out that the Environmental Protection Agency has $600 million of funds which have already been appropriated by the committee of our Presiding Officer to assist States in providing safe drinking water. Essentially what the Senator from Arizona has indicated is a very serious problem of unsafe drinking water.

Arizona would receive an estimated, approximately, $8 million of that $600 million nationally to spend in correcting drinking water problems within that State. So there already are appropriated funds, available with the not insignificant amount to go to the State of Arizona to meet its specific needs.

Mr. President, both in the Clean Water Act and in the Safe Drinking Water Act, there has been an effort on the part of the committee to establish an orderly process of arriving at priorities. It is a very difficult situation. We have an estimated $130 to $140 billion of needs in the area of responsibility of the Clean Water Act itself with approximately $2 to $2.5 billion of Federal funds being authorized in this legislation to meet that very significant need.

If the Clean Water Act passes, that authorization will grow over the next few years up to a total of $5 billion; a significant fund but still a minor percentage of the estimated national need.

I believe, given the fact that we have such a small Federal fund to meet such a massive national responsibility, that

it is particularly important that we look at our needs on a prioritized basis. We have taken some steps to do that, moving toward an allocation formula, the principal focus of which is on documented, unmet needs to meet both Safe Drinking Water Act and Clean Water Act responsibility, and allocating funds against those needs.

I was pleased that yesterday the managers of the bill accepted an amendment which I had offered which will place that needs assessment on a 2-year cycle; that is, every 2 years a State's need for safe drinking water and for waste water treatment will be analyzed, and that analysis of unmet needs will become the principal factor in the allocation of funds among the 50 States and territories which benefit by that program. So I think we are on a course that the Senate can support as rational and orderly, attempting to arrive at priorities.

I have keen admiration for the Senator from Arizona. There are few people who serve in this body with more respect and with more vigor the advocacy of their needs for their citizens. I would say in this case I would ask for his understanding of the need to place this serious issue in the context of a whole nationwide set of similar needs, and that it is the commitment of the committee, with the support of the Presiding Officer and the members of the Appropriations Committee, to be able to provide a sufficient amount of Federal assistance as we can within our total needs as a nation to meet these important drinking water health environmental concerns.

Thank you, Mr. President.

Mr. DECONCINI addressed the Chair.

The PRESIDENT pro tempore. The Senator from Arizona [Mr. DECONCINI] is recognized.

Mr. DECONCINI. Mr. President, it is my intention to go ahead and have a rollcall. I think the debate has been healthy. I am sorry I have not been able to convince the Senator from Florida how good this is for border States, who are inundated with immigrants, with so many people flooding into the State. I think he understands that.

In this case, I have raw sewage flowing into my State, and it is causing death. It is my intention to ask for a rollcall vote, but I do not have the people here. The Senator from Rhode Island said he would support a rollcall vote. In that case, I will have to wait until we get some more people here.

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

The PRESIDENT pro tempore. The absence of a quorum having been suggested, the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GRAHAM. 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—AMENDMENT NO. 1711

Mr. GRAHAM. Mr. President, I ask unanimous consent that a vote on or in relation to the DeConcini amendment, No. 1711, occur at 2:30 p.m. today, with no second-degree amendments in order thereto.

The PRESIDENT pro tempore. Is there objection?

Hearing no objection, it is so ordered.

RECESS UNTIL 2:30 P.M.

Mr. GRAHAM. Mr. President, I ask unanimous consent that the Senate stand in recess until 2:30 p.m. today.

There being no objection, the Senate, at 11:50 a.m., recessed until 2:30 p.m.; whereupon, the Senate, at 2:30 p.m., reconvened when called to order by the Presiding Officer (Mrs. MURRAY).

SAFE DRINKING WATER ACT AMENDMENTS OF 1994

The Senate continued with the consideration of the bill.

Mr. BAUCUS addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Madam President, what is the pending order of business?

AMENDMENT NO. 1711

The PRESIDING OFFICER. The question now occurs on amendment No. 1711, offered by the Senator from Arizona.

Mr. MCCAIN. Madam President, I rise in support of the amendment offered by Senator DECONCINI to help protect public health and the environment along our Nation's border with Mexico. Specifically, the amendment would authorize the Environmental Protection Agency to make grants for high priority wastewater treatment facilities along the border which addresses international pollution problems.

My colleagues are well aware of the problems facing border communities in the Southwest. In Arizona, we have had several problems with transboundary water pollution which has resulted in the contamination of drinking water wells and surface water. Public health emergencies have been declared in Nogales because of raw sewage flowing into the streams from Mexico. Mr. President, during these episodes children have been found playing in stream beds contaminated by this waste. This must stop. Period.

As Senator DECONCINI pointed out, studies are underway to determine the cause of a cancer cluster afflicting Nogales. Preliminary studies have shown that between 1986 and 1992, 290 of the 600 people that died in that area had some form of cancer. This is more than double the national cancer rate.

Recently, a petroleum spill in the sewer system forced the city to declare a state of emergency and evacuate residents because of concern that fumes from the spill may explode. Many of my colleagues may remember the incident in Guadalajara, Mexico where such a spill resulted in a horrific explosion.

I have said time and time again the United States and Mexico have a responsibility to protect public health and the environment of the border region. We have an obligation to provide the proper infrastructure to meet that goal.

Last year, the President requested and Congress provided $500 million to support the construction of much needed water infrastructure for hardship communities including areas along the United States-Mexico border. While I was pleased that Congress recognized its responsibility to help these communities, my optimism was tempered by the fact that no authorization was given to the Environmental Protection Agency to actually spend this money.

The conferees intended that expenditure of this money would be authorized at some later point. Well, that was October of last year and since then no action has been taken. As a result, we are faced with a persistent and growing threat to public health and the environment from untreated sewage in areas along the border. Senator DECONCINI's amendment is needed because it is clear that this problem demands our immediate attention.

The amendment is quite simple. It would authorize the Environmental Protection Agency to transfer funds to the International Boundary and Water Commission [IBWC] and other appropriate entities to resolve international wastewater problems. EPA would only use these funds either directly or thorough the IBWC to resolve high priority international problems for hardship communities. The IBWC is currently authorized by law to deal with this very problem. The President's fiscal year 1994 budget request identified several of these water projects which rate a high priority.

One of these communities is in Nogales, AZ. Nogales is located on the border directly across from her sister city Nogales, Sonora, Mexico. The International Boundary and Water Commission owns and operates a wastewater treatment facility on the border which treats surface water flowing from Mexico into the United States.

As a result of growth primarily on the Mexican side of the border, the plant is operating at nearly 80 percent of its capacity. Under Arizona law, waste treatment facilities are required to begin planning for expansion once they reach 70 percent of their capacity.

Adding to the problems of the treatment plant in Nogales is a new pro-

gram in Mexico to expand sewer collection systems. Mexican officials are rightfully moving to ensure the proper disposal of this waste. Unfortunately, the consequence of this is added pressure on the existing wastewater treatment facility. Upgrading the facility is crucial.

According to officials at the International Boundary Water Commission, waste from Mexico and the city of Nogales will exceed the plant's capacity within 3 to 5 years. If the money to upgrade the facility was available today and everything went according to schedule, it would take 4 years to complete the upgrade. Clearly, there is a compelling need to authorize the use of these funds immediately to meet our obligations to citizens in Nogales and throughout the border region.

Madam President, I realize that some of my colleagues may argue that it would be more appropriate to address this issue when the Senate takes up the Clean Water Act reauthorization.

Unfortunately, the time for waiting has expired, the citizens of Nogales and other border communities have been waiting and waiting and waiting. They don't know nor do they care much about the niceties and formalities of Congressional procedure. They do know and care about their children who become sick when wells are contaminated with sewage. They do know and care about growth and prosperity of their city which will be summarily halted if the plant is not upgraded. They do know and care about their rivers and streams which become inundated with sewage when the current sewage system fails. They need and deserve our help.

No member in this chamber can tell the people of Nogales with absolute certainty that the Clean Water Act will be brought to the Senate floor and will pass this year. Despite the best efforts of the chairman and ranking member, we have no guarantee that the Clean Water Act will pass this year. We simply cannot tell these people to continue to wait and to hope for the best.

My colleagues may recall that it was 3 years ago when the Arizona delegation first began to seek funding to upgrade this wastewater treatment facility.

Each year, the citizens of Nogales have been denied. Two years ago a conference committee stripped provisions that would have allowed the plant upgrade—a victim of one member who opposed the North American Free-Trade Agreement.

During debate on NAFTA there was much discussion about the obligation of both Mexico and the United States to protect public health and the environment along the border. Many people including members of this body were quite strident in their criticism of Mexico's performance in that regard. Mexico is making progress. The failure to do our part in the cause would be grossly negligent and hypocritical.

In good conscience, we cannot tell the people of Nogales and the other border communities that face similar international problems to wait any more. I ask unanimous consent to have printed in the RECORD several media accounts of the sewage treatment problems and needs that this amendment would address. I urge my colleagues to adopt this amendment.

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

[From the Nogales International, Mar. 4, 1994]

PLANT EXPANSION STILL NEEDED

(By Jennifer Markley)

Plans to develop the recently-expanded Nogales International Wastewater Treatment Plant, now operating at 75-percent capacity, remain under consideration, said officials this week.

"The need is still the same," said Lino Vega, supervisor of the plant.

Rene Valenzuela, public affairs officer for International Boundary and Water Commission (IBWC), said that development plans for the treatment facility await the outcome of preliminary plans under way for collecting renegade flows from Mexico to the treatment plant.

The contract for the preliminary plans has not been assigned to an architectural engineering firm yet, but may be ready next week, said Valenzuela.

At issue, said Vega, is an old line that is "coming to capacity," in transporting wastewater flow from Mexico to the Nogales plant.

Valenzuela said that once results of the study are available, such as the location and size of a new line, the IBWC can coordinate with the Environmental Protection Agency (EPA) for the design and cost of the project before going to Congress for funding.

Money is available for the study of a new line, but "we're subject to Congress" for funding, said Valenzuela.

Paul Valdez, an environmental engineer with the EPA's U.S.-Mexican border team, said there is no specific amount of money set aside for the Nogales plant.

The EPA, however, recently drafted legislation authorizing use of funds in border areas, Valdez said.

But, the funds must be applied for, he added.

The IBWC can apply for funding from "a big pot of $500 million set aside for hardship communities" across the country by the EPA, and from the Border Environmental Cooperation Committee, he said.

Valenzuela said he is not aware of any applications submitted by the IBWC.

Currently, the Nogales plant treats about 13 million gallons per day (mgd), but can expand to 17.2 mgd, said Vega.

"Nonetheless, once you get to 75 percent, you're supposed to notify EPA because shortly thereafter you're going to come to capacity," he said.

Federal law requires treatment-facility officials to notify the EPA with expansion plans when a sewage plant operates at 75-percent capacity, which the Nogales plant did in 1992, said Vega.

There are predictions, he said, that within the next year the plant could reach its capacity of 17.2 mgd, if not because of an increased amount of sewage, then because of rainwater.

"Every time it rains we go up to 15, almost 17, (and) up to 24 (mgd) the other day," he said.

No matter what the amount of wastewater to rainwater, however, the EPA takes one reading from the meter, said Vega.

He said eight additional aerators are needed to mix water and suspend solids at 17.2 mgd.

Though a meeting has not been set to discuss plans for the wastewater facility, four options are under consideration, said Vega.

A plant could be built in Mexico for the southern flow of wastewater, Nogales could pay Mexico to take over and run its plant, the IBWC could buy and run the Nogales plant, or Mexico could buy the Nogales plant and money from that purchase could go towards building a separate plant for the city, said Vega.

He said he thinks the option of a buy-out for the construction of a new plant for the city will be decided upon.

"We need to for sure get ready for that point" when capacity is reached, said Vega.

[From the Nogales International, April 29, 1994]

UNITED STATES SHOULD BUY WASTEWATER PLANT; CITY CAN BUILD ANOTHER

(By Kathy Vandervoet)

There is a possible answer to the dilemma of wastewater treatment.

"We have proposed what we call the 'All America solution'" said Lino Vega, superintendent of the Nogales International Wastewater Treatment Plant.

Nogales would sell its 45 percent share in the existing wastewater treatment plant to the International Boundary and Water Commission.

That agency is already the copermit holder with the city to operate the facility.

In return, the IBWC would build a separate wastewater treatment plant exclusively for Nogales, Arizona.

Funding would have to be approved by Congress.

The new international trunkline would feed sewage from Mexico into the existing wastewater treatment plant, and the existing trunkline would feed the city's new treatment plant, Vega said.

Most Nogales residents are hooked up to the sewer line, but some residential areas are not, such as Beatus Estates, northwest of downtown.

Residents there should be connected to the sewer, health officials have said, because individual septic systems are failing at many homes.

Meadow Hills would also benefit from being hooked to the sewer main.

As well, a vacant area north of Meadow Hills, where two public schools are to be built, is also expected to be developed with homes, and hundreds of acres should be connected to sewer lines.

[From the Nogales International, April 29, 1994]

OPINION—INTOLERABLE SEWAGE PROBLEMS

Most people would prefer to forget about sewage treatment and disposal, but the economic growth of Nogales and better lives for all residents hinges on immediate action.

Nogales must have a second wastewater treatment plant, or see that the current facility is greatly expanded, says Lino Vega, superintendent of the facility.

Sewage from Mexico flows downhill from Nogales, Sonora. For our own health and safety from communicable diseases, the wastes are treated in Nogales, Ariz. But the local plant is at more than 75 percent of capacity. It took 12 years for the last expansion and Nogales doesn't have a safety net of another 12 years.

Meanwhile, Vega says, "the capacity we own and we are paying for is being usurped by the rapid increase in sewage flow from Mexico."

Funding for this international problem must be approved by Congress and the U.S. Environmental Protection Agency has to lobby senators and representatives so that Nogales is not ignored.

The promised economic growth that NAFTA will bring won't make a wrinkle in Nogales if all construction is halted due to inadequate sewage facilities.

Vega has told the EPA that "this is an intolerable situation." Now let's see if Administrator Carol Browner responds.

[From the Nogales International]

SEWAGE PLANT MUST EXPAND SO ECONOMIC GROWTH CAN CONTINUE

(By Kathy Vandervoet)

If Nogales doesn't get help soon from the U.S. Environmental Protection Agency (EPA) for the city's wastewater treatment plant new construction could come to a screeching halt.

Severe pollution of the Santa Cruz River is also a possibility. Lino Vega, superintendent of the Nogales International Wastewater Treatment Plant, prepared a detailed explanation for the EPA's deputy director, Robert Sussman, when he visited here last week.

"The capacity we own and are paying for is being usurped by the rapid increase in sewage flow from Mexico," Vega said.

The treatment plant is receiving more than 75 percent of its total capacity, and planning for expansion or a second sewage collection location is overdue.

The existing main sewer line from Nogales, Sonora, which runs underground in Nogales, Arizona is currently at capacity, Vega said.

Vega explained that there are two reasons for the sewage treatment emergency:

Rapid population growth in Nogales, Sonora, estimated at four percent a year.

Improvements to the water and sewer systems in Nogales, Sonora.

Vega said that Mexico is pursing very aggressively construction of new sewer lines and the increase of water supplies for Nogales, Sonora.

"It is our understanding that when a wastewater treatment plant reaches 100 percent of capacity, EPA will probably not allow new sewage connections in our city.

"That would be an enormous economic hardship on our city—even though our people are paying for excess capacity in this treatment plant for our own growth," Vega said.

Current water use in Nogales, Sonora, is around 50 gallons per person per day, as compared to 250 gallons per person per day in Nogales, Arizona, Vega said.

"As the population of Nogales, Sonora, increases, their water supplies improve and sewer collection systems coverage improves, we are going to get more wastewater to treat.

"We experienced a substantial increase in sewage flows when the first Los Alisos (Mexico) project went on line," Vega said.

Even so, there is an estimated one to two million gallons per day of raw sewage flowing down the Nogales Wash. If that sewage is put into the wastewater treatment plant, as is currently proposed, the city quickly gets closer to the plant's capacity, he said.

"It took 12 years for the expansion of the treatment plant" that was completed 18 months ago. We cannot wait 12 years to deal with the problems we face," Vega said.

The EPA's Sussman said during a public forum on April 21 that his agency is pressing for funds.

The EPA has requested $5 million from Congress this year and $13 million in 1995 to ease Nogales sewage problems.

Vega said, "Our problem is very simple and very important—if sewage flows from Mexico exceed the capacity of the existing wastewater treatment plant, we are going to have an increase in raw sewage flowing down the Nogales Wash and into the Santa Cruz River, polluting the groundwater supplies for the entire Santa Cruz River Valley.

This is an intolerable situation for us," Vega concluded.

[From the Citizen]

TESTS CONFIRM GAS IN SEWAGE

(By Anne T. Denogean)

Preliminary test results confirm that "dangerously high levels of petroleum-based products, primarily diesel and gasoline," were found Thursday at the Nogales Sewage Treatment Plant.

In making that announcement last night, Nogales Fire Chief Jose de la Ossa added; "It is anticipated that results from samples drawn from the sewer line at the Sonora border will reveal much higher concentrations of these products."

Final tests results are expected Tuesday, the fire chief said. Preliminary results have been forwarded to appropriate authorities, including the International Boundary Water Commission, he said.

The hazardous material that leaked into a Nogales-area sewer line Thursday forced evacuation of more than 4,000 residents on both sides of the border. They were allowed to return to their homes and businesses Thursday night after subsequent test readings were normal.

Continual monitoring of the sewer lines since Thursday night has found no unusual levels of petroleum-based products of any kind, de la Ossa said.

A 7½-mile-long, 300-foot-wide strip that covered territory on both sides of the border had been evacuated after workers from the sewage plant that treats waste water flowing north from Nogales, Son., detected very high levels of a gas, believed to be a petroleum by-product.

The source of the contamination remains a mystery.

U.S. Sen. John McCain, R-Ariz., yesterday called on Mexican President Carlos Salinas de Gortari "to investigate the source of repeated pollution of the border area."

"The Mexican government is still investigating with all the different agencies on the Mexican side to determine what the source of it is," said Carlos Peña, Nogales project manager for the U.S. section of the International Boundary and Water Commission.

Nogales Police Chief Luis Alday said he had spoken to his counterpart in Nogales, Son., and was told that Mexican authorities have some leads.

Jerry Slusser, an emergency response specialist with the Arizona Department of Environmental Quality, said the Arizona Attorney General's Environmental Crime Unit is investigating as well.

Peña said Thursday's problem did not result in any contaminated water being released into the Santa Cruz River.

The main sewer line leads to the sewage treatment plant, which then discharges clean effluent into the river.

If the contamination is a petroleum by-product, it will evaporate or dissipate before the water leaves the plant, Peña said.

Mr. BAUCUS. Madam President, I move to table the amendment and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There appears to be a sufficient second.

The yeas and nays were ordered.

VOTE ON AMENDMENT NO. 1711

The PRESIDING OFFICER. The question now occurs on agreeing to the motion to table amendment numbered 1711. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Illinois [Ms. MOSELEY-BRAUN] is necessarily absent.

I further announce that the Senator from Alabama [Mr. SHELBY] is absent because of illness.

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

The result was announced—yeas 75, nays 23, as follows:

[Rollcall Vote No. 114 Leg.]

YEAS—75

Akaka	Glenn	Mikulski
Baucus	Gorton	Mitchell
Bennett	Graham	Moynihan
Biden	Grassley	Murkowski
Bond	Gregg	Murray
Breaux	Hatch	Nickles
Brown	Hatfield	Nunn
Bumpers	Helms	Packwood
Burns	Hollings	Pell
Byrd	Inouye	Pressler
Chafee	Jeffords	Pryor
Coats	Kassebaum	Robb
Cochran	Kempthorne	Rockefeller
Cohen	Kennedy	Roth
Conrad	Kerry	Sarbanes
Coverdell	Kohl	Sasser
Craig	Leahy	Simpson
Danforth	Levin	Smith
Daschle	Lieberman	Specter
Dole	Lott	Stevens
Dorgan	Lugar	Thurmond
Durenberger	Mack	Wallop
Faircloth	Mathews	Warner
Feingold	McConnell	Wellstone
Ford	Metzenbaum	Wofford

NAYS—23

Bingaman	Dodd	Johnston
Boren	Domenici	Kerrey
Boxer	Exon	Lautenberg
Bradley	Feinstein	McCain
Bryan	Gramm	Reid
Campbell	Harkin	Riegle
D'Amato	Heflin	Simon
DeConcini	Hutchison	

NOT VOTING—2

Moseley-Braun	Shelby

So the motion to lay on the table the amendment (No. 1711) was agreed to.

Mr. BAUCUS. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. MITCHELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

PRIVILEGE OF THE FLOOR

Mr. BAUCUS. Madam President, on behalf of Senator WELLSTONE, I ask

unanimous consent that David Corvette, a fellow on the staff, be permitted the privilege of the floor during the pendency of S. 2019 and for all rollcall votes, and I make the same request with respect to Jack Fowle, on Senator MOYNIHAN's staff.

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

Mr. COHEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine.

Mr. COHEN. Madam President, I ask unanimous consent that I be allowed to proceed as in morning business for 1 minute.

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

Mr. COHEN. I thank the Chair.

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

Mr. DECONCINI. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. BAUCUS. Madam President, we are starting to process amendments. That is good. We are starting to get a little bit of roll here. We voted on the amendment of the Senator from Arizona. I understand that other Senators are now ready to come to the floor and offer amendments.

I, again, urge Senators to come to the floor. There is time now within which to consider amendments. I remind Senators under the agreement, we are on the safe drinking water bill today and also tomorrow. Tomorrow there will be a joint meeting of Congress. The Senate will recess temporarily for that joint meeting in order to hear the address of the Prime Minister of India. There may be other times tomorrow during which the Senate will be unable to conduct business, which is to say Senators should not assume they will easily be able to bring up their amendments and have them disposed of tomorrow.

All amendments must be brought up and offered prior to the close of business tomorrow under the agreement. Staff is over here. If Senators want to send their staff over to work out amendments that, too, will be very appropriate. If the Senators themselves want to come over and debate their amendments, I strongly urge them to do so now.

Madam President, I now see the Senator from New Hampshire on the floor. It is my hope that he has an amendment.

Mr. GREGG. I do.

Mr. BAUCUS. I yield the floor.

Mr. GREGG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

AMENDMENT NO. 1712

(Purpose: To prohibit the assessment or collection of penalties against a community if the noncompliance of the community with the Safe Drinking Water Act results from an unfunded Federal mandate)

Mr. GREGG. Madam President, I send an amendment to the desk. Frankly, I have not had an opportunity to send this to the chairman, so I also ask that a copy be given to the chairman.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from New Hampshire [Mr. GREGG] proposes an amendment numbered 1712.

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

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

The amendment is as follows:

On page 74, between lines 5 and 6, insert the following new paragraph:

"(8) WAIVER OF PENALTIES THAT RESULT FROM UNFUNDED FEDERAL MANDATES.—

"(A) DEFINITIONS.—As used in this paragraph:

"(i) FUNDS.—The term 'funds' means amounts provided by the Federal Government to a political subdivision, including amounts that must be repaid by the subdivision.

(ii) UNFUNDED FEDERAL MANDATE.—The term "unfunded Federal mandate' means a requirement that a political subdivision undertake a specific activity, or provide a service, in accordance with this title during a period, to the extent that the Federal Government does not provide, directly or indirectly, funds that are necessary to undertake the activity or provide the service during the period.

(B) WAIVER OF PENALTIES.—The Administrator may not commence a penalty assessment proceeding under this subsection against a political subdivision and any pending penalty or penalty assessment or collection proceeding under this subsection against a political subdivision shall be waived, if the noncompliance of the subdivision that is the subject of the penalty or proceeding results from an unfunded Federal mandate.

Mr. GREGG. Madam President, last week, the Senate approved the conference report accompanying the budget resolution. That resolution contained a sense-of-the-Congress provision on unfunded mandates.

I had offered this provision when the Budget Committee was marking up the resolution on the budget. All 21 members of the committee voted for it and, of course, the budget resolution, adopted by this House and the other body has been approved. The provisions of that section of the budget resolution which we just adopted state:

The Federal Government should not shift the costs of administering Federal programs to the States and local governments.

I really do not think anything could be clearer as a statement of intent. It is a very appropriate statement of intent because, as we have seen all too often, it has become the nature of this Government—the Federal Government—to pass laws which are well-intentioned and well-meaning but to pass the cost of those laws on to the local governments and the States.

The practical effect of that is that we, as a Congress, can take credit for the well-intentioned purpose of the law, but we do not suffer the pain of having to raise the revenue to pay for it. Rather, that burden falls on the local communities and the States.

Another practical effect of this is that the local communities and the States find that their tax base is skewed by the activities of the Federal Government in a manner that makes it impossible for the local communities and the States to spend their locally raised revenues on the priorities which they consider to be most important. Rather, they must spend their local revenues on the priorities that are set forth by the Federal Government.

For example, a community may wish to hire more police officers or spend more on training its teachers or paying its teachers. They may wish to spend more on fire, or may wish to spend more on its local park system. But because of the pressure put on the local communities to comply with a variety of Federal laws which are unfunded but which mandate them to undertake action, it finds that a large percentage of its tax base has to be allocated for the purposes of paying the Federal activity, which has been directed on it, rather than the local decisions which may be their first priority.

And so this language was put in the budget resolution because I think most Senators understand this, most House Members understand this, frustration that is growing in our country amongst local and State representatives and leaders with the Federal Government telling the local communities to do something but not being willing to pay for it.

The bill that is before us represents a legitimate and genuine effort by the chairman of the committee and the ranking Republican on the committee to try to address this problem. They have been, I believe, very sensitive to the fact that unfunded mandates are the scourge of the towns and city governments throughout this country. But as hard as they have tried, unfortunately, there remains in this bill a fair amount—a considerable amount in fact—of unfunded mandate language and implications.

The EPA has estimated that the capital expenditures needed to meet the requirements of this safe drinking water bill are approximately $8.6 billion. That is a huge amount of money. That is the capital side. You must cou-

ple with that expenditure number the fact that there is a significant cost in compliance that is put on the local communities as a result of this bill.

My language is really quite simple. I do not go the full distance and say if the Federal Government does not pay for it, the towns and cities do not have to do it, although there are some strong and effective pieces of legislation that are cosponsored by a large number of Senators in this body—in fact, a majority of the Senators in this body have cosponsored language to other bills —which would accomplish that and which, if it were in law today, would directly impact on this bill. I do not even go so far as to say that as to this bill those funds which are allocated to the loan fund, which really are still an unfunded mandate because the towns must pay back the loans, will be counted as unfunded mandate obligations. They should be. They are. But I have not taken that step either.

Rather, I have tried to scale back the approach so that it would be more acceptable to the majority of the Members of this body, who I recognize are interested in passing an effective Safe Drinking Water Act, and this bill before us is an excellent act for that purpose.

The manner in which I have done this is to essentially say if a town does not comply with the Safe Drinking Water Act because it is unable to get funding from the Federal Government to comply with the Safe Drinking Water Act, whether it comes as a grant or whether it comes as a loan, then the town or city will not be subject to fines from the EPA for noncompliance.

The purpose of this really is to prevent the Federal Government from imposing what amounts to a double whammy on States and local governments by first hitting a State and local government with an unfunded mandate and then saying we are not only not going to pay for the mandate, but when you do not comply with the mandate we are going to fine you for not complying with the mandate. It really is an incredible double whammy, and unfortunately a large number of towns and cities get caught in it.

So what this amendment does is put the fines on hold. It does not even abrogate the fines. It puts them on hold as long as there is no money to pay for the capital expenditures or the other expenditures which are incurred to comply with the mandate.

It allows to be counted as a source of revenue for the purposes of paying for those funds the loan fund which, as I already mentioned, really is an unfunded mandate in and of itself, which we will for the purposes of this argument accept, and therefore go forward as if, when the loan fund is drawn down, the city or town will have been deemed to have received a Federal payment which would then mean that its failure to comply would institute the fines, or if the funds were available to it, its failure to comply would institute the fines.

It is really a quite simple approach and says no funds, no fines. I think it is the only fair way to go. I do not understand how, in fairness, we can say to communities first that you must do something; second, that we are not going to pay for it; and third, if you do not do it and do not pay for it, we are going to fine you for not having done it. There seems to be a contradiction in that approach which undermines obviously a fairness in the matter of relationships between different levels of Government.

I hope that the committee would accept this amendment. Obviously, if the committee is not willing to accept it, I would ask that we have a vote and if there no comments on this, I would ask for the yeas and nays.

The PRESIDING OFFICER (Mr. AKAKA). Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. GREGG. I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from New Hampshire yields back the remainder of his time.

Is there further debate?

Mr. BAUCUS addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana [Mr. BAUCUS].

Mr. BAUCUS. Mr. President, this is the first opportunity that the committee has had to look at this amendment. It was just offered a few minutes ago. It is the first opportunity the committee has had to look at its language, to assess its effect in order to better understand the actual implications and manifestations of the amendment. It was my understanding that the Senator from New Hampshire was going to offer an amendment in this area dealing with so-called unfunded mandates, asking utilities to indicate on their bill the amount that is attributable to various provisions in the Safe Drinking Water Act.

This is not that amendment. This is an entirely different amendment. So I must comment on it now as just a matter of first impression without having the opportunity to think it through.

Mr. President, the basic question is unfunded mandates. What is the concern? The concern on the part of many people is that the U.S. Government asks various States and cities and localities to undertake certain action in the name of protecting the public health and safety, and the concern is that although the U.S. Government passes laws working with States to try to find the right balance and the right ways to encourage good health and safety standards, the U.S. Government does not provide full funding to the States and local communities commensurate with or equal to the requirements in the legislation.

That is the basic concern. I might make several points, Mr. President. First of all, with respect to our environmental statutes, it is important to remember that our environmental statutes are really quite new. Our environmental statutes are basically about 20 years old. The Safe Drinking Water Act, the Clean Water Act, the Clean Air Act, Endangered Species Act, the National Environmental Policy Act, these are all major environmental pieces of legislation, most of which were passed in the President Nixon era to address some very legitimate environmental concerns, and one of them is safe drinking water.

Up until 1974, safe drinking water regulation was left to States, cities, communities, localities, and so forth. That is because traditionally in our country health and safety is the province of the States, and not the Federal Government. But the U.S. Congress acted in 1974 and passed essentially the first national Safe Drinking Water Act. It had a different name at the time. Why did Congress do so? Congress did so because of the very deep concern that States, cities, and towns were not doing the job. They were not providing for good, healthy, safe drinking water in their communities. There were many instances of illnesses, of deaths, and just a lot of water systems in this country were not providing good, healthy, safe water.

I think if there is anything this country is proud of, if there is any given that Americans take for granted and assume it is something they can count on, it is when they turn on the tap in their home that the water is going to be safe, they can drink it, or when they turn on their tap and make a cup of coffee it is going to be safe. They can drink it. It is clean, healthy, safe water.

I might say that up until somewhat recently when Americans traveled overseas, traveled abroad, the basic question was, "Can you drink the water? Is the water potable? Can you drink it? Is it healthy? Is it safe?" We Americans assumed that American water was healthy and safe. We assumed somewhat correctly, with some arrogance perhaps, that water in other countries was not healthy, and was not safe. They could not drink it. You could not drink the water.

Times are changing. In other countries, we are finding that the water is more healthy, is safe. You can drink the water in more countries than say 10, 20, 30 years ago.

Now there is a slight concern in our country that some of our water is becoming maybe not quite as healthy, not quite as safe as we assumed that it was.

For example, with the cryptosporidium outbreak in Milwau-

kee, there were headlines in many of the newspapers, "Milwaukee water is not safe to drink." There was a moratorium on drinking the Milwaukee water for some time.

In Washington, DC, another example: You could not drink the water in our Nation's Capital because it was not healthy, was not safe to drink. We finally got that straightened out after several days. Now visitors that come to our Nation's Capital can turn on the tap and drink the water without much concern or worry.

Another point: This is a complex Nation of ours. We have a complex form of Government. We are not one sole Nation. We are not 50 nations. We are 1 Nation and 50 States. It is therefore incumbent upon us to try to find the right balance between Federal regulation and State and local regulation.

We in this bill are doing so. That is, we are delegating much more back to the States—much, much more back to the States than was the case in the past.

But again I might go back and reconstruct just briefly. We in the Congress in 1974 did pass the national act because the States were not doing the job. The States and the localities and the cities were not doing the job to protect their water. So Congress stepped in in 1974 with the first, albeit mild, national legislation to help assure Americans that not only their own communities but when they travel across the country as tourists, when they go to visit friends and relatives in other parts of the country, that not only is the water in their community safe but it is also safe in the community they visit.

Americans are in transit. They move about a lot. They change jobs. We hear in the health care debate about job lock. "Gee. I cannot get a different job because my company provides good health insurance. The other job I am looking at, that employer does not provide good health insurance. So I am reluctant to leave, change jobs." It is called job lock.

We certainly do not want a clean water lock where Americans feel, "Gee, I do not know if I can move to that State. I do not know if I can move to that community because their water might not be as good and as safe as it is in ours."

Think of the children. If there is anything we want our children to have is an assurance that the water they drink is healthy and safe.

So unfunded mandates is the issue. This legislation dramatically reduces the burdens on communities, and particularly on small communities, small systems which feel the greatest brunt of the burden.

I mentioned that in 1974 the Congress passed the first Safe Drinking Water Act. We delegated certain responsibilities to the EPA. What happened? By 1986, EPA had not done the job. EPA had written standards I think for only one or two additional contaminants. I have forgotten the exact number, but not very many contaminants. So Congress in 1986 passed revisions to the Safe Drinking Water Act.

The Republicans were in control of the Senate. The Republican President, Ronald Reagan, signed the bill. It passed the Senate almost unanimously, and was signed without much fanfare, increasing requirements and standards across the country to better assure Americans that the water is safe to drink.

Here we are in 1994. What happened? What happened pretty simply is we went too far in 1986. We enacted standards that are too burdensome, particularly on small systems; that is, systems in communities with fewer than 3,300 people, because according to the laws of the economy of scale, the very large cities could much more easily allocate and distribute the monitoring costs and the capital costs associated with installing technology, filtering the water, and so forth than systems with too few hookups.

In fact, in small systems it is sometimes 10 to 14 times more costly per household to meet the same standards as a big city. That is one of the reasons we are hearing this concern about unfunded mandates; that is, the mandate particularly on small systems. The large systems really do not care very much about the mandates. They can do it. It is not very costly to them. It is the small systems that are having a devil of a time meeting the current 1986 requirements.

The bill before us very dramatically addresses that concern. It does so in many ways. First, we reduce the monitoring costs. There is a very significant reduction. In current law, all systems must monitor for each of the contaminants at least once a year over 3 years. Technically, it is one-quarter out of I think 3 or 4 years regardless of whether the monitoring—that is, the testing—detects the contaminant. That is in the law today.

That is big systems, small systems, in year one, you monitor. You test for various contaminants to see whether the contaminants are present in your water. If there is no detection, currently you still have to continue to monitor. Monitoring is very expensive, again particularly for small systems.

What are we providing? We are saying, OK. If you monitor—that is, if you test—and you find in the small system that there is no contaminant, you do not have to monitor again for that contaminant for 3 more years. We have reduced the monitoring costs.

I might add that monitoring is by far the biggest cost facing small systems. That is the biggest problem facing small systems—monitoring.

We also modify monitoring in another way. What is it? It is the State monitoring program. There is a big, big reduction in monitoring costs; massive reduction in monitoring costs.

Three States have taken advantage of the State waiver program: Wisconsin, Michigan, and I have forgotten the third State. In Michigan, the monitoring costs are now reduced to about 10, 12 percent of what they otherwise might be. There is a dramatic reduction in monitoring costs. Under the Michigan—as well as the Wisconsin—State monitoring program, those States figure out what parts of the State should we monitor because contaminants tend to be present? What other parts of our States should we waive monitoring because these contaminants tend not to be present? It depends upon where certain companies are located, it depends upon the groundwater systems, it depends upon a lot of factors. Again, it is a dramatic reduction. I do not know whether New Hampshire is taking advantage of the State monitoring system. But if any State were to take advantage of the monitoring program, they would find steep reductions in their monitoring costs.

Another provision is that we make it easier for States to apply for and be given authority under the State monitoring program. Today there is a State grant program, and we allocate certain dollars among States to help them meet their concerns by allowing these dollars to be available to help implement State monitoring programs. We have heard that some States would say, gee, we would like to apply to the EPA, but it is onerous, and it is hard to go through the hoops and the redtape. We heard that concern and we are making the changes necessary in this bill so that States—all States—can apply with much more facility to significantly reduce their monitoring costs.

What about the technology costs? Again, I repeat: By far, the most onerous burden that the "Safe Drinking Water Act" today puts on small systems is the monitoring costs. Without sacrificing health and safety, we are saying to small systems in particular, you do not have to monitor quite as often, again, if we do not find a contaminant. Beyond that, the States of New Hampshire, Rhode Island, California, or Montana, any State, can apply and work out a State program in some localities and monitor for contaminants, depending on the nature of the business and the industries and ground water vulnerability.

What about the few small systems that find out that they've tested positive? There is a contaminant in the water. What do they do? We have taken care of that by saying that small systems, after looking at other alternatives, such as consolidation, joint administrative costs, and so forth, you can apply for what is called "small system best availability technology"—off-

the-shelf technology. I must say that as technology advances, the costs of off-the-shelf small system best available technology are getting a lot lower, dramatically lower. So we are significantly, dramatically reforming the mandates, saying there is much less of a mandate than there has been in the past.

Second, we are funding the reform mandate. This legislation provides for a whole new program, a State revolving loan fund for States to address their drinking water system needs. The authorization is $600 million in the first year, already provided for and appropriated; $600 million has already been appropriated in this Congress for this year. We also provide for a billion-dollar authorization for next year and each of the succeeding years, until we get up to $6 or $7 billion. It is the safe drinking water State revolving loan fund, under which all States—New Hampshire, for example—could decide that here we have a small community having a devil of a time meeting the mandates. Remember, we have dramatically reformed them. They are much less than they were. I guess that is a 70 percent reduction in costs for monitoring, and a 20 to 50 percent reduction at least for technology for smaller systems, which are bearing the brunt of this. Also, there are big changes for the large systems, too. New Hampshire can decide, OK, this small system cannot quite make ends meet, so we are going to give them a very low interest loan to help them install their technology.

We in Congress are funding the mandate. They might come back and say: What about the systems that cannot afford it? We provide in this legislation—I think it is up to 30 percent of the State revolving loan fund may be provided to systems by States for interest writeoff and principal writeoff—in effect, a grant to those small communities. We are providing the dollars. They are there.

Another provision in this bill is in a whole new area related to the Clean Water Act. What is that? Essentially, it is the legislation that helps ensure that our rivers, lakes, and streams are cleaner. The Clean Water Act also has a State revolving loan fund for wastewater treatment plants for communities to make sure they have the wherewithal to build their sewage systems and their wastewater treatment systems. It is a big program. I think it is close to about $2 billion, roughly, annually. We are providing in this legislation that States can transfer dollars out of the Clean Water Act State revolving loan fund over to the safe drinking water loan fund and vice versa, which is a lot more flexibility for the States, to have a new source of money.

I will sum up by saying that we are undertaking three very important constructive measures here that hit the nail on the head. That is, they direct this unfunded mandate concern, reforming the mandates, and say, OK, we are reducing the redtape and the burdens and particularly where it is most onerous—that is, particularly in the small systems—reforming the mandates.

No. 2, we are funding the remaining mandates with a new program, State revolving loan fund.

Three, we are giving much more flexibility to the States, much more. Each State is different. The flexibility is essentially that States can set up their own monitoring program, at a very reduced cost. And, in addition, we are saying a Governor can switch dollars from the State drinking water revolving loan fund to the clean water revolving loan fund, and vice versa. There is more flexibility there. Those are some of the provisions contained in this legislation to address the very legitimate concern that the Senator has and that people across the country have.

Our committee has met incessantly, constantly, with groups across the country to try to find a way to make this drinking water program work better. What we are doing here today is revolutionary. We are not standing on the floor with a whole new environmental statute. We are not enacting a whole new statute to rush in and address the problem. We are not doing that. We are taking an existing statute and reforming it, making it work better. We are addressing people's concerns. I think when Senators take a long, good hard look at the actual provisions of this bill, they will find that it makes sense.

There is a coalition of drinking water systems and of organizations across the country that had some earlier concerns with this bill. We have worked with that coalition, and because of a series of changes, they no longer have concerns with this bill. At least they do not oppose this bill. I think that it is safe to say that they now support this bill. I have just been assured that they will support the bill.

Let us get on to the amendment. It basically provides, as I understand it—and it was just handed to me—no penalties may be assessed by a Federal agency—essentially the EPA—and no action may proceed with respect to any system violating a provision of the Clean Water Act. I guess that would essentially be the U.S. attorney's office, at least in Federal court, that would file or commence any proceeding under the Clean Water Act. None of that could ever occur if there was a determination that there were not sufficient Federal dollars going to that—it is unclear here. I guess that it is the political subdivision fully providing for payment for that requirement—in this case a Federal requirement.

Various questions come to my mind. No. 1: How do we know whether or not there is a so-called unfunded Federal mandate? Does that mean 100 percent of the costs have to be paid? Does it mean that 80 percent are paid? Does it mean 90 percent are paid? What happens when there is a contract which provides for full payment; yet, we are only halfway through the terms of the contract? What year are we in? Because whenever a new system is built, it is not built in the first year. It takes several years to build it.

And sometimes, with a small percentage of the States, revolving loan funds are allocated to pay for the first 2 percent requirements in the first year. The second year it might be 20 percent completed construction; it might take several years to complete the construction.

So what do we mean by unfunded mandates? I can see all kinds of litigation to respond from this thing. I do not think it is the Senator's intent to stop dollars from being allocated to these systems.

But then there is a more fundamental point that comes to my mind. What if a State is not providing for its people? And what if Uncle Sam says you must? And what if it turns out, in trying to work out how we pay for it, that the city is out of compliance because it is thumbing its nose at its citizens, or the Congress, or the State? Then, according to this, the Federal Government could not commence a penalty assessment proceeding, it could not commence any kind of a proceeding to bring that system into compliance.

I would think, Mr. President, that the people who live in our cities and towns across our country, their first concern is that the water is safe. That is going to be their first concern. Is it healthy, safe water to drink? I bet that is their first concern.

Second, they are going to be concerned about who is paying for it, and how it is paid for. I would guess they would not want the Congress, the States, the county commissioners, the water commissioners, to be in this big hassle which would result in no enforcement; no Federal enforcement, certainly. I would think they would want to make sure, first of all, that the water is safe and then, secondarily, to figure out some other way to address these questions.

Again, I want to sum up by saying, I do not have a total account as to whether these so-called mandates are fully funded or not. I would not be surprised, in some instances, if they are overfunded. Some of these communities get an awful lot of dollars under State revolving loan fund allocations that may be above and beyond their needs. I do not know that.

But this bill is so generous in reducing the mandates and so generous in providing dollars, it has occurred to

this Senator several times that some of these communities and States around the country are getting a pretty good deal.

We have certainly addressed the question of unfunded mandates with respect to the Safe Drinking Water Act. And that is all this amendment is tailored to, as I understand it, and that is the Safe Drinking Water Act.

I yield the floor.

Mr. GREGG addressed the Chair.

The PRESIDING OFFICER (Mrs. BOXER). The Senator from New Hampshire.

Mr. GREGG. Madam President, I certainly appreciate the chairman's lengthy and very substantive explanation of the process the committee went through in developing the Safe Drinking Water Act. And, as I said in my opening statement, in commenting on my amendment, I thought it had done a fine job attempting to address this issue and that it had recognized unfunded mandates remain a serious concern, and that it had, as the chairman has outlined, undertaken a number of initiatives to try to address this.

But, by the terms of its own report language, we have here an unfunded mandate of a minimum of $3 billion. That is the difference between what CBO estimates capital expenditure costs to be and what the revolving fund will be. That does not account for the significant dollars which the chairman also reflected on relative to compliance and relative to monitoring, which are very, very expensive.

Even if the local communities are able to apply for the technical assistance grants, even if they are able to apply for the direct grants out of the revolving fund, there is still the compliance issue which is extremely expensive.

So there is no question but there is a significant cost put on local communities to comply with this bill. And I do congratulate the committee for attempting to address those costs and attempting, in a very logical way, to do that; and in a way that has not traditionally been done in many of the environmental bills that has come before this Congress throughout the 1970's and 1980's. So I hope this is a new path we will be seeking, because it is a more reasonable path of dealing with different levels of the Federal Government, especially local communities.

But that does not resolve the problem completely, because there will be instances where the Federal Government will be demanding of a local community that it take action, but then it will say, but we have no funds available from the loan fund—which, remember, is also an unfunded mandate, but which issue I am setting aside for a moment—but there will be no funds available from the loan fund because the loan fund will have been exhausted for that year and it may not be available until next year or the following year or maybe it will not be available at all. But, in any event, there is no money at the point when they are told to do something to help them do it.

I am not saying the town or the city can escape the law and say, well, therefore, we do not have to do this. That is not part of this amendment.

What I am saying is that, at that point, there cannot be fines assessed against the towns and the cities for not complying. Rather, they are going to have to sit down at the table and work out an agreement. That is the whole point of this amendment; where the EPA, and the State, and the local communities that are being impacted will figure out where they are going to get the money to do this with.

That is a no funds, no fine approach. It is not an approach that says if there are no funds you do not have to do it. It is not that type of approach. Although, as I have mentioned, there are a number of bills in this body right now which have a majority of sponsorship of the membership of this body which say exactly that and where they say this bill could not go forward in a number of instances because of that situation. But that is not the tenor of this amendment.

What this amendment tries to do is to avoid the double whammy. First, you do not give them the funds, then you hit them with a fine. All we are saying, if you do not give them the funds, you cannot hit them with a fine. You can hit them with a fine later on if they do not get the funds available. But, first, you have to have the funds there so there is a little fairness in this process.

Now, the chairman raised two points in his commentary on this. He said, what is an unfunded mandate? I think it is essentially defined by the body that is assessing the fine. If the EPA comes in and says, "This must be done," that is a mandate. And if it says, "This must be done and if you do not do it we are going to fine you," then that is clearly the mandate that is being talked about. And if there is a fund out there to pay for it, then the issue of it being unfunded is no longer in question.

If the State has the funds, the EPA can point to the funds and the town has to either go and apply for that money and get that money to do what it is supposed to do, what it has been appointed to by the EPA, or designed by the State environmental services agency, or if it does not do it, it gets fined because the money is there.

But if the money is not there, not in the revolving fund, and the EPA says, "You must do this," then it cannot assess a fine at that point. It can the next year, if the money comes back into the revolving fund. If the State replenishes that revolving fund, then the EPA can say, "Well, we told you to do that last year and you did not do that. That does not relieve you of the responsibility. This year the money is there, so we expect you to do it." Then they can assess the fine.

So I really do not see that as being a legitimate point of contention. First, the unfunded mandate is defined by the terms of a filing, which the EPA would undertake and, secondly, clearly if the money is there, fines have to occur or compliance has to occur. So it ends up as even fewer lawsuits. In fact, it energizes the settlement of the matter, rather than the opposite occur as to what I think has been represented by the chairman as a possible problem with this amendment.

This amendment is just logic. It is fair play and common sense. All it says is, "Hey, listen. You can tell a city to do something"—and you have a right to tell them to do something; we are not denying that right to this bill; to clean up their water, make sure it is clean—"but when you tell them to do it, if you cannot fund it, you cannot fine them for not doing it."

And since the chairman made, at great length, a statement that said basically what we are going to do is come in and fund here, we are going to come in with enough money over the time period to do it, this amendment should not even be needed to be debated. It should be accepted on the grounds that, hey, it is never going to be needed because at some point the process will be funded and, therefore, the amendment will not have an effect, if the chairman's philosophy of the way this is going to work works out, and I hope it does.

But there is always the occurrence that may come about that maybe the Appropriations Committee is a little short of money one year and does not fully fund the authorization; maybe for some reason the revolving fund in the State has drawn down a lot faster than it was expected and it cannot fulfill all the obligations that year and has to wait until next year. In those instances, I do not think it is fair to be assessing fines against towns which are not complying. It does not mean they do not have to comply at some point. It just means they cannot be fined until we can help them out by giving them the dollars to support them. So the amendment is simple. I am not sure when the chairman wishes to go forward with a vote on this, if he wants to go forward now or if he wants to roll the vote over to a time certain with other votes. I do not know what his plans are but I would be amenable to whatever he wishes to do in that regard.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Madam President, I commend the Senator from New Hampshire for his interest in these unfunded Federal mandates. He has spent a lot of

time on this and is deeply concerned. He was a Governor, as perhaps he has pointed out, so he has seen the effects of the Federal Government levying requirements on the States without fully funding them.

However, it is nothing unusual. I must say, although the Clean Water Act and waste treatment requirements under that are not 100 percent fully funded, as we all know—the State puts up some—the Federal Government puts up usually about 75 percent—but in the end the communities and the State have to obey, otherwise our waters would never be cleaned up.

As I understand the amendment here—correct me if I am wrong—first, it deals solely with the Safe Drinking Water Act. Second, as I understand it, it says that there can be no requirements by the Federal Government levying on the communities requirements to keep their water clean unless the Federal Government has fully funded those requirements.

As I understand, it is not quite that way. It says there can be no fines levied for failure to comply. Am I correct in that?

Mr. GREGG. The Senator from Rhode Island is correct. It is the issue of when the fines can be levied that is raised by this amendment.

Mr. CHAFEE. In other words, if the fines cannot be levied, there is really no real requirement that the community obey? I think that follows; otherwise, what is the incentive for them to obey? If they do not obey there is no penalty?

Mr. GREGG. If the Senator from Rhode Island will yield, first, the issue is, if you are going to order the towns to comply, you should support the towns with funds to pay for that. If you do not have the ability to support the towns with funds in that year, then the fine will not apply that year. The next year you can make the funds available and then you can fine the towns to force them to comply.

Mr. CHAFEE. What the Senator from New Hampshire is saying, in effect, is that the Federal Government has no ability to levy a safe drinking water requirement on a community unless the Federal Government is prepared to pay 100 percent of the funds required to comply with that demand by the Federal Government, with those regulations?

Mr. GREGG. If the Senator will yield, I am saying, under this act, to the extent the Federal Government directs the communities to undertake an action, if the Federal Government is not supporting that action with funds, then the Federal Government can continue the directive but it cannot insist on collecting fines—which would be the double whammy effect of, first, you tell them to spend the money, and then, if you do not have any money to support the event, you tell them you are going to fine them—until you do support them.

Mr. CHAFEE. I am not sure in the amendment of the Senator that it says they cannot afford to do so. It is just if they do not do so, as I understand the amendment. I can be corrected.

Mr. GREGG. If the Senator will yield further, there is no condition of affluence testing, who can and who cannot comply with the Federal law. If the Federal Government is going to enforce the law, the theory is the Federal Government should pay for the cost.

Mr. CHAFEE. It seems to me, Madam President, that what we are doing here, if this amendment should be adopted—and after all, if it applies here, I see no reason why not the next step, when we have a Clean Water Act, why the same requirements should not be levied on that. If the Federal Government is not prepared to pay 100 percent of the cost of waste treatment facilities to clean up lakes, rivers, and streams, then the local communities do not have to do anything.

But that is a step ahead. I am going to stick right to this treatment of safe drinking water. It seems to me the Federal Government, with the tremendous mobility that exists within our populations and with the tremendous amount of travel that takes place where somebody from Ohio is going to California or somebody from Nevada is going to New Hampshire or somebody from Montana comes to Rhode Island, that the Federal Government has a certain right to ensure, to the extent it can, to the citizens of our Nation, that the water they drink is clean. If the Federal Government is going to step in and be helpful, that is grand—as we do in this legislation. We start, under this bill, with $600 million of revolving funds to help the local communities produce clean water. This is the first time we have had a revolving fund in that area, so this is a big step forward.

But to say the Federal Government has no power to ensure that traveling citizens of this Nation are going to be safe where they go in the water they drink unless the Federal Government pays 100 percent of the cost I think is a very unusual step. I do not think that is a fair requirement to levy in connection with the safety and the health and well-being of our citizens.

Mr. GREGG. If the Senator from Rhode Island will yield, I think it would be unusual for someone to travel from Montana to New Hampshire and find that the water in New Hampshire was any less of a quality than it was in Montana. I believe the scenario that has been laid out is at best hypothetical and a bit exaggerated. The fact is, the people who live in the community where the water is delivered are the ones who have the most significant interest in maintaining the quality of that water.

I guess the Senator is going forward with the assumption the only people who are sensitive to having water that is clean and potable are people who live in Washington or work in Washington. I know the Senator is not of that mind. I know he recognizes fully the people of Rhode Island and New Hampshire and the town of Barrington, RI, and the town of Nashua, NH, are as sensitive to having good water as the people are in any other part of this country.

So there is clearly an innate and inherent incentive for the local community to maintain its water supply at a high level of quality. And traditionally in this country that has occurred.

That is not to argue against the concept of a Federal law in the area. No, I think a Federal law in the area makes considerable sense, and I think the law this committee has produced is an excellent piece of legislation. But when the Federal Government decides to step onto the turf of the local community, which has the primary interest of delivering water to its citizenry, and tell the local community exactly what it should be doing relative to the delivery of water to that community, something it has been doing for probably 200 or 300 years, at least in the New England area, without this law—prior to 1974 when it was first initiated, and amended in 1986, I guess—then I think the Federal Government, once it decides to enter into the issue of directing the local community as to how they are going to manage their water supply, has a very definite obligation to pay for the additional costs that it is putting onto the local community.

I am not even demanding, or suggesting, that occur. I am not even requesting that occur in this amendment. If I wanted to take that approach, I would have brought forward one of the many bills of this body that do exactly that, that say the mandates should not go forward and there be no need to comply unless they are fully funded. Nor am I even pointing out that the funding in this bill is really an unfunded mandate in and of itself. There is no substantive—it is a loan, it is not a direct grant, and therefore the towns have to pay it back and thus the funding is an unfunded mandate.

But what I am saying and what I think makes eminent sense is, if you are going to demand the communities do this, then you cannot say they are going to be fined when you do not fund it.

It is a very simple approach. It does not say they do not have to comply. It says they do have to comply when the revolving funds have the moneys that are available. And in practice, of course, as the Senator from Rhode Island certainly knows, that is exactly what is going to happen.

As these revolving funds develop the cash flow to support the compliance activity across States, you are going to have compliance occurring. All I am saying is let us not get the cart ahead

of the horse by requiring fines before there is money to pay for the compliance, because you know compliance is going to occur because you have done a good job of trying to address the issue of funding.

I think if you look at the practical aspects of how this works versus the theoretical and hypothetical aspects, it becomes a very legitimate proposal.

Mr. CHAFEE. Madam President, I think we are embarking on an unusual path for the Federal Government to require compliance: When it is granting a substantial sum of money but not 100 percent that it cannot make any requirement. Maybe the thing should be reversed. Maybe we ought to have a provision in here that no money goes to any State that will not comply. Maybe that is the answer: Any State that does not want to comply will not get a nickel. The money will go to those States who want to participate, and by wanting to participate, I mean they are willing to put up their share, whatever the share might be.

Mr. GREGG. If the Senator will yield on that point, of course, that is an option, and if the committee wishes to pursue that—as you know, on public works projects dealing with Federal highways, that is exactly the approach this Congress has taken in the area of helmet laws and in the area of speed limits.

So, yes, that is clearly a public policy approach that can be taken. The committee has decided to go this other way. As long as the committee decided to go the other route, then let us not get the cart ahead of the horse and let us not have a situation where you do not fund and then you fine.

Mr. BAUCUS addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Madam President, Senators may be watching this debate and assuming that this is another amendment offered by the Senator from New Hampshire under the unfunded mandates rubric. They may think this debate is on that amendment. I want to make it clear to Senators listening to this debate that this debate is not on that amendment. This debate is on a wholly separate, new, amendment that the Senator from New Hampshire brought to the floor and we are looking at for the first time.

This amendment is a beguiling, seductive amendment. It sounds pretty simple. Basically, it says if there are no funds, no fines. I might say, Madam President, that this is not that amendment at all. This is an amendment which basically has abolished Federal enforcement of the Safe Drinking Water Act. That is what this amendment does. This amendment runs the great risk, and that is not an overstatement, of essentially abolishing Federal enforcement under the Federal Safe Drinking Water Act. That is what it does.

Why do I say so? I say so because any system, any community that does not want to comply with the act could very cleverly hire a lawyer to find some argument where the requirements that it must face, A, are all Federal and, B, are not totally, fully funded today, at this moment. They may prevail, and that means no Federal enforcement.

I do not think that is what Americans want. They do want Federal enforcement. I think Americans want to be assured that the water they are drinking is safe. They want Federal enforcement, but they want proper Federal enforcement.

I have a whole list of questions I could ask the Senator from New Hampshire to see how his amendment would take effect. For example, is he asking for a full 100 percent Federal?

My first question goes to the State revolving loan fund. There is a 20-percent State match to 80 percent Federal funds required. Is the Senator from New Hampshire saying that the U.S. Congress must not provide only 80 percent in the State revolving funds, but must provide a full 100 percent? Is the Senator saying the State's 20 percent requirement can be withdrawn, that the States do not have to contribute their 20 percent to the State revolving loan fund? Is that what the Senator is suggesting?

Mr. GREGG. As I understand the act, it requires States put in 20 percent; is that correct?

Mr. BAUCUS. The Senator is correct. Under the State revolving loan fund that exists in the Clean Water Act and under the new State revolving loan fund under the Safe Drinking Water Act—that is the bill before us—it provides for a match: 80 percent Federal, 20 percent State.

Mr. GREGG. Then there would be compliance if the Federal Government had 80 percent of the funds.

Mr. BAUCUS. So the Senator is saying that if the U.S. Congress appropriates 80 percent of the funds under the State revolving loan fund, and if that State revolving loan fund pays for the system's requirements, the State could not claim unfunded mandates as it affects any enforcement action against that community? Is that what the Senator is saying?

Mr. GREGG. I am not sure I understood the whole hypothetical. Essentially, I believe the concept of what the Senator from Montana is saying is correct. This is not an attempt to undermine the thrust of this bill. I really do think it does a disservice to the amendment to aggrandize it to such a level, as the Senator from Montana has. This is simply an attempt to make it clear that when the fining process starts to occur, then the Federal Government will have done our job.

Mr. BAUCUS. I understand the Senator, but I am trying to understand how the Senator's amendment works. Again, this is a first impression. I had not seen the amendment until 20 minutes, half an hour ago when the Senator brought this amendment to the floor. No one has had a chance to look at it. I am reading it to get a sense of how it works.

For example, if I understand the Senator's answer to my question, that under the State revolving loan fund contemplated in the bill, where Uncle Sam provides 80 percent and States 20 percent, if that fund's loans to the community fully accommodates that community's requirements, is the Federal mandate fully funded?

Mr. GREGG. Yes, it would be.

Mr. BAUCUS. I appreciate that. So the answer to the question is it is fully funded under the present State revolving loan fund where Uncle Sam provides 80 percent and the States 20 percent for the system.

Mr. GREGG. If that is the language of the bill. The mandate is defined by the bill in a sense of what the Federal Government must do. If the Federal Government's share was 50 percent, it was fully funded.

I would take as a hypothetical another area where there is a mandate, 91-142, which is the special ed student situation, there you have a suggestion in the law that the Federal Government go to 40 percent of the cost of the special education systems of our schools. If the Federal Government went that 40 percent, they would be fully funded.

Mr. BAUCUS. The Senator anticipated my next question.

Mr. GREGG. We can adjust that number.

Mr. BAUCUS. If the Congress provided, in its wisdom, for 1 percent and the States had to match 99 percent——

Mr. GREGG. The purpose of this amendment was not to address the underlying issue, which is the core question, which is when is the Federal Government being irresponsible in its unfunded mandate activity.

Mr. BAUCUS. So it is the Senator's position that the Congress would not be irresponsible if the Congress decided to provide 1 percent of the revolving loan fund as opposed to 80 percent. That would not be irresponsible?

Mr. GREGG. I feel that is very irresponsible. In fact, I considered offering an amendment which would address the underlying question you are raising which is the much more fundamental question of the issue of unfunded mandates. This is not the core issue of what is and is not an unfunded mandate. I think we are confusing it in the debates right now.

What this gets to is the fine issue. There is this other core issue, and I hope it is going to be taken up at some point in this Congress because I know there are a lot of bills floating around on the issue, and some have significant sponsorship. But that is not the issue

that is being adjudicated by this amendment.

Mr. BAUCUS. Let me ask another question so we understand how it operates. Let us say a community in New Hampshire is starting to install a new technology to meet a standard that is provided for in the Safe Drinking Water Act; a good standard; a standard that must be addressed if the people are going to have safe water.

Let us further assume that this is a 5-year project. You do not just build this new technology and install it immediately.

Now let us say it is year one and contracts have been let. As the Senator knows, under the usual workings of the State revolving loan fund, each year the State designates a different portion of the State revolving loan fund, actually loans different portions to different communities in different years.

So in year one, the system is not yet constructed. Certainly no big mandate here. Let us say that for some reason or another the system decides it does not want to proceed and therefore is in violation of the law, although there is a contract and assurance that the dollars are there in the revolving loan fund.

Is the Senator saying because the dollars have not been fully provided, because the system is not complete yet, that——

Mr. GREGG. No. In my estimation, you would then be able to assess the contractor.

Mr. BAUCUS. What if the community goes beyond the grace period in the bill? The legislation before us provides certain grace periods. As long as this system is making a good-faith effort, there is no prosecution. What happens after that grace period?

Mr. GREGG. If funds are available and there is a contractual obligation, it seems to me the fine is assessed.

Mr. BAUCUS. What about interest rates? Let us say the interest rate the community must pay Uncle Sam is not providing for interest payments. Is Uncle Sam fully funding the mandate or not?

Mr. GREGG. I would presume—and we are getting into some hypotheticals, which I think is worth getting into, and I think the answers so far have reflected the fact this is a legitimate amendment that is not going to destroy the bill, but is just trying to get at the core issue of fines versus funding.

But I think in that context you would presume that the agreement that had been worked out which would have drawn down the revolving fund would have interest rate language in it. I know of very few that do not have interest rate language in them. So I presume that would be a fund advantage.

Mr. BAUCUS. One other question. What happens when a community decides, for whatever reason, it wants to voluntarily not accept Federal funds. It does not want to pay the interest rate in the State revolving loan fund, for whatever reason. It decides it does not want to participate in the State revolving loan program? In that case, would Federal prosecution be precluded because the mandate on this system does not have commensurate Federal funds? It does not in this case because the community has decided it does not want them. Would Federal enforcement therefore be precluded?

Mr. GREGG. No, I do not believe so at all. I think this amendment makes it fairly clear that in that instance the funds are available; therefore——

Mr. BAUCUS. I must say that is not the language of the amendment.

Mr. GREGG. Well, I think that is the purpose and the language of the amendment, to accomplish exactly that.

Mr. BAUCUS. No. The amendment says, "The Administrator may not commence a penalty assessment proceeding under," and so on and so forth, "or proceeding results from an unfunded Federal mandate." That is what the language of the amendment says.

Here is another example. What happens when the State of New Hampshire or any State applies for a waiver, a monitoring waiver program, so that——

Mr. GREGG. Excuse me.

Mr. BAUCUS. If I may complete my question—so that the State has its own monitoring system. This is a State monitoring system now. It is not a Federal monitoring system. Now, let us say that under the State monitoring system the State imposes certain requirements. Under the Senator's amendment, would Federal prosecution be precluded if a community does not properly monitor because the community is operating under a State program, not under a Federal program?

Mr. GREGG. To get back to the Senator's prior question, I believe my answer was accurate. If you look at the definition, you will see, if the funding is available, the capacity is there to assess the fine. If the community decides it does not want to pursue the funding for whatever reason, that is irrelevant. The funding is available; the fine can be pursued.

On the followup question, which is, if I understand it correctly, if States are undertaking the compliance activity of monitoring, does the EPA have the right to come in and pursue also a Federal action against the community?

I would think yes, if the funds are there. And, again, it is an issue of whether the funds are there. If the funds are there and the community has the available funds, has had made available to it the funds, then it seems to me a fine is clearly assessable.

I think the chairman is confusing the core issue here, which is a very legitimate one, which the committee has, I have argued a number of times, attempted to meet, the core issue of unfunded mandate with the issue here of fines.

What I am saying is we should not hit these communities with a double whammy. I do not want to keep repeating it, and maybe I should choose some other phraseology to get it across a little better. But what I do not want to see happening is if the town does not have the funds available to it, then it gets fined for something it does not get funds to do. All I am saying is as soon as the funds are available, it could be fined. Under the bill, as I understand the structure, those funds are going to become available over a period of time because the bill is authorized at a level which, over a period of time, should fully—I am not sure of "fully," but should significantly reduce the costs out there to the communities.

Mr. BAUCUS addressed the Chair.

The PRESIDING OFFICER (Mr. WOFFORD). The Senator from Montana.

Mr. BAUCUS. Mr. President, I do not want to prolong this too much longer. Essentially, the Senator from New Hampshire said this bill does not go into the difficult question of what is and what is not an unfunded mandate. That is very true. That is clear. This bill does not go into that point, and very precisely because it is a very complex, difficult morass to decide.

The effect of the Senator's amendment is to give lawyers a field day in finding one way or another, in claiming for one reason or another, that this requirement, for this technology, in this community is not fully funded by Uncle Sam. I can think of countless numbers of arguments that attorneys can make.

Therefore, Mr. President, this amendment essentially renders useless, Federal enforcement because if it is a long, complex system, there will be endless litigation as to whether or not there is full funding of the mandate.

I might also say, Mr. President, that we have gone a long way to find new dollars to fund mandates. Look at the chart behind me. I do not know if the Senator can see the chart very well. We tried to make it big so everybody could see.

Mr. GREGG. I appreciate that. I am just getting to the age where I need glasses.

Mr. BAUCUS. Under current law, safe drinking water funding in fiscal years 1994 through 2000 will be $420 million. That money is going to the States. Under this bill, if it passes, $7.3 billion will go to States to fund the reformed mandates that the bill provides.

The basic intent of the Senator's amendment is to address the very large issue of unfunded mandates.

Again, I say to the Senator and to anyone listening that this bill addresses unfunded mandates; No. 1, by reforming the mandates; No. 2, by fund-

ing the reform mandates, and, No. 3, by providing flexibility to the States so they can adjust to local conditions quite easily.

Again, just to repeat, from 1994 through the year 2000, under current law, States will receive about $420 million to pay for requirements under the Safe Drinking Water Act. If this bill passes, that increases at least fourteenfold to $7.3 billion over the same number of years. It is a whole new start. The State revolving loan fund is all new. It will go a long way to address these issues.

Mrs. BOXER addressed the Chair.

Mr. BAUCUS. If I might, one other point, Mr. President. It is not as if the EPA is sending out thousands of inspectors to harass local water system operators either. That is just not the case. There is not a massive Federal enforcement apparatus in place. I might say that in 1992, the Environmental Protection Agency brought 269 cases under the Clean Water Act—not this act, a different act.

In 1992, there were 269 cases. They brought 303 cases under the Clean Air Act; different act, not this act. Under this act, it brought 18; only 18 cases, not a massive number of cases.

In addition in 1992, the highest penalty under the Clean Water Act, a different act, was $2.9 million. Under the Clean Air Act, the highest penalty in 1992 was $6.7 million. What was it under the Safe Drinking Water Act, this act? The highest was $70,000. I think the average of that year was $38,000 for the two cases.

One other point: There are 200,000 public water systems in this country. There are only 60 EPA drinking water inspectors. There are 200,000 systems in our country, and only 60 inspectors. It is not a whole, big massive enforcement bureaucratic apparatus that is going after all of these systems.

Another point that is important to remember. I do not know if the Senator fully intends this amendment. A significant percentage of the drinking water systems in our country are private. As I read this amendment, it only applies to the public systems. It basically says the administrator may not assess a penalty against a political subdivision, et cetera. It says political subdivision. Apparently, he has exempted privates, which is to say that a significant mumber of the water systems in this country would be discriminated against under the Senator's amendment because they would not have the benefit of saying, "Gee, don't enforce against me because I am private and not public."

Another point I think worth making is that there are a lot of, a good number of, communities frankly that need some Federal enforcement. There is one city that the committee is aware of that for 10 years refused to correct violations of bacterial contaminant standards under the Safe Drinking Water Act. Frankly, it was only when the EPA went to court to assess a penalty did that city finally begin to take serious steps to remedy the problems.

In some sense, what I am saying is, frankly, a lot of cities, a lot of States, do not want to do the job themselves. It is politically difficult. It is politically difficult for a local county attorney or an attorney general to address violations in the State. Many States say, "Gee. Uncle Sam, do this for us. It is hard for us to do the right thing here."

If this amendment passes, it seriously jeopardizes not only the ability of local law enforcement officials to say, "Gee. Let the Feds do it because I don't want to do it myself," but more importantly, it very seriously undermines the whole Federal enforcement program under the Safe Drinking Water Act, which is not massive, I might add. As the data already provided, that is a good, strong indication that this is not a big Federal enforcement program. It is pretty mild to say the least. It is important in those cases where the communities are not living up to the standards, and they should.

Mr. GREGG. Mr. President, will the Senator yield on that point?

Mr. BAUCUS. I yield to the Senator, and then I will yield the floor.

Mr. GREGG. Mr. President, the Senator raised a number of points. I do not want to carry this into an extended period of time because I know there are other Senators who want the floor.

First, some things need to be responded to. This whole issue of excessive attorney fees, and a great deal of lawyer activity today is a problem with the system. So I do not see that that is necessarily going to be impacted negatively by delaying the fine.

Second, I would point out that the enforcement language of this does not affect if funds are available. So the instance that the Senator talked about, I presume there were available funds going to that city to fund the activity that needed to be corrected. Therefore, there were those available funds. Then compliance would have to occur and the fines would be assessed. This is not applied to private water companies. That was intentionally done because the issue of unfunded mandates is a public one to a large degree, and I did not want to get into the whole ancillary question of the private-public debate and the profitable part of the corporations engaged in the delivery of water and how you would end up subsidizing them through this language.

So we would be stuck with the taxpayer impact event because the issue here is impact on the tax base and the reallocation of the tax base through unfunded mandates.

All this amendment says again is that if it is not funded, you do not fine. It does not undercut the basic goals of this bill I do not think. In fact, it probably encourages the basic goals of this bill because this bill is addressed, as the Senator so well pointed out, at trying to fund most of the mandates. As long as they are funded, there will be no fines.

The PRESIDING OFFICER. The Senator from California.

Mrs. BOXER. Thank you very much, Mr. President.

Mr. President, I rise to speak strongly against this amendment by the Senator from New Hampshire, and really back the comments made by the chairman, the Senator from Montana, and the ranking member, the Senator from Rhode Island, Senator CHAFEE.

I have to say that I have been around the House of Representatives and the Senate now for 12 years, and I have never seen a committee chairman and a ranking member work so well together, bend over backwards to accommodate Senators' concerns. As a matter of fact, in many cases I kept saying you are bending over a little too much.

But the fact is that when the two of them stand up here and put their credibility on the line and say that this is essentially a gutting amendment, I hope that my colleagues listening to this debate from their offices will take that to heart. There should be an overwhelming vote against this particular amendment.

I want to explain why. I want to speak today not only as a U.S. Senator, which I am very proud to be getting elected and being from the largest State in the Union, a State that has 31 million people, but also as a former county supervisor where I was very proud to be a locally-elected official representing a supervisorial district in a very beautiful suburban area, and one who always said that the local people should have a very strong voice in whatever it is we are doing.

At the same time, I always believed, and I believe it even more today, that the Federal Government has an obligation to protect the health and safety of all the people of this country. As Senator CHAFEE has said, and as Senator BAUCUS has said, when people go from one State to another, they ought to know that if they pick up a glass of water like this one, which I find myself doing quite often here, that it is safe to drink the water.

I would like to bring us back to the reality of why we are here. And rather than get into a big argument about terms of art and language of the amendment, and the interpretation of the Senator from New Hampshire of how it would work, bring us back to the core reason we have this bill before us.

Mr. President, every year 900,000 Americans get sick from tap water. In one city we had 104 people die. If that is not enough for us to support a decent and enforceable law, I do not know

what else is. There is a minimum that our people should expect from us if we deserve to be here, that we are willing to stand up and be counted and ensure that the drinking water is safe. I would have to say that this bill is not doing that with a heavy hand. You can see that there is a whole new attitude on this Senate floor in relation to this bill. And there is absolutely an understanding that we have to be certain that local government and State government is not so weighed down with mandates that are not funded that they simply throw up their hands, and say, "We cannot do it anymore."

I have a great sympathy again for local government. But I have no sympathy—and let me state very, very clearly—for those in office who would refuse to ensure the people that their drinking water is safe, because if there is any job we have as elected officials, whether local, State, or Federal, it is to protect the health of our people. That is what it is about.

Let me give you an example. Under this amendment—and the Senator from Montana has posed a number of questions, and I am just going to make a comment. I have read this amendment. Let us say there is a county board of supervisors or a city council that runs a water system, or they could be a water board, and they have decided they do not think lead is dangerous. Now people come before them, and they have the National Academy of Sciences report, they have physicians, but they decide that in their philosophy, this is not a problem. So they decide they are not going to regulate the amount of lead in the water supply. And children are being born brain damaged. We know that happens.

Under this amendment, you could hide behind unfunded mandates and say, gee, it is not that we philosophically oppose it, but we did not really get all the funding, and they look at the record of this conversation here, and it is a little unclear, so they hire a lawyer, and it is 10 years down the road, and kids are drinking this water. Of course, I think the parents would probably not allow them to drink the water. They would buy bottled water, or they might move to another community. That is the effect of this type of an amendment.

So I say, Mr. President, again, when we have the chairman and the ranking member standing up here and saying, look, they understand the problem that the Senator from New Hampshire has raised, that absolutely we have to be mindful; but this act is mindful of the issues of unfunded mandates and underfunded mandates. If we gut the enforceability of our Government here, this bill might as well not even be here. I, frankly, would understand it if both of our leaders on the committee—which is called, by the way, the Environment and Public Works Committee—withdrew the bill, because it would not have any means of enforcing.

I will close by reading the words of the amendment.

The Administrator may not commence a penalty assessment proceeding under this subsection against a political subdivision, and any pending penalty or penalty assessment or collection proceeding under this subsection against a political subdivision shall be waived——

In other words, there will be no assessment, there will be no fine, there will be no enforcement.

if the noncompliance of the subdivision that is the subject of the penalty or proceeding results from an unfunded Federal mandate.

So it is a fancy way of saying we want a little fig leaf that we can hide behind, so that we have an excuse not to make sure that the children are drinking safe water, that pregnant women are drinking safe water, that the frail elderly are drinking safe water, that all of us can be certain that we are drinking safe water.

Mr. President, I think I have been as clear as I can be. I strongly oppose this amendment, and I hope that our colleagues will stand up and be counted and support our chairman and ranking member.

I yield the floor.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. CHAFEE. Mr. President, I thank the Senator from California for that strong statement.

Mr. GREGG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Mr. President, I must respond briefly to the Senator from California, because I believe it is a bit unusual for those who are not actually drinking the water to expect that they are going to have even a higher level of concern about the water than those who do drink it. I mean that is essentially the tenor of the argument, which is that the elected officials in—wherever it was—or the county commissioner group, or water commissioner group, is going to somehow turn its back on not only the community that it lives in, but its own good health, but that we here in Washington are going to know how to take care of it better for them. Now, that may be. That situation might occur. That hypothetically is a possibility. I suppose that is true, but it is not a likelihood.

Most people, when they are elected to public office, are elected because they conscientiously wish to improve their community, and if they know something is wrong with the water, they are going to try to do something about it primarily out of their own concern. I really think that to raise issues like pregnant women and lead in the water is to use hyperbole that is not relevant to this amendment, which is not really a gutting amendment, as the Senator characterized it.

It is a simple amendment that says, listen, if you do not fund it, you do not fine until you do fund it. And it is reasonable that you are going to be funding all of this. On the chairman's description of the way this bill works, that is going to occur. So this amendment may never come into play. But we should at least have the fairness at the local level to say that until we can fund it, we are not going to fine you or hit you with that double shot.

I yield back my time, and I suggest to the manager of the bill that if we can come to a time certain, we can bring it to a vote.

Mr. BAUCUS. Mr. President, I understand there is at least one Senator coming to the floor wishing to speak against this amendment. He is on his way. It is only fair and appropriate to wait until he arrives.

Before he arrives, however, I do think it is important to point out that this is a gutting amendment. Why do I say that? I say that because, first of all, there are not very many EPA inspectors. The enforcement personnel are pretty thin, and there are not going to be a lot of cases when EPA is coming into a community or the U.S. attorney's office, or whatever, on an enforcement action. We know that in the real world 99 percent of the time whenever there is a difference between, say, a potential law enforcement officer and, in this case, a community, things get worked out; they get resolved in one way or another, and the actual action is not really filed.

In those few instances where a community, for some reason, whatever reason, decides it does not want to comply with the standard—and there could be all kinds of reasons—and in those few instances where it decides it does not want to comply with a Federal standard, essentially, the EPA is precluded from enforcing it. Why? Because as I read this amendment, that community, subdivision, could say, well, there is not a total funding from Uncle Sam for this requirement; they are 1 penny short. Therefore, no enforcement action, none, zero. One penny short.

How easily can a community find that it is 1 penny short? I submit pretty easily. There are all kinds of ways that attorneys are going to find ways to say, well, gee, there are dollars here for this, but not for that, because you did not include the indirect costs to this, or the administrative costs that we allocated for that. Our allocation says that the Federal requirement portion, the administrative cost, should be 10 percent, and you say it is less than 10 percent, but we say it is 10 percent. Litigate it. No enforcement action.

On the other hand, the Senator is saying, well 1 penny, that is still a funded mandate. One penny short is still a funded mandate. If the Senator is saying that, then the question is: What is a sufficient Federal funding?

Five percent short? Ten percent short? Who knows? That obviously raises a whole host of questions and even more litigation as to how much is enough. You cannot have it both ways. One penny short, which an attorney can find easily if he is worth his salt; or, gee, it is not substantially federally funded, and you get all these questions.

Therefore, this is a gutting amendment. This amendment sounds beguiling and seductive, but if you look at the real, practical effect—the practical effect is no Federal enforcement of Safe Drinking Water Act standards where communities do not want to comply. That is what this amendment does.

It is for those reasons and for the very simple reason that this is not a proper amendment. People want to be sure that the water they drink is pretty safe. There may be a reason why a community does not want to meet a standard. It has happened. There are cases where that happens.

In a lot of these cases, the communities, frankly, want Uncle Sam to tell them to meet this standard because they can point the finger and blame Uncle Sam, or Washington, DC, or some regional office that they themselves do not have to bear the brunt of raising the standards and get the job done.

Most communities, I am sure, want to do a good job. Most communities want safe drinking water. They all want safe drinking water. For some reason—who knows?—they may not want to meet a standard.

I might say that the standards in this bill are not overbearing. The standards in this bill, particularly regarding small systems, are reduced. The monitoring requirements are reduced. The dollars that we have provided to install new technologies to address contaminants are increased. There are more Federal dollars, many more Federal dollars.

I remind Senators to look at the chart behind me. It is basically a fourteenfold increase, 14 times more, plus more flexibility. It was really more than this chart indicates, because Governors can transfer dollars from the clean water revolving fund to the safe drinking water revolving fund to meet system needs.

To sum up, I might say that this bill, is a good balance. It is a good balance between requirements, on the one hand, and reducing excessive burdens, on the other.

This amendment dramatically upsets that balance. It does, I think, effectively prevent the United States from enforcing very reasonable provisions in the Safe Drinking Water Act which, in those communities, for one reason or another, do not want to comply, jeopardize the safety and the cleanliness of their water.

I just think that it is not a provision; it is not an amendment that we in the U.S. Senate want to enact into law.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Mr. President, if we are going to get into the issue of hyperbole, because this appears to be the movement of this debate, let me simply point out all those folks who are listening in on Senators, everyone who has sponsored an unfunded mandates bill—and there is a majority in this body that has done exactly that—if you cannot vote for this very small toe-in-the-water type of an approach, this miniature movement, this baby step on the issue of unfunded mandates, then you really are going to have a lot of trouble going back to your States, going back to your towns, going back to those town meetings and explaining to the local officials when they ask you why do we constantly get these mandates, why do you tell us what to do with our taxes when we have other needs in our communities, why is it that when we need more police and we need to pay our teachers more we have to spend the money on something you told us to do from Washington that you are not willing to fund, you are going to have a lot of trouble saying to those folks: "I am against unfunded mandates. I just was not able to vote for this little itsy-bitsy idea that came through the Senate on the drinking water bill."

So we are going to go to hyperbole that this is a gutting amendment, which it certainly is not for all the reasons which we outlined on this floor for the last hour and a half, that you have to deal with the fact that this amendment is really a very tentative attempt to address the issue in a fair way so the communities are not hit twice, first with the unfunded mandate and then with a fine.

But if we are going to start using hyperbole, then I think people better look themselves in the mirror in this body and say why do I sponsor the unfunded mandates bill and why do I when I go back to my district and talk about how opposed I am to unfunded mandates when I am not even willing to vote for this one little simple idea, that small step on a bill which we already had outlined to us on numerous occasions is not an unfunded mandate anyway.

It has no impact. It has virtually no compliance activity involved in it. So clearly it is not going to be affected by this abatement of the fine.

The maximum fine collected was $70,000 only under this bill. So that is the maximum ever to get abated.

So why are we so exercised about it. I do not know, because quite honestly this is not that significant a step on the issue which is the core issue which is how we get to unfunded mandates. As long as Congress continues to pass these unfunded mandates, we will continue to pervert the relationship between the Federal, the State, and the local governments in this country. We will continue to undermine the confidence of local community leaders in our willingness to stand behind our words.

That is the bigger issue of unfunded mandates which really has not been raised in this debate by me until this point but which I guess it has to be raised at this time because that is what the debate has become, the debate of hyperbole.

So ask yourself if you are not willing to take this little step forward do not go back to towns and cities to the next town meetings or next Kiwanis Club or Rotary meeting or next Chamber of Commerce meeting or next community service meeting and when the question is asked about what about this unfunded mandate give a lecture on how much you are opposed to it because, believe me, you cannot be if you vote against this amendment.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, this amendment essentially creates a false choice. This amendment basically says either you are for funding the mandates or you are for sufficient Federal enforcement to the exclusion of the other but not for both, which is a false choice.

Obviously, we in this U.S. Senate want to fund the mandates and we want sufficient enforcement of the provisions. Obviously, we want both. Obviously, the solution is to deal with those enforcement issues first and enforcement in the best, most reasonable way; second, deal with the mandates in the best, most reasonable way but not have a 100-percent linkage between the two. The 100-percent linkage in this amendment creates a false choice. It is either black or white. It is all or nothing.

This amendment creates an all-or-nothing, very artificial, very constrained situation. Either we are for totally funding the mandates under this amendment or if we are not for totality in every case under this amendment we are not for Federal law enforcement.

I do not think that is where the Senate wants to be. I do not think that is practically what the Senator from New Hampshire really wants either.

I am confident that the Senator from New Hampshire would like to have these so-called mandates funded as well as possible, close to 100 percent as possible. I think the Senator would also like to have good, sufficient Federal law enforcement as reasonable as possible. I am quite certain that the Senator from New Hampshire is not saying no Federal law enforcement whatsoever if there is not a total 100 percent full funding of this requirement. I do not think he really means

that. I dare say I do not think the people of New Hampshire really mean that either or want that.

I think that the better way to deal with the question on the one hand of funding the mandates as in the committee chart behind me demonstrates that we can do better, we will work to do better over the months and years ahead and also we want to deal with the important level of law enforcement, but we do not want a 100 percent either or linkage where it is either all one or all the other but not some reasonable amount of both.

The effect of this amendment is all or nothing. We do not want all or nothing in the United States. We want kind of a reasonable level of both. That is what we want. I think that once we focus on that all or nothing which is not the will, I am sure of the Senate, we will realize let us not adopt this amendment but let us deal with the funding question responsibly and properly and also deal with the enforcement.

I note that the Senator from Ohio, the chairman of the Governmental Affairs Committee, is now in the Chamber, who worked hard on this question of unfounded mandates.

I yield the floor.

Mr. CHAFEE. I wonder, Mr. President, if we could have some kind of an understanding after the Senator from Ohio speaks. Would it be the floor manager's judgment that we stack the amendment of the Senator from New Hampshire and get on with the Senator from North Carolina? I think there are going to be several other amendments after him. As I understand, that is what the hope is.

Is that agreeable with the Senator from New Hampshire?

Mr. BAUCUS. I say it is better to dispose of this amendment as soon as we finish debating. I do not see any reason for postponing the actual vote.

Mr. President, I yield the floor.

Perhaps, after the Senator from Ohio finishes his statement, we will come pretty close to wrapping up this debate. It is about 20 before 5 now. Maybe around 5 o'clock, I would contemplate a vote on this amendment, unless there is other intervening business.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. GLENN. Thank you, Mr. President.

Mr. President, the Senator from New Hampshire brings up a very, very important problem that we are in the process of addressing in the Governmental Affairs Committee.

This has been a subject that has been coming up increasingly over the last 3, maybe 4, years. It is a problem of when the Federal Government mandates something that costs the States in either enforcement or in procedures or what they have to do and it becomes very expensive.

Now you pile one of these requirements on top of another, starting way back several decades ago, and pretty soon the States are really up against it, as far as being able to provide the funds to do what has to be done.

I might add that this is one of the results of the so-called revolution we had in the difference in Federal-State relationships beginning back in the early 1980's, the so-called Reagan revolution. The idea was, if things were worth doing, we will send them back to the States and States will fund them if they are worth doing and we will get out of some of this business of the Federal Government requiring things of the States. That was all well and good, except we have the same requirements but not the funding from the Federal level to cover all these things, and back in those days we did cover a higher percentage than we do now.

But, regardless of that political background, we have unfunded mandates as a requirement and it really is hitting the States and local communities hard, very, very hard.

So I am complimentary to the Senator from New Hampshire for bringing it up, but I would submit that, rather than having something like this brought up on every piece of legislation that comes up—and we could do that—the way to solve this is the way we are going at it in the Governmental Affairs Committee.

Let me tell you what we have done. We have some eight bills before the committee now, including one by Senator GREGG, the Senator from New Hampshire, who is a sponsor of this amendment. We started last fall addressing this particular problem and we have eight bills in committee. We had a hearing last November 3, at which Senator GREGG testified on one of the eight bills. Other Members of the Senate and Members of the House also testified before the committee.

What we have been trying to do is work out a compromise position that would work for everyone. I think we are pretty well along on that.

Senator KEMPTHORNE has what was one of the more drastic proposals that just cut off everything, period; and that is if there was any cost at all. That is one extreme. And that would mean, even technically, I suppose, even if we asked for a report to come in and it required postage, that would be an unfunded Federal mandate. I do not think anyone wanted to take it that far, of course.

But, nevertheless, we have been having hearings on this. We had one last fall. We had one hearing on April 28 of this year. Representatives of the U.S. Conference of Mayors, the National Association of Counties, the National Governors Association, the National League of Cities, the U.S. Conference of State Legislatures, and Democratic and Republican elected officials have all testified, including several Senators, at these hearings.

We have been working with Senator KEMPTHORNE and with the administration. Senator ROTH, the ranking minority member of the committee, and I have worked with them. We are in the process of working out comprehensive mandate reform legislation. We have that pretty well reasonably worked out. We are planning our markup on it, as a matter of fact, on May 26, just next week.

There have been good faith negotiations underway with Senator KEMPTHORNE and others and I feel substantial, very substantial, progress has been made. We have had discussions and negotiations.

It seems to me that the way to solve this is by a comprehensive piece of legislation that we are about to mark up next week. Once that is done, we will bring it to the floor as fast as possible. I hope that it will cover this problem to the satisfaction not only of Members of this body, but also to all of those organizations that I mentioned.

It is a real problem. It is one that I think the Senator from New Hampshire is absolutely correct in bringing up and keeping attention focused on this particular issue, because it is a very major problem.

The States are out of money and do not feel that they can put taxes up in some of these areas where the Federal Government puts new requirements on them but does not follow with the money to carry out those programs. We heard over and over again in our committee during our last hearing with all of these different organizations that I mentioned, "No money, no mandates." "No money, no mandates." I, basically, agree with that. I am very sympathetic to that, but it can be carried to extremes.

That would just stop Government in its tracks, if we pass some of the legislation that has been proposed, not particularly this legislation today. But some of the other proposals, if carried out right to the letter of the way they are written, it would literally stop Federal Government in its tracks, even for good programs that the States want. And so, I think we have to be careful that we do not do more harm than good.

What I would hope is that Senator GREGG would either withdraw this amendment or, if we have a vote on it, I urge my colleagues to vote against it, with the idea that we are coming up with legislation that I think will be satisfactory and I think most of the Members of this body will approve. We should have that marked up and ready to come to the floor after our markup that is scheduled on May 26.

I hate to oppose this amendment, because I know that we do have to deal with the unfunded mandate problem. We are not trying to put that off. I am not trying to delay it. I think, through the years, we should have moved ahead

more rapidly in dealing with this, because it has been a problem that has been growing very, very rapidly in our communities and in our States.

So we want to deal with it, but I want to deal with it by bringing out legislation that applies to unfunded mandates across the board.

With that, I hate to oppose this amendment, but I will oppose it and urge my colleagues to vote against it if it is brought up to a vote. It is something we do have to deal with. I want to deal with it in a better way that will deal with the whole unfunded mandate problem.

I yield the floor.

Mr. GREGG. Are we ready to vote?

Mr. BAUCUS. Soon.

Mr. President, due to business of other Senators at this moment, I think it would be inappropriate to vote on this amendment precisely at this time.

I, therefore, ask unanimous consent that a vote on or in relation to the Gregg amendment occur at 5:30 today, and that no second-degree amendments be in order prior to disposition of this amendment numbered 1712.

The PRESIDING OFFICER. Is there objection?

Mr. CHAFEE. Mr. President, it is my understanding that Senator FAIRCLOTH will go ahead now and it may well be that he will have his amendment concluded with by 5:30.

Suppose he is not through, then what happens? He is just interrupted?

Mr. BAUCUS. That is correct.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Without objection, it is so ordered.

Mr. BAUCUS. Mr. President, I ask unanimous consent that, when the vote occurs on the Gregg amendment, I be allowed to move to table and the yeas and nays be ordered.

I withdraw that request.

Mr. President, I suggested absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BAUCUS. 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. BAUCUS. Mr. President, I think we have pretty well wrapped up debate on the amendment offered by the Senator from New Hampshire.

Before turning to the next amendment, I ask unanimous consent to have a letter printed in the RECORD. It is a letter from Bob Perciasepe, the Assistant Administrator of the EPA. Essentially the letter states that he, Mr. Perciasepe, Assistant Administrator for Water in the Environmental Protection Agency, is deeply concerned about the amendment offered by Senator GREGG. He says it would upset the careful balance the committee has drafted. It would severely hamper enforcement of the Safe Drinking Water Act and could bring progress on drinking water protection to a grinding halt. Drinking water systems across the country would no longer be held responsible for providing basic drinking water safeguards, such as protection against microbiological contaminants and lead.

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

U.S. ENVIRONMENTAL PROTECTION AGENCY, OFFICE OF WATER

Washington, DC.

Hon. MAX BAUCUS,

Chairman, Committee on the Environment and Public Works, U.S. Senate, Washington, DC.

DEAR SENATOR BAUCUS: The Safe Drinking Water Act bill, S. 2019, which passed the Committee on the Environment and Public Works by a unanimous vote, contain much needed reforms to reduce regulatory burdens and increase flexibility while carefully balancing essential public health protections.

I am deeply concerned by an amendment offered by Senator Gregg that would upset the careful balance that you and the Committee have crafted. The amendment would severely hamper enforcement of the Safe Drinking Water Act and could bring progress in drinking water protection to a grinding halt. Drinking water systems across the country would no longer be held responsible for providing basic drinking water safeguards, such as protection against microbiological contaminants and lead.

According to industry data, 74 percent of water consumers are willing to pay higher water bills in order to receive water above federal standards. This amendment could undercut the substantial progress that has been made to meet the goal of safe drinking water for all Americans. I strongly urge you to oppose the amendment.

Sincerely,

ROBERT PERCIASEPE,
Assistant Administrator.

AMENDMENT NO. 1714

(Purpose: To strike the provisions relating to labor standards)

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

Mr. FAIRCLOTH. Mr. President, I send to the desk an amendment to the safe drinking water bill that will strike the Davis-Bacon prevailing wage requirements for construction of drinking water treatment plants and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, the pending amendment is set aside. The clerk will report.

The bill clerk read as follows:

The Senator from North Carolina [Mr. FAIRCLOTH] for himself, Mr. CRAIG, Mr. NICKLES, Mr. BROWN, Mr. SMITH, Mr. GRASSLEY, Mr. GRAMM, Mr. HELMS, Mrs. HUTCHISON, Mr. COATS, Mr. COHEN, and Mr. KEMPTHORNE proposes an amendment numbered 1714.

The amendment is as follows:

Beginning on page 22, strike line 12 and all that follows through page 23, line 8.

On page 23, line 10, strike "1478" and insert "1477".

On page 23, line 23, strike "1479" and insert "1478".

On page 118, line 11, strike "1479" and insert "1478".

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. FAIRCLOTH. Mr. President, I have spent the last 46 years in the private sector. I have met a payroll every Friday for every week of those years and with a little luck will meet one this Friday. It is unfortunate for the American people that there are not more representatives who know what it means to run a business. If there were, we would have repealed the union-inspired mandates like Davis-Bacon long ago.

It is time we agreed to an amendment like the one before us. We need to send the cities and towns a clear message that the Congress is no longer going to burden them with unfunded Federal mandates like Davis-Bacon. And certainly it is time to let the taxpayers know that Congress is no longer willing to waste their money on union mandates.

Davis-Bacon prevailing wage requirements are a drain on the taxpayer, the private sector, the job market, the towns and, in this bill, the environment. The only beneficiaries of Davis-Bacon are Big Labor and its allies in the Congress. Obviously, Federal prevailing wage laws are a bad idea whose time will never come.

Do not misunderstand. As any union boss will tell you, Davis-Bacon is a successful labor law. It does exactly what it is supposed to do; it drives labor costs above the market price and excludes low-skilled, entry-level workers from the job market and eliminates any potential for apprentice training. It is big labor's best friend. It is the taxpayers' worst enemy.

Let us take a look at who gains and who loses by continuing to mandate wages on Federal projects. First, the taxpayer loses. Most of us are familiar with the studies that, according to the GAO, as anyone who has ever run a construction company, as I have, knows, the cost of Federal-funded construction is driven up by anywhere from 5 to 15 percent as a result of Davis-Bacon.

The effect is even worse in rural areas where Davis-Bacon drives the cost up by 26 to 35 percent.

The Congressional Budget Office has prepared the most conservative estimate available for the premium the taxpayers pay because of Davis-Bacon. They say the costs rise 1.5 percent because of the act. But from that very low and conservative estimate, it is determined that the taxpayer is expected to fork over an additional $3.2 billion over the next 5 years because of Davis-Bacon. And in this bill alone, we would save $84 million, and that is also a low ball estimate.

Mr. President, we could argue about the minutiae of studies well into the night, but no one in this Chamber will

argue that Davis-Bacon is saving the taxpayers any money. It drives up cost, reduces competition, pure and simple. That is what it is designed to do, and it does not improve the quality of the finished product.

By mandating that federally funded construction projects pay the prevailing or union wage—and they will always be able to identify as the prevailing wage—we drive up the labor costs to the taxpayers—the labor cost—by 50 percent on federally funded projects, and that does not even take into account the massive amounts of paperwork, the bureaucracy created in the Department of Labor to administer and determine prevailing wages for the thousands of Federal contracts let each year. It is estimated that over 6 percent of paperwork generated at the Department of Labor is a result of Davis-Bacon—6 percent of the paperwork coming out of the Department of Labor. And every bit of it is a useless, bureaucratic waste of time and money.

Mr. President, it is impossible for the Department of Labor or anyone in Government, for that matter, to accurately determine what someone's proper wage is. Only the private sector and the free market can determine what is a proper wage.

Mr. BAUCUS. Might I interrupt the Senator at an appropriate point to get a consent agreement? I do not want to break into the flow of the Senator's presentation.

Mr. FAIRCLOTH. Excuse me.

Mr. BAUCUS. I ask what would be a proper time for me to put a separate request to the Senate allocating time?

Mr. FAIRCLOTH. I am almost through. It will be all right to divide the time.

Mr. BAUCUS. Mr. President, I ask unanimous consent that the time between now and 5:30 p.m. be equally divided in the usual form for debate on the Faircloth amendment; and that, following disposition of Senator GREGG's amendment, the Senate vote on or in relation to Senator FAIRCLOTH's amendment No. 1714; and that no other amendments be in order prior to disposition of Senator FAIRCLOTH's amendment.

The PRESIDING OFFICER (Mr. KOHL). Is there objection? Without objection, it is so ordered.

Mr. BAUCUS. I thank the Senator.

Mr. FAIRCLOTH. Mr. President, the private sector and the free market are the only factors that can determine what is a proper wage. Governments around the world have discovered the futility and waste associated with manipulating wages and markets. It simply has never worked. Yet, the U.S. Congress today and every year since 1931 has mandated that the Department of Labor somehow determine the proper wage that should be paid for 300 different job categories in 20,000 different locations around the country. Every bricklayer, backhoe operator, carpenter, electrician and post-hole digger has to get a correct Federal unionized wage.

This wage is to be determined not by the real market but by the bureaucrats in Washington. That, Mr. President, is an impossible task. Everyone knows the Labor Department cannot possibly do the job, and for the past 63 years, the prevailing wage has been one thing and one thing only: the union wage. That is why in places like Cody, WY, they use a Denver pay scale, and in Poplar Bluff, MO, they use St. Louis union pay scales. This goes on all over the country.

Anyone with a drop of common sense knows there is not any connection between the selected wage and the true local market wage. The local market is really of no consequence. The union wage simply prevails and the Davis-Bacon wage goes on.

The second loser is the private sector. The cost to the private sector in lost competition is enormous. I was in the construction business for many years, and I can tell you firsthand the consequence of the Federal Government mandating wage rates.

We have created two separate construction markets in this country. The Federal market, whose foundation is Davis-Bacon wage mandates, is a maze of union-inspired rules and regulations. To compete in this market, you and your workers have to play by the union rules or, even worse, you can very simply just sign your company away to union contracts in the first place. And we all know what that means: Changing a ditch digger's rate to that of a truck driver because he drove a truck across a parking lot, or an electrician scale because he threaded a piece of wire. Those are the rules that Davis-Bacon brings to the construction industry.

That kind of Government-created private sector bureaucracy has limited the Federal construction market, for the most part, to a small group of union-controlled contractors who specialize in Davis-Bacon mandates. They are not competitive enough to operate in the free enterprise system. They do nothing but Government work under the Davis-Bacon rules.

Mr. President, Davis-Bacon mandates will cost the private sector $100 million this year in paperwork alone. Eleven million payroll reports, requiring 5½ million man-hours, will be submitted by employers to the Department of Labor in order to conform to Davis-Bacon requirements—11 million payroll reports.

The requirements that payrolls be met weekly rather than biweekly, as is often the practice in the construction industry, is enough to discourage any smaller firm from competing for Federal contracts. Just a single payroll requirement is symbolic of the arrogance of Davis-Bacon and the bureaucracy and the unions that support it.

It is not Congress' business to mandate the private sector's payroll changes that are effective for them only because the union bosses decide they would like it differently. I hope Senators who support Davis-Bacon will put themselves in the shoes of employers who are willing to hire entry-level workers but can find no economic rationale in the face of Davis-Bacon. I think there is a simple reason and an unfortunate reason why they cannot. The vast majority of Senators' hiring decisions have been limited to staffers, bureaucrats and law clerks. They simply have no firsthand knowledge of the private sector and the counterproductive effects of the rules and regulations that this Congress has passed over the last 30 years and longer.

The final loser is the cities and towns who are trying to clean up their drinking water. This bill currently marks an unprecedented expansion of the privileged wage laws of Davis-Bacon. We usually think of Davis-Bacon in connection with Federal building projects, but this bill is about local projects and it tells cities and towns that, if they take a penny of money from the State revolving fund, they must follow Davis-Bacon and Federal wage laws. That becomes one more mandate upon the cities and counties of this country, an unfunded one, as most of the Federal mandates are.

If we want to get the whole purpose of the bill, if we really want cleaner water, then we are going at it the wrong way. We need cheaper costs, and eliminating Davis-Bacon would be one way to cheapen the cost.

Mr. President, the Davis-Bacon issue has been fought many times in the Senate and will, unfortunately, be fought many times again, and I am well aware of that. But Senators have an opportunity here to prevent Davis-Bacon from being forced upon what is essentially a State program. This bill makes available $5.6 billion for States to loan out as they see fit, with a 20-percent match into this revolving fund. It is not the business of Congress to say that States—and that is what they are—that all of this must be constructed using union funds. I believe the States and cities have had enough of unfunded mandates, and I think they have had enough of Davis-Bacon, particularly those States without prevailing wage laws. It is one more encroachment on the ability of governments outside of Washington to decide such things for themselves. They have lost the decisionmaking process. It is dictated to them by a Government bureaucracy from Washington.

It is another power grab by Big Labor. It is one more arrogant attempt by Congress to manipulate the private sector for its own benefit and reasons.

I propose that Senators who may be undecided this time do the right thing.

Let us get the Davis-Bacon monkey off the back of local governments and the private sector. Vote for this amendment and your State will get 30 percent more water treatment construction for its money in rural areas. Vote against it and you are saying that Big Labor is more important to you, more a factor than is clean drinking water for this Nation.

Mr. CRAIG. Mr. President, I rise in support of the Faircloth amendment to S. 2019, the Safe Drinking Water Act Amendments.

As reported, section 3 of the bill would add a part G—sections 1471–1479—to the Safe Drinking Water Act, requiring the EPA Administrator to make grants to States for capitalizing State revolving loan funds [SRF's] to finance facilities for the treatment of drinking water. This new grant program is modeled after a similar one created in the Clean Water Act.

Unfortunately, the new section 1477(a) in the bill would apply the requirements of the Davis-Bacon Act of 1931 to the SRF's. Because Davis-Bacon directly applies only to public works and public buildings, it would not apply to SRF's without such an explicit extension.

Davis-Bacon should not apply to SRF's; it would amount to another Federal mandate on the States:

Davis-Bacon is a standard for Federal procurement contracts for construction—it shouldn't be imposed on State and local decisionmaking about State and local needs and priorities.

The Davis-Bacon provision in S. 2019 is another example of the Federal Government giving with one hand and taking away with the other. The bill says that we'll help pay for some of the capital costs of Federal drinking water mandates. But then we add Davis-Bacon to make capital improvements more expensive, more regulated, and more paperwork-intensive.

Because this bill applies Davis-Bacon to projects with any Federal SRF money, it also applies Davis-Bacon to the matching funds raised by State, local, and private sources. In other words, the Federal Government would be dictating to States and others how they should spend their own money. This simply isn't fair.

This provision also provides us with a case of the tail wagging the dog. Even though the Federal share of any SRF project may be as great as 80 percent, States also may stretch that money out among more projects. In some cases, Davis-Bacon could wind up applying to projects with a very small Federal component.

The new section 1477 created by this bill includes a disturbing, unprecedented expansion of Davis-Bacon to the proceeds of loan repayments:

The purpose of this bill is to authorize seed money to set up revolving loan funds—and I stress the word "revolving." The loans are repaid and funds are reloaned. The current practice as in the Clean Water Act, has been to apply Davis-Bacon only to the initial pool of money receiving a Federal contribution. If Davis-Bacon has to apply, this should be the case—it should come attached directly and solely to Federal money.

Over time, revolving funds become State money even more obviously. The Federal taint is less and less.

However, this bill could apply Davis-Bacon to subsequent loans made out of revolving funds 5, 10, and 20 years after the Federal Government has stopped contributing any funds.

Revolving funds are administered by State agencies, are matched with State funds, and loaned out based on State and local assessments of need. If this is the best way to characterize SRF's at their creation, it is a much truer description still after funds are repaid and reloaned.

Another obvious indicator of the nature of SRF's as State funds is written right into this bill: States would be allowed to decide whether or not to forgive loans to disadvantaged communities. It doesn't make sense to apply a Federal procurement standard like Davis-Bacon to a subsequent loan that was made possible solely because the State collected loan repayment it could have forgiven, instead.

Applying Davis-Bacon to SRF's is inconsistent with the stated intent of the Davis-Bacon Act itself:

Davis-Bacon supporters always assert that the purpose of the act—and this is consistent with legislative history—is to protect local economies and markets from disruption by big Federal projects.

Applying the act to SRF's raises a logical contradiction: This bill would apply a Federal procurement rule to State and local projects, ignoring the needs, priorities, and standards of the States and localities, in the name of "protecting" those States and localities from Federal interference.

Another, little noticed, local control issue: Subsection (b) of the Davis-Bacon provision would allow the Labor Department to override the judgments of EPA and State and local officials on when to apply Davis-Bacon:

Subsection (b) of the new section 1477 would allow the Department of Labor to override determinations made by the EPA Administrator and State or local officials as to whether the nature of the work being performed or the nature of a contractual relationship on an SRF project was such that Davis-Bacon should not apply. This is a departure from the traditional legislative approach in, and division of responsibility under, the Davis-Bacon related acts.

There is no justification for allowing Department of Labor bureaucrats who have no practical experience in safe drinking water programs, and who know nothing about local economic circumstances, to impose their judgment on EPA and local officials who are more qualified and better situated to judge the nature and scope of a contract on a project funded out of an SRF.

Proponents of Davis-Bacon expansion have been pursuing a strategy of inflicting death by a thousand small cuts. Subsection (b) is another example; it is a provision that has no rationale as a piecemeal expansion except for the sake of expansion itself.

There actually is an interesting history behind this particular issue. In the mid-1980's, DOL actually tried to apply Davis-Bacon to private construction of a shopping center in Muskogie, OK. The city, in a private-public partnership, had used a Federal grant to pay for part of the land acquisition. In essence, the Department of Housing and Urban Development said that Davis-Bacon applied only to federally financed construction in this and similar cases. DOL argued that it had the authority to apply Davis-Bacon to private construction if Federal funds had helped pay for an indirectly related activity. The Justice Department ruled in favor of HUD. Subsection (b) attempts to overturn that ruling for drinking water SRF's.

As an example of how such a reversal would affect communities under this bill, let's say a private developer of an industrial park or planned community agrees to construct a drinking water treatment facility; and the local government uses SRF funds for technical assistance, or maybe partial land acquisition. Normally, EPA and the State and locality would determine whether Federal money was directly related to construction and whether the nature of the work was more properly considered private, local-public, or federally assisted. Subsection (b) is intended to give bureaucrats, remote from the actual community and its SRF project, the power to superimpose their opinions as to when Davis-Bacon should apply.

COSTS

The bill authorizes $600 million in fiscal year 1994 and $1 billion annually over fiscal years 1995–2000, for a total of $6.6 billion.

Davis-Bacon would escalate total construction costs by at least 1.5 percent, or $99 million of the total Federal contribution if that much is appropriated. In other words, the Federal Government would get $99 million less worth of safe water capital improvements—less safe drinking water—for its money.

The committee report estimates that total capital costs to comply with Federal standards could be $8 billion or more. Of this total, the Davis-Bacon cost premium would amount to at least $120 million—including at least $21 mil-

lion in added costs imposed on States and localities.

I want to point out that 1.5 percent is what CBO estimates Davis-Bacon adds to construction costs, as a national average, above what they would be if the market prevailed.

The local impacts of Davis-Bacon, however, vary dramatically.

The General Accounting Office, the Wharton School, the Grace Commission, and others have found that Davis-Bacon commonly adds 5 to 15 percent to construction costs.

A 1982 University of Oregon study found that Davis-Bacon increases costs in rural areas by as much as 26 to 38 percent.

It's ironic and unfortunate: Applying Davis-Bacon to the safe drinking water SRF's means that those communities already least able to afford Federal mandates in the first place would get socked with the largest additional, federally imposed costs in complying with those mandates.

Davis-Bacon restricts competition and discriminates against small and minority-owned businesses:

Small and minority contractors already avoid Federal construction contracts like the plague because of onerous Davis-Bacon requirements. This bill would ensure that the same contractors are also shut out of State and local drinking water projects.

Again, this is ironic. Members of Congress always talk about helping small and minority employers—the very employers who create virtually all new jobs and training opportunities for new and disadvantaged workers—but by applying Davis-Bacon this bill would slam another door in their faces.

I remind my colleagues: The National Association of Minority Contractors has said that Davis-Bacon is "poison" to minority contractors and their employees, and the U.S. Hispanic Chamber of Commerce has called for outright repeal of the act.

I have spoken before on this floor about the lawsuit now pending, by several minority contractors, community associations, and the Institute for Justice, to declare Davis-Bacon unconstitutional on the basis of racial discrimination. I await with great interest the developments in that case. In the meanwhile, I agree that the 1931 CONGRESSIONAL RECORD showed obvious discriminatory intent when Davis-Bacon was enacted and that history has shown discriminatory effects.

For these reasons, and for those I offered earlier, I urge my colleagues to vote for the Faircloth amendment. We should not be expanding Davis-Bacon coverage still further.

If the Faircloth amendment is not adopted, then I urge that Senators adopt the amendment by Senator GREGG of New Hampshire, which would restore the status quo that Davis-Bacon not apply to the proceeds of loan repayments. But I hope that is not necessary and that we adopt the Faircloth amendment. If neither of those amendments is adopted, I understand that Senator SIMPSON of Wyoming has an amendment to allow States to exempt disadvantaged communities from Davis-Bacon, and I will support that effort.

Mr. President, I ask unanimous consent that I be allowed to insert additional materials into the RECORD with my statement, including a letter from the National Association of Minority Contractors expressing their concern over and opposition to the Davis-Bacon provisions in S. 1547, which has been replaced on the floor by S. 2019, and a letter from the Coalition To Reform Davis-Bacon, a broad-based national coalition.

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

NATIONAL ASSOCIATION OF MINORITY CONTRACTORS,
Washington, DC, April 25, 1994.

U.S. Senate,
Washington, DC.

DEAR SENATOR: The National Association of Minority Contractors (NAMC) would like to draw your attention to an overbearing Davis-Bacon provision in the Safe Drinking Water Reauthorization Act (S. 1547), a bill which will soon be considered in the Senate. We urge you to oppose this provision on the grounds of its overly burdensome requirement on the states, as well as its heavily adverse impact on small and small disadvantaged businesses, and lower-skilled minority workers.

S. 1547 contains a provision which would expand Davis-Bacon coverage to all drinking water projects funded by the new state revolving loan fund (SRF) created in the bill. This Davis-Bacon provision of S. 1547 amounts to just one more unfunded federal mandate on the states. It would have a harsh impact on small and small disadvantaged businesses who would be virtually eliminated from competing on drinking water projects because of the heavy burden of Davis-Bacon. It would also have a negative impact on low-skilled workers seeking jobs on safe drinking water projects, but not qualifying for the excessive Davis-Bacon wage requirements.

Under the legislation, the federal government would contribute a total of $5.6 billion to the SRF through the year 2000. After 2000, the SRF would be capitalized solely by repayments of the loan by the states. The Davis-Bacon provision would apply the law's requirements not only for the first few years of the program, when the federal government is making a financial contribution, but also when the SRF is fully capitalized with state funds. The language contained in S. 1547 is a significant unprecedented expansion of the Davis-Bacon Act which eventually places the full burden of the associated inflated costs on the states.

The Davis-Bacon Act is estimated to raise the cost of federal construction by an average of 5–15%. The inflated costs in rural areas are estimated at 26–38%. The Davis-Bacon Act currently impacts states and localities because it is often applied when the federal government makes only a nominal contribution and the project is primarily state, locally or privately funded. The inflated costs and other problems associated with Davis-Bacon can virtually nullify the federal government's subsidy. The language in S. 1547 imposes this type of burden on the states, but also goes a giant step further by applying Davis-Bacon indefinitely—even when the SRF is capitalized solely with state funds.

S. 1547 purports to provide additional flexibility to the states. However, the Davis-Bacon provision in this legislation is entirely contrary to this intent. To date, eighteen states have chosen to either repeal their "little Davis-Bacon law" or have no prevailing wage statute at all. Rather than providing flexibility, S. 1547 as written imposes another unfunded federal mandate on states who have already made their choice on this issue. States who have repealed their prevailing wage law—including Alabama, Arizona, Colorado, Florida, Idaho, Kansas, Louisiana, New Hampshire and Utah—and states who have never had a prevailing wage law—including Georgia, Iowa, Mississippi, North Carolina, North Dakota, South Dakota, Vermont and Virginia—clearly do not want the federal government mandating that they must pay these unnecessarily inflated costs. It is important to note that states who do have a prevailing wage statue are already assured of having prevailing wages paid on projects funded under this program.

NAMC urges you to support the position that, with states and localities becoming increasingly financially strapped, the federal government should not mandate that they pay more than necessary for much-needed public construction. This position is not only good for the state governments, but also for small and small disadvantaged businesses seeking to do business under state contracts, and also for workers seeking jobs on state projects. We urge you to oppose the addition of the Davis-Bacon expansion provision to S. 1547, the Safe Drinking Water Authorization Act.

Sincerely,

SAMUEL A. CARRADINE, Jr.,
Executive Director.

COALITION TO REFORM THE DAVIS-BACON ACT,
April 11, 1994.

Hon. LARRY E. CRAIG,
U.S. Senate, Washington, DC.

DEAR SENATOR CRAIG: The Senate is expected to begin debate on S. 1547, the Safe Drinking Water Reauthorization Act, as early as this week. The Coalition to Reform the Davis-Bacon Act is extremely concerned about the Davis-Bacon provision included in S. 1547, which would amount to an unfunded federal mandate on the states.

By including the requirements of the Davis-Bacon Act within S. 1547, you are mandating that states pay a significant amount more than necessary for construction projects under these programs. The Davis-Bacon Act unnecessarily raises the cost of Federal construction by an average of 5–15%, with costs in rural areas being inflated by as much as 26–38%. This is a needless waste of taxpayer dollars and thwarts the progress of additional projects that would be built. These figures do not take into account the burden that Davis-Bacon requirements impose on states and localities.

The federal Davis-Bacon law hurts states and localities because its requirements are imposed regardless of the amount of funds that the federal government brings to a project. For example, the federal government could offer a small amount of money for a primarily state, local or privately funded project, and the artificially inflated

Davis-Bacon wage rate would have to be paid to all workers on that job. Often times these increased costs virtually nullify the federal contribution. The language in S. 1547 would further burden states by applying Davis-Bacon requirements even when the federal government stops making its contribution and the SRF is solely state capitalized.

Eighteen states have seen fit to repeal their state prevailing wage statute or have no prevailing wage statute at all. The federal government should not impose Davis-Bacon requirements on financially strapped state and local governments, particularly when it is no longer financially involved.

The Coalition to Reform the Davis-Bacon Act strongly encourages you to delete this expansive language from S. 1547.

Sincerely,

THE COALITION TO REFORM THE DAVIS-BACON ACT.

MEMBERS—COALITION TO REFORM THE DAVIS-BACON ACT

Air Conditioning Contractors of America.
American Concrete Pipe Association.
American Farm Bureau.
American Portland Cement Alliance.
American Public Transit Association.
American Road and Transportation Builders Association.
Associated Builders and Contractors.
Associated General Contractors.
Brick Institute.
Citizens Against Government Waste.
Contract Services Association.
Council of State Community Development Agencies.
Fluor Corporation.
Independent Electrical Contractors, Inc.
Institute for Justice.
Labor Policy Association.
National Aggregates Association.
National Association of Counties.
National Association of Dredging Contractors.
National Association of Home Builders.
National Association of Manufacturers.
National Association of Minority Contractors.
National Center for Neighborhood Enterprise.
National Federation of Independent Business.
National Industrial Sand Association.
National League of Cities.
National Terrazzo & Mosaic Association.
National School Boards Association.
National Slag Association.
National Stone Association.
National Tax Limitation Committee.
National Taxpayers Union.
Printing Industries of America.
Pubic Service Research Council.
U.S. Chamber of Commerce.

Mr. WOFFORD addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Pennsylvania, [Mr. WOFFORD].

Mr. BAUCUS. Mr. President, I am about to yield time to the Senator from Pennsylvania and also the Senator from Massachusetts.

The amendment, I think, is the same one that was offered in committee, was considered by the committee, and rejected by the committee. It is the same amendment, and I urge the full Senate to also reject it. It is an issue that has been debated many times. Frankly, I think it would be highly improper for the Senate to adopt this amendment.

I will yield to the Senator from Pennsylvania—how much time?

Mr. WOFFORD. I will be within 2 minutes.

Mr. BAUCUS. I yield 2 minutes.

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

Mr. WOFFORD. Mr. President, as the Senator from Montana, our chairman, has said, the Environment and Public Works Committee debated this provision and voted by an 11 to 6 margin to retain the Davis-Bacon provisions.

The points made with such strong conviction by the Senator from North Carolina have been disputed and, I believe, disproved by many studies and by many thoughtful students of this field.

Dr. John Dunlop, Labor Secretary during the Ford administration, has studied the impact of the Davis-Bacon Act on costs and found that the application of the act is neutral with respect to construction costs.

Before coming to the Senate, I was Pennsylvania's Secretary of Labor, an agency which administered the State's prevailing wage law. I have seen first hand how these labor protections assure fair wages prevailing in the locality of the work. They provide for apprenticeship training to create a new generation of skilled craftsmen. The men and women of the building trades, Mr. President, are taxpayers, and they have been building America. The Senate time and time again has supported the concept of prevailing wage, and I urge the defeat of this amendment.

The PRESIDING OFFICER. Who yields time?

Mr. BAUCUS. Mr. President, I yield 5 minutes to the Senator from Massachusetts.

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

Mr. KENNEDY. I thank the Chair.

I rise in opposition to this motion to strike the Davis-Bacon protections for projects funded under the Safe Drinking Water Act.

There are a number of myths that are frequently circulated about the Davis-Bacon prevailing wage requirements.

Let me dispel some of the myths about Davis-Bacon.

One of these myths is that Davis-Bacon requires contractors to pay union wages on Federal construction projects. Davis-Bacon requires that prevailing wages of the community be paid on Federal construction projects. A 1986 study of the entire universe of Davis-Bacon decisions revealed that only 42.6 percent of all area wage decisions had prevailing rates that were union rates.

The same study found that almost 48 percent of all area wage decisions issued by the Department of Labor had nonunion wage rates as prevailing.

It also found with regard to project decisions, 23 percent of all decisions had union rates prevailing while 62 percent had nonunion rates prevailing.

Clearly, Davis-Bacon is not merely a facade to protect union wage rates.

Another of those myths is that construction workers are overpaid, and that the Davis-Bacon Act requires that they be paid inflated wages that unfairly enrich these workers at the expense of taxpayers.

This is simply untrue. The Davis-Bacon Act merely requires that construction workers on Federal projects be paid prevailing wage—that is the wage that is paid to the majority of workers doing similar work in the community.

Construction workers are not overpaid. In fact, in March 1994, the average hourly wage of a construction worker in this country was $14.42 an hour. Because construction workers work on a project-by-project basis, and are affected by weather and other conditions, the typical construction worker—even in the best of times—is likely to find work only about 1,400 to 1,600 hours a year. At the rate of $14.42 an hour, that typical construction worker produces annual earnings ranging from $20,188 to $23,072 a year.

This is hardly the kind of income that any family lives royally on.

And these are hardly the best of times for construction workers. In 1993 the unemployment rate among construction workers nationwide was a whopping 14.3 percent, and I know for a fact that in some construction locals in my own State of Massachusetts the unemployment rate in 1993 has been in excess of 17 percent.

Mr. President, what we are basically talking about is the wages of working men and women in the construction industry of this country. When you get right down to it, let us look at those who are participating in the Davis-Bacon Program, which effectively means that the wages are going to be the prevailing wages in that particular area where the project is going to be built.

Nationwide, the average construction worker is making $14.42 per hour, working between 1,400 and 1,600 hours a year. Construction workers only work on a project-by-project basis. Their hours are also affected because of weather. But, the typical construction worker nationwide, earns between $20,000 and $23,000 a year.

We are talking about men and women in this country who have a skill who are making between $20,000 and $23,000 a year. We are talking about roofers who make $12.79 an hour; carpenters who make $14.33 an hour, and plumbing, heating, and air conditioner workers who make $15.01 an hour. I do not understand why the Senator is against these working men and women who are prepared to work at any time they pos-

sibly can and still make only $20,000 a year. There are a lot of other inequities out here—people taking advantage of various kinds of projects and systems and the economy, who are making not only $20,000 but $100,000 or $1 million a year. But we are not talking about these people.

It is thee the working men and women we are talking about. Their unemployment—as a result of interest rates—is 14 percent nationwide; in my State, 17 percent. Many of these construction workers are not even making the $20,000 a year. So you can talk all you like about how we really ought to stand up for America, how we ought to stand up against the power of these working men and women. You are talking about hard-working men and women who are trying to deal with the economic problems they and their families are facing, whose real income has actually declined over the period of the last 10 years. And we are going to say this is striking the cause for justice in America?

Come on. What has the Senator got against working men and women making $20,000 a year? That is what this issue is about. I just hope that the Senator's amendment will be defeated.

We can end up with the shoddy workmanship and the overtime that is necessary for repair when we do not have trained individuals who are part of the construction trades. A January 27, 1994 article in the Wall Street Journal recently reported on the growing shortage of skilled construction workers. The article mentions increasing complaints about building quality and timeliness.

The protections of Davis-Bacon and the apprenticeship programs certified by the Department of Labor or a State agency recognized by the Department of Labor help to ensure that this country has an adequate skilled labor supply. They also ensure that projects built with Federal funds are quality projects with good workmanship.

I am just always amazed that some of our colleagues want to go after the backbone of America—the skilled men and women who are really building the infrastructure, the ones who are rebuilding the water systems which provide our families water, the ones making moderate, even minimal, amounts of money and trying to bring up a family in this country at the present time.

I hope that we are not going to turn our back on these individuals and say, well, we are not going to pay you. We are going to nickel and dime you. We want you to go out and work, but we are going to nickel and dime you and get your wages down even lower than they are now.

Mr. President, $14,800 a year is now a poverty wage for families of four. These workers deserve better than a poverty wage. It seems to me we ought to pay people a living wage—for them and their families.

So I hope that this amendment will be defeated, and I yield the remainder of my time.

The PRESIDING OFFICER. Who yields time? Four minutes 35 seconds remain to the Senator from North Carolina.

Mr. FAIRCLOTH. I yield the time.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. GRASSLEY. Mr. President, I am pleased to support the amendment offered by my good friend from North Carolina, Senator FAIRCLOTH. His amendment would strike the ill-advised Davis-Bacon provisions from the Safe Drinking Water Act.

Most Americans are not aware of Davis-Bacon—but they should be. Davis-Bacon denies American taxpayers the right to get the best deal for their money. Davis-Bacon denies American taxpayers the benefits of marketplace competition. Congress—not the marketplace—not competition—sets the rate of pay for workers.

The result? Federal contract costs sky-rocket. Taxpayers are gouged. And now, if we defeat the Faircloth amendment, we will expand Davis-Bacon even further?

If the Faircloth amendment is defeated, Government contract costs will increase along with Government spending. Is the budget balanced? Have we conquered the deficit?

What is our objective with the Safe Drinking Water bill? Do we want money spent on protecting drinking water? Or do we want to throw a bone—a very expensive bone—to special interests?

If my colleagues defeat the Faircloth amendment, less money will go to safe drinking water. More money will go to labor.

The bill contributes $5.6 billion to a new State revolving loan fund. It is argued States are better suited to manage local safe drinking projects. But then we about-face and force costly Davis-Bacon requirements upon State contributions to the new revolving fund. The Federal Government imposes costly Davis-Bacon long after Federal funds are spent. Why? To promote safe drinking water?

My own State of Iowa has never had a prevailing wage law similar to Davis-Bacon. But unlike the Federal Government, Iowa has to balance its budget. It is required by Iowa's constitution. So, squandering taxpayer's money like the Federal Government does is not acceptable among many States like Iowa.

Therefore, I am confident that Iowa would oppose paying the inflated costs this unprecedented Federal mandate imposes.

This is both a Federal money grab and a Federal power grab. It steals more money from Federal and State taxpayers. And it steals the power from the State. This provision strips State and local officials of their powers.

States opposed to this expansion of Davis-Bacon could be ignored, snubbed, and overruled by the Secretary of Labor.

The Federal Government must not impose its will upon State funded programs. There is no justification for this power grab. Local officials, not Federal bureaucrats, are better-suited to determine local contract provisions funded by local revolving funds.

The costs of federally subsidized construction will dramatically rise in urban areas and even more so in rural areas.

My State cannot afford to spend safe drinking water funds to finance artificially high construction costs.

Davis-Bacon is simply a way to dig deeper and deeper into American taxpayer pockets. It is another way for Congress to increase the burden of Government on Americans.

It is another way for Congress to make certain that it controls the hard-earned income of taxpayers instead of letting taxpayers spend their own money or if the money is to be spent to accomplish the most bang for taxpayer dollars.

I commend my friend from North Carolina for his work on this issue and I urge my colleagues to join us in stripping this Davis-Bacon provision from this bill.

I yield the floor.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. All time of the Senator from North Carolina has expired.

Mr. BAUCUS. Mr. President, I yield 5 minutes to the Senator from Ohio.

The PRESIDING OFFICER. The Senator from Ohio [Mr. METZENBAUM] is recognized for 5 minutes.

Mr. METZENBAUM. Mr. President, I do not know any Member on the other side of the aisle for whom I have more respect than my good friend from Iowa. But when he suggests that the working people in this country are special interests, I have to stand and say I strongly take issue with that. These are average working Jacks and Jills who are working in the construction industry making $14, $16, $18 an hour, maybe $20 an hour.

This amendment would repeal the prevailing wage protections of the Davis-Bacon Act for any Government contracts funded by the Safe Drinking Water Act.

We do not want to do that. We do not want to say to average working people that you are supposed to work for less than the prevailing wage in that area. That is all this amendment is about.

The proponents of this amendment have told you that workers do not need these protections. They have told you this amendment will save Federal dollars. So it sounds like a great idea. But the fact is you do not save Federal dollars on the backs of the working people of this country. At least I do not think we should.

We have heard these arguments over and over, time and time again about this idea of saving money in this manner. We all know what is really going on here. This amendment is really about stripping longstanding labor protections away from American workers, for an illusory purpose of saving tax dollars. It has no place in this legislation.

We go through this same routine year after year. But the fact is, if we have any real concern for American working people, we cannot even consider adopting this amendment.

Let me explain briefly why workers need these protection. The Davis-Bacon law requires Federal contractors to pay the prevailing wage in a locality when performing work under a federally funded construction contract. Congress enacted this law in 1931, 63 years ago, to codify a simple public policy—that the Federal Government should not pay substandard wages to American workers. Because of the Federal Government's massive purchasing power, paying substandard wages could undercut all other employers in a given area and drive wages down for all workers.

That is not what I believe the U.S. Senate wants to bring about. The Davis-Bacon Act is premised on the notion that private contractors should not be permitted to use the shield of Federal contracts to engage in wage-busting activities.

So Davis-Bacon stands for a principle that is eminently fair to both Federal contractors and to their employees: just pay a fair wage, just pay the prevailing wage in the community, nothing more. It does not ask for $5 more than the prevailing wage. Just pay what the majority of workers are earning for similar work in the area. What could possibly be fairer than that?

Do not be fooled by the argument that America's construction workers do not need these protections. In fact, they need these protections more than ever.

The real value of their wages has been going down for years, due to inflation.

Moreover, these workers typically do not work a full 52 weeks, due to weather conditions, economic conditions, and the transient nature of construction work. The compensation for working in one of the most dangerous occupations in this country is not that high. If the prevailing wage law is eliminated, this modest earnings level of $22,000 to $23,000 will be slashed by low-wage contractors.

Ultimately, this is an issue of basic fairness.

Congress recognized that the Federal Government should encourage competitive bidding for federally funded construction contracts. But Congress also recognized that this competition should not come at the expense of construction industry workers.

Moreover, Federal dollars raised by taxing the working men and women of this country should not be used to force down their wages. We have to stand here this afternoon to protect the principle of fairness that has served us well for 63 years. We have consistently rejected efforts to undermine or repeal these protections in the past. We should reject this amendment as well.

Mr. President, I yield the remainder of my time.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana has one minute and 40 seconds.

The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I ask the proponents of the amendment be given 4 additional minutes. That will push back the 5:30 vote a little bit.

Mr. BAUCUS. Mr. President, I might add I think it would be more fair to allocate it evenly, like say 2 and 2.

Mr. CHAFEE. That is pretty short.

Mr. BAUCUS. Three and three.

The PRESIDING OFFICER. Without objection, each side is granted an additional 3 minutes.

The Senator from Oklahoma is recognized.

Mr. NICKLES. Mr. President, I wish to thank my colleagues from Montana and Rhode Island for their courtesy.

I also wish to compliment my friend and colleague, Senator METZENBAUM. I have had the pleasure of debating him on this issue several times.

I also wish to compliment my friend and colleague, Senator FAIRCLOTH, for his amendment. I think it is an outstanding amendment. I appreciate where he is coming from—the private sector, the era that believes that individuals and businesses know how to set labor rates better than the Federal Government. He happens to be right.

My friend from Ohio said, well, he believes in keeping the law as it is. I am looking at this bill before us. This does not keep the law as it is. As a matter of fact, this expands Davis-Bacon. It goes well beyond any scope of the original passage of Davis-Bacon, because it says that fair labor standards—or "the administrator will have prevailing wage rates provided under this part including any assistance derived from repayments to the State loan fund." That is all State money.

So what we are doing is expanding the Federal mandate of Davis-Bacon, and that mandates high labor rates to the States. It is an unfunded State mandate. States are going to be saying: Wait a minute, we have paid into this fund; that is our money, but you are mandating that we have the Federal Government set the labor rates on these projects when we are spending our own money. That is not right.

In many cases, you are talking about wage rates far in excess of what is normal, standard, or what somebody might be earning when they are working on a private construction project. So if it is a Federal construction project, it may cost 50 percent more or 20 percent more. Those labor rates are going to be determined by the Secretary of Labor, using some survey instead of the private sector between employer and employee who know what that wage should be.

So, Mr. President, this bill is a massive expansion of an unfunded mandate on States because it provides for prevailing wage rates including any assistance derived from repayments to the State loan fund.

We are going to spend a lot of money in this bill—over a billion dollars. All that is covered by Davis-Bacon, under the revolving loan funds, which is $1 billion. Where the States have their own money, they should not be mandated to be paying exorbitant labor rates. Let them decide. Nineteen States have exemption from Davis-Bacon. We should not tell them they have to pay prevailing wage rates.

This is an expansion of present law, and it should not happen. We should not be mandating States, counties, cities, and rural water districts, high labor rates, and that is what we are doing.

Senator FAIRCLOTH has an outstanding amendment. I urge my colleagues to support it.

Mr. BAUCUS. Mr. President, essentially, very clearly, we have already debated this issue many times. The provisions of the bill apply to the same—the same provisions currently apply to the Clean Water Act revolving loan fund and to the Safe Drinking Water revolving loan fund. What is sauce for the goose is sauce for the gander. There are all kinds of studies that Davis-Bacon adds to the costs of construction, and it does not add to the cost of construction. A lot of studies show, frankly, that the provisions of Davis-Bacon providing for the prevailing wage actually reduce the cost of construction because of fewer delays. There is a more uniform application of the contract, fewer cost overruns, generally, sturdier construction.

In the long haul, many studies show that the prevailing wage provision tends to not increase costs in a project, but actually reduces them. The short answer is that this is an issue that has been around a long time, and all Senators are very familiar with this issue. The committee did consider this amendment in committee. It was rejected in committee by a vote, I think, of 11-6, and it was the same amendment.

I strongly urge Senators—just as members of the committee did not—to not adopt the amendment.

Mr. CHAFEE. Mr. President, I hope the Senate will adopt the amendment offered by the Senator from North Carolina. This bill establishes a State revolving loan fund program to make it

possible for small drinking water systems to comply with the requirements of the Safe Drinking Water Act.

This is a loan fund, not a grant program. Drinking water systems can borrow money. But they must pay it back. Ultimately, it is local revenue that pays for compliance. The Federal dollars committed to these loan funds is just seed money. Does it make sense to require small communities who are struggling to meet the requirements of the Safe Drinking Water Act to spend even more to meet Davis-Bacon requirements that apply to a loan program? No, it does not.

The theory of a revolving fund is that some assistance is provided by lowering interest rates on the loans. Small communities have difficulty borrowing in the municipal bond market. The SRF's give them a window for a loan at interest rates more can afford.

But not if you pile the Davis-Bacon requirements onto the loan. A modest estimate of the impact is a 1.5-percent increase in the average cost of construction projects that are required to pay wages at Davis-Bacon rates. Many estimates of the cost impact are much higher. But even at 1.5-percent, this requirement can have a large impact on the attractiveness of this SRF program for small communities.

We have an SRF program in the Clean Water Act. Interest rates have averaged 2.5 percent below market rates. You can see that if Davis Bacon increases costs by just 1.5 percent—and that is the lowest estimate—it eats up most of the advantages of this program. In fact, most large cities have chosen not to participate in the Clean Water SRF because of the Davis-Bacon and other similar cost increasing strings that go with those loans.

So, Mr. President, I think this Davis-Bacon requirement undermines the whole purpose of the SRF—access to low interest loan funds—and I would urge the Senate to support the Faircloth amendment and delete the Davis-Bacon requirement from this new program.

Mr. President, I point out also, as the Senator from Oklahoma noted, this is an enlargement of Davis-Bacon. This is not carrying on some law that has been there for 65 years. This is a broadening of the law.

I think we are ready to vote.

Mr. BAUCUS. 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. BAUCUS. 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. BAUCUS. Mr. President, I think we are ready to yield back our time on the debate on the amendment offered by the Senator from North Carolina. I assume that the time on the other side has been used up, and we are ready to proceed to a vote.

The PRESIDING OFFICER. Under the order, the question is on agreeing to the amendment.

Mr. KOHL. Mr. President, I rise in opposition to the amendment of the Senator from New Hampshire on unfunded mandates, and I do so as a cosponsor of S. 933, which is Senator KEMPTHORNE'S Community Regulatory Relief Act. When I cosponsored that legislation, I did so because I believed that Congress does not give enough consideration to the costs it imposes on communities when it passes legislation. We debate the merits of each piece of legislation individually, but rarely do we consider the cumulative costs we impose on the communities.

I cosponsored S. 933 because I believe that we need to be taking a comprehensive approach in our efforts to rein in the costs we impose on the communities in our States. We should not, however, agree to piecemeal approaches to fix this problem. Mr. President, I believe that the Gregg amendment represents such a piecemeal, and therefore inappropriate, effort to address this matter.

Further, I believe that the unfunded mandate concept applied in a piecemeal manner to the Safe Drinking Water Act results in some potentially perverse conclusions. If we pass this amendment, we are essentially giving carte blanche authority to local officials to decide whether or not to enforce drinking water standards. There is no explanation in this amendment of exactly how it will determine what is funded and what is not funded. Essentially, this bill is a lawyer's dream come true, because as vague as the language of this amendment is, it would be very easy to construct a legal argument that any drinking water regulation was not fully funded.

Mr. President, when I cosponsored the Kempthorne bill, I had no intention of jeopardizing the life and health of the citizens of my State. In light of the cryptosporidium outbreak that occurred in Milwaukee in April of 1993, I think we are all fully cognizant that the quality of our drinking water is directly related to human health and safety. If we have concerns about specific drinking water standards, let's debate those. But let's not gut the law that is charged with ensuring safe drinking water to the families in our States.

It is my understanding that discussions are currently taking place between Senator GLENN, the chairman of the Senate Government Affairs Committee, and Senator KEMPTHORNE, the sponsor of S. 933, regarding the appropriate manner to proceed in addressing the unfunded mandate concerns. It is also my understanding that the desire is to have this matter addressed in a comprehensive approach. For this reason, and the other reasons stated above, I urge my colleagues to oppose the amendment of the Senator from New Hampshire.

Mr. HATFIELD. Mr. President, I rise in support of the Gregg amendment. I support this amendment because, like many Senators, I have heard from hundreds of citizens in my State about the burdens of mandates, and I agree with Senator GREGG that the practice of passing the responsibility for Federal priorities to State and local government must stop.

However, I would like to note that the Gregg amendment might be applied to the operations and maintenance of local public water systems, and I believe this may take the "unfunded mandates" argument a step too far. As with many other programs, providing safe drinking water is a shared responsibility among the Federal, State and local governments. We must strike a balance between guaranteeing that all people in this country have access to safe drinking water and allowing local communities to set local priorities. In general, daily operation and maintenance costs—including testing for contaminants—should be the responsibility of the local community and should be funded locally.

Despite my misgivings about its scope, my vote in favor of the amendment offered by my friend from New Hampshire, Senator GREGG, is a clear statement of my support for an end to the practice of unfunded Federal mandates.

Mr. BAUCUS. Mr. President, I ask for the regular order. Which amendment will be voted on first?

The PRESIDING OFFICER. The amendment of the Senator from New Hampshire.

Mr. BAUCUS. Mr. President, I move to table the amendment of the Senator from New Hampshire and 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 assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Alabama [Mr. SHELBY] is absent because of illness.

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

The result was announced—yeas 56, nays 43, as follows:

[Rollcall Vote No. 115 Leg.]

YEAS—56

Akaka	Bradley	Cohen
Baucus	Bryan	Conrad
Biden	Bumpers	Daschle
Bingaman	Byrd	DeConcini
Boren	Campbell	Dodd
Boxer	Chafee	Dorgan

Durenberger	Kerry	Pell
Exon	Kohl	Pryor
Feingold	Lautenberg	Reid
Feinstein	Leahy	Riegle
Ford	Levin	Robb
Glenn	Lieberman	Rockefeller
Graham	Metzenbaum	Roth
Harkin	Mikulski	Sarbanes
Hollings	Mitchell	Simon
Inouye	Moseley-Braun	Warner
Jeffords	Moynihan	Wellstone
Kennedy	Murray	Wofford
Kerrey	Packwood	

NAYS—43

Bennett	Gramm	McCain
Bond	Grassley	McConnell
Breaux	Gregg	Murkowski
Brown	Hatch	Nickles
Burns	Hatfield	Nunn
Coats	Heflin	Pressler
Cochran	Helms	Sasser
Coverdell	Hutchison	Simpson
Craig	Johnston	Smith
D'Amato	Kassebaum	Specter
Danforth	Kempthorne	Stevens
Dole	Lott	Thurmond
Domenici	Lugar	Wallop
Faircloth	Mack	
Gorton	Mathews	

NOT VOTING—1

Shelby

So the motion to lay on the table the amendment (No. 1712) was agreed to.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, what is pending business?

The PRESIDING OFFICER. The pending business is the amendment of the Senator from North Carolina.

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

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Carolina.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Alabama [Mr. SHELBY] is absent because of illness.

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

The result was announced—yeas 39, nays 60, as follows:

[Rollcall Vote No. 116 Leg.]

YEAS—39

Bennett	Domenici	Mack
Bond	Faircloth	McCain
Boren	Gorton	McConnell
Brown	Gramm	Murkowski
Bumpers	Grassley	Nickles
Chafee	Gregg	Pressler
Coats	Hatch	Pryor
Cochran	Helms	Roth
Cohen	Hutchison	Simpson
Coverdell	Kassebaum	Smith
Craig	Kempthorne	Thurmond
Danforth	Lott	Wallop
Dole	Lugar	Warner

NAYS—60

Akaka	Breaux	D'Amato
Baucus	Bryan	Daschle
Biden	Burns	DeConcini
Bingaman	Byrd	Dodd
Boxer	Campbell	Dorgan
Bradley	Conrad	Durenberger
Exon	Kerrey	Nunn
Feingold	Kerry	Packwood
Feinstein	Kohl	Pell
Ford	Lautenberg	Reid
Glenn	Leahy	Riegle
Graham	Levin	Robb
Harkin	Lieberman	Rockefeller
Hatfield	Mathews	Sarbanes
Heflin	Metzenbaum	Sasser
Hollings	Mikulski	Simon
Inouye	Mitchell	Specter
Jeffords	Moseley-Braun	Stevens
Johnston	Moynihan	Wellstone
Kennedy	Murray	Wofford

NOT VOTING—1

Shelby

So the amendment (No. 1714) was rejected.

Mr. KENNEDY. Madam President, I move to reconsider the vote.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WALLOP addressed the Chair.

WHITEWATER

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. WALLOP. Madam President, 2 weeks ago 40 Republican Senators wrote our leader asking him to convey to the majority leader our deep concern over the seeming reluctance of the majority to set up a mechanism for holding Whitewater hearings. It has been nearly 2 months since the Senate passed 98–0 a resolution calling for hearings to be convened in a timely fashion. In the interim, Senators on this side of the aisle have been quite patient while the two leaders negotiated the guidelines and parameters for such an inquiry.

Those negotiations appear to have proven fruitless. Perhaps that was to be expected. Perhaps Senators on the other side of the aisle are not eager to schedule or hold Whitewater hearings. Perhaps they would prefer to stall as long as possible in the hope that interest will wane and somehow hearings will no longer be deemed necessary. This Senator believes they are mistaken.

Questions have been raised by the press, media analysts, and political pundits about the Whitewater matter. Has the media coverage been overblown from the start? Should it take precedence over other issues of national concern? Has the administration satisfactorily answered the questions, put the matter behind them? This Senator would reply "No" to each of those questions.

This matter has not been overblown, in fact it has been largely ignored by all but a few domestic news outlets. While this issue should not take precedence over all other issues, neither is this an either or proposition. Surely we can get to the bottom of the Whitewater matter and still conduct the rest of the Nation's business, unless a dedicated few truly do not want Whitewater investigated.

Finally, the White House has not put the Whitewater matter behind it precisely because they have not answered fundamental issues raised by the Clintons' actions and associations. Until that is done—either by the Clintons, the special counsel, or by Congress—this matter will nip at the administration's heels.

Madam President, in recent weeks the President and the First Lady have each held a press conference to answer Whitewater questions and allegations. While both press conferences were public relations successes—and reportedly that was their true purpose—each failed to answer legitimate questions about the Clintons' activities and associations here and back in Arkansas. That is not simply the conclusion of the Senator from Wyoming, Mr. President. It is also the considered judgment of most independent observers.

After Mrs. Clinton's press conference, the New York Times editorialized:

> As political theater, Hillary Rodham Clinton's news conference Friday afternoon was undeniably a smash hit . . . but her performance, however deft, leaves plenty of troubling issues for the special prosecutor and Congress to explore.

Mr. President, let me repeat that: leaves plenty of troubling issues for the special prosecutor and Congress to explore. The New York Times believes there are sufficient questions to necessitate congressional inquiry.

The New York Times wrote that Mrs. Clinton failed to adequately address the question of whether wealthy benefactors who did business with the State government were padding the Clinton family income while Mr. Clinton was attorney general and Governor. On the matter of the commodities trading, the Times noted that Mrs. Clinton's dealings with Tyson Foods lawyer James Blair might have raised an ethical red flag with some people, but Mrs. Clinton said she saw no problem because Mr. Blair and his wife are among our very best friends.

The New York Times also dismissed the First Lady's account of the Clinton's involvement with the McDougals in the Whitewater Development. The Times noted that Mrs. Clinton:

> Could not explain why Mr. McDougal wound up losing a lot more money than the Clintons did in what was supposedly a 50–50 deal. Her only real answer was that for 10 years she had no idea of what was going on and that she did not receive "any documents until late in the 1980's." That was a strange confession of ignorance from a woman who had spent the previous hour insisting that she maintained hawklike vigilance over her commodities trades and was deeply concerned with building a family nest egg.

However, perhaps the most damning assessment of the First Lady's performance was left for last. The Times lamented:

> Nor was it comforting to find the First Lady slipping into answers that seemed guarded or legalistic. When asked if her com-

modities broker might have given her a favorable advantage because of her position, she replied with a lawyerly "there's really no evidence of that. I didn't believe it at the time." . . . She said she knew "nothing to support" allegations that money was diverted from . . . Madison S&L into Whitewater to benefit the Clintons.

Once again, Madam President, those quotes come from the New York Times editorial 2 days after the First Lady's press conference.

The Washington Post editorial was only slightly less critical of the First Lady's performance. In response to Mrs. Clinton's claim that she had not received favorable treatment during her commodities dealings, the Post noted that her flimsy rationalization about lack of margin calls:

Along with her inability to explain how she was permitted to enter the market with $1000 when a single contract cost $1200, was better than not hearing anything from her at all. But it probably won't halt speculation about the help she received in ballooning her financial investments.

The Post concluded that "[T]he central question of whether funds from the failed-Madison Guaranty Savings and Loan were improperly shifted to Bill Clinton's gubernatorial campaign or to the Clintons' Whitewater real estate venture remains a live issue after the news conference"—let me repeat—"Remains a live issue after the news conference."

Finally, the Washington Post alluded to the "penetrating question" posed by the Resolution Trust Corporation's senior investigator in the Whitewater—Madison Guaranty case: "If you [the Clintons] aren't putting money into the venture, and you also know the venture isn't cash flowing, wouldn't you question the source of the funds being used for your benefit?" To this, the Post wrote, "Mrs. Clinton offered a less than satisfying response: 'Well, Shoulda, Coulda, Woulda, we didn't.'" The Post concluded: "answers like that won't put away Whitewater."

Madam President, I ask unanimous consent that both the New York Times and the Washington Post editorials be inserted in the RECORD in their entirety following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered. (See exhibit 1.)

Mr. WALLOP. Madam President, if we are truly seeking answers, we must face reality: We are not getting them. The Clintons are either unwilling or unable to provide thorough, complete, and factually accurate answers, even after being hounded and cajoled. As the editorials I have just mentioned conclude, the press conferences have not been enough. And as experience with this administration indicates, we cannot rely upon the Clintons to be unilaterally candid and forthcoming. That is also the common perception among the people, according to polls. The American people may not believe each of the specific aspects of Whitewater is of great consequence, but they are disturbed by equivocation and dissembling with which the administration has handled matters.

In an April 13 Washington Post OP-ED, liberal columnist Richard Cohen gave voice to this concern in describing the advice he would have given to the Clintons on Whitewater had they asked: "Answer all the questions, hold nothing back and—no matter what—tell the truth." Then, Mr. Cohen noted:

For some reason though, the Clintons have done nothing of the sort. They have, in fact, given out stories that have prompted the White House Press Secretary, Dee Dee Myers, to resort to formulations not heard in Washington since Watergate itself. An account of Hillary Clinton's dealings in the futures market, for instance, is "No longer operative." In other words, it wasn't true.

Richard Cohen's conclusion, I believe, aptly underscored a critical issue now enmeshed in this whole affair. He wrote:

Whatever Whitewater—and related matters—might eventually be about (maybe nothing), it is now about candor. The Clintons—not the press and not some right-wing Daddy Warbucks—have made it that. The White House seems incapable of just coming out with it—the details, the facts, the bloody truth. Maybe the Clintons think they are more clever than the rest of us. Maybe they think that since the truth and their preferred political image do not conform, it's okay to monkey with the former to match the latter. Maybe Clinton does have a character problem—an impulse to say whatever will suffice at the moment, never mind the literal truth. Maybe all of these speculations are true.

But the fact that they are raised at all has little to do with the vaunted adversarial nature of the press and everything to do with the way Bill and Hillary Clinton have played cute with the truth. If they were children, they'd be grounded. Since they are President and First Lady the most the press can do is ask questions—and the least the Clintons could do is answer them frankly. If they had done that from the beginning, Whitewater would be about an obscure land deal and not about the character of the First Family.

Madam President, some may believe this to be a rather harsh indictment of the Clintons. But regrettably, Mr. COHEN's assessment is borne out by the facts.

Simply look at the White House's handling of just about any of the issues which have arisen to date—Travelgate, Vince Foster's suicide, the First Lady's commodities trading, their involvement with James McDougal in the Whitewater Development—and we are repeatedly confronted with myriad claims, revised versions of events, and continuous corrections.

The impression being left with the American people is that either the Clintons have something to hide—and thus all the prevarication—or they are simply incapable of distinguishing or telling the truth. When the Clintons provide answers to inquiries, the answers tend to be purposely vague and guarded or simply incorrect. This pattern has been repeated time and again and it is increasingly difficult to ascribe these inconsistencies to innocuous or innocent motives.

Madam President, in 1992 the New York Times first raised questions about Whitewater. At that time, the Clinton campaign had a Denver attorney and old friend of Bill Clinton's, James M. Lyons, hire an accounting firm to prepare a report which ostensibly "exonerated the Clintons of any misrepresentations." The Lyons report was released by the Clinton campaign to diffuse questions about the Clintons' involvement in Whitewater.

Now, very troubling press stories are emerging with respect to the Lyons report. Claims contained in the Lyons report conflict with the very financial records upon which the report was purportedly based. According to the Los Angeles Times article which appeared on April 15, 1994—Tax Day, ironically:

Newly released tax returns for the Whitewater Development Corp. raise fresh questions about the assertion by President Clinton * * * that they poured tens of thousands of dollars into the losing venture and received nothing in return.

Yet the corporate tax returns of the Whitewater Development, made public for the first time earlier this week, do not show evidence of payments anywhere near as large as the Clintons have said they made. Instead of documenting the $46,636 that the Clintons say they lost on the Whitewater project, the tax records and supporting documents show only about $13,000 * * * in such payments.

Madam President, in the interest of time, I would ask that a series of additional passages from this article be printed in the RECORD at this point and that the full text of the article be placed in the RECORD following my remarks.

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

SELECTED PASSAGES FROM 4/15/94 L.A. TIMES ARTICLE ON LYONS REPORT

[The Clintons] have consistently defended themselves . . . by arguing that they lost $46,636 on the land development project during the 1970's and 1980's. Most of the money they spent, they have said, [was] large interest payments made for Whitewater Development from their personal funds.

The corporate tax records seem to support assertions made in recent months by [James] McDougal . . . [who] claimed that the Clintons only invested about $13,000 in the Whitewater Project, not the larger amounts cited by the President.

The Clintons' personal tax returns for the years in question show that they claimed $46,636 as tax deductions, though no canceled checks or bank statements have been released to substantiate the deductions. The Clintons have said the payments they claimed on their personal returns were made directly to banks holding Whitewater Mortgage or to other corporations owned by James B. McDougal, the Clintons' partner in the Whitewater venture. In that case, the payments also should have shown up on Whitewater Development's corporate tax returns, according to independent tax account-

ants who reviewed the corporation's financial records.

Tax experts said the corporate tax returns should have included entries corresponding with the payments listed in the personal returns, but they do not. The White House declined to comment on the discrepancies. A source familiar with the Clintons' tax records said he could not explain why the full $46,636 was not reflected in Whitewater Development's corporate returns.

The Whitewater Development tax returns also call into question findings contained in [the Lyons] report issued by the Clinton Presidential campaign in March, 1992, in response to disclosures about the Whitewater controversy . . . financial information in the corporate tax returns conflicts sharply with the figures in that report. For example, the [Lyons] report stated that the Whitewater venture suffered losses during the years in which the corporation's tax returns show that it made money. And the corporate returns indicate that Whitewater Development was bringing in as much as $60,000 annually from land sales during years in which the Lyons report said that no land was sold.

The accounting firm that prepared the 1992 [Lyons] report clearly had access to the Whitewater Development tax returns. The campaign [Lyons] report said the analysis was based on the returns and many of the line entries in both the report and the Whitewater Development tax returns are identical.

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

(See exhibit 2.)

Mr. WALLOP. I thank the Chair.

Madam President, these facts and details have gone largely unreported in much of the media, but they have not been ignored by everyone. The New Republic magazine in its May 9 issue discussed these revelations and their import:

The [Los Angeles] Times reports that whitewater's own corporate documents suggest that the Clinton's invested a mere $13,000 in Whitewater—not several times that amount, as they first claimed. The Clinton's own tax returns claim $46,636 in payments. There are two possible explanations: either the Whitewater documents are in error or the Clintons dissembled the amount on their tax returns. More interestingly, the original Lyons report, put out by the Clinton campaign two years ago to lay Whitewater to rest, had access to the development corporation's documents—yet it concluded that the venture took a far greater loss than the documents show, as well as claiming that it was taking losses in years the newly released documents show it to have been making profits. For example, the corporate returns indicate that Whitewater was bringing in as much as $60,000 annually from land sales during years in which the Lyons report said no sales were made. Once again, there are two possible explanations: Either the Clinton campaign and Mr. Lyon's team of accountants simply misread the returns, or they deliberately dissembled about their contents.

Madam, President, why is this particular facet of the Whitewater controversy important? Obviously, if the Clinton's claimed tax deductions to which they were not entitled, they will have to rectify their mistakes—as they recently did in the case of the previously unreported profits from Mrs. Clinton's commodities trading. However, there is a larger issue at stake, best described by columnist William Safire in an April 11, 1994, New York Times op-ed:

Why pursue this old story to its source? Because when Whitewater was first exposed by the New York Times in early 1992, candidate Clinton effectively squelched it with a legal-accounting report that was at least misleading, and may turn out to be a tissue of lies. If so, President Clinton should be held accountable. * * * Would it weaken this Presidency? Sadly, yes. But for one party government to condone a campaign cover-up would damage the American system far worse—which is why the truth about Whitewater must be flushed out.

Madam President, the charge of a campaign coverup is certainly a serious one—both in the damage it could cause if proven true and in the cost to the country if true but not investigated or pursued. While it is premature to accuse the Clinton campaign of deliberately using the Lyons report to dissemble the facts, it may be equally premature to totally dismiss such speculation.

On ABC's Nightline, April 19, 1994, Clinton campaign strategist James Carville tried to deflect press and public attention from the Whitewater matter by proclamining:

Well, my word is that this is an overblown story. It is not a very good time for the media. The American people are turning, the story is turning in favor of the President, and it's time to get off of it and move to something else. Or if you've got something, you want to say there's some wrongdoing, come forward with it. But there is an onslaught of opinion that the mainstream media has overplayed its hand on this story.

To this, Max Frankel, executive editor of the New York Times responded:

In all of 1992, we who started this particular string going, we had one story on Whitewater. * * * We were confronted by a massive blockade: Detectives, public relations experts, lawyers. No more answers, no more documents. We met a stone door, and for us this became unfinished business. We have had one or two, at the height of it I think three reporters on this out of 350, 400. The charge that this is overtaking our coverage of patiently ridiculous. * * * And what could have been a three-day story if it was really innocent has become now a three-month story because every day a new fact is dribbled out, only to be contradicted the next day. We got very little help on this particular strand of the Clinton's background, and the chickens are coming home to roost.

So this pattern—"We were confronted by a massive blockade * * * no more answers, no more documents * * * every day a new fact is dribbled out, only to be contradicted the next day"—is not new, it was the modus operandi of the Clinton campaign and is now apparently that of the Clinton administration.

Mr. Carville's comments are curious indeed when juxtaposed with comments attributed to him in a recent Newsweek magazine article. Let me quote from the April 11, 1994, article which described a particular situation on the 1992 campaign trail:

After the Illinois primary [Hillary Clinton] said in response to a reporter's question that she had never, ever profited from state business. The [campaign] staff was horrified to discover that this was not entirely true, when it turned up a 1986 memo detailing her decision to give up the bond profits. The [campaign] war room was plunged into gloom as it tried to decide what to do with the information. This is a disaster, said campaign strategist James Carville at the time * * * Carville & Co. were furious with the Clintons for failing to come clean with their own advisers. I've had blind dates with women I've known more about than I know about Clinton, said Carville. The arrogance, exclaimed a senior adviser that night. The arrogance that they—because they are smarter than most people—can talk their way out of any problem.

Frankly, Madam President, that article actually begs the question of whether Newsweek deliberately sat on this story during the campaign to keep from embarrassing the Clintons and possibly hurting the Clinton-Gore election effort. But if the Newsweek report is accurate, what does it tell us about the mores of the Clintons and their campaign operatives? We can certainly dismiss out of hand Mr. Carville's incredulity at the media attention Whitewater has received.

Madam President, let me conclude. There apparently is a feeling in the country that the reason there is so little interest in the details surrounding Whitewater is that the electorate simply believes that this is nothing out of the ordinary with politicians—it is "politics as usual." Well, Madam President, this Senator does not believe the electorate at large truly knows the complete details surrounding the various aspects of the whole Whitewater saga. If they understood the magnitude and the gravity of matters at issue, I do not believe they would simply shrug it off in a matter-of-fact fashion.

Madam President, if this is politics as usual, then our society suffers from a moral and political deterioration much more grave than this Senator believed. If, as this Senator firmly believes, this is not politics as usual, but we do nothing; we thereby give the impression of our acquiescence or, even worse, our approval, and we are ultimately responsible for the continued debasement of our political process, our institutions, and our heritage.

Therefore, Madam President, due to the apparent impasse over convening Whitewater hearings, those of us who do not believe this is "politics as usual" are compelled to come to the floor and delineate why we believe there are legitimate issues at stake and questions that need to have answers—real answers, Madam President, not the variety to which we have been treated in the last couple of months.

Hearings are necessary, Madam President. Our democracy will not be shattered by a public hearing on this

matter. But democracy without truth is a fatal deceit upon which its future cannot survive.

Madam President, I yield the floor.

EXHIBIT 1

[From the New York Times, Apr. 24, 1994]

MRS. CLINTON STEPS FORWARD

As political theater, Hillary Rodham Clinton's news conference Friday afternoon was undeniably a small hit. She serenely answered an hour's worth of aggressive questions on her complex adventures in the commodities and Arkansas real estate market. She was also forthrightly remorseful about her earlier resistance to the press and to the appointment of a special counsel.

The First Lady, declaring she had decided to emerge from her "zone of privacy," seemed finally to grasp a central truth that has eluded the White House staff and her husband for months: In presidential behavior, unanswered questions create a vacuum that sucks everything into it—including the energies of the press, the legislative vitality of Congress and the attention of the chief executive.

It is of course up to Robert Fiske, the special counsel, to determine whether the Clintons' financial dealings broke the law or whether they merely reflected the fluid ethical mores of Arkansas. But from the beginning, the White House's inability to provide a consistent factual narrative of the Clinton's financial history has made the entire business seem suspicious. Mrs. Clinton's appearance, even this late in the game, was a welcome if belated antidote to months of stonewalling.

Mrs. Clinton did not, however, adequately dispense with one central issue: whether wealthy benefactors who did business with the state government were padding the Clinton family income while Mr. Clinton was Attorney General and Governor. She conceded that most of her highly profitable commodities trades were executed on the advice of James Blair, a lawyer for Tyson Foods, a large company that was heavily regulated by and received substantial tax credits from the Arkansas government. That might have raised an ethical red flag with some people, but Mrs. Clinton said she saw no problem because Mr. Blair "and his wife are among our very best friends."

Mrs. Clinton likewise insisted that James McDougal, the Clintons' partner in the Whitewater land deal and the owner of a savings and loan regulated by the state, and provided no special favors. But she could not explain why Mr. McDougal wound up losing a lot more money than the Clintons did in what was supposedly a 50-50 deal. Her only real answer was that for 10 years she had no idea of what was going on and that she did not receive "any documents until late in the 1980's." That was a strange confession of ignorance from a woman who had spent the previous hour insisting that she maintained hawklike vigilance over her commodities trades and was deeply concerned with building a family nest egg.

Nor was it comforting to find the First Lady slipping into answers that seemed guarded or legalistic. When asked if her commodities broker might have given her a favorable advantage because of her position, she replied with a lawyerly "There's really no evidence of that. I didn't believe it at the time." Often she denied awareness of events without quite denying the events themselves, as when she said she knew "nothing to support" allegations that money was diverted from the troubled Madison S. & L. into Whitewater to benefit the Clintons.

The First Lady's willingness to open herself to questions is welcome but her performance, however deft, leaves plenty of troubling issues for the special prosecutor and Congress to explore.

[From the Washington Post, Apr. 25, 1994]

MRS. CLINTON MEETS THE PRESS

The Hour or so Hillary Rodham Clinton devoted last Friday to fielding Whitewater-related questions from the White House press corps was time well spent. She appeared and sounded as confident and unflappable as Bill Clinton did during his prime-time televised news conference last month. The setting—Mrs. Clinton was seated casually in a chair and spoke without notes—conveyed an openness and eagerness to engage in a full give and take about her business moves as well as the other Arkansas affairs that now occupy the attention of a special counsel, Republicans in Congress and, of course, the press. This was an event that could well have happened long ago.

Many people have been having trouble sorting out what to make of Mrs. Clinton's successful venture into the commodities markets. White House disclosures about her trading activities clearly had a hide-and-seek quality that didn't help. Mrs. Clinton accepted blame for the shifting stories coming out of the White House. "I'm not in any way excusing any confusion that we have created," she said. "I don't think that we gave enough time or focused enough." But beyond that concession and her acknowledgment that she had been a chief foe of the appointment of a special counsel—for reasons of precedent—Mrs. Clinton held her ground that she crossed no ethical lines as the governor's wife in trading cattle futures on the advice of a close friend who also served as outside counsel for Arkansas's biggest employer.

She maintained that she never received "any favorable treatment" in her commodity dealings because of who she was or her husband's position. In explaining why she wasn't required by her broker to meet "margin calls" or to put up additional money to cover losses in her account, as is customary, Mrs. Clinton speculated that the company was either backed up with paperwork or she was too good a customer for them to worry about. That answer, along with her inability to explain how she was permitted to enter the market with $1,000 when a single contract cost $1,200, was better than not hearing anything from her at all. But it probably won't halt speculation about the help she received in ballooning her financial investments.

The central question of whether funds from the failed-Madison Guaranty Savings and Loan were improperly shifted to Bill Clinton's gubernatorial campaign or to the Clintons' Whitewater real estate venture remains a live issue after the news conference. Mrs. Clinton flatly declared that she knows nothing about any such diversion. To the penetrating question raised by the Resolution Trust Corp.'s senior investigator: "If you [the Clintons] aren't putting money into the venture, and you also know the venture isn't cash flowing, wouldn't you question the source of the funds being used for your benefit?" Mrs. Clinton offered a less than satisfying response: "Well, shoulda, coulda, woulda, we didn't." Answers like that won't put away Whitewater. But as Friday demonstrated, fielding questions is better than going in the bunker.

EXHIBIT 2

[From the Los Angeles Times, Apr. 15, 1994]

TAX DOCUMENTS RAISE NEW QUESTIONS ON WHITEWATER; INQUIRY: REAL ESTATE COMPANY'S RETURNS DO NOT REFLECT LOSSES CLAIMED BY PRESIDENT CLINTON AND HIS WIFE

(By James Risen)

Newly released tax returns for the Whitewater Development Corp. raise fresh questions about the assertion by President Clinton and his wife that they poured tens of thousands of dollars into the losing venture and received nothing in return.

The Clintons have consistently defended themselves against critics by arguing that they lost $46,636 on the land development project during the 1970s and 1980s. Most of the money they spent, they have said, consisted of large interest payments made for Whitewater Development from their personal funds.

Yet the corporate tax returns of Whitewater Development, made public for the first time earlier this week, do not show evidence of payments anywhere near as large as the Clintons have said they made. Instead of documenting the $46,636 that the Clintons say they lost on the Whitewater project, the tax records and supporting documents show only about $13,000 in such payments by the Clintons.

Tax accountants said the corporation would have been obligated to reflect the full amount if it was adhering to standard accounting practices.

The Clintons' personal tax returns for the years in question show that they claimed $46,636 as tax deductions, though no canceled checks or bank statements have been released to substantiate the deductions.

The Clintons have said the payments they claimed on their personal returns were made directly to banks holding Whitewater mortgages or to other corporations owned by James B. McDougal, the Clintons' partner in the Whitewater venture. In that case, the payments also should have shown up on Whitewater Development's corporate tax returns, according to independent tax accountants who reviewed the corporation's financial records.

"If a good job of bookkeeping was being done, you would find some record or some notation in the tax returns that the corporation was being relieved of its obligations," by the Clintons, said Mark Rogers, a Little Rock, Ark., accountant hired by The Times to review the Whitewater Development returns.

The apparent discrepancy between the personal and corporate tax returns raises more questions about central issues posed by the Clintons' chief GOP critics: Did the President and First Lady Hillary Rodham Clinton actually lose large sums of money on the Whitewater project, as they have said, and did they receive tax benefits to which they were not fully entitled?

The corporate tax records seem to support assertions made in recent months by McDougal. McDougal has claimed that the Clintons only invested about $13,000 in the Whitewater project, not the larger amounts cited by the President. (Clinton originally had said that he and his wife contributed $68,900 to the Whitewater endeavor, but he later revised the figure.)

So far, the White House has released no supporting materials, such as canceled checks or bank statements, to document the payments listed in the Clintons' personal tax returns. Tax experts said the corporate tax

returns should have included entries corresponding with the payments listed in the personal returns, but they do not.

The White House declined to comment on the discrepancies. A source familiar with the Clintons' tax records said he could not explain why the full $46,636 was not reflected in Whitewater Development's corporate returns.

There could be several possible explanations for the discrepancies between the personal and corporate tax returns. Whitewater Development bookkeepers could have failed to properly record all of the payments made by the Clintons or a tax preparer might have overlooked them. Similarly, the Clintons' records might have been faulty. Indeed, the Clintons and McDougal have characterized Whitewater Development's record-keeping practices as somewhat haphazard.

Whitewater Development's corporate returns show that in 1980, Hillary Rodham—the name used by the First Lady at the time—made $10,131 in interest payments on behalf of Whitewater Development. In 1979, the returns show, Bill Clinton made a loan to Whitewater Development of $2,900.

In 1981, however, Hillary Clinton received $15,185 back from Whitewater Development, according to the corporate tax records. The entry indicates that the payment was in the form of land owned by the corporation and not in cash.

Hillary Clinton took out a $30,000 loan from a McDougal-controlled bank to build a model home on one Whitewater lot, according to documents released by McDougal along with the corporate tax returns. But the corporate returns indicate that the property was not considered an asset of the corporation. Hillary Clinton later sold the property herself.

The Whitewater Development tax returns also call into question findings contained in a report issued by the Clinton presidential campaign in March, 1992, in response to disclosures about the Whitewater controversy. The report, prepared by an accounting firm hired by James M. Lyons, a Denver attorney and old friend of Clinton, exonerated the Clintons of any misrepresentations.

Financial information in the corporate tax returns conflicts sharply with the figures in that report. For example, the report stated that the Whitewater venture suffered losses during years in which the corporation's tax returns show that it made money. And the corporate returns indicate that Whitewater Development was bringing in as much as $60,000 annually from land sales during years in which the Lyons report said that no land was sold.

The accounting firm that prepared the 1992 report clearly had access to the Whitewater Development tax returns. The campaign report said the analysis was based on the returns and many of the line entries in both the report and the Whitewater Development tax returns are identical.

The White House has distanced itself from the 1992 report in recent months but still uses many of its basic findings to defend the President and Hillary Clinton.

Rogers said there is nothing in the Whitewater Development tax returns, the Clintons' personal tax returns as released by the White House or the campaign report that explains the discrepancies between the documents.

SAFE DRINKING WATER ACT AMENDMENTS OF 1994

The Senate continued with the consideration of the bill.

Mr. BINGAMAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BINGAMAN. Madam President, I rise to speak about an issue that I spoke about last Monday here on the Senate floor—a little over a week ago. The issue deals with the substandard, mostly rural, subdivisions along the United States-Mexico border called colonias.

This is an issue that the Senator from Arizona addressed earlier and we had a vote on here in the Senate. Colonias came into existence when developers sold families coming across the border small, unimproved lots with the promise that water, sewer, and other services would soon follow. These basic infrastructure needs did not follow, resulting in communities that resemble those in developing countries.

In my home State of New Mexico, we have approximately 14 colonias located near Las Cruces. Those 14 colonias contain about 16,000 people. I visited several of these colonias. I have seen the families coping with conditions that most of us would have difficulty believing—unfinished cinder block homes with sewage pipes not connected to anything, dumping directly into open ditches. Children who play in these polluted ditches are plagued by serious, debilitating illnesses such as hepatitis and intestinal infections, stomach disorders, and low-grade fevers.

It is hard to believe that in this country we have people living under these circumstances.

Madam President, I want to share several pictures with colleagues this evening, to show the kind of conditions that we find in these colonias. I particularly thank Congressman COLEMAN of El Paso for providing these images, and especially for his leadership and support in the House in addressing the issue.

Let me very briefly run through these. This first picture is an open ditch next to an area where household waste is being dumped, including soiled diapers. Clearly, this is the kind of circumstance we find in most of these colonias.

This next photograph is a typical pump used by colonias residents to extract ground water for bathing and washing dishes and, in some cases, drinking.

This next one is a warning label which has been put on drinking water in the colonias in question here, indicating that "this water is unsafe."

This next one shows an open ditch which serves as a family toilet.

So the extent of the problem is clear.

This final photograph shows open ditches and drains that are common in all of these colonias. These untreated sludge pits are the ideal breeding grounds for disease-ridden rodents and larvae, which spread illness throughout the community.

Madam President, the situation that I have described and that these pictures depict is not unique to New Mexico. All of the border States—New Mexico, Arizona, California, and Texas—are all desperately trying to deal with these impoverished communities.

My colleague, Senator HUTCHISON, is also concerned about the issue, especially in her State of Texas. Last Tuesday, the Water and Power Subcommittee of the Energy and Natural Resources Committee held a hearing where EPA representatives and others discussed the importance of providing assistance to these colonias. Senator HUTCHISON testified at that hearing, and State representatives specifically stated the importance of passing legislation that would authorize grants to colonias for water infrastructure needs.

In fiscal year 1994, the President requested $58 million dollars for Mexico border projects. While this funding was not appropriated, the Congress did appropriate $500 million to assist hardship communities, which has been referred to several times during the debate on this bill. This funding is to become available following enactment of authorizing legislation. In response to the problem, I introduced the amendment in question, along with Senator HUTCHISON, as an amendment to the Safe Drinking Water Act. This is exactly the bill that I introduced earlier as Senate bill 1286, the Colonias Wastewater Treatment Act.

The amendment would authorize the administrator of the EPA to provide funds for States for grants to colonias for water supply and wastewater treatment works. Grants would include planning, design, and construction of water supply, and wastewater treatment. The eligible communities would be those along the border.

Madam President, it is critical that we find a way to authorize this funding this year. I believe the best vehicle that is available at this time, of course, is the Safe Drinking Water Act.

I know Senator HUTCHISON wishes to comment also on the legislation, and she is probably on her way to the floor. Let me see if the chairman of the committee could give a reaction as to the appropriateness of us pursuing this legislation as an amendment on this bill. I have not called the amendment up yet, but it is on file at the desk. I am anxious to know whether the Senator from Montana feels that we can go ahead with this amendment on the Safe Drinking Water Act.

Mr. BAUCUS. Madam President, I first want to give a compliment to the Senator from New Mexico. He has been diligent—which is, I might say, an understatement—in the number of times that he has talked to me about addressing border problems facing New Mexico. I would say he has approached me a good dozen times on the proper way, the proper bill, the way to essen-

tially deal with this problem. I commend him, and I think all of the residents of New Mexico can be very proud of their representative on this and other issues.

There are other similar amendments pressed by Senators that deal with the basic similar problem, namely, how to address pollution along the border. It is a severe problem, there is no doubt about it. I was there, and I visited the border—not the New Mexico border—but the summer before last I was in El Paso and Juarez, and I can tell the Senator from New Mexico that I have visited colonias, and I have seen them, I have smelled them, tasted them. It is a severe problem. It turns your stomach to see the conditions under which a lot of people have to live. The several that I visited have just sprung up because of the maquiladora dual-plant system along the border. These are people who come to get jobs, and the populations have increased dramatically in these communities. They have no place to live, so they squat, they find a spot and erect a tar-paper shack, and many more tar-paper shacks are erected right next to them, and pretty soon there are communities of tens of thousands of people, who are just trying to survive.

They have no drinking water system—none. No sewage system—none. Maybe in some cases, there is a power line, so there is a light bulb that turns on. The ones I visited had, as I said, no drinking water, and people had to cart it there in tanks, in order to wash their clothes with, water to drink, and water to cook with. To make it even worse, Madam President, because there is no sewage, all the raw sewage is put right in the river. Tons of raw sewage goes right in the Rio Grande. Alongside the Rio Grande I remember seeing a separate river called Aqua Negras, and I think that means black ditch or black water. It is just sewage, and you could not get more than say 50 yards to it and you could smell it. It is quite a sight. It is true that the hepatitis rates and infectious disease rates along the border are much higher than in other parts of the country. It is a major problem. The real question is, How to best deal with it?

As I have said to the Senator from New Mexico several times, it is the committee's wish and preference that the best way to deal with this very severe problem would be to take this request, and other similar requests other Senators have made with respect to needy communities in their States, and work together and find a way to address the problem, along with other problems, when the Clean Water Act comes before the full Senate.

This essentially is a Clean Water Act problem. It is a sewage treatment facility matter—that is, finding the dollars to pay for it. In addition, Madam President, you already have the State revolving loan fund from which we allocate close to $2 billion for clean water projects, and that will be available to New Mexico, Arizona, California, Texas, and every other State in the Nation. That is in addition to the State revolving loan fund provided for under the Safe Drinking Water Act. So there are dollars available to States to address this.

We are suggesting that an additional pool of funds be made available, to some degree, under the auspices of the United States-Mexican Border Environment Commission and maybe under the North American Development Bank, which is provided for under the North American Free-Trade Agreement. When the Clean Water Act comes up for authorization, it would be the committee's intention to work aggressively with the Senator to find a way to address the problems he has so eloquently and passionately addressed.

Mr. BINGAMAN. Madam President, I thank the Senator from Montana, the manager of the bill, for his assurance that this is an issue we can address here later in the legislative year. I do think that I am willing to defer to his judgment as to whether this is the right bill to add this amendment on, but clearly it is an amendment that I feel strongly about.

I know the Senator from Texas, who is here on the floor now and ready to speak, feels strongly about this. We do need to be sure that there will be an opportunity soon for us to offer the amendment to a bill which is likely to be signed into law by the President while this money is still available to be authorized.

So I appreciate the chairman's statement that he will work with us to find such a vehicle, and I look forward to working with him to be sure that we can get this problem addressed and get this authorization accomplished.

Thank you very much, and I know the Senator from Texas is also wishing to make a short statement on this. I yield the floor.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Thank you, Madam President.

I do want to add my thanks to the chairman for his commitment to help bring this amendment to a close at least in some other legislation.

Out of the $500 million that has been appropriated for this purpose, the administration has suggested $60 million be allocated for our border States for the colonias.

I think that is very fair and reasonable, and when we all sit down to allocate that $500 million we, I hope, we will be able to come to agreement to help a very critical situation on the border with Mexico.

Colonias are really neighborhoods, but they are unincorporated communities, mostly in Texas and New Mexico, but also Arizona and California. These are people who came into our country. They are legal aliens. They are people who want to do better for themselves and to have that opportunity. It is the story that we have seen in America so many times where our immigrants come in. They want to do well. They do not want to go into the welfare system. But we must provide for them the clean water that must be appropriate for living conditions.

I think if John Steinbeck had been alive today he would have written about the colonias much as he wrote in the past about the terrible conditions that he found in some parts of America.

We must do something about this. The State of Texas has already authorized $250 million for matching grants for these colonias' water and waste water projects. I think the State of Texas is right to do that.

The State of Texas has also passed a law that requires developers in the future to meet the standards that every developer should meet, which is that there will be a water system and a sewer system in every neighborhood that is built, and the State Attorney General will prosecute developers who do not live by these rules.

But it is very important that we correct the current situation, and it will take a lot of money to do that. The State of Texas has stepped up to the line, but it is a Federal problem. It is something that happened because our borders were open where they should not have been open.

So I appreciate the chairman's willingness to work with us. I appreciate the senior Senator from Rhode Island also being willing to help us when the time comes to divide up the $500 million to make sure that these border communities do have a fair shake to start their lives and to make something of themselves as we in America know is the case for the wonderful people who do come into our country who want to work and make a living and raise their families in cleanliness, which they certainly have a right to do. So thank you.

I look forward to working with Senator BINGAMAN, Senator BAUCUS, and Senator CHAFEE in the future for the correct bill before September so that we can take care of this very important problem.

Thank you, Madam President. I yield the floor.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Madam President, I congratulate the Senator from Texas. She has been very determined on this matter of caring for the colonias, and she spoke to me many times about it. She outlined the situation very fairly here.

I also want to assure her as did the chairman of the committee that we

will try to find a vehicle and try to be helpful in her goal to get some of these appropriated moneys to care for this particular severe problem she has in her State. As she pointed out, it is not solely her State. It goes on in Arizona, New Mexico, and California likewise.

Mrs. HUTCHISON. I thank the Senator.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Madam President, I ask unanimous consent to speak for 4 minutes as if in morning business.

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

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. DORGAN. I thank the Chair.

(The remarks of Mr. DORGAN pertaining to the introduction of S. 2123 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

SAFE DRINKING WATER ACT AMENDMENTS OF 1994

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. The Senator from Alaska is recognized.

AMENDMENT NO. 1716

(Purpose: To provide for the best coordination of disbursements for Indian set aside grant funds for the Alaska Native villages, and for other purposes)

Mr. STEVENS. Madam President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Alaska [Mr. STEVENS] for himself and Mr. MURKOWSKI proposes an amendment numbered 1716.

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

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

The amendment is as follows:

On page 12, line 1, add a carriage return immediately after "DIRECT GRANTS.—", indent the text thereafter through line 8 as a separate paragraph, and insert "(1) IN GENERAL.—" immediately before "The".

On page 12, line 8, strike the period and insert in lieu thereof "; and".

On page 12, between lines 8 and 9, insert the following new paragraph:

"(2) ALASKA NATIVE VILLAGES.—In the case of a grant for a project under this subsection in an Alaska Native village, the Administrator is also authorized to make grants to the State of Alaska for the benefit of Native villages. An amount not to exceed 4 percent of the grant amount may be used by the State of Alaska for project management.

The PRESIDING OFFICER. The Senator may proceed.

Mr. STEVENS. Madam President, this is a first of two amendments that I have proposed on behalf of myself and my colleague, Senator MURKOWSKI.

This one deals with the working relationship of the State of Alaska with the Native communities in Alaska. That is a very good working relationship. We have put in place a program now to deal with bringing sanitation systems and clean water to the Alaska Native villages. I described this to the Senate last week.

I know the distinguished occupant of the Chair has listened to me on several occasions concerning this program.

In January 1992 Governor Hickel convened a sanitation task force to meet regarding the dire problems of rural villages in Alaska. State and Federal agencies and the Native organizations of Alaska participated in that task force. The problems were outlined and a consensus was reached on how to best try to deal with the problems.

Basically, the cooperative effort has facilitated delivery of Clean Water Act funds to villages in Alaska. This amendment makes sure the cooperative relationship is maintained for funds authorized under the Safe Drinking Water Act.

Our amendment does so by ensuring that grants for village safe-drinking water projects go through to the villages in the same way as the clean water grants. This will allow for an even greater level of coordination in the delivery of drinking and wastewater projects to these areas.

It is a very difficult problem. We are trying to cooperate across the board. As I have said, this is the first of the two amendments that we have discussed with the managers of the bill and the staff.

Mr. CHAFEE. Madam President, am I correct that the Senator now is taking the first of these two amendments to S. 2019?

Mr. STEVENS. That is correct; the amendment on page 12, lines 8 and 9 inserts a new paragraph.

Mr. CHAFEE. That is correct. That is entirely agreeable on this side, Madam President.

Mrs. BOXER addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

Mrs. BOXER. Madam President, both amendments being offered by the Senator from Alaska have been cleared on this side. We support them.

Mr. STEVENS. I thank the managers. I ask the adoption of this first amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 1716) was agreed to.

Mr. STEVENS. Madam President, I move to reconsider the vote by which the amendment was agreed to.

Mrs. BOXER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1717

(Purpose: To clarify regional status for small water system technology centers, and for other purposes)

Mr. STEVENS. Madam President, I ask that the clerk present the second amendment.

This amendment is for Senator MURKOWSKI and me. It is his amendment.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Alaska [Mr. STEVENS], for Mr. MURKOWSKI, for himself and Mr. STEVENS, proposes an amendment numbered 1717.

The amendment is as follows:

On page 68, between lines 10 and 11, insert the following new subparagraph:

"'(I) For purposes of this subsection, the State of Alaska shall be considered a region.".

Mr. STEVENS. Madam President, this is a technical amendment that modifies a provision concerning small public water system centers which provide training and technical assistance for small public water system operators. Under the bill's present criteria, it is unclear whether universities in Alaska could qualify to house small water system centers.

The pending amendment, which my colleague from Alaska and I have worked out with the committee, ensures that the training and technical assistance centers can be located in our State. It does so by making sure that Alaska is a region for purposes of this Act with regard to the small systems centers. Our universities must still compete for the centers.

Alaska has characteristics of a region—we are one-fifth the size of the United States; the Southeast is a temperate rain forest, the North Slope has an Arctic climate, and parts of Interior Alaska are dry enough to be a desert. Thus, a center serving the diverse regional needs of Alaska is justified as being classified as being a region for this purpose.

I am very pleased the managers have agreed to this amendment that was presented by my colleague.

The PRESIDING OFFICER. Is there any further debate?

Mr. CHAFEE. Madam President, the Senator is exactly right. It is a good amendment and we certainly agree with him on this side.

Mr. MURKOWSKI. Madam President, in Alaska, the problem is clear.

Residents of rural villages in Alaska do not have either adequate drinking water or humane sanitation facilities in their homes and communities. As a result, sickness and disease, comparable to many Third World countries, are major problems for many communities.

In over half of the villages in Alaska, water is hauled to the home by hand from washeterias, watering points, or from a creek or river—a washeteria is a

centrally located building within a community where washing and drying machines are available. Washeterias also contain public showers.

In many of the homes where water is hauled by hand, a trash can is used as the water storage tank. Water for drinking, hand washing, and doing the dishes comes from this household trash can.

Of existing water service levels in rural Alaska:

Only 40 percent of rural Alaskans have piped water to their residence; 30 percent use a washeteria; 20 percent use a year round watering point; 7 percent have individual wells; and 3 percent have no system.

According to these figures, less than half of the residents living in rural Alaska villages have the basic water supply system we all take for granted, piped water to their homes.

Imagine half the residents in Washington, DC, living without running water or toilets that flush.

The results of having inadequate water and sanitation facilities are tragic.

Hepatitis A runs rampant among villagers—causing death in some cases.

Hepatitis A is a viral infection causing nausea, vomiting, abdominal pain, and in some cases a yellowing of the skin or eyes. Deaths from hepatitis A occur at a rate of approximately 1 to 5 deaths per 1,000 cases.

The water and sanitation conditions in rural Alaska must be addressed.

The water and sanitation conditions in these rural communities are considered worse than in many Third World countries.

The Alaska congressional delegation is committed to improving water and sanitation conditions in rural Alaska.

Last year, on May 5, 1993, the Indian Affairs Committee held a 4½-hour hearing on water and sanitation conditions in rural Alaska.

The committee received hundreds of pages of testimony from Federal agencies, State agencies, and Alaska Natives which described the deplorable water and sanitation conditions in rural Alaska.

The lack of basic safe water and sanitation services in rural Alaska has been well documented.

We have thousands of pages of testimony that document the unacceptable water and sanitation conditions in rural Alaska.

As a result of the May 5, 1993 hearing, the Environmental Protection Agency took the lead on this issue and formed what has become known as the Federal field work group.

The Federal field work group's goal was to determine methods by which the Federal Government could work with and assist the State in addressing the water and sanitation conditions in rural Alaska. It is my understanding that the Federal field work group has made significant progress.

The Indian Affairs Committee will soon hold a hearing to receive testimony from Federal agencies, State agencies, and Native organizations on what progress has been made over the past year and what will be done in the future to address this problem.

We will continue to work to see that safe drinking water is provided to the residents of rural Alaska and that the honey bucket is eliminated from village homes. As the country moves toward the 21st century, Alaska's rural residents should not be living in Third World conditions—they should not experience the disease and inconvenience they face because of inadequate sewer and water systems.

The amendments offered today will help solve some of these problems. I understand these amendments will be accepted and I thank the managers of this bill for their kind assistance.

The first amendment we offered allows the EPA Administrator to make grants under the 1.5 percent Indian set-aside directly to the State of Alaska for the benefit of Native villages, and the State of Alaska to use up to 4 percent of each grant under the Indian Set-Aside Program for administrative purposes.

This amendment would allow grants to be made directly to the State of Alaska and clarifies that set-aside funds may be used for administrative purposes. This amendment is helpful for purposes of management and coordination with ongoing State efforts.

The second amendment we offered would require the Administrator to consider the State of Alaska as a region when determining eligibility for grants under a provision of the bill requiring the Administrator to make grants to institutions of higher learning to establish and operate not fewer than 5 small public water system technology assistance centers in the United States.

This amendment assures that Alaska will not be excluded from considered for a grant.

Madam President, I would like to take this opportunity to comment on an amendment offered yesterday by my colleague Senator STEVENS from Alaska which I cosponsored and worked on with the senior Senator. The amendment allows the Governor of a State to reallocate unobligated State revolving funds in the form of direct grants. Under the amendment, the EPA Administrator may reserve and allocate up to 10 percent of the remaining unobligated funds under the Indian Set-Aside Program.

This amendment would redirect unused funds into needed rural community projects to improve drinking water systems.

The State of Alaska strongly supports the establishment of a drinking water State revolving fund and the set-aside for Alaska Native villages and Indian tribes. It is necessary to reserve significant funds to improve the public water systems of Indian tribes and Alaska Native villages.

The amendments that the senior Senator from Alaska and I offer will help the ongoing efforts to address this unacceptable situation.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment.

The amendment (No. 1717) was agreed to.

Mr. STEVENS. Madam President, I move to reconsider the vote by which the amendment was agreed to.

Mr. CHAFEE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STEVENS. Madam President, may I take the time to thank the managers of the bill for their consideration of these technical problems for our State.

I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. FEINGOLD). The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

AMENDMENT NO. 1718

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

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from California [Mrs. BOXER], for herself, Mr. BRADLEY, Mr. KERRY, Mr. LAUTENBERG, Mr. LIEBERMAN, Ms. MIKULSKI, Mr. METZENBAUM, and Mr. LEAHY, proposes an amendment numbered 1718.

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

The PRESIDING OFFICER. Without objection it is so ordered.

The amendment is as follows:

On page 7 of the manager's amendment, after line 20, insert the following:

(iv) the effects of the contaminant upon subpopulations that are identified as being at greater risk for adverse health effects in the research and evidence described in section 1442(j).

On page 18, line 13 of the manager's amendment, strike "." and insert after "water" the following:

"In characterizing the health effects of drinking water contaminants under this Act, the Administrator shall take into account all relevant factors, including the margin of safety for variability in the general population and the results of research required under this subsection and other sound scientific evidence (including the 1993 and 1994 reports of the National Academy of Sciences) regarding subpopulations at greater risk for adverse health effects."

Mrs. BOXER. Mr. President, the amendment I am offering today with Senators MIKULSKI, BAUCUS, LAUTEN-

BERG, BRADLEY, KERRY, LIEBERMAN, METZENBAUM, and LEAHY would change the drinking water standard-setting process by requiring the Environmental Protection Agency to consider sound scientific evidence, including two recent studies by the National Academy of Sciences, indicating that our children and other vulnerable groups may be at greater risk from environmental threats such as drinking water contamination than average healthy adults.

While in some cases, such as in issuing its standard for lead, EPA has considered the health effects of a contaminant on children or on other vulnerable populations, it has not done so systematically. My amendment builds upon the Kerrey-Hatfield amendment approved last week that requires that research on sensitive subpopulations be conducted.

This amendment takes the next step and requires that scientific data on vulnerable groups be considered consistently and systematically.

Mr. President, a few days ago, I had the privilege of joining the First Lady as we listened to a group of very special children tell their stories. These children are fighting for their lives. And as they bravely face life-threatening illnesses with their families, they are discovering an unfortunate truth about America—we do not always do a very good job of protecting our most vulnerable citizens from illness or caring for them once they get sick.

Mr. President, if you were to look at this bill before this amendment and you were a 170-pound man, you would feel very comfortable that your health was being protected because the standards that are set for drinking water are basically set to make sure that a 170-pound man is protected.

But many of us are not 170-pound men. Many of us are a little weaker than that. Many of us are women; some are pregnant women; many of us are children; many of us are frail; many of us are elderly.

And that is why this amendment is so important, because what we say in this amendment, Mr. President, is that in setting all the standards for contaminants, we want to make sure that these vulnerable populations are considered.

We have many studies that have shown this is very important. The National Academy of Sciences has clearly said that. My amendment would clarify and strengthen EPA's authority to provide that margin of safety for these vulnerable populations.

The amendment does not alter the legal requirement that standards must be technically feasible, which explicitly includes consideration of costs.

As we debate health care reform, and talk about how we can improve coverage, it is important that we do everything we can to prevent our people from getting sick in the first place. This is particularly true for children, infants, pregnant women, the elderly, and other vulnerable groups who are more susceptible to illnesses and whose bodies are less able to fight off illness once it strikes.

Mounting scientific evidence indicates that children, infants, pregnant women, the chronically ill, and certain other significant groups are at substantially greater risk than the average healthy adult from environmental contaminants.

Indeed, most of the more than 100 people who died as a result of drinking contaminated water in Milwaukee last year were from these vulnerable groups.

Yet we continue to look at the health effects of contaminants on the average 170-pound male when setting drinking water standards.

The scientific and public health community, and the National Academy of Sciences have been clear that infants, children, and other persons who are especially susceptible must be evaluated in setting public health standards.

For example, in its recent report entitled "Science and Judgment in Risk Assessment," the National Academy of Sciences stated that EPA should better account for "differences in susceptibility among humans in estimating individual risks." The Academy urged that EPA improved and account for its understanding of such differences in susceptibility, exposure, aggregate risk from multiple contaminant sources, and potency, in setting standards.

The Academy also concluded that "EPA should assess risks to infants and children whenever it appears that their risks might be greater than those of adults." The Academy report states that "human beings vary substantially in their inherent susceptibility to carcinogenesis," which must be more fully taken into account.

And in its 1993 report, "Pesticides in the Diets of Infants and Children," the Academy found that there are "both quantitative and occasionally qualitative differences in toxicity of pesticides between children and adults," and that exposure to many pesticides was substantially different for children than adults. The Academy recommended that EPA consider these facts in regulating pesticides.

The Academy stated:

> A fundamental maxim of pediatric medicine is that children are not "little adults." Profound differences exist between children and adults. Infants and children are growing and developing. Their metabolic rates are more rapid than those of adults. There are differences in their ability to activate, detoxify, and excrete [toxic] compounds.

The National Academy of Sciences' recommendations are reinforced by the recommendations of the World Health Organization. WHO's 1986 report, "Principles for Evaluating Health Risks from Chemicals During Infancy and Early Childhood: The Need for a Special Approach," for example, points out that:

> Generally speaking, chemicals, both organic and inorganic, are absorbed more readily by the infant than by the adult.

The report notes that infants and children are less able to detoxify many chemicals than adults, and that exposure of young children cannot only cause immediate effects but also can disturb maturation of organ systems. Thus WHO recommends,

> When health risks from chemicals are evaluated, the special characteristics of infants and young children must be recognized.

Moreover:

> variations that exist in the health and nutritional status of children reared in different social and cultural environments may influence exposure and modify response to chemicals in the environment.

Although under current law, many believe EPA already has the obligation to consider these groups in evaluating whether there is a margin of safety in developing the maximum contaminant level goals [MCLG's], the Agency has not always done so in a systematic fashion. For example, in issuing its rule for lead contamination of drinking water, EPA did specifically evaluate the risks of lead posed to young children, but in evaluating the risks of other chemicals, EPA has not always considered the special threats to children.

My amendment would clarify and strengthen EPA's authority to provide a margin of safety. The amendment would require EPA to do what the National Academy of Sciences and World Health Organizations have recommended: Consider the special susceptibility and exposure of infants, children, and other persons who are more vulnerable than the norm when exercising its authority to set drinking water standards.

Sound science dictates that such evaluations be conducted and the committee's new section 1442(j) requirement that EPA develop better data on these subpopulations will enhance our understanding of these issues. In the mean time, EPA should consider the scientific evidence and recommendations available, such as those presented by the Academy and WHO, and other sound scientific evidence.

As I noted earlier, this amendment does not override the existing statutory provisions requiring, for example, that maximum contaminant levels be feasible, based upon a consideration of the technology available in the field and considering relevant costs. It merely requires EPA to do what the Agency already should be doing anyway, and sometimes has done in the past—evaluate the impacts of drinking water contaminants on those individuals most at risk from contamination, like children and infants.

This is not only sound science, it is sound public policy, America's moth-

ers, children, elderly, and other vulnerable people deserve to be considered and protected from drinking water contamination.

Mr. President, one of the most fundamental responsibilities of government is to provide safe drinking water to all Americans, not just to 170-pound men. I believe this amendment helps us meet that responsibility. I am proud this amendment has the support of a wide range of groups including the American Public Health Association, the Licensed Practical Nurses Association, Physicians for Social Responsibility, the National Association of People With AIDS, the League of Conservation Voters, the Natural Resources Defense Counsel, the Sierra Club, American Oceans Campaign—whose president, Ted Danson, was here today working in behalf of this amendment and another I will offer later—Friends of the Earth, the U.S. Public Interest Research Group, and Clean Water Action.

I urge my colleagues to support this important amendment.

The PRESIDING OFFICER. Is there further debate?

Mr. CHAFEE. I commend the Senator from California for this amendment. I ask if I could be added as a cosponsor.

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

Mr. CHAFEE. Mr. President, the amendment has been cleared on this side. It is a good amendment and we are pleased to accept the amendment.

As the author of the amendment has indicated, some of us are more susceptible to adverse health effects from drinking water than others. It may be a matter of age or because of a pre-existing illness or a difference in metabolism or because of other factors, but it appears that some Americans are more sensitive—more likely to experience an illness from drinking water contaminants—than others.

The Safe Drinking Water Act already allows EPA to consider these differences. For example, EPA has set a standard for nitrate in drinking water designed to protect infants. Children younger than 6 months lack certain enzymes in their digestive system which break down nitrate. As a result the nitrate may enter the bloodstream and interfere with the blood's role in carrying oxygen. The illness is called blue baby disease. An infant with the disease turns blue for the lack of oxygen in the bloodstream.

The standard for nitrate set under the Safe Drinking Water Act is established to prevent this adverse effect. It is set to protect this specific subpopulation—children under 6 months of age. So, the law already fully authorizes the Administrator to set regulations intended to protect sensitive subpopulations. The purpose of the Senator's amendment is to assure a more systematic review of these potential effects when characterizing the illnesses that may be caused by drinking water contaminants.

Mr. President, I want to make one other point with respect to current law. When setting the health goal under the current act—the maximum contaminant level goal—the Administrator is to establish a goal at the level at which no known or anticipated adverse effects on the health of persons occur and which allows an adequate margin of safety. That is the statutory language from the Safe Drinking Water Act.

In using this authority the Administrator has usually included a 10-fold margin of safety when setting the health goal to reflect the natural variability in the susceptibility to adverse health effects among the general population. This safety factor is in addition to other safety factors that may reflect the use of data from animal experiments or for other reasons.

The consideration of sensitive subpopulations as provided in the Senator's amendment is not intended to replace this traditional margin of safety for variability in the general population. Recent studies by the National Academy of Sciences and others indicate that some subpopulations may be 100-fold or 1000-fold more sensitive to some contaminants. This amendment would assure more careful review of these sensitivities without eliminating the existing margin of safety for human variability that is known to exist in the general population.

Mrs. BOXER. I thank the ranking member of the committee on which I am proud to serve. I also thank chairman BAUCUS who has worked so hard. Many people worked hard on this. This was controversial in the beginning, we worked it out, and that is the way the legislative process should work.

I also ask unanimous consent that a letter from Carol Browner, of course the head of the Environmental Protection Agency, be printed in the RECORD as well. She is in support of this amendment.

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

ENVIRONMENTAL PROTECTION AGENCY,
Washington, DC, May 17, 1994.

Hon. BARBARA BOXER,
U.S. Senate, Washington, DC.

DEAR SENATOR BOXER: I applaud your efforts to assure that all Americans are protected when they turn on their faucets for drinking, bathing, or cooking. I share your belief that the Federal government should protect the elderly, infants, pregnant women and other sensitive subpopulations when setting drinking water standards.

A growing body of scientific evidence indicates that some subpopulations may be disproportionately affected by some contaminants. For example, it is well documented that high levels of lead exposure contribute to learning disabilities in children. The National Academy of Sciences recently published two reports confirming the need to consider differing effects on subpopulations when performing risk assessments and in regulatory decisionmaking.

You and I share the same goal—the strongest Safe Drinking Water Act that provides flexibility and financial assistance to states, and sets tough standards to protect the health of all Americans. Your amendment is crucial to achieving that goal and it has my full support.

Sincerely,

CAROL M. BROWNER.

Mr. LAUTENBERG. Mr. President, I am pleased to join Senator BOXER in offering an amendment which will ensure that we protect infants, children, pregnant women, the elderly, and other groups from the threats posed by contaminants in water. I appreciate the work of my good friend from California in taking the initiative on this important issue.

Scientific evidence is developing showing that certain groups in our society like infants and children are at greater risk from environmental contaminants than the average adult.

Two recent National Academy of Sciences' reports conclude that children are at greater environmental risk from environmental contaminants. In its 1993 report, "Pesticides in the Diets of Infants and Children," the NAS concluded that there are "both quantitative and occasionally qualitative differences in toxicity of pesticides between children and adults." Since the exposure to many pesticides was substantially different for children than adults, the NAS recommended that the EPA consider these differences in regulating pesticides.

And earlier this year, in "Science and Judgment in Risk Assessment," the NAS recommended that "EPA should assess risks to infants and children whenever it appears that their risks might be greater than those of adults." So it is clear that in order to carry out the goals of the Safe Drinking Water Act to protect our citizens from the health threats posed by contaminants in drinking water, EPA must characterize the risks posed to groups like infants and children.

Under existing law, the Administrator of EPA first establishes a maximum contaminant level goal [MCLG] which would protect public health from drinking water contaminants with an ample margin of safety. In establishing this goal, EPA is required to consider the risks posed to those sensitive subpopulations which may be more at risk from the contaminant. Unfortunately, EPA has not always conducted the research necessary to determine whether these groups are subject to additional risk.

The managers' amendment which was adopted last week requires EPA to conduct research on the effects that drinking water contaminants may have on groups like infants and children. The amendment we are offering today requires the EPA Administrator to take into account the results of this re-

search and other evidence in characterizing the health effects of drinking water contaminants when establishing the MLCG.

Under the Safe Drinking Water Act, the Administrator establishes a maximum contaminant level as close to the level necessary to protect public health as can be achieved using feasible technology and taking costs into account. The managers' amendment also allows the Administrator to establish an alternative standard under certain specified conditions. But the language of the managers' amendment does not require the Administrator consider the health risks to sensitive subpopulations in setting this alternative standard. This is a significant flaw which threatens the health of these groups from drinking water contaminants.

The amendment we are offering today corrects this flaw. It requires EPA to consider the effects of the contaminant on groups like infants and children at greater risk for adverse health effects in establishing an alternative standard.

Mr. President, this amendment deals with the health of our children. Children represent the future of our country. Yet they have no political clout.

We should take great pains to preserve their young bodies and minds, not only because we are a caring society, but because in this ever increasingly competitive world—our Nation can afford no less.

I hope that my colleagues will join with Senator BOXER and me in supporting this amendment.

Mr. LEAHY. Mr. President, I am proud to join Senator BOXER today in cosponsoring her amendment to the Safe Drinking Water Act, which would ensure that safe drinking water standards provide protection for even sensitive populations.

Too often in passing legislation to protect public health, we overlook the needs of our most sensitive populations. When children drink from the school water foundation, when the elderly or people with immune system deficiencies turn on their own tap, they expect the water they are drinking to be safe.

Unfortunately, our public health protection standards do not always account for these, more sensitive members of society.

On June 29, 1993, I held a hearing of the Senate Committee on Agriculture, Nutrition, and Forestry to review the results of a National Academy of Sciences report on pesticides in the diets of infants and children. I requested this study in 1987 out of concern that our pesticide and food safety laws were not adequately protecting sensitive populations.

The report concluded that current policies do not adequately protect America's children from exposure to pesticides in food and in drinking water. I am working with the Administration and Senator KENNEDY to pass legislation in the Senate that will correct this focus in our laws regulating food safety and pesticide use.

Senator BOXER's amendment extends this public health protection to the Safe Drinking Water Act.

I would like to congratulate Senator BAUCUS for crafting a bill that addresses concerns about the cost and regulatory burden imposed by the Safe Drinking Water Act without weakening the law's strong health protection standards. Senator BOXER's amendment builds on these improvements by ensuring that the Environmental Protection Agency considers the needs of even our most sensitive populations when setting drinking water standards.

Parents should not have to wonder whether or not the water from their own tap is safe for their children. Sensitive populations have the same right to safe drinking water as the rest of us.

I applaud Senator BOXER for introducing this amendment to ensure that that right is protected, and I am proud to join her in that effort.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. Will the Senator from California yield for a question?

Mrs. BOXER. I will be pleased to yield.

Mr. FORD. I am in support of the Senator's amendment, do not get me wrong. I want it very strongly and feel we are moving in the right direction and I will not object at all. But I come from a State where 80 percent of our water systems serve 10,000 people or less. Those people are becoming very concerned about the pressures that are being placed upon them for testing the water and the scientific research that has to be done. The list of particles they are looking for is expanded every year. It is getting to a point where they are almost unable to pay for that and keep rates reasonable.

What does the Senator's amendment do as it relates to the smaller water systems, as it relates to funding? Does this put additional restriction on them? I am just trying to figure out some way, so when I am questioned about this we will have the answers and it will be part of the RECORD, I say to the good Senator.

Mrs. BOXER. I am very pleased the Senator would ask this question as he fights for his State and the people in his State. This amendment does not alter the legal requirement that standards must be technically feasible, which explicitly includes consideration of costs. This amendment does nothing to change that. It just says they should also look at the effect of the contaminants on these vulnerable populations, but still does not do anything to do away with the feasibility clause in the bill.

Mr. FORD. I thank the Senator. That is the explanation I needed.

I yield the floor.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, it is my understanding that Senator HATFIELD and Senator KERREY from Nebraska, both were very closely involved with this likewise and worked with the Senator from California in coming to this excellent conclusion.

Mrs. BOXER. Yes, I add that. I was remiss in not stating that. I appreciate that. We were in fact working on this for days and I am very pleased we have had this unanimity here.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 1718) was agreed to.

Mrs. BOXER. Mr. President, I move to reconsider the vote.

Mr. CHAFEE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

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

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

UNANIMOUS-CONSENT AGREEMENT

Mr. MITCHELL. Mr. President, I ask unanimous consent that the previous unanimous consent governing consideration of S. 2019, the Safe Drinking Water Act, be modified as follows: that the following amendments included in the list which I will now send to the desk be the only first degree floor amendments remaining in order and that they must be offered by 3 p.m., on Wednesday, May 18; further that all other provisions of the previous unanimous-consent agreement remain in effect.

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

Mr. MITCHELL. Mr. President, am I correct in stating that the remaining provisions of the previous agreement provide that these first degree floor amendments are subject to second degree amendments provided they are relevant to the first degree to which offered; and no motion to recommit is in order?

The PRESIDING OFFICER. The majority leader is correct.

Mr. MITCHELL. Mr. President, I send the revised list to the desk.

PROGRAM

Mr. MITCHELL. Mr. President, I thank my colleagues, the distinguished Republican leader, the managers of the

bill and all who have made this agreement possible. Since we have obtained this agreement, and since all amendments must be offered by 3 p.m. tomorrow, there will be no further rollcall votes this evening. Senators who have amendments should now be aware that they must be offered by 3 p.m. tomorrow, and it is my intention that if possible we will complete action on the bill by 6 p.m. tomorrow. If we do so, there will be no further action tomorrow after that and, as I have previously stated, it is my intention to proceed to make the necessary motions to place the crime bill in conference on Thursday. That would be the business for the next few days, to finish this bill tomorrow by 6 p.m. and then to begin the process, trying to get the crime bill to conference on Thursday.

I thank my colleagues and I yield the floor.

If the Senator has no comment I then suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

MORNING BUSINESS

Mr. FORD. Mr. President, I ask unanimous consent that there now be a period for morning business, with Senators permitted to speak therein for up to 5 minutes each.

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

AN AMERICAN AS UNDER SECRETARY GENERAL FOR ADMINISTRATION AND MANAGEMENT AT THE UNITED NATIONS

Mr. PRESSLER. Mr. President, as a long-time supporter of U.N. reform, I was extremely interested in recent efforts to fill the position of Under Secretary for Management and Reform at the United Nations. This position was held most recently by Melissa Wells, an American whose resignation was apparently forced by the Secretary General and his staff. Last January, I encouraged the President to urge Secretary General Boutros Boutros-Ghali to appoint another American to this important and powerful position.

I was pleased to learn that an American, Joseph Connor, has been appointed to the important position of Under Secretary General for Administration and Management. I wish Mr. Connor great success in this most difficult job. It will not be easy to implement reform within an agency that seems to do all it can to avoid reforming even its most egregious practices. It also is my hope that the United States will aid Mr. Connor's efforts by seriously pushing for meaningful reform.

Mr. President, I ask unanimous consent that a copy of my letter to the President and his response be included in the RECORD immediately following my remarks.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC, January 24, 1994.

The PRESIDENT,
The White House, Washington, DC.

DEAR MR. PRESIDENT: I am writing to encourage you to urge United Nations Secretary General Boutros Boutros-Ghali to appoint an American to the important and powerful position of Under Secretary General for Administration and Management. This position was held formerly by Dick Thornburgh and most recently by Melissa Wells whose resignation apparently was forced by the Secretary General and his staff.

This is an unsettling precedent. Melissa Wells was the highest ranking American official at the United Nations. The position of Under Secretary General for Administration and Management has oversight not only over reforming the United Nations' inefficient bureaucracy and responsibility for security, contracts and support services for peacekeeping operations. Her removal further delays the reform effort. The U.S. mission at the United Nations has been pressing to streamline the unwieldy U.N. bureaucracy to satisfy those of us in Congress who have become increasingly concerned about waste and fraud.

It is my hope that we will continue to drive the U.N. towards reform despite a seeming unwillingness to move in that direction. The forced resignation of Melissa Wells should strengthen the resolve of the United States to insist on reform. This is a bureaucracy out of control, financed by U.S. taxpayer dollars. I urge you to push for the appointment of an American citizen to the powerful position of Under Secretary General for Administration and Management. If a non-American fills the position, the U.S. risks losing considerable leverage in the U.N. reform process. It is of utmost importance that the drive for reform and the oversight of that effort remain in our hands.

There are difficult tasks ahead for the United Nations. If the U.N. is to succeed in the face of limited resources, budgetary and bureaucratic reforms are necessary. The strength of the U.N. as a credible peacekeeping body depends on the effectiveness of the U.N. Under Secretary General for Administration and Management. A reform-minded American citizen appointed to this position would ensure the future credibility of the United Nations.

Sincerely,

LARRY PRESSLER,
U.S. Senator.

THE WHITE HOUSE,
Washington, DC, April 6, 1994.

Hon. LARRY PRESSLER,
U.S. Senate, Washington, DC.

DEAR SENATOR PRESSLER: Thank you for your letter urging that we press for an American to replace Melissa Wells as UN Undersecretary General for Administration and Management. I can assure you I consider this an especially important position at the UN which will help me carry out my commitment to serious and lasting management reform at the UN.

Ambassador Albright has submitted to Boutros-Ghali on my behalf a list of several highly qualified American candidates with substantial management expertise for this position. I have every hope that a very capable American will be selected to fill this post.

I am committed to continuing to press vigorously for concrete management reforms at the UN. Top among our current priorities is the establishment of a fully independent office of inspector general with broad oversight responsibilities.

I appreciate your longstanding interest in these issues and your support for meaningful UN reform.

Sincerely,

BILL CLINTON.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Thomas, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

ENROLLED BILLS SIGNED

At 2:30 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the Speaker has signed the following enrolled bills:

S. 636. An Act to amend title 18, United States Code, to assure freedom of access to reproductive services.

S. 2000. An Act to authorize appropriations to carry out the Head Start Act, the Community Services Block Grant Act, and the Low-Income Home Energy Assistance Act of 1981, and for other purposes.

The enrolled bills were subsequently signed by the President pro tempore [Mr. BYRD].

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on May 17, 1994, she had presented to the President of the United States, the following enrolled bills:

S. 636. An act to amend title 18, United States Code, to assure freedom of access to reproductive services.

S. 2000. An act to authorize appropriations to carry out the Head Start Act, the Community Services Block Grant Act, and the Low-Income Home Energy Assistance Act of 1981, and for other purposes.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with

accompanying papers, reports, and documents, which were referred as indicated:

EC-2643. A communication from the Acting General Counsel of the Department of Defense, transmitting, a draft of proposed legislation to authorize certain military activities of the Department of Defense; to the Committee on Armed Services.

EC-2644. A communication from the Director, Joint Staff, Department of Defense, transmitting, pursuant to law, a report of a delay in submission of a force readiness assessment; to the Committee on Armed Services.

EC-2645. A communication from the Principal Deputy Under Secretary of Defense, transmitting, pursuant to law, a notice of a delay in submission of a report relative to officer personnel management; to the Committee on Armed Services.

EC-2646. A communication from the Principal Deputy Under Secretary of Defense (Acquisition and Technology), transmitting, pursuant to law, a report relative to the ASAS major defense acquisition program; to the Committee on Armed Services.

EC-2647. A communication from the Principal Deputy Under Secretary of Defense (Acquisition and Technology), transmitting, pursuant to law, a report with respect to the Titan IV major defense acquisition program; to the Committee on Armed Services.

EC-2648. A communication from the Principal Deputy Under Secretary of Defense (Acquisition and Technology), transmitting, pursuant to law, a report relative to the C-17 major defense acquisition program; to the Committee on Armed Services.

EC-2649. A communication from the Principal Deputy Under Secretary of Defense (Acquisition and Technology), transmitting, pursuant to law, a report relative to the Javelin (AAWS-M) major defense acquisition program; to the Committee on Armed Services.

EC-2650. A communication from the Deputy Secretary of Defense, transmitting, pursuant to law, a report relative to the proposed obligation of funds to assist the Russian Federation in the area of export controls; to the Committee on Armed Services.

EC-2651. A communication from the Principal Deputy Under Secretary of Defense (Acquisition and Technology), transmitting, pursuant to law, a report relative to the AN/SQQ-89 major defense acquisition program; to the Committee on Armed Services.

EC-2652. A communication from the Acting Deputy Assistant Secretary of Defense (Production Resources), transmitting, pursuant to law, a report relative to strategic and critical materials for fiscal year 1993; to the Committee on Armed Services.

EC-2653. A communication from the Acting General Counsel of the Department of Defense, transmitting, a draft of proposed legislation to amend title 10, United States Code, to authorize the Secretary of Defense to determine the control of authorized strengths for certain active duty commissioned officers; to the Committee on Armed Services.

EC-2654. A communication from the Director of the Federal Emergency Management Agency, transmitting, a draft of proposed legislation to authorize appropriations for civil defense programs for fiscal year 1995; to the Committee on Armed Services.

EC-2655. A communication from the Executive Director of the Thrift Depositor Oversight Protection Board and the Acting Chief Executive Officer of the Resolution Trust Corporation, transmitting, pursuant to law, a report relative to the activities of the RTC, FDIC and the TDOPB for the six month period from October 1, 1993 through March 31, 1994; to the Committee on Banking, Housing and Urban Affairs.

EC-2656. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report relative to the safety conditions of systems which have been under investigation; to the Committee on Banking, Housing and Urban Affairs.

EC-2657. A communication from the Secretary of the Senate, transmitting, pursuant to law, a full and complete statement of the receipts and expenditures of the Senate showing in detail the items of expense under proper appropriations, the aggregate thereof, and exhibiting the exact condition of all public moneys received, paid out, and remaining in her possession from October 1, 1993 through March 31, 1994; ordered to lie on the table.

EC-2658. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, the cumulative report relative to rescissions and deferrals dated May 1, 1994; pursuant to the order of January 30, 1994, as modified by the order of April 11, 1986, referred jointly to the Committee on Appropriations, the Committee on Budget, the Committee on Agriculture, Nutrition and Forestry, the Committee on Armed Services, to the Committee on Banking, Housing and Urban Affairs, the Committee on Commerce, Science and Transportation, the Committee on Energy and Natural Resources, the Committee on Environment and Public Works, the Committee on Finance, the Committee on Foreign Relations, the Committee on Governmental Affairs, the Committee on the Judiciary, the Committee on Labor and Human Resources, the Committee on Small Business.

EC-2659. A communication from the Secretary of Housing and Urban Development, transmitting, pursuant to law, a report relative to the Federal Home Loan Bank System dated, April 1, 1994; to the Committee on Banking, Housing and Urban Affairs.

EC-2660. A communication from the Secretary of Housing and Urban Development, transmitting, pursuant to law, a report relative to private enforcement of the Fair Housing Initiatives Program, dated April 1994; to the Committee on Banking, Housing and Urban Affairs.

EC-2661. A communication from the Deputy and Acting CEO of the Resolution Trust Corporation, transmitting, pursuant to law, the Corporation's semiannual comprehensive litigation report for the period from October 1, 1993 to March 31, 1994; to the Committee on Banking, Housing and Urban Affairs.

EC-2662. A communication from the Secretary of Housing and Urban Affairs, transmitting, a draft of proposed legislation to reduce homelessness, reform public housing, expand and preserve affordable housing and homeownership, ensure fair housing for all, empower communities, and for other purposes; to the Committee on Banking, Housing and Urban Affairs.

EC-2663. A communication from the Deputy and Acting CEO of the Resolution Trust Corporation, transmitting, pursuant to law, the Corporation's semiannual report on professional conduct investigations for the period June 30, 1993 to December 31, 1993; to the Committee on Banking, Housing and Urban Affairs.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred of ordered to lie on the table as indicated:

POM-484. A joint resolution adopted by the Legislature of the Commonwealth of Virginia; ordered to lie on the table.

"HOUSE JOINT RESOLUTION NO. 86

"Whereas, the Safe Drinking Water Act Amendments of 1986, as passed by the Congress of the United States, mandated a significance increase in resource commitments by the owners and operators of public water supply systems and by state regulatory agencies, such as the Virginia Department of Health; and

"Whereas, the effect of these mandates has been most severely felt by the small water system owners and operators and ultimately by their customers through increased rates; and

"Whereas, the vast majority of the public water systems in Virginia are small systems that serve fewer than 3,300 persons; and

"Whereas, the Virginia Department of Health must promulgate regulations at least as stringent as those of the United States Environmental Protection Agency (EPA) in order to retain regulatory primacy; and

"Whereas, rules issued by the EPA in accordance with the 1986 Amendments are frequently burdensome, costly, and of marginal public health benefit, especially as they are applied to small water systems; and

"Whereas, a Virginia Department of Health study estimated that a 200 percent increase in state resources in needed to fully implement the EPA regulations promulgated to comply with the 1986 Amendments; and

"Whereas, the Congress has begun the process of reauthorizing the Safe Drinking Water Act, and several bills relating to the Act have been introduced in both houses; and

"Whereas, among the bills introduced is House Resolution 3392, which addresses the concerns of the owners and operators of small water systems in the Commonwealth, who are attempting to serve and protect the health of their customers; now, therefore, be it

Resolved, by the House of Delegates, the Senate concurring, That the General Assembly urge the Congress to ensure that safe drinking water regulations promulgated by the EPA in compliance with the 1986 Amendments by both necessary to the public health and cost effective; and, be it

Resolved further, That the General Assembly further memorialize the Congress to consider favorably the provisions of HR 3392 in its deliberations leading to the re-authorization of the Safe Drinking Water Act; and, be it

Resolved finally, That the Clerk of the House of Delegates transmit copies of this resolution to the Speaker of the United States House of Representatives, the President of the United States Senate, and the members of the Virginia Congressional Delegation so that they may be apprised of the sense of the General Assembly of Virginia."

POM-485. A joint resolution adopted by the Legislature of the Commonwealth of Virginia; ordered to lie on the table.

POM-486. A resolution adopted by the Township of Denville, New Jersey relative to military appropriations; to the Committee on Appropriations.

POM-487. A joint resolution adopted by the Legislature of the Commonwealth of Virginia; to the Committee on Armed Services.

"HOUSE JOINT RESOLUTION NO. 53

"Whereas, in 1991, the nation experienced 320,000 accidents involving large trucks,

which caused 111,000 injuries and 4,800 fatalities; and

"Whereas, in Northern Virginia, the problem is acute, often with fiery crashes involving large trucks, many of them on the extremely congested Capitol Beltway, causing numerous injuries, frequent loss of life, and legendary traffic jams; and

"Whereas, according to the American Trucking Association, truck drivers' succumbing to drowsiness, fatigue, and the hypotism of the road is a major cause of many of these accidents; and

"Whereas, technology originally developed for the military holds the promise of alleviating the problem of driver fatigue, and a consortium consisting of a defense contractor, the American Trucking Association, truck manufacturers, fleet operators, and academicians has adapted a system originally designed for military use to reduce truck accidents caused by driver fatigue or inattention; and

"Whereas, using radar systems now utilized in military avionics and guidance systems, combined with computer software designed for automatic target recognition, the consortium has designed a guidance system for commercial trucks that would both assume control of a truck heading into danger and alert the driver to reassume control; and

"Whereas, the consortium is seeking funding, in the amount of $3.5 million, to develop a prototype of the truck-safety system from the Department of Defense, through its Advanced Research Projects Agency, and offering to match the Agency's funding, which would come from the Technology Reinvestment Program budget; and

"Whereas, the development of a much needed truck-safety device, which could well prevent accidents and save lives, is an entirely appropriate use of funds earmarked for defense conversion through the Technology Reinvestment Program, created in 1993 to help defense contractors find new, nonmilitary markets for their technology and resources; now, therefore, be it

"*Resolved by the House of Delegates, the Senate concurring*, That the Congress be hereby memorialized to urge the Department of Defense, through its Technology Reinvestment Program, to provide the requested funding for the development of this potentially most useful truck-safety device; and, be it

"*Resolved further*, That the Clerk of the House of Delegates transmit copies of this resolution to the President of the United States, the Speaker of the United States House of Representatives, the President of the United States Senate, and the members of the Virginia Congressional Delegation so that they may be apprised of the sense of the General Assembly on this issue."

POM-488. A joint resolution adopted by the Legislature of the State of Maine; to the Committee on Armed Services.

"JOINT RESOLUTION MEMORIALIZING THE U.S. CONGRESS AND THE U.S. SECRETARY OF DEFENSE TO ESTABLISH TWO DEFENSE FINANCE AND ACCOUNTING SERVICE CENTERS IN THE STATE

"Whereas, there is now under consideration by the United States Secretary of Defense a proposal to consolidate the existing defense finance and accounting service centers throughout the world; and

"Whereas, states that have lost a military base because of downsizing of the United States military ought to receive primary consideration for the site of a new defense finance and accounting service center; and

"Whereas, Maine recently suffered the closure of Loring Air Force Base, which adversely affected the economies of many of the State's communities and the overall economic health of the State; and

"Whereas, the closure of Pease Air Force Base had a similar adverse impact on Maine and its citizens; and

"Whereas, the criteria considered by the United States Department of Defense are cost to the federal government, the availability of a good labor force and maintenance of service; and

"Whereas, Maine offers a highly productive and skilled workforce; a low cost of living; one of the 2 best fiber optic networks in the United States; a high quality of life because of the combination of a clean environment, 3,000 miles of coastline, mountains, and one of the lowest crime rates in the country; international airports and port facilities; and numerous private and public institutions of higher learning; and

"Whereas, the Federal Government recently renovated and upgraded communications systems and general infrastructure of the former Loring Air Force Base at a cost of millions of dollars; and

"Whereas, the former site of Loring Air Force Base and the City of Bangor offer excellent sites for these centers and both locations can be easily adapted to the needs of the Department of Defense; and

"Whereas, for all of these reasons, as well as the State's long and distinguished commitment to defense and national security interests, we believe that it would be in the best interest of the United States Department of Defense to locate 2 of its proposed finance and accounting service centers within Maine; now, therefore, be it

Resolved, That We, your Memorialists, respectfully urge and request the United States Secretary of Defense and the United States Congress to locate 2 defense finance and accounting centers in Maine; and be it further

Resolved, That suitable copies of this Memorial, duly authenticated by the Secretary of State, be transmitted to the Honorable William J. Clinton, President of the United States; the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States; the Secretary of Defense; the Honorable John R. McKernan, Jr., Governor of the State of Maine; and each member of the Maine Congressional Delegation.

POM-489. A joint resolution adopted by the Legislature of the State of Maine; to the Committee on Armed Services.

"JOINT RESOLUTION MEMORIALIZING THE PRESIDENT AND THE U.S. CONGRESS TO SUPPORT MILITARY AND CIVILIAN DUAL-USE OF MILITARY FACILITIES

"Whereas, changes in national security interests have caused changes in the status of military facilities in the United States, to include closure, realignment and reduction in mission; and

"Whereas, future changes are likely to occur that will potentially affect military facilities in Maine; and

"Whereas, it is in the national security interest of the United States to preserve defense infrastructure during times of peace; and

"Whereas, the closure, realignment or reduction in the mission of military facilities may have a long-term impact on national security; and

"Whereas, military and civilian dual-use planning for military facilities is an effective method to preserve physical infrastructure and labor-force skills; and

"Whereas, the current base closure and realignment process discourages the State, communities, workers and businesses from working in partnership to develop military and civilian dual uses of military facilities; and

"Whereas, it is in our national interest to address disincentives or barriers to military and civilian dual use of military facilities, including disincentives caused by the base closure or realignment selection criteria; now, therefore, be it

"*Resolved*, That We, your Memorialists, respectfully urge Maine's Congressional Delegation to convey the concerns contained in this memorial to the House Armed Services Committee and the Senate Armed Services Committee of the United States Congress, the President of the United States and the Secretary of Defense; and be it further

"*Resolved*, That Maine's Congressional Delegation advocate for changes to the base closure and realignment process to provide incentives for communities and military facilities to undertake military and civilian dual-use initiatives, including, but not limited to, positive military point value being assigned to military facilities that have undertaken dual-use planning to preserve physical infrastructure and work-force skills during times of peace; and be it further

"*Resolved*, That suitable copies of this Memorial, duly authenticated by the Secretary of State, be transmitted to the Honorable William J. Clinton, President of the United States, the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States and to each Member of the Maine Congressional Delegation."

POM-490. A joint resolution adopted by the Legislature of the Commonwealth of Virginia; to the Committee on Banking, Housing, and Urban Affairs.

"HOUSE JOINT RESOLUTION 155

"Whereas, the Commonwealth of Virginia promotes personal responsibility and self-sufficiency through a community-based approach for individuals receiving public assistance; and

"Whereas, some families that receive public assistance reside in public housing that is subsidized through state and federal housing programs or receive housing subsidies; and

"Whereas, welfare recipients who make the transition from public assistance to self-sufficiency frequently begin employment at minimum wage or part-time jobs; and

"Whereas, there are costs to an employee of becoming employed and sustaining that employment, such as transportation and suitable clothing, in addition to ordinary living expenses; and

"Whereas, individuals who receive public assistance have severely limited financial resources; and

"Whereas, welfare recipients who enter employment have minimal discretionary funds and are particularly vulnerable to financial emergencies; and

"Whereas, recipients who reside in federal public housing or who receive federal housing subsidies may have income from employment immediately applied to their financial obligation for rent; and

"Whereas, the immediate increase in a family's obligation for housing expenses can be a disincentive to becoming employed because the family realizes no increase in disposable income; and

"Whereas, the increase in housing costs for families may create serious financial stress and place recipients at risk of losing their jobs and self-sufficiency; and

"Whereas, the federal government operates housing subsidy programs through the United States Department of Housing and Urban Development; and

"Whereas, that agency has not taken steps to encourage self-sufficiency through more gradual rest increases for welfare recipients who become employed; now, therefore, be it

"*Resolved by the House of Delegates, the Senate concurring*, That the Congress of the United States be requested to allow greater flexibility in the consideration of income for newly employed welfare recipients when determining the recipient's rent costs, in order to promote long-term independence and self-sufficiency; and, be it

"*Resolved further*, That the Clerk of the House of Delegates transmit copies of this resolution to the President of the United States, the Speaker of the United States House of Representatives, the President of the United States Senate, the members of the Virginia Congressional Delegation, and the Secretary of the United States Department of Housing and Urban Development, that they may be apprised of the sense of the General Assembly of Virginia in this matter."

POM-491. A concurrent resolution adopted by the Legislature of the State of New Hampshire; to the Committee on Energy and Natural Resources.

"HOUSE CONCURRENT RESOLUTION 31

"Whereas, Congress recognized the northern forest region of Maine, New Hampshire, Vermont, and New York when the northern forest lands study was authorized in 1988; and

"Whereas, the governor of the state of New Hampshire recognized the importance of this effort when he appointed the New Hampshire members of the governors' task force on northern forest lands in 1988; and

"Whereas, this commitment was extended when the governor of the state of New Hampshire appointed the New Hampshire members of the northern forest lands council in 1991; and

"Whereas, the council's purpose is to study and issue recommendations to the 4 states' governors and congressional delegations on how to "reinforce the traditional patterns of land ownership and use that have characterized the northern forest region, enhance the quality of life for local residents through the promotion of economic stability, encourage the production of a sustainable yield of forest products, and protect recreational, wildlife, scenic and wildland resources" in a region of 26 million acres which includes most of northern New Hampshire; and

"Whereas, northern New Hampshire is supported by an economy closely associated with the land and its varied products, and includes some of the state's most productive forests and farms, pristine wild areas, clean water, habitat for a diversity of game and non-game wildlife, and both public and private lands for outdoor recreation; and

"Whereas, the council will issue final recommendations in July, 1994 that will establish a framework for the state to address some of northern New Hampshire's most pressing social and environmental problems and opportunities; now, therefore be it

"*Resolved by the House of Representatives, the Senate concurring:* That the general court of the state of New Hampshire shall give due consideration to the rights and interests of the people of northern New Hampshire, with respect to any final recommendations of the northern forest lands council, and shall commit itself to a thorough review of these final recommendations; and

"That the general court call upon the New Hampshire congressional delegation in deliberation of the recommendations of the northern forest lands council, to give due consideration to the rights, interests and well-being of the people of northern New Hampshire, and to respect the right of self-determination that must underlie any successful resolution of the problems and opportunities arising from the issuance of the council's final report; and

"That copies of this resolution be forwarded by the clerk of the house to the President of the United States, the Vice President of the United States, the Speaker of the United States House of Representatives, and to each member of the New Hampshire congressional delegation."

POM-492. A joint resolution adopted by the Legislature of the State of Wyoming; to the Committee on Energy and Natural Resources.

"ENROLLED JOINT RESOLUTION NO. 1.

"Whereas, the Federal Oil Pollution Act of 1990 financial responsibility section 4303 expands financial responsibility from thirty-five million dollars ($35,000,000.00) to one hundred fifty million dollars ($150,000,000.00) liability for each petroleum product facility, and expands coverage to all facilities in, on, or under navigable waters of the United States; and

"Whereas, the definition of navigable waters encompasses vast new areas of the United States beyond the historic purview of the Federal Mineral Management Service; and

"Whereas, there is no recognition in the act for the relative environmental risk posed by these various facilities; and

"Whereas, these provisions will likely create public opposition to these environmental safeguards and thus defeat the worthy purposes for which they were intended.

"*Now, therefore, be it resolved by the members of the legislature of the State of Wyoming:*

"Section 1. That the Wyoming legislature respectfully requests the Secretary of the Interior to represent these concerns directly to the chairman of the appropriate congressional authorizing committee to correct the situation, including, but not limited to, proposing corrective legislation to the existing law. Further, that the Wyoming legislature requests the Secretary of the Interior to proceed with the utmost care and with the fullest public participation.

"Section 2. That actions be taken to assure that the Federal Oil Pollution Act of 1990 be implemented in a way that brings about the underlying purpose of the act, ensuring that those engaged in oil operations on the Outer Continental Shelf historically within the jurisdiction of the Federal Mineral Management Service demonstrate the amount of financial responsibility commensurate with the relative oil spill risk posed by each facility.

"Section 3. That the Secretary of State of Wyoming transmit copies of this resolution to the President of the United States, to the President of the Senate and the Speaker of the House of Representatives of the United States Congress, to the Secretary of the Interior and to the Wyoming Congressional Delegation."

POM-493. A joint resolution adopted by the Legislature of the Commonwealth of Virginia; to the Committee on Environment and Public Works.

"Whereas, the City of Chesapeake, Virginia, is seeking a $9.5 million authorization for funding from the U.S. Congress through the House Public Works Committee Authorization Bill for South Battlefield Boulevard (State Route 168); and

"Whereas, South Battlefield Boulevard is the major link between the I-95-64 corridor to the resort beaches of North Carolina's Outer Banks; and

"Whereas, the present 10-mile length of the two lane highway carries three times its design capacity; and

"Whereas, eighty percent of the traffic is generated from outside of the corridor, this through traffic causes severe congestion for local citizens and emergency response teams (police, fire, and emergency medical services); and

"Whereas, since this route serves as the emergency evacuation route for the Outer Banks during hurricane emergencies, South Battlefield Boulevard becomes almost impassable as motorists evacuate the beaches; and

"Whereas, the project is among the top critically needed, yet unfunded, projects in Hampton Roads and the Commonwealth and is part of the proposed National Highway System; and

"Whereas, the city is requesting authorization for funding from the House Public Works Committee for $4 million for engineering design costs and $5.5 million for right-of-way acquisition costs; and

"Whereas, the project has long-standing support at the local, regional and state levels as well as from the adjacent North Carolina Counties of Dare and Currituck; now, therefore, be it

"*Resolved by the House of Delegates, the Senate concurring,*

"That the Congress of the United States be hereby requested to provide funding through the House Public Works Committee Authorization Bill, for $9.5 million that is needed for improvements to South Battlefield Boulevard in Chesapeake, Virginia; and, be it

"*Resolved further*, That the Clerk of the House of Delegates transmit a copy of this resolution to the Speaker of the House of Representatives, the President of the United States Senate, and the members of the Virginia Congressional Delegation in order that they may be apprised of the sense of the General Assembly of Virginia in this matter."

POM-494. A joint resolution adopted by the Legislature of the Commonwealth of Virginia; to the Committee on Environment and Public Works.

"Whereas, a modern, well-maintained, efficient, and interconnected transportation system is vital to the economic growth and health and the global competitiveness of the Commonwealth and the entire nation; and

"Whereas, the highway network is the backbone of a transportation system for the movement of people, goods, and intermodal connectivity; and

"Whereas, it is critical to address highway transportation needs effectively through appropriate transportation plans and program investments; and

"Whereas, the 1991 Intermodal Surface Transportation Efficiency Act (ISTEA) established the concept of a 155,000-mile National Highway System (NHS) which includes the Interstate System; and

"Whereas, on December 9, 1993, the United States Department of Transportation transmitted to Congress a 159,000-mile Proposed National Highway System which identified 104 port facilities, 143 airports, 191 rail-truck terminals, 321 Amtrak stations and 319 transit terminals; and

"Whereas, ISTEA requires that the NHS and Interstate Maintenance funds not be re-

leased to the States if the system is not approved by September 30, 1995; and

"Whereas, the uncertainty associated with the future of the National Highway System precludes the possibility of the state's effectively undertaking necessary and properly developed planning and programming activities; now, therefore, be it

"*Resolved by the House of Delegates, the Senate concurring,*

"That the Congress of the United States be urged to accelerate the process of developing and approving the National Highway System and that the Congress of the United States should pass legislation which designates and approves the National Highway System no later than September 30, 1994; and, be it

"*Resolved further,* That the Clerk of the House of Delegates transmit copies of this resolution to the President of the United States, the Speaker of the House of Representatives, the President of the United States Senate, and the members of the Virginia Congressional Delegation so that they may be apprised of the sense of the General Assembly of Virginia in this matter."

POM-495. A joint resolution adopted by the Legislature of the Commonwealth of Virginia; to the Committee on Finance.

"Whereas, 38 million Americans were without health insurance at some time in the last year, many while between jobs or while employed in jobs that did not offer health insurance; and

"Whereas, the rising costs of health care threaten access for even those currently insured, particularly as escalating costs force employers to trim the level and availability of health care benefits to their employees; and

"Whereas, employer contributions to employee group health insurance are presently fully exempt from federal income tax; and

"Whereas, insurance purchased by individuals outside of employer groups, by the unemployed, the self-employed, the part-time employed, and those otherwise unable to obtain group coverage through their employer, is limited to at most a 25 percent exemption; and

"Whereas, even this smaller benefit to individuals has at times been threatened with removal; and

"Whereas, those without access to employer coverage are likely to be more in need of subsidy to afford insurance; and

"Whereas, aside from need, fairness suggests that those without access to employer coverage be accorded the same tax privileges for their health insurance purchases as those available within employer groups; and

"Whereas, the continuation of a differential benefit to employer-sponsored health insurance may contribute to the perpetuation of a system that adversely affects worker mobility, since employer coverage is not portable and coverage outside an employer group is prohibitively expensive; and

"Whereas, this arrangement may also limit individual choice of health coverage to the levels and forms of insurance chosen by the employer; and

"Whereas, the form of health insurance known as medical care savings accounts, combining high-deductible insurance policies with dedicated funds to meet insurance expense, may offer a fruitful mechanism to control spending and spur consumer responsibility for health care choices, by forcing health services purchasers to consider the full cost of services for expenses under their deductibles; and

"Whereas, the present system of tax privileges does not extend exemption to contributions to a dedicated savings account for medical purposes, except for the current Flexible Spending Accounts under §125 of the Federal Tax Code; and

"Whereas, §125 account funds must be used by the end of the tax year or forfeited undermining consumer incentives to save; and

"Whereas, the Clinton Health Security Act proposes to eliminate §125 accounts; and

"Whereas, states like Virginia that practice strict federal conformity are bound to accept the federal determination of taxable income and exemptions therefrom, or else engender the substantial costs of independent monitoring and enforcement for Tax Code compliance; and

"Whereas, changes in state tax policy alone might not yield enough substantial benefits to induce appropriate changes in insurance coverage, given that a state can only provide exemptions from its own levies; now, therefore, be it

"*Resolved by the House of Delegates, the Senate concurring,*

"That the Congress of the United States be requested to enact legislation which makes the tax privileges accorded to health insurance purchased by individuals outside of employer groups equivalent to that available within employer groups; and to enact legislation which makes the tax privileges accorded to medical care savings accounts equivalent to that accorded other forms of health insurance; and, be it

"*Resolved further,* That the Clerk of the House transmit copies of this resolution to the President of the United States, the Speaker of the United States House of Representatives, the President of the United States Senate, and all members of the Virginia Congressional Delegation so that they may be apprised of the sense of the General Assembly."

POM-496. A joint resolution adopted by the Legislature of the Commonwealth of Virginia; to the Committee on Finance.

"Whereas, the dependent care tax credit is a tax subsidy reducing the child care costs of working families; and

"Whereas, the size of the credit depends upon a family's income, the number of dependents in child care, and the size of the family's child care cost; and

"Whereas, the family receives an income tax credit of 30 percent down to 20 percent for a portion of its child care or dependent care costs, depending on the family's adjusted gross income; and

"Whereas, this credit may fail to assist the very group that needs child care assistance the most, working poor families, because it is not refundable; and

"Whereas, unlike the earned income credit which is refundable, those too poor to owe income tax receive no refund or other subsidy payment; and

"Whereas, by contrast, families at higher income levels may benefit from the credit, which lowers their income tax liability; now, therefore, be it

"*Resolved by the House of Delegates, the Senate concurring,*

"That the Congress of the United States be requested to make dependent care tax credits refundable to provide support to the working poor families. Making this tax credit refundable supports the income-related strategy of "making work pay." Due to the substantial child care costs that exist today, it is critical to defray some of those costs to move full-time working families out of poverty to self-sufficiency; and, be it

"*Resolved further,* That the Clerk of the House of Delegates transmit copies of this resolution for distribution to the President of the United States, the Speaker of the United States House of Representatives, the President of the United States Senate, the members of the Virginia Congressional Delegation, and the Secretary of the United States Department of Health and Human Services to apprise them of the sense of the General Assembly of Virginia.

EXECUTIVE REPORTS OF COMMITTEE

The following executive reports of committee were submitted:

By Mr. HOLLINGS, from the Committee on Commerce, Science and Transportation:

Lauri Fitz-Pegado, of Maryland, to be Assistant Secretary of Commerce and Director General of the United States and Foreign Commercial Service, vice Susan Carol Schwab, resigned.

T.R. Lakshmanan, of New Hampshire, to be Director of the Bureau of Transportation Statistics, Department of Transportation, for the term of four years expiring June 14, 1996. (New Position.)

Rachelle B. Chong, of California, to be a Member of the Federal Communications Commission for a term of five years from July 1, 1992, vice Sherrie Patrice Marshall, resigned.

Susan Ness, of Maryland, to be a Member of the Federal Communications Commission for the remainder of the term expiring June 30, 1994, vice Ervin S. Duggan, resigned.

Susan Ness, of Maryland, to be a Member of the Federal Communications Commission for a term of five years from July 1, 1994. (Reappointment.)

William D. Hathaway, of Maine, to be a Federal Maritime Commissioner for the term expiring June 30, 1998. (Reappointment.)

Joe Scroggins, Jr., of Florida, to be a Federal Maritime Commissioner for the remainder of the term expiring June 30, 1995, vice Christopher L. Koch, resigned.

Carrye Burley Brown, of the District of Columbia, to be Administrator of the United States Fire Administration, vice Olin L. Greene, Jr., resigned.

Arnold Gregory Holz, of Maryland, to be Chief Financial Officer, National Aeronautics and Space Administration. (New Position.)

Rear Admiral Robert E. Kramek, U.S. Coast Guard, to be Commandant, United States Coast Guard, for a term of four years with the grade of admiral while so serving.

The following officer of the U.S. Coast Guard, to be Vice Commandant, United States Coast Guard, with the grade of vice admiral while so serving: Rear Adm. Arthur E. Henn.

The following officer of the U.S. Coast Guard, to be Chief of Staff, United States Coast Guard, with the grade of vice admiral while so serving: Rear Adm. Kent H. Williams.

The following officer of the U.S. Coast Guard, to be Commander, Atlantic Area, United States Coast Guard, with the grade of vice admiral while so serving: Rear Adm. James M.Loy.

The following officer of the U.S. Coast Guard, to be Commander, Pacific Area, United States Coast Guard, with the grade of vice admiral while so serving: Rear Adm. Richard D. Herr.

The following officer of the United States Coast Guard Reserve for appointment to the grade of rear admiral: Robert E. Sloncen.

The following officer of the United States Coast Guard Reserve for appointment to the

grade of rear admiral (lower half): Richard W. Schneider.

The following officers of the United States Coast Guard for appointment to the grade of rear admiral: Roger T. Rufe. Jr., and Howard B. Gehring.

Rear Admiral John C. Albright for appointment to the grade of rear admiral (lower half), while serving in a position of importance and responsibility as Director, Pacific Marine Center, National Oceanic and Atmospheric Administration, under the provisions of title 33, United States Code, section 853u.

(The above nomination was approved subject to the nominee's commitment to appear and testify before any duly constituted committee of the Senate.)

Mr. HOLLINGS. Mr. President, for the Committee on Commerce, Science, and Transportation, I also report favorably four nomination lists in the Coast Guard, which were printed in full in the CONGRESSIONAL RECORD of October 14, 1993 and February 22 and April 11, 1944, and a list in the National Oceanic and Atmospheric Administration which was printed in full in the CONGRESSIONAL RECORD of April 11, 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.

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. DORGAN (for himself and Mr. DASCHLE):

S. 2118. A bill to improve the national crime database and create a Federal cause of action for early release of violent felons; to the Committee on the Judiciary.

By Mr. BREAUX (for himself, Mr. LOTT, Ms. MIKULSKI, Mr. INOUYE, Mr. STEVENS, Mr. D'AMATO, and Mr. MOYNIHAN):

S. 2119. A bill to prohibit the imposition of additional fees for attendance by United States citizens at the United States Merchant Marine Academy; to the Committee on Commerce, Science, and Transportation.

By Mr. INOUYE (for himself, Mr. HOLLINGS, Mr. STEVENS, Mr. KERRY, Mr. PACKWOOD, Mr. BREAUX, Mr. MATHEWS, Mr. AKAKA, Mr. BINGAMAN, Mr. DODD, Mr. DURENBERGER, Mr. GORTON, Mr. GRAHAM, Mr. HATFIELD, Mr. KENNEDY, Mr. LEVIN, Ms. MIKULSKI, Mrs. MURRAY, Mr. REID, and Mr. WOFFORD):

S. 2120. A bill to amend and extend the authorization of appropriations for public broadcasting, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. JOHNSTON (by request):

S. 2121. A bill to promote entrepreneurial management of the National Park Service, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. COHEN:

S. 2122. A bill to improve the public and private financing of long-term care and to strengthen the public safety net for elderly and non-elderly disabled individuals who lack adequate protection against long-term care expenses, and for other purposes; read the first time.

By Mr. DORGAN (for himself and Ms. MIKULSKI):

S. 2123. A bill to prohibit insured depository institutions and credit unions from engaging in certain activities involving derivative financial instruments; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. CAMPBELL (for himself and Mr. BROWN):

S. 2124. A bill to provide development of power at the Mancos Project and for other purposes; to the Committee on Energy and Natural Resources.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. WELLSTONE:

S. Res. 214. A resolution on health care for Members of Congress and for the American people; to the Committee on Labor and Human Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DORGAN (for himself and Mr. DASCHLE):

S. 2118. A bill to improve the national crime database and create a Federal cause of action for early release of violent felons; to the Committee on the Judiciary.

VIOLENT CRIME INTERVENTION ACT OF 1994

Mr. DORGAN. Mr. President, I am today offering, on behalf of myself and Senator DASCHLE, from South Dakota, legislation dealing with crime. I wanted to say a few words about it before I introduce it.

Mr. President, as the Senate-House conference committee works on a final crime bill, I would like to address two of the major reasons our Nation is facing a crime epidemic and propose what the Federal Government can do to stop it.

As we heard on this floor last November when the Senate debated our crime bill, America's violent crime rate has risen to unprecedented levels. In 1992, the Federal Bureau of Investigation [FBI] reported that 23,760 murders occurred in the United States. That's 10 times the homicide rate of Japan or France, 13 times the homicide rate of England, and 5 times the rate of our neighbors to the north, Canada.

And this picture is not limited to homicides. The FBI also reported that 109,062 forcible rapes, 676,478 robberies, and 1,126,974 aggravated assaults occurred in the United States in 1992. These numbers translate into a 19-percent increase in violent crime since 1988. Even more troubling, roughly half of the violent crimes in this country are not reported to law enforcement and therefore are excluded from these FBI statistics.

These shocking statistics are no surprise to most Americans. Almost all of us have been affected by violent crime. It's no wonder that controlling violent crime has become the most important issue for our constituents.

A major reason we face this epidemic is that our State criminal justice systems put violent criminals back onto our streets and into our communities before they have served their full sentence. Parole and other early release programs allow convicted criminals to commit additional crimes against innocent victims. According to a Brookings Institution study, the typical violent offender commits 12 serious crimes—not including drug crimes—every year they are on the street. Is it any wonder that we have one of the highest violent crime rates in the world?

Even if a violent criminal is arrested, prosecuted, convicted, and sentenced, he or she probably will spend only a fraction of that sentence behind bars. Nationwide, violent offenders receive an average sentence of almost 8 years, but actually serve less than 3. For the ultimate violent crime, murder, the average sentence imposed by State courts is 17 years. But killers serve only 7. An average of 7 years in prison seems insufficient for a crime in which the victim's sentence quite literally is life.

Mr. President, I understand there are many sources of this desperate situation. Drug abuse, broken families, lack of job opportunities—we are all familiar with the long sad list. We have to address those problems, but we can't wait until they're solved. Unless the States start to keep violent prisoners locked up for their full sentence, violent crime will continue.

A large number of violent criminals are back in the community because State laws or fiscal priorities actually promote their early release. Some fault for the current situation also lies in the poor reliability of criminal records. Violent criminals often get off with light sentences or are released early because a sentencing judge or parole board lacked a complete picture of the individual's criminal history.

Most criminal justice is dispensed at the State level. More than 90 percent of criminal offenders are prosecuted in State courts and sentenced to State prisons. Unlike the Federal system, where criminals generally serve most of their sentences behind bars, States often release their violent criminals after serving only a fraction of their sentences.

But violent crime in this country cannot be defined as simply a State problem. Violent crime does not respect State boundaries. Just look at the violent crime against tourists in Florida. The victims are not Florida residents, they are from other States and other countries. However, they became the victims of Florida's failure to

make its violent offenders serve their full sentences. Most of the recent attacks on tourists were committed by criminals who should have been serving time for a previous violent crime.

Mr. President, the Senate and House crime bills demonstrate the depth of concern at the Federal level about violent crime. Anyone who thinks that Washington is not serious about trying to stop violent crime should look at the level of funding—between $22 and $28 billion—that Congress and the administration are willing to spend on crime prevention, even as we try to cut spending dramatically and reduce the national debt.

I vigorously supported the Senate crime bill, which contains several amendments from a crime bill I had introduced last fall. These include a provision to change the current presumption allowing Federal prisoners automatically to receive good-time credit regardless of their actual behavior in prison. A second provision would convert closed military bases into prisons for nonviolent offenders to free up State prison space for violent criminals.

While the crime bill will be an important step in fighting crime, it does not deal with the State responsibility for maintaining most criminal records and for sentencing violent criminals. Until the States work with the Federal Government to meet these responsibilities, there will be major gaps in the crime bill. Today, I am introducing legislation that would help fill in these gaps.

Mr. President, my legislation first would address the need for an accurate, up-to-date, and complete national criminal record database. It would establish Federal standards for the system and require the States to comply with these standards within 2 years. If they didn't, they would pay a user fee each time they wanted to use the Federal system.

Every day, States and localities flood the FBI's Interstate Identification Index [III] with approximately 85,000 requests for criminal record checks. III is an essential tool for all aspects of law enforcement, from routine traffic stops to sentencing violent criminals. Despite this great need, neither III nor any other record system can provide complete and accurate information. Of the 50.5 million criminal records in this country, only 9.2 million—less than 20 percent—include case dispositions, are computerized, and are accessible to law enforcement nationwide through the III.

My legislation would establish a complete and accurate national criminal history database. It would require States to file their arrest reports and final disposition orders in criminal cases with their record repository within 21 days. State repositories would then have to enter these reports and records into the State database within 14 days. And every State database would be required to be connected to the III.

Mr. President, my legislation adopts a carrot-and -stick approach to encourage every State to join the III within 2 years so that the system can provide accurate and up-to-date information about the State's criminals

The bill would authorize $100 million in grants to States to establish or upgrade their criminal record systems so they can link up with the III. States that do not meet the recommended guidelines for interconnecting with the III would not be shut off from using the III system. That could hurt law enforcement. But they no longer could take a free ride by using the III while not providing full and complete information to the system. States that are not full participants in the III would be required to pay a user fee each time they use the system.

The second problem my legislation addresses is the early release of violent criminals. I firmly believe, as I suspect most Americans believe, that violent criminals should serve their full sentences. That is just not happening today.

There are almost 3 million criminal offenders currently on probation or parole. That's more than three times the number individuals currently locked up in prison. And according to the Bureau of Justice Statistics, 60 percent of the violent criminals released early from prison will be rearrested within 3 years, and half of those will be rearrested for a violent offense.

These repeat violent offenders are responsible for many of the most shocking crimes in the country. From young Polly Klass's murderer in California, to the two young men who murdered Michael Jordan's father in North Carolina while he napped in his car at a rest stop. this country is besieged by violent crimes that wouldn't have happened if the criminals had been serving their full sentence for a prior violent crime.

Mr. President, States simply must keep violent offenders behind bars for their full sentence, or face the consequences of their decisions to release them. The legislation I am introducing today would do this.

Under my legislation, States would be liable to victims of violent felonies committed by a criminal the State had released prior to serving his or her full prison sentence for a previous violent crime. But a State that has a law requiring those convicted of a violent crime to serve their entire, original term of imprisonment behind bars would not be liable to victims. This liability would force the States to consider the real costs that early release imposes on society. While States still would be free to release violent criminals whenever they wish, they no longer would be able to shift the cost of that decision to innocent victims.

Mr. President, the legislation I am introducing today would complement the crime bill we are currently negotiating. It would create incentives for the States to update their criminal records and to make them available to law-enforcement nationwide. It would strongly encourage States to keep violent criminals locked up for their full sentences. Together, these would be a significant step toward controlling violent crime in this Nation. I urge my colleagues to support this important measure.

I ask unanimous consent the text of the bill be printed in the RECORD at the conclusion of my remarks.

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

S. 2118

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 "Violent Crime Intervention Act of 1994".

TITLE I—NATIONAL CRIMINAL RECORDS DATABASE

SEC. 101. FINDINGS.

The Congress finds that—

(1) nationwide—

(A) many State criminal record systems are not up to date and contain incomplete or incorrect information; and

(B) less than 20 percent of all criminal records are fully computerized, include court dispositions, and are accessible through the Interstate Identification Index of the Department of Justice; and

(2) a complete and accurate nationwide criminal record database is an essential element in fighting crime and development of such a database and is a national urgent priority.

SEC. 102. STATE CRIMINAL RECORD UPGRADES.

(a) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Attorney General shall issue guidelines establishing specific requirements for a State to qualify as a fully participating member of the Interstate Identification Index.

(b) MINIMUM REQUIREMENTS.—The guidelines referred to in subsection (a) shall require—

(1) that all arrest reports and final disposition orders are submitted to the State records repository within 21 days;

(2) the State repository to enter these records and orders into the State database not more than 14 days after the repository receives the information;

(3) the State to conduct audits, at least annually, of State criminal records to ensure that such records contain correct and complete information about every felony arrest and report the results of each audit to the Attorney General;

(4) the State to certify to the Attorney General, on January 1 of each year, that the law enforcement agencies, courts, and records officials of the State are in compliance with this section; and

(5) such other conditions as the Attorney General determines are necessary.

(c) FEES.—A State that does not qualify as a fully participating State, pursuant to the guidelines referred to in subsection (a), within 2 years after the date on which the Attorney General issues such guidelines shall pay

a user fee for each identification request made to the Interstate Identification Index in an amount equal to the average cost of a single Federal database inquiry, as determined by the Attorney General each year.

SEC. 103. AUTHORIZATION.

There are authorized to be appropriated $100,000,000 for fiscal years 1995 and 1996 to the Attorney General for grants to States to establish or improve their criminal record databases to qualify as a fully participating member of the Interstate Identification Index.

TITLE II—LIABILITY FOR EARLY RELEASE OF VIOLENT FELONS

SEC. 201. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds that—

(1) violent criminals often serve only a small portion of their original sentences;

(2) a significant proportion of the most serious violent crimes committed in the United States are committed by criminals who have been released early from a sentence for a previous violent crime;

(3) violent criminals who are released early from prison often travel to other States to commit additional violent crimes;

(4) the crime and threat of crime committed by violent criminals released early from prison affects tourism, economic development, use of the interstate highway system, federally owned or supported facilities, and other commercial activities of individuals; and

(5) the policies of one State regarding the early release of criminals sentenced in that State for a violent crime often affects the citizens of other States, who can influence those policies only through Federal law.

(b) PURPOSE.—The purpose of this title is to reduce violent crime by requiring States to bear the responsibility for the consequences of releasing violent criminals before they serve the full term for which they were sentenced.

SEC. 202. CAUSE OF ACTION.

(a) IN GENERAL.—The victim (or in the case of a homicide, the family of the victim) of a violent crime shall have a Federal cause of action in any district court against a State if the individual committing the crime—

(1) previously had been convicted by the State of a violent offense;

(2) was released from incarceration prior to serving his or her full sentence for such offense; and

(3) committed the violent crime before the original sentence would have expired.

(b) EXCEPTION.—A State shall not be liable under subsection (a) if the State requires a violent criminal to be incarcerated for the entire term of imprisonment to which the criminal is sentenced.

(c) DEFINITION.—As used in this title, the term "crime of violence" has the same meaning as in section 16 of title 18, United States Code.

(d) DAMAGES.—A State shall be liable to the victim in an action brought under this title for the actual damages resulting from the violent crime, but not for punitive damages.

By Mr. BREAUX (for himself, Mr. LOTT, Ms. MUKULSKI, Mr. INOUYE, Mr. STEVENS, Mr. D'AMATO, and Mr. MOYNIHAN):

S. 2119. A bill to prohibit the imposition of additional fees for attendance by United States citizens at the United States Merchant Marine Academy; to the Committee on Commerce, Science, and Transportation.

PROHIBITION OF FEES ON ATTENDEES OF THE MERCHANT MARINE ACADEMY

Mr. BREAUX. Mr. President, the bill I am introducing today along with my distinguished colleagues, Mr. LOTT, Ms. MIKULSKI, Mr. INOUYE, Mr. STEVENS, Mr. D'AMATO, and Mr. MOYNIHAN, would maintain existing policy and would prohibit the imposition of additional charges or fees for attendance by U.S. citizens at the U.S. Merchant Marine Academy.

I am introducing this bill in response to a recommendation in the administration's National Performance Review [NPR], which was released last fall, that proposes to begin charging tuition and fees at the Academy at Kings Point, NY, beginning with the 1995–96 academic year.

Currently, all costs at the Academy, including tuition, fees, uniforms, are paid by the Federal Government just as they are at the other Federal service academies such as the Air Force Academy and the Coast Guard Academy. As a condition of their appointment to the Merchant Marine Academy, individuals are obliged, upon graduation to: maintain a license as an officer in the U.S. merchant marine for at least 6 years; apply for an appointment to, and accept if tendered, an appointment to a reserve unit of an armed force of the United States for at least 6 years following graduation; and to serve in the foreign and domestic commerce and the national defense of the United States for at least 5 years following graduation. While the proposal in the NPR calls for the possible imposition of tuition at the Academy, it does not change the service commitment that is required as a condition of acceptance.

The Academy is an indispensable contributor to the U.S. maritime industry. In fact, 72 percent of the Academy's graduates from the last 20 years are still employed in the maritime industry.

Cutting the Academy budget in half would require that tuition of $15,000 to $16,000 be charged to make up the difference. It is unlikely that most individuals could pay that amount, since they would be unable to afford the cost of this tuition. The end result of this proposal would, therefore, ultimately be closure of the Academy. This loss would be devastating to our Nation's merchant marine, which has been already experiencing more than its share of hardships in recent years and may not be able to survive any further setbacks such as this.

Mr. President, I ask unanimous consent that the text of the bill I am introducing along with my statement be printed in the CONGRESSIONAL RECORD.

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

S. 2119

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

SECTION 1. PROHIBITION ON IMPOSITION OF ADDITIONAL CHARGES OR FEES FOR ATTENDANCE AT THE UNITED STATES MERCHANT MARINE ACADEMY.

(a) PROHIBITION.—Except as provided in subsection (b), no charge or fee for tuition, room, or board for attendance by United States citizens at the United States Merchant Marine Academy may be imposed.

(b) EXCEPTION.—The prohibition specified in subsection (a) shall not apply with respect to any item or service provided to midshipmen at the United States Merchant Marine Academy for which a charge or fee is imposed as of the date of the enactment of this Act. The Secretary of Transportation shall notify the Congress of any change made by the United States Merchant Marine Academy in the amount of a charge or fee authorized under this subsection.

Ms. MIKULSKI. Mr. President, I am happy to join Senator BREAUX today as a cosponsor of this important legislation. I am a staunch supporter of the U.S.-flag Merchant Marine and of the maritime industry in general. The industry is of vital importance to our Nation's economic and defense capabilities. Kings Point is vital to the industry.

Kings Point produces highly trained transportation specialists who know how to interact with the Armed Forces to meet our logistics requirements. Graduates have gone on to become leaders in transportation technology. They have been responsible for technological advances such as containerization, piggy backing containers on rail cars, and intelligent systems which enhance cargo handling efficiencies. With 300,000 people working in our maritime industry, we must ensure that these industries are supplied with innovative leaders for the next century.

The maintaining of full funding for Kings Point will assure that a highly qualified student body will continue to offer at least 8 years of national service in transportation and defense in exchange for their education. It will assure that the United States will have merchant marine officers and transportation managers who are trained to preserve and protect the environment. Finally, it will reaffirm our country's conviction that the sea-link is most certainly crucial to the Nation's transportation infrastructure. We must be willing to invest in manpower for this sector.

By Mr. INOUYE (for himself, Mr. HOLLINGS, Mr. STEVENS, Mr. KERRY, Mr. PACKWOOD, Mr. BREAUX, Mr. MATHEWS, Mr. AKAKA, Mr. BINGAMAN, Mr. DODD, Mr. DURENBERGER, Mr. GORTON, Mr. GRAHAM, Mr. HATFIELD, Mr. KENNEDY, Mr. LEVIN, Ms. MIKULSKI, Mrs. MURRAY, Mr. REID, and Mr. WOFFORD):

S. 2120. A bill to amend and extend the authorization of appropriations for public broadcasting, and for other purposes; to the Committee on Commerce, Science, and Transportation.

PUBLIC BROADCASTING ACT OF 1994

Mr. INOUYE. Mr. President, today, I am introducing the Public Broadcasting Act of 1994. This legislation authorizes funding for the Corporation for Public Broadcasting [CPB] for fiscal years 1997 through 1999. It continues the tradition of advance funding for the Public Broadcasting System so that key long-term planning decisions can be made. This advance-year funding is critical to the overall stability of our Nation's Public Broadcasting system.

In 1967, the Corporation for Public Broadcasting was established by congress "* * * [to] help make public broadcasting available to all citizens * * * and to afford maximum protection to such broadcasting from extraneous interference and control." In the 25 years since its creation, the Public Broadcasting System has grown and matured. Even with the increased number of programming services, it is largely responsible for much of the high-quality, educational, informational, and entertainment radio and television programming we have today.

The CPB and public broadcasters have built a nationwide system in which close to 90 percent of the American households have access to a Public Radio signal and nearly 100 percent of households have access to a public television signal.

The legislation I am introducing today reauthorizes funding for the CPB in the amount of $425 million for fiscal years 1997 through 1999. This amount is identical to the level authorized for the CPB for fiscal year 1996.

Unlike most previous years, this legislation does not increase the authorized funding levels for the CPB. This legislation will, however, allow public broadcasting stations to maintain the level of high-quality programming they provide today. I believe that this legislation properly balances the needs of Public Broadcasters with the need to show fiscal responsibility.

The CPB supports the production and distribution of nationally recognized radio and television programs such as, "All Things Considered," "Sesame Street," "American Playhouse," "Great Performances," and "The MacNeil/Lehrer Newshour." These programs have and will continue to make significant contributions to our society.

The CPB allocates a large percentage of its funds to enhance programming by and for minorities and traditionally unserved areas. By supporting the Independent Television Service [ITVS] and the five minority consortia, Public Broadcasting has enabled Americans to explore important social issues and experience a wide variety of opinions and ideas. I encourage the CPB and its member stations to continue their commitment to these entities.

Public Broadcasting has a history of innovation that has broadened the reach of television to many of our Nation's citizens. For instance, Public Television provides closed-captioning for the hearing-impaired, and descriptive video services [DVS], an optional audio narration track for the sight-impaired. And for Spanish-speaking citizens, the "MacNeil/Lehrer News Hour" airs in many communities with a Spanish language soundtrack. Innovative services like these are important as our society becomes more diverse.

Public Broadcasting's efforts in education, advanced technology, and program development continue to set the standard for commercial broadcasting. For instance, in the area of education, Public Television has shown itself to be one of the most economical and efficient mechanisms for distributing educational information to our homes and schools. Public Television stations are providing their local schools and State educational institutions with technical expertise and quality programs to supplement classroom instruction. Nationwide, Public Television is the largest contributor of video and televised instructional materials for schools, colleges, and home viewers in the country. Public Television reaches over 29 million students in nearly 70,000 schools, grades K through 12. Close to 2 million teachers use Public Educational Services provided by Public Television.

The Satellite Educational Resources Consortium [SERC] is another example of how Public Broadcasting is using its resources for education. SERC is a 23-state partnership of educators and public broadcasters that helps schools to meet the needs of their students through live interactive satellite delivered courses. Because of efforts like these, two-thirds of America's colleges now use Public Broadcasting System courses and 2 million adults have earned college credit from Public Television.

Furthermore, the Public Broadcasting System plans to devote considerable efforts to develop and implement programs and activities as required by the Ready-to-Learn Act.

The CPB coordinates systemwide planning and conducts research to help the Public Broadcasting System keep up with new technologies and fluctuating financial conditions. For instance, many Public Radio and Television stations are exploring new ways to manage their administrative and technical processes to achieve greater efficiencies. Some are discussing ways to consolidate their stations and share resources. I applaud the efforts of these stations to become more efficient and eliminate duplicate program coverage.

I also encourage the stations to give serious thought to the 1993 report of the Twentieth Century Fund. The Twentieth Century Fund formed a task force to examine the mission, role, funding and accountability of Public Television in the 1990's and beyond. The task force compiled a list of recommendations for how to maintain a strong public television system. I urge public broadcasting stations to move forward on the recommendations included in this report.

In 1992, Congress directed the CPB to increase public participation in noncommercial broadcasting. In response to this mandate, the CPB launched "open to the public," a series of mechanisms—public hearings, town meetings, national polls and regional surveys, a dedicated post-office box and a toll-free number—for measuring and assessing public perceptions of Public Broadcasting. It is designed to provide easily accessible conduits through which the American people can share their comments and express their concerns about Public Broadcasting. I support these measures and I urge the CPB to continue to seek ways to provide an open and accountable decisionmaking process.

Mr. President, I thank you for the opportunity to renew my support for Public Broadcasting. I believe this legislation wisely allocates Federal funding to assist the CPB. I urge my colleagues on both sides of the aisle to join me in supporting the reauthorization for the Corporation for Public Broadcasting.

By Mr. JOHNSTON (by request):

S. 2121. A bill to promote enterpreneurial management of the National Park Service, and for other purposes; to the Committee on Energy and Natural Resources.

NATIONAL PARK SERVICE ENTREPRENEURIAL MANAGEMENT REFORM ACT

Mr. JOHNSTON. Mr. President, at the request of the Department of the Interior, I send to the desk a bill to promote entrepreneurial management of the National Park Service, and for other purposes".

I ask unanimous consent that the bill, the communication, and a summary prepared by the National Park Service which accompanied the proposal be printed in the CONGRESSIONAL RECORD.

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

S. 2121

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 Service Entrepreneurial Management Reform Act".

SEC. 2. FINDINGS.

(a) FINDINGS.—In furtherance of the Act of August 25, 1916 (39 Stat. 535), as amended (16 U.S.C. 1, 2–4), which directs the Secretary of the Interior to administer ares of the National Park System in accordance with the fundamental purpose of conserving the scenery, wildlife, natural and historic objects, and providing for their enjoyment in a manner that will leave them unimpaired for the

enjoyment of future generations, the Congress finds that—

(1) management of the National Park System requires entrepreneurial strategies that will enable the National Park Service to meet the increasing demands placed on the System by the American public; and

(2) in order to preserve the natural and cultural resources of the System for future generations and provide for appropriate enjoyment of those resources, the National Park Service must increase revenues by reforming the nature, level and collection of fees, and increasing voluntary donations and partnerships.

SEC. 3. DEFINITIONS.

As used in this Act, the term—

(1) "park" means a unit of the National Park System; and

(2) "Secretary" means the Secretary of the Interior.

SEC. 4. FEES.

(a) ADMISSION FEES.—

(1) IN GENERAL.—The Secretary shall establish reasonable admission fees to be charged at units of the National Park System where the Secretary determines that such fees are appropriate and feasible.

(2) ANNUAL PASSES.—For admission or entrance into any unit of the National Park System designated by the Secretary pursuant to this section, or into several specific units located in a particular geographic area, or for entrance to all units where an admission fee is charged, the Secretary is authorized to make available annual admission permits for reasonable fees to be determined by the Secretary.

(3) SINGLE VISITS.—The Secretary shall establish reasonable admission fees for a single visit at any unit of the National Park System designated by the Secretary pursuant to this section for persons who choose not to purchase an annual pass.

(b) RECREATION USE FEES.—The Secretary shall establish reasonable fees for specialized outdoor recreation sites, facilities, equipment, or services that are provided or furnished at Federal expense.

(c) SPECIAL PARK USES.—The Secretary shall establish reasonable fees for uses of park units that require special arrangements including permits. The fees shall cover all costs of providing necessary services associated with special uses and shall be credited to the appropriation current at that time.

(d) RETENTION OF FEES.—(1) Except as provided below, fees collected pursuant to subsections 4 (a) and (b) of this Act shall be deposited in the special fund account established in Section 4 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460 1-6a(i)(4))

(2) Notwithstanding any other provision of law, beginning in fiscal year 1995 and thereafter, an amount equal to 15 percent of the total fees collected in the immediate preceding fiscal year pursuant to subsections 4 (a) and (b) shall be deducted from the current year collections and shall be deposited into a special fund established in the Treasury of the United States titled "Fee Collection Support—National Park System" and shall be available to the Secretary without further appropriation to cover the costs of collection of the fees, to remain available until expended.

(3) Notwithstanding any other provision of law, beginning in fiscal year 1996 and thereafter, 50 percent of the difference in additional receipts collected during the immediate preceding fiscal year as compared to total receipts collected in fiscal year 1993 shall be deducted from the current year collections and shall be covered into a special fund established in the Treasury of the United States titled "National Park Renewal Fund", and shall be available to the Secretary without further appropriation for infrastructure needs at parks, including but not limited to facility refurbishment, repair and replacement, resource protection, interpretive/educational media (exhibits), and other infrastructure projects beneficial to park resources, to remain available until expended.

(4) In fiscal year 1995 only, fees authorized to be collected pursuant to subsections 4 (a) and (b) of this Act may be collected only to the extent provided in advance in appropriations acts and shall be credited to the appropriate special fund accounts described in this Act. In addition, said fees shall be available for the purposes of this Act only to the extent provided in advance in appropriations acts and are authorized to be appropriated to remain available until expended. In fiscal year 1996 and thereafter, fees collected as authorized to be collected pursuant to subsections 4 (a) and (b) of this Act may be collected as authorized by this Act and shall be available as provided in this Act without further provision in appropriations acts.

(e) USE OF FEES.—The Secretary shall develop procedures for the use of these receipts that ensure accountability and demonstrated results consistent with the purposes of this act. The Secretary shall report annually to Congress on the expenditure of funds from fees collected, beginning after the first full fiscal year following enactment of this Act.

(f) DISCOUNTS.—In establishing the fees authorized in this section, the Secretary shall establish appropriate discounts for educational groups, persons sixty-two years of age or older, or persons who are blind or permanently disabled. The Secretary may also establish criteria when the fees may be waived for these groups or individuals.

(g) CRITERIA.—All fees established pursuant to this section shall be fair and equitable, taking into consideration the direct and indirect cost to the Government, the benefits to the recipient, the public policy or interest served, the comparable fees charged by non-Federal public and private agencies, the economic and administrative feasibility of fee collection and other pertinent factors. The Secretary shall from time to time review the fees for consistency with the provisions of this subsection and provide timely public notice of any proposed changes in the fees.

SEC. 5.—DONATIONS.

(a) REQUESTS FOR DONATIONS.—In addition to other authorities the Secretary may have to accept the donation of lands, buildings, other property, services, and moneys for the purposes of the National park System, the Secretary is authorized to solicit donations of money, property, and services from individuals, corporations, foundations and other potential donors who the Secretary believes would wish to make such donations as an expression of support for the national parks. Such donations may be accepted and used for any authorized purpose or program of the National Park Service, and donations of money shall remain available for expenditure without fiscal year limitation. Any employees of the Department to whom this authority is delegated shall be set forth in regulations issued by the Secretary pursuant to paragraph (d).

(b) EMPLOYEE PARTICIPATION.—Employees of the National Park Service may solicit donations only if the request is incidental to or in support of, and does not interfere with their primary duty of protecting and administering the parks or administering authorized programs, and only for the purpose of providing a level of resource protection, visitor facilities, or services for health and safety projects, recurring maintenance activities, or for other routine activities normally funded through annual agency appropriations. Such requests must be in accordance with guidelines issued pursuant to paragraph (d).

(c) PROHIBITIONS.—(1) A donation may not be accepted in exchange for a commitment to the donor on the part of the National Park Service or which attaches conditions inconsistent with applicable laws and regulations or that is conditioned upon or will require the expenditure of appropriated funds that are not available to the Department, or which compromises a criminal or civil position of the United States or any of its departments or agencies or the administrative authority of any agency of the United States.

(2) In utilizing the authorities contained in this section employees of the National Park Service shall not directly conduct or execute major fund raising campaigns, but may cooperate with others whom the Secretary may designate to conduct such campaigns on behalf of the National Park Service.

(d) REGULATIONS AND GUIDANCE.—(1) The Secretary shall issue regulations setting forth those positions to which he has delegated his authority under paragraph (a) and the categories of employees of the National Park Service that are authorized to request donations pursuant to paragraph (b). Such regulations shall also set forth any limitations on the types of donations that will be requested or accepted as well as the sources of those donations.

(2) The Secretary shall publish guidelines which set forth the criteria to be used in determining whether the solicitation or acceptance of contributions of lands, buildings, other property, services, moneys and other gifts or donations authorized by this section would reflect unfavorably upon the ability of the Department of the Interior or any employee to carry out its responsibilities or official duties in a fair and objective manner, or would compromise the integrity or the appearance of the integrity of its programs or any official involved in those programs. The Secretary shall also issue written guidance on the extent of the cooperation that may be provided by National Park Service employees in any major fund raising campaign which the Secretary has designated others to conduct pursuant to paragraph (c)(2).

SEC. 6.—CHALLENGE COST-SHARE AGREEMENTS.

(a) AGREEMENTS.—The Secretary is authorized to negotiate and enter into challenge cost-share agreements with cooperators. For purposes of this section, the term—

(1) "challenge cost-share agreement" means any agreement entered into between the Secretary and any cooperator for the purpose of sharing costs or services in carrying out authorized functions and responsibilities of the Secretary with respect to the National Park System; and

(2) "cooperator" means any State or local government, public or private agency, organization, institution, corporation, individual, or other entity.

(b) USE OF FEDERAL FUNDS.—In carrying out challenge cost-share agreements, the Secretary is authorized, subject to appropriation, to provide the Federal funding share from any funds available to the National Park Service.

SEC. 7.—COST RECOVERY FOR DAMAGE TO PARK RESOURCES.

Any funds payable to United States as restitution on account of damage to park resources or property shall be paid to the Secretary. Any such funds, and any other funds received by the Secretary as a result of forfeiture, compromise, or settlement on account of damage to park resources or property shall be available without appropriation and may be expended by the Secretary without regard to fiscal year limitation to improve, protect, or rehabilitate any park resources or property which have been damaged by the action of a permittee or any unauthorized person.

SEC. 8—CONSISTENCY WITH OTHER LAWS.

(a) Except as provided in subsection (b), to the extent that the provisions of this Act are inconsistent with section 4 of the Land and Water Conservation Act of 1965 as amended (16 U.S.C. 4601-6a) or any other provision of law, including any provision that prohibits or limits the charging of a reasonable recreation or other fee, the provisions of this Act shall prevail.

(b) The following sections of the Land and Water Conservation Act of 1965 as amended (16 U.S.C. 4601-6a) will apply to this Act:

(1) RULES AND REGULATIONS; ESTABLISHMENT; ENFORCEMENT POWERS; PENALTY FOR VIOLATIONS.—In accordance with the provisions of this section, the Secretary may prescribe rules and regulations for areas under his or her administration for the collection of any fee established pursuant to this section. Persons authorized to enforce any such rules or regulations issued under this subsection may, within areas under the administration or authority of the Secretary and with or, if the offense is committed in his presence, without a warrant, arrest any person who violates such rules and regulations. Any person so arrested may be tried and sentenced by the United States magistrate judge specifically designated for that purpose by the court by which he was appointed, in the same manner and subject to the same conditions as provided in subsections (b), (c), (d), and (e) of section 3401 of title 18. Any violations of the rules and regulations issued under this subsection shall be punishable by a fine of not more than $1000.

(2) CRITERIA, POSTING AND UNIFORMITY OF FEES.—Clear notice that a fee has been established pursuant to this section shall be prominently posted at each area and at appropriate locations therein and shall be included in publications distributed at such areas.

(3) CONTRACTS WITH PUBLIC OR PRIVATE ENTITIES FOR VISITOR RESERVATION SERVICES.—The Secretary, under such terms and conditions as he deems appropriate, may contract with any public or private entity to provide visitor reservation services. Any such contract may provide that the contractor shall be permitted to deduct a commission to be fixed by the agency head from the amount charged the public for providing such services and to remit the net proceeds therefrom to the contracting agency.

(4) FEDERAL AND STATE LAWS UNAFFECTED.—Nothing in this Act shall authorize Federal hunting or fishing licenses or fees or charges for commercial or other activities not related to recreation, nor shall it affect any rights or authority of the States with respect to fish and wildlife, nor shall it repeal or modify any provision of law that permits States or political subdivisions to share in the revenues from Federal lands or any provision of law that provides that any fees or charges collected at particular Federal areas shall be used for or credited to specific purposes or special funds as authorized by that provision of law.

(5) SELLING OF PERMITS AND COLLECTION OF FEES BY VOLUNTEERS AT DESIGNATED AREAS; COLLECTING AGENCY DUTIES; SURETY BONDS; SELLING OF ANNUAL ADMISSION PERMITS BY PUBLIC AND PRIVATE ENTITIES UNDER ARRANGEMENTS WITH COLLECTING AGENCY HEAD.—When authorized by the Secretary, volunteers at designated areas may sell permits and collect fees authorized or established pursuant to this section. The Secretary shall ensure that such volunteers have adequate training regarding—

(a) the sale of permits and the collection of fees,

(b) the purposes and resources of the areas in which they are assigned, and

(c) the provision of assistance and information to visitors to the designated area.

The Secretary shall require a surety bond for any such volunteer performing services under this subsection. Funds available to the collecting agency may be used to cover the cost of any such surety bond. The head of the collecting agency may enter into arrangements with qualified public or private entities pursuant to which such entities may sell (without cost to the United States) annual admission permits (including Golden Eagle Passports) at any appropriate location.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, DC, April 14, 1994.

Hon. ALBERT GORE,
President of the Senate, Washington, DC.

DEAR MR. PRESIDENT: Enclosed is a draft bill, "To promote entrepreneurial management of the National Park Service, and for other purposes."

We strongly recommend that the bill be introduced, referred to the appropriate committee for consideration, and enacted.

Enactment of the enclosed bill would enable the National Park Service and the Department of the Interior to carry out the recommendations of the National Performance Review. Specifically, the Review proposed management reforms for the National Park Service to "Promote Entrepreneurial Management of the National Park Service." In general, the recommendations would give the Park Service increased fiscal flexibility by authorizing the collection of increasing receipts and earmarking increases for park needs. Legislation is necessary to bring about this result.

The enclosed bill would establish a new legislative basis for managing receipts taken in by the National Park Service:

The Secretary would be authorized to set admission, recreation and special use fees at reasonable rates and subject to broad policy guidelines, expanding the possibility and discretion to collect fees at all parks regardless of existing statutory or other limitations. Admission and recreation fees would be available for appropriation back to the National Park Service, except that the cost of collection and 50 percent of any additional receipts over and above FY 1993 levels may be placed in the National Park Renewal Fund and Fee Collection Support accounts for use by parks without further appropriation. With a portion of increased revenues made directly available to parks to cover the cost of collection and pressing infrastructure needs, this will provide an entrepreneurial incentive to park superintendents to maximize fee collection year-round.

Challenge cost-share grants would be authorized, wherein the National Park Service could match donated funds for park projects.

The authority for National Park Service employees to seek donations would be clearly spelled out.

Monetary damages payable to the United States on account of damage to park property and resources would be available to the National Park Service for rehabilitation work.

The bill would give the National Park Service flexibility in responding to management needs and would provide critical funds to supplement rather than supplant existing appropriations, resulting in a stable funding base from which to address the immense backlog of real needs in the parks. Additional receipts that accrue will be displayed in annual National Park Service budget requests.

The effect of this draft bill on the deficit is:

FISCAL YEARS
[In millions of dollars]

	1995	1996	1997	1998	1995–1998
Outlays	−1.6	−39.3	−19.4	−15.3	−75.6

The Omnibus Budget Reconciliation Act (OBRA) requires that all revenue and direct spending legislation meet a pay-as-you-go requirement. That is, no such bill should result in an increase in the deficit; and if it does, it must trigger a sequester if it is not fully offset. This bill would decrease direct spending. Considered alone, this bill meets the pay-as-you-go requirement of OBRA.

The Office of Management and Budget has advised that enactment of the enclosed draft bill would be in accord with the program of the President.

Sincerely,

B. COHEN.
Assistant Secretary—Policy, Management and Budget.

SUMMARY OF PROPOSED NATIONAL PARK SERVICE ENTREPRENEURIAL MANAGEMENT REFORM ACT

Purpose: In order to meet the increasing demands placed on the National Park System and to ensure preservation of the natural and cultural resources of the System, entrepreneurial strategies are required that will, among other things, increase revenues by reforming the nature, level and collection of fees, recover costs from damage to park

resources and increase voluntary partnerships.

Fees: The Secretary would be authorized to establish fees for admission, special recreational uses, and special park uses, subject to broad policy guidance. Net fees from admission and special recreational uses would be deposited in a special account and allocated, subject to appropriation, to the parks for any operations. The Secretary may withhold the cost of collecting the fees and 50 percent of the additional receipts over and above the FY 1993 levels, for infrastructure needs at parks, without further appropriation.

Donations: The Secretary and certain National Park Service employees would be authorized to seek donations for park and program purposes, subject to limitations established by guidelines.

Challenge Cost-Share Agreements: The Secretary would be authorized to carry out challenge cost-share agreements by using any funds appropriated for the operation of the National Park Service.

Cost Recovery for Damage to Park Resources: The Secretary is authorized to recover restitution on account of damage to park resources or property. Settlement money would be available without appropriation to improve, protect, or rehabilitate park resources or property, which have been damaged by authorized or unauthorized use.

By Mr. COHEN:

S. 2122. A bill to improve the public and private financing of long-term care and to strengthen the public safety net for elderly and nonelderly disabled individuals who lack adequate protection against long-term care expenses, and for other purposes.

PUBLIC-PRIVATE LONG TERM CARE PARTNERSHIP ACT OF 1994

Mr. COHEN. Mr. President, while health care reform is being debated in the Nation's Capital and in the homes of every American family, we must not overlook one of the most critical issues to the elderly and nonelderly disabled Americans—access to affordable and appropriate long-term care services. With an estimated 10 million persons in need of some long-term care services, we cannot miss the opportunity that national health care reform presents to make some very real improvements to our current long-term care systems.

Today I am introducing legislation to correct some of the serious problems in the financing and delivery of long-term care. This proposal would create a strong public-private partnership to help individuals anticipate and pay for their long-term care needs. For those without the resources to finance their own care, this proposal would improve our public safety net to better protect low-income families against the catastrophic expense of long-term care services.

While approximately 38 million people lack basic health insurance, almost every American family is exposed to the devastating costs of long-term care. In fact, less than 3 percent of all Americans have insurance to cover long-term care. With average nursing home costs nearing $40,000 per year and home health care costing from $50 to $200 per day, long-term care expenses can quickly wipe out the lifetime of savings of a disabled individual and his or her family.

Moreover, as the population ages, the human and financial costs associated with long-term care will accelerate dramatically. As ranking minority member of the Special Committee on Aging, I hear countless stories of families struggling to provide 24-hour-a-day caregiving to a loved one in need. Despite their best efforts, some families are literally torn apart or pushed to the brink of financial disaster due to the devastating costs of long-term care.

For example, in a recent hearing of the Aging Committee, we heard riveting testimony from Angela Chapman, a 13-year-old girl whose father is suffering from Alzheimer's disease. She and her mother endure the round-the-clock task of caregiving and are now being forced to sell their home to pay for his care. While they desperately want to keep their family together as long as possible, they can hardly bear the financial and emotional strain of constant caregiving, with little or no respite or assistance.

In my home State of Maine, a 35-year-old woman from Westport had been struggling to remain in her home for years with a chronic and disabling form of multiple sclerosis. She was able to get by, using her disability insurance payments and support from her family. When her disease progressed and her insurance ran out, her family was unable to provide her care and placed her in a nursing home, even though she could have continued to stay at home at a lower cost to government programs.

For years, long-term care has been only an after-thought, or stepchild, of health care reform. Our current system is a maze of fragmented, inequitable Federal and State programs. While we spend millions of Medicaid dollars to provide nursing home and some home care, the system is falling under its own weight: Long term care is the fastest growing segment of State Medicaid expenses, and State budgets are breaking due to the exploding costs.

As a Nation we do not have satisfactory ways to help families anticipate and pay for their long-term care needs. Instead, families are too often left on their own to juggle caregiving needs with their own jobs, or are forced to institutionalize their elderly parents or disabled children when they desperately want to keep them at home, simply because there is no other affordable care available to them.

In earlier days, when Federal deficits did not loom so large over our economy, the solution would have been relatively simple: just create a new open-ended entitlement program. Today, however, we can no longer afford to constuct new, unrestrained non-means-tested programs. Such an approach is not only fiscally irresponsible, but also impedes the creation of a private long-term care insurance market and fails to encourage individuals who are financially able to plan and save for their own future long-term care needs.

As we undertake health care reform, we must make it easier for individuals to financially plan for their future long-term care needs. Individuals should consider the need for long-term care a normal risk of growing old, and plan for this risk just as they plan their retirement, purchase life insurance to protect their families, purchase health, or car insurance. A strong private long-term care market will not only give individuals greater financial security for their future, but will ease the financial burden on the Federal Government for years to come, as our population ages and more elderly persons need long-term care services.

The legislation I am introducing today provides important tax incentives for the purchase of long-term care insurance and places consumer protections on long-term care insurance policies so quality products will be affordable and accessible to more Americans. It allows States to develop programs under which individuals can keep more of their assets and still qualify for Medicaid if they take steps to finance their own long-term care needs, allows individuals to make tax free withdrawals from their individual retirement accounts without penalty if they purchase private long-term care insurance, and provides for consumer education to help families decide how to best plan for their own particular circumstances.

While long-term care insurance can be very affordable when purchased at a younger age, we must recognize that steps should be taken to help those elderly individuals today who have not insured themselves for long-term care, and those at lower incomes who are unable to afford private insurance coverage. Even a strong private sector insurance market will not replace the need for public programs to provide a safety net for the millions of American families who cannot afford insurance.

The proposal we are offering today would work to improve our public safety net to better protect those at low-income levels against the catastrophic expense of long-term care services. The bill eliminates the current bias in our system toward nursing home care and sets up criteria allowing individuals with income levels up to 150 percent of the poverty level to qualify for home care benefits. Far too often, elderly or disabled individuals are forced to enter nursing homes prematurely simply because this is the only care that is covered under Medicaid. While there will always be those who require institutionalized care, for many others home and community-based care can be a

less expensive alternative, saving millions of dollars for the overall system.

Finally, the bill provides for demonstration projects and establishes a commission to explore ways to better integrate long-term care with the rest of the health care system. These initiatives will work to create a more balanced and integrated delivery system that will meet people's needs over the years. In a recent hearing held before the Senate Select Committee on Aging, the General Accounting Office testified that we could bring about better long-term care services without spending more money by simply focusing greater attention to individual needs and through more flexible programs. I strongly believe that we can and must do better to serve individuals in need of long-term care, without placing more pressure on State and Federal budgets.

Mr. President, while we spend the next few months debating the merits of such issues as managed competition, health care alliances, the amount of regulation necessary, and who should pay for each proposal, we must keep in mind that the ultimate measure of reform for each American will be, "What will health care reform mean for me?" For a senior citizen with Parkinson's disease, a young mother with multiple sclerosis, and their families, making long-term care more affordable and accessible is not a fringe issue, but rather a key test for health care reform legislation.

Last September I held a hearing in Augusta, ME, on long-term care that was attended by over 500 senior citizens, caregivers, health care providers, and policymakers. The interest and enthusiasm of the participants sent me a clear message on the need to correct many of the deficiencies in our long-term care system.

The legislation I am introducing today, takes several significant steps to accomplish this goal and will provide some meaningful relief to families facing exorbitant long-term care costs.

I am extremely pleased that several other bills before Congress such as the administration's Health Security Act, Senator CHAFEE's HEART proposal, and Senator PACKWOOD's secure choice bill contain important long-term care provisions. While I believe my legislation offers a reasonable alternative, I am supportive of initiatives which expand appropriate home and community-based services to those most in need and improve private sector participation in the financing of long-term care.

I urge my colleagues to support this long-term care legislation that creates a strong public-private partnership and I look forward to working together to ensure health care reform makes improvements in the way long-term care services are provided for disabled individuals both now and in the future.

Mr. President, I ask unanimous consent that a section-by-section analysis of the bill be printed in the RECORD.

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

SECTION BY-SECTION SUMMARY—PUBLIC-PRIVATE LONG-TERM CARE PARTNERSHIP ACT OF 1994

Purpose: This bill is designed to build a public-private partnership for the payment and planning of long-term care services for elderly and non-elderly disabled. An emphasis is placed on removing tax barriers and creating incentives which encourage individuals and their families to finance their future long-term care needs. The bill creates consumer protection standards for long-term care insurance, and provides incentives and public education to encourage the purchase of private long-term care insurance. For those individuals who cannot afford long-term care insurance or those who are already disabled, the bill expands the public safety net for long-term care under Medicaid.

TITLE I.—TAX TREATMENT OF LONG-TERM CARE INSURANCE

Sec. 101. Qualified long-term care services treated as medical expenses

Section 213 of the Internal Revenue Code is amended to allow qualified individuals to deduct out-of-pocket long-term care services as medical expenses subject to a floor of 7.5 percent of adjusted gross income. Qualified long-term care services include necessary diagnostic, preventive, therapeutic, rehabilitative, maintenance and personal care performed in either a residential or nonresidential setting. Qualified individuals must be determined by a licensed professional or qualified community case manager to be unable to perform without substantial assistance at least two activities of daily living (ADLs) or suffer from a moderate cognitive impairment.

Sec. 102. Treatment of long-term care insurance

Section 213 is also amended to allow qualified long-term care insurance premiums to be deducted as medical insurance subject to the 7.5 percent-of-adjusted-gross-income-floor. Qualified long-term care insurance premiums are also deductible as a business expense and employer-provided long-term care insurance is excluded from an employee's taxable income. A qualified long-term care insurance policy must meet the regulatory standards as established in Title II. The provision would apply to taxable years beginning after December 31, 1995.

Sec. 103. Treatment of benefits under qualified long-term care policies

Benefits paid under qualified long-term care insurance policies would be excluded from income under section 105(c) "Payments Unrelated to Absence from Work", and employer-paid long-term care insurance would be a tax free employee fringe benefit.

The daily benefit cap for all long term care policies would be established at $150 per day and indexed for inflation. All payments above the established cap are treated as income.

Private long-term care insurance is exempt from the continuation of coverage requirements created by COBRA. In addition, long-term care will be considered a "qualified benefit" that may be included in a cafeteria plan.

The provision would apply to policies issued after December 31, 1995

Sec. 105. Tax treatment of accelerated death benefits under life insurance contracts

Clarifies that an accelerated death benefit received by an individual on the life of an insured who is terminally ill individual (expected to die within 12 months) is excluded from taxable income as payment by reason of death.

TITLE II.—STANDARDS FOR LONG-TERM CARE INSURANCE

Sec. 201. Policy requirements

Insurers are required to meet the National Association of Insurance Commissioners (NAIC) January 1, 1993 standards for long-term insurance. Additional requirements include: a mandatory offer of nonforfeiture benefits, rate stabilization, minimum rate guarantees, limits and notification of increases on premiums and reimbursement mechanisms for long-term care policies. Policies that do not meet these consumer protection standards would be denied the favorable tax treatment described in Section I.

Sec. 202. Additional requirements for issuers of long-term care insurance policies

A penalty of $100 per day per policy shall be imposed on long-term care issuers failing to meet the NAIC model standards as outlined in this section.

Sec. 203. Coordination with State requirements.

A State retains the authority to apply additional standards or regulations that provide greater protection of policyholders of long-term care insurance.

Sec. 204. Uniform language and definitions

The NAIC is directed to no later than January 1, 1995 issue standards for the use of uniform language and definitions in long-term care insurance policies, with permissible variations to take into account differences in state licensing requirements for long-term care providers.

Sec. 205. Effective dates

The provisions would apply to policies issued after December 31, 1995

TITLE III.—INCENTIVES TO ENCOURAGE THE PURCHASE OF PRIVATE INSURANCE

Sec. 301. Public Information and education programs

The Secretary of Health and Human Services is directed to establish a program designed to educate individuals on the risks of incurring catastrophic long-term care costs and the coverage options available to insure against this risk. Education should increase consumers knowledge of the lack of coverage for long-term care in Medicare, Medigap and most private health insurance policies and explain the various benefits and features of private long-term care insurance.

Sec. 302 Assets or resources disregarded under the Medicaid Program

Amends Section 1917(b) of the Social Security Act, related to Medicaid Estate Recoveries, to allow for states to establish asset protection programs for individuals who purchase qualified long-term care insurance policies, without requiring states to recover such assets upon a beneficiaries death. This provision is aimed at encouraging more middle-income persons to purchase long-term care insurance by allowing individuals to keep a limited amount of assets and still quality for Medicaid, if they have purchased long-term care insurance.

States that develop asset protection programs to encourage private insurance purchase are required to conform with uniform reporting and documentation requirements established by the Secretary of Health and Human Services.

Sec. 303. Distributions from individual retirement accounts for the purchase of long-term care insurance coverage

Individuals above 59½ are allowed tax-free distributions from an IRA or an individual retirement annuity for the purchase of a long-term policy. Also allows individuals below the age of 59½ to withdraw from their individual retirement account without penalty in order to purchase a qualified long-term care plan. Individuals who obtain tax-free distributions from their IRA or individual retirement annuity would be restricted from deducting their long-term care insurance premium as a medical expense under Title I of this act. The amendments made by this section apply to taxable years beginning after December 31, 1995.

TITLE IV.—IMPROVED PUBLIC SAFETY NET FOR LONG-TERM CARE

Sec. 401. References in title

All references in this title apply to the Social Security Act.

Sec. 402. Spend-down eligibility for nursing facility residents

Requires states to expand eligibility for nursing facility residents who are determined to be "medically needy." Such individuals are those with incomes below the SSI poverty level when expenses for medical care are deducted from their income.

Sec. 403. Increase in personal needs allowance for institutionalized individuals

Amends Medicaid by increasing to $50 per month (from $30) the amount of funds an individual residing in a nursing facility is able to retain for personal needs.

Sec. 404. Increased resource disregard for nursing facility residents

Amends Medicaid to allow states to disregard up to $8,000 in assets by an unmarried, institutionalized individual.

Sec. 405. Informing nursing home residents about availability of assistance for home and community-based services

Requires that an individual who is a resident of a nursing facility or an intermediate care facility for the mentally retarded, receive at the time of application and periodically thereafter, information on the range of home and community-based services available in the State.

Sec. 406. Establishment of State programs furnishing home and community based services to certain individuals with disabilities

This provision expands Medicaid by adding an optional state-administered, means-tested program to cover home care services for low income individuals with severe disabilities. Beginning in 1997, those persons eligible for benefits with less than $8,000 in assets and incomes below 90 percent of poverty would qualify for home and community-based services under this program. In calendar year 1998, the coverage will increase to 110 percent of poverty; 1999: 130 percent; and 2000: 150 percent of poverty. Individuals with incomes above these levels could qualify for benefits once they have spent down their assets and income to allowable amounts.

To be eligible, individuals must be unable without significant assistance to perform two or more activities of daily living such as eating, dressing, transferring, toilet, bathing, and continence, have profound mental retardation, or be assessed as severely disabled child under the age of six who would otherwise need institutionalized care.

Significant flexibility is given to the states to design their long-term care program. All individuals will receive personal assistance services, however states can cover any appropriate service including: homemaker assistance, respite services, assistive devices, adult day care services, habilitation and rehabilitation, and skilled home health care services.

All states will be matched up to 75 percent for services covered under this section, with a maximum matching rate fixed at 88 percent. States will have the option to require minimal copayments for services from individuals above 100 percent of poverty based on a sliding scale.

Sec. 407. Require Secretary of HHS to report to Congress on long-term care programs

Directs the Secretary to make interim and final reports to Congress on the effectiveness of the new long-term care program and growth and developments in the private market for long-term care insurance.

Requires the Secretary of HHS to report on the feasibility of integrating acute and long-term care services and the cost of including institutional and community based long-term care as a standard benefit under a comprehensive benefit plan for all Americans.

Sec. 408. Establish a chronic care commission

For purposes of this title chronic care refers to: the ongoing provision of medical, functional, psychological, environmental, social and medical services that enable chronically ill individuals to optimize their functional independence. Chronic care includes an integrated continuum of primary prevention, acute, transitional, and long-term care services.

The President shall, in consultation with Congress, establish a bipartisan, national Commission on Chronic Care Reform. The Commission shall consist of 11 individuals. The membership of the Commission shall include representatives of chronically ill individuals; providers who furnish primary, acute, institutional services, and home and community-based services, health insurance industry; and Federal and State health programs. The Commissions shall work under the leadership of the Secretary of HHS, and in consultation with national demonstration on integrating acute and long-term care. The Commission shall have the following duties:

Make legislative recommendations to Congress no later than July 1, 1997 which simplify and improve care for chronically ill individuals. The recommendations should: encourage health care providers to establish community based networks of care which furnish a full range of individualized chronic care services including primary care, hospital, nursing home, and community-based services; reduce the escalation of cumulative costs across time and setting; outline service delivery reform which simplifies systems for administration; identify barriers to integration of services as established by existing legislation, regulation, and administrative practices; and maintain a private sector, community based approach to furnishing services to such individuals.

Sec, 409. Demonstration on acute and long-term care integration

The national demonstration on acute and long-term care integration directs the Secretary of Health and Human Services to implement a 7-year national demonstration, at not more than 25 sites, which seeks to develop new integrated approaches to the financing, administration, and delivery of services for the chronically ill or individuals with disabilities. The Secretary must evaluate demonstration projects and make interim and final reports to Congress.

By Mr. DORGAN (for himself and Ms. MIKULSKI):

S. 2123. A bill to prohibit insured depository institutions and credit unions from engaging in certain activities involving derivative financial instruments.

DERIVATIVES LIMITATIONS ACT OF 1994

Mr. DORGAN. Madam President, I have an Associated Press dispatch in my hand that says that the Federal Reserve Board met a few hours ago, locked the door, closed the room and once again in secret took action to increase short-term interest rates by one-half of 1 percent.

The Federal Reserve Board met today on Tuesday, and the American people lost again. I know that the Federal Reserve Board wants to be seen as fearless inflation fighters. The fact is that the Federal Reserve Board has a hair trigger on inflation issues and has clay feet on issues that affect economic growth and opportunity in this country.

The Federal Reserve Board is increasing interest rates now the fourth time saying we have inflation just over the horizon.

I say to the Federal Reserve Board what inflation? What inflation?

Last week Thursday, the Producer Price Index came out. You know what it showed? Down one-tenth of 1 percent. Friday the Consumer Price Index came out. You know what it says? Up only one-tenth of 1 percent.

So I ask the Federal Reserve Board what inflation are you talking about? Why do you impose this tax on the American people. Every American family will pay a higher interest rate as a result of behavior of the Federal Reserve Board.

Yes, this is good politics for the Federal Reserve Board. They served their constituency, the big money center banks. I guarantee you it is not good monetary policy for this country.

I hope others in the Chamber will share that view and make that known to the Federal Reserve Board.

The Federal Reserve Board is applying the brakes to this country's economy at precisely the wrong time. Increasing interest rates will slow down the American economy at exactly the time when we need more economic growth, more jobs and more opportunity. That is a fact. The Fed is uniquely capable—it demonstrated again today—of taking the wrong action at exactly the wrong time.

Madam President, in addition to my displeasure with the Federal Reserve Board, let me indicate to my colleagues that I just introduced a piece of legislation to prohibit banks in this country from engaging in proprietary trading in derivatives. That all sounds like a foreign language. But, this week the General Accounting Office will release a major report on a new threat to the taxpayers and the economy of this Nation.

The threat is not from foreign competition, or Government deficits or reg-

ulation. It is from Wall Street, and a new form of sophisticated financial bingo called derivatives. Even Fortune magazine—hardly a carping business critic—is warning that derivatives could swamp our economy in a sea of red ink.

Fortune estimates the new derivatives game at some $16 trillion, which is more than twice our Nation's total economic output. A single default, the magazine said, could ignite a chain reaction that runs rampant through the financial markets. "Inevitably, that would put deposit insurance funds, and the taxpayers behind it, at risk."

That is a risk that Congress must not permit. Already the taxpayers of this country are footing the bill for the $500 billion bailout of the savings and loan industry. A gang of financial high-fliers tried to get rich quick on junk bonds and inflated real estate loans, and the taxpayers had to clean up the mess. Congress learned a lesson, or should have, at least.

That is why I am introducing today a bill to protect the taxpayers of this country from a replay of the savings and loan fiasco. Specifically, my bill would prevent banks and other institutions with Federal insurance from playing roulette in the derivatives market. If an institution has deposits insured by the Federal Government, it should not be involved in trading risky derivatives for its own account. Such proprietary trading involves a degree of risk that is totally out of step with safe and sound banking practices. It will not occur if my bill is enacted.

What investors do with their own money is their own business. But what they do with money insured by the American taxpayers, is the business of Congress. The purpose of deposit insurance is to encourage saving. It is to promote a pool of capital that is available to build homes and businesses and jobs. Deposit insurance is not supposed to underwrite rampant speculation on Wall Street, and my bill will help prevent that from happening.

Derivatives are essentially a form of bet. Investors stake a position that interest rates, or the dollar, or commodities, or whatever, will rise or fall. Up to a point, this is simply a form of hedging risk. Banks and corporations have hedged in this manner for many years, and my bill would not affect these traditional and conservative hedging transactions.

But Wall Street passed the point of innocuous risk-protection long ago. Far from hedging risk, derivatives today have become a form of risk. Some nations define them as gambling, which is what they are. In the words of Henry Kaufman, the investment advisor, they mean that "more credit is available to people who may have no business getting it."

This is not idle doomsaying. Already, the Kidder-Peabody investment firm has lost some $350 million. Proctor & Gamble Co. has taken a $157 million bath, and investment analysts warn that many more such losses lay buried in the balance sheets of corporations and investment firms alike. Orange County, CA, had to meet a $140 million collateral call because some derivative speculations started going bad. This raises the specter that local taxpayers may end up holding the bag as well.

Derivatives are the latest episode in a daisy chain of financial mismanagement, in which the bankers and financiers of this Nation have tried to cover their bad investments with worse ones. First came the foolish third world loans. Then the junk bonds and fatuous real estate investments of the eighties. Now we have derivatives, which up the risk ante to new heights, and spread nitroglycerine over the debt structure of the entire Nation.

The three biggest players in the derivatives game are New York banks—Chemical Bank, Bankers Trust, and Citicorp. Together, these three banks are into this market for over $6 trillion; Chemical Bank alone is in for $2.5 trillion. All of these banks have Federal deposit insurance. The purpose of my bill is to make sure that the banks don't have to use it.

In the late 1980's Congress prohibited Savings and Loans from investing in junk bonds. The bill came too late to prevent the S&L fiasco. But at least it applied a tourniquet to stop the bleeding. Now we have a chance to prevent a crisis instead of rushing belatedly to staunch it.

Banks ought not to be involved in proprietary trading on derivatives. That is gambling with taxpayers' money and we ought to take action to stop it. That is the purpose of introducing the bill today, and I urge my colleagues to support this legislation.

I ask unanimous consent that the full text of this bill be included in the RECORD.

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

S. 2123

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 "Derivatives Limitations Act of 1994".

SEC. 2. INSURED DEPOSITORY INSTITUTIONS.

The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended by adding at the end the following new section:

"SEC. 44. DERIVATIVE INSTRUMENTS.

"(a) DERIVATIVES ACTIVITIES.—

"(1) GENERAL PROHIBITION.—Except as provided in paragraph (2), neither an insured depository institution, nor any affiliate thereof, may purchase, sell, or engage in any transaction involving a derivative financial instrument for the account of that institution or affiliate.

"(2) EXCEPTIONS.—

"(A) HEDGING TRANSACTIONS.—An insured depository institution may purchase, sell, or engage in hedging transactions to the extent that such activities are approved by rule, regulation, or order of the appropriate Federal banking agency issued in accordance with paragraph (3).

"(B) SEPARATELY CAPITALIZED AFFILIATE.—A separately capitalized affiliate of an insured depository institution that is not itself an insured depository institution may purchase, sell, or engage in a transaction involving a derivative financial instrument if such affiliate complies with all rules, regulations, or orders of the appropriate Federal banking agency issued in accordance with paragraph (3).

"(C) DE MINIMIS INTERESTS.—An insured depository institution may purchase, sell, or engage in transactions involving de minimis interests in derivative financial instruments for the account of that institution to the extent that such activity is defined and approved by rule, regulation, or order of the appropriate Federal banking agency issued in accordance with paragraph (3).

"(D) EXISTING INTERESTS.—During the 3-month period beginning on the date of enactment of this section, nothing in this section shall be construed—

"(i) as affecting an interest of an insured depository institution in any derivative financial instrument which existed on the date of enactment of this section; or

"(ii) as restricting the ability of the institution to acquire reasonably related interests in other derivative financial instruments for the purpose of resolving or terminating an interest of the institution in any derivative financial instrument which existed on the date of enactment of this section.

"(3) ISSUANCE OF RULES, REGULATIONS, AND ORDERS.—The appropriate Federal banking agency shall issue appropriate rules, regulations, and orders governing the exceptions provided for in paragraph (2), including—

"(A) appropriate public notice requirements;

"(B) a requirement that any affiliate described in subparagraph (B) of paragraph (2) shall clearly and conspicuously notify the public that none of the assets of the affiliate, nor the risk of loss associated with the transaction involving a derivative financial instrument, are insured under Federal law or otherwise guaranteed by the Federal Government or the parent company of the affiliate; and

"(C) any other requirements that the appropriate Federal banking agency considers appropriate.

"(b) DEFINITIONS.—For purposes of this section—

"(1) the term 'derivative financial instrument' means—

"(A) an instrument the value of which is derived from the value of stocks, bonds, other loan instruments, other assets, interest or currency exchange rates, or indexes, including qualified financial contracts (as defined in section 11(e)(8)); and

"(B) any other instrument that an appropriate Federal banking agency determines, by regulation or order, to be a derivative financial instrument for purposes of this section; and

"(2) the term 'hedging transaction' means any transaction involving a derivative financial instrument if—

"(A) such transaction is entered into in the normal course of the institution's business primarily—

"(i) to reduce risk of price change or currency fluctuations with respect to property which is held or to be held by the institution; or

"(ii) to reduce risk of interest rate or price changes or currency fluctuations with respect to loans or other investments made or to be made, or obligations incurred or to be incurred, by the institution; and

"(B) before the close of the day on which such transaction was entered into (or such earlier time as the appropriate Federal banking agency may prescribe by regulation), the institution clearly identifies such transaction as a hedging transaction.".

SEC. 3. INSURED CREDIT UNIONS.

Title II of the Federal Credit Union Act (12 U.S.C. 1781 et seq.) is amended by adding at the end the following new section:

"SEC. 215. DERIVATIVE INSTRUMENTS.

"(a) DERIVATIVE ACTIVITIES.—Except as provided in subsection (b), neither an insured credit union, nor any affiliate thereof, may purchase, sell, or engage in any transaction involving a derivative financial instrument.

"(b) APPLICABILITY OF SECTION 44 OF THE FEDERAL DEPOSIT INSURANCE ACT.—Section 44 of the Federal Deposit Insurance Act shall apply with respect to insured credit unions and affiliates thereof and to the Board in the same manner that such section applies to insured depository institutions and affiliates thereof (as those terms are defined in section 3 of that Act) and shall be enforceable by the Board with respect to insured credit unions and affiliates under this Act.

"(c) DERIVATIVE FINANCIAL INSTRUMENT.—For purposes of this section, the term 'derivative financial instrument' means—

"(1) an instrument the value of which is derived from the value of stocks, bonds, other loan instruments, other assets, interest or currency exchange rates, or indexes, including qualified financial contracts (as defined in section 207(c)(8)(D)); and

"(2) any other instrument that the Board determines, by regulation or order, to be a derivative financial instrument for purposes of this section.".

SEC. 4. BANK HOLDING COMPANIES.

Section 3 of the Bank Holding Company Act of 1956 (12 U.S.C. 1842) is amended by adding at the end the following new subsection:

"(h) DERIVATIVES ACTIVITIES.—

"(1) IN GENERAL.—A subsidiary of a bank holding company may purchase, sell, or engage in any transaction involving a derivative financial instrument for the account of that subsidiary if it—

"(A) is not an insured depository institution or a subsidiary of an insured depository institution; and

"(B) is separately capitalized from any affiliated insured depository institution.

"(2) APPLICABILITY OF SECTION 44 OF THE FEDERAL DEPOSIT INSURANCE ACT.—Section 44 of the Federal Deposit Insurance Act shall apply with respect to bank holding companies and the Board in the same manner that those such subsections apply to an insured depository institution (as defined in section 3 of that Act) and shall be enforceable by the Board with respect to bank holding companies under this Act.

"(3) DERIVATIVE FINANCIAL INSTRUMENT.—For purposes of this subsection, the term 'derivative financial instrument' means—

"(A) an instrument the value of which is derived from the value of stocks, bonds, other loan instruments, other assets, interest or currency exchange rates, or indexes, including qualified financial contracts (as defined in section 207(c)(8)(D)); and

"(B) any other instrument that the Board determines, by regulation or order, to be a derivative financial instrument for purposes of this subsection.".

Mr. DORGAN. Madam President, I yield the floor.

The PRESIDING OFFICER. The Senator speaking as the Senator from Maryland would like to be included as a cosponsor.

Without objection, it is so ordered.

By Mr. CAMPBELL (for himself and Mr. BROWN):

S. 2124. A bill to provide for private development of power at the Mancos project and for other purposes; to the Committee on Energy and Natural Resources.

MANCOS PROJECT PRIVATE POWER DEVELOPMENT AUTHORIZATION

Mr. CAMPBELL. Mr. President, I am sending legislation to the desk that will allow the construction of a hydropower plant at the Jackson Gulch Reservoir in southwestern Colorado. The legislation will also allow the Mancos Water Conservancy District to receive the power revenues.

This legislation is necessary because while the Jackson Gulch Reservoir is a Federal project, the Bureau of Reclamation is not permitted to issue a permit, under the terms of the district's project repayment contract and the Water Conservation and Utilization Act of 1939, that would allow the district to use revenues from the hydropower project to operate and maintain its facilities.

In other words, while the Bureau could issue a Lease of Power Privilege, the revenues would return to the Federal treasury—not to the district, which would construct, operate and maintain the hydropower project just as it already operates and maintains the Mancos irrigation project without cost to the Federal Government. To ask the district to build a project to defray these costs, then take away the revenues, isn't fair.

A feasibility report and an engineering and construction report for the Jackson Gulch Reservoir and hydroelectric project have been submitted to the Colorado Division of Wildlife and the U.S. Fish and Wildlife Service.

The Colorado Division of Wildlife has concluded that based on these documents, the volume, timing and temperature of the flows from the reservoir will not be altered and that no adverse impact to the fish and wildlife resources is anticipated.

The U.S. Fish and Wildlife has made a similar finding, and added that the proposed project is not likely to cause any adverse impact to endangered or candidate species, nor will it pollute or deplete any water in the San Juan River Basin.

Mr. President, this bill should be viewed as a housekeeping measure because it clarifies what our policy ought to be with respect to hydropower development at projects authorized by the Water Conservation and Utilization Act of 1939. These projects are now more than 50 years old. Local sponsors should be encouraged to ensure these projects continue to provide multiple benefits for another generation of farming families.

I hope my colleagues will agree with me that this is the right approach and I now ask unanimous consent that several documents be placed in the RECORD along with my statement—a copy of the bill; letters of support from the Montezuma County commissioners, the Mancos Water Conservancy District and the town of Mancos; a brief description of the history and economics of the Jackson Gulch Reservoir that was prepared by the irrigation district staff; letters from the Colorado Division of Wildlife and the U.S. Fish and Wildlife Service; and finally, a copy of the Department of the Interior's Associate Solicitor memorandum concerning hydropower development at Water Conservation and Utilization Act Projects.

Mr. President, I ask unanimous consent that a copy of the bill and supporting materials be included in the RECORD.

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

S. 2124

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

SECTION 1. SHORT TITLE.

This bill may be cited as the "Mancos Project Private Power Development Authorization Act of 1994."

SEC. 2. FINDINGS.

Congress finds that—

(a) Development of hydroelectric power at the Mancos Project consistent with the Feasibility Report and Engineering and Construction Report for the Jackson Gulch Reservoir Hydroelectric Project dated April 19, 1991, and revised on May 13, 1992 and February 10, 1993, by the Mancos Water Conservancy District

(1) will be without cost to the United States;

(2) will not impair the efficiency of the project for irrigation purposes;

(3) will not alter the volume, timing or temperatures of flows from the reservoir; and

(4) is not likely to cause any new or increased adverse impacts to any federally listed or candidate species.

(b) That the Mancos Water Conservancy District is currently operating and maintaining facilities at the Mancos Project and that the development of hydroelectric power at the Mancos Project consistent with the Feasibility Report and Engineering and Construction Report for the Jackson Gulch Reservoir Hydroelectric Project dated April 19, 1991, revised on May 13, 1992, and February 10, 1993, by the Mancos Water Conservancy District will not increase operation and maintenance costs of the federal government.

(c) That any lease of power privileges issued by the Secretary pursuant to this Act does not constitute a "contract" under section 202(1) of Public Law 97-293 (96 Stat. 1261; 43 U.S.C.A section 390bb) and that nothing in this Act is intended to make applicable any

section of Public Law 97-293 (96 Stat. 1261; 43 U.S.C.A section 390aa *et. seq.*) that would not previously apply.

SEC. 3. AUTHORIZATION TO LEASE POWER PRIVILEGES.

Notwithstanding the provisions of the Water Conservation and Utilization Act (16 U.S.C. sections 90y-590z-11) or any relevant provision of the repayment contract Ilr-384, dated July 20, 1942, as amended December 22, 1947, the Secretary is authorized to enter into a lease of power privileges at the Mancos Project, Colorado, with the Mancos Water Conservancy District.

SEC. 4. LEASE CONDITIONS.

Any such lease of power privileges issued pursuant to Section 3 of this Act shall not exceed a period of forty years and shall be consistent with rates charged by the Federal Energy Regulatory Commission for comparable sized projects. Moneys derived from such lease shall be covered into the reclamation fund in accordance with relevant parts of federal reclamation law, the Act of June 17, 1902, and Acts supplementary thereto and amendatory thereof (43 U.S.C. 371).

SEC. 5. REVENUES DERIVED FROM POWER DEVELOPMENT.

Notwithstanding the provisions of the Water Conservation and Utilization Act (16 U.S.C. sections 590y-590z-11) or any relevant provision of the repayment contract Ilr-384, dated July 20, 1942, as amended December 22, 1947, the Mancos Water Conservancy District may receive revenues from the sale of the power generated pursuant to such lease of power privilege.

MONTEZUMA COUNTY
BOARD OF COMMISSIONERS,
Cortez, CO, May 13, 1994.

Hon. BEN NIGHTHORSE CAMPBELL,
Hon. HANK BROWN,
Senate Office Building, Washington, DC.

DEAR SENATORS: On behalf of the Board of County Commissioners for Montezuma County I would like to take this opportunity to express our strong support for legislation that will allow the installation of a small hydro-electric plant at Jackson Gulch Dam which was built in the 1940's, by Bureau of Reclamation project for the Mancos Conservancy District.

The Mancos Valley still has a viable agricultural community which depends on this project. In order to properly operate and maintain a project this old, it is necessary to find new and innovative ideas to derive revenue for the continued upkeep of project facilities.

The Mancos Water Conservancy District conceived and designed this project at their own expense and initiative. The revenues derived from the hydro-electric plant are an integral part of keeping the cost of water to the Mancos Valley at a level that will continue to sustain the agricultural community.

This project also supplies water through a rural water system to many residents in the Mancos Valley as well as the Town of Mancos. These domestic users will also benefit from the improved maintenance that the hydro project will allow.

We certainly appreciate the congressional support for this project and remain willing to assist in any way to see that this project receives proper legislation.

If you have any questions, please don't hesitate to give me a call.

Sincerely,

THOMAS K. COLBERT,
Chairman, Montezuma County Commissioners.

MANCOS WATER
CONSERVANCY DISTRICT,
Mancos, CO, May 16, 1994.

Hon. BEN NIGHTHORSE CAMPBELL,
Hon. HANK BROWN,
U.S. Senate, Washington, DC.

DEAR SENATOR: The Mancos Water Conservancy District is in strong support of this legislation for a number of reasons. The project is deteriorating and in need of extensive repairs. The yearly revenue we collect simply cannot keep up with the 1990's cost of repair and yet we cannot raise the rates for our water users beyond their means as this would drive many of them out of the valley which in turn would strongly hurt the local economy which relies heavily on the water provided by the project.

Ironically, the potential for the increased revenue is easily accessible except for the need to change the wording of the project authorization language (Water Conservation and Utilization Act) of the federal government. In order to do this, we are forced to seek legislative language permitting us to proceed with a hydropower plant. We have never requested any federal money nor do we ever intend to request federal money to build this plant. We have prepared the studies and feasibility work ourselves. We cannot stress enough how badly these revenues are needed to prolong the life of our project so that it can continue to serve it's original purpose.

The Mancos Project was approved for construction by the President of the United States on December 19, 1941. On July 20, 1942, the Mancos Water Conservancy District entered into a contract with the United States. On January 1, 1963, the Bureau of Reclamation transferred the operations of the project over to the Mancos Water Conservancy District who are still in charge of the operations and maintenance of the project to date.

Water from Jackson Gulch Reservoir serves 13,746 acres. 8,208 of these acres are currently in agricultural production. The remaining acres are urban and suburban use, dry dropped, idle fallow or grazed and gardened. Current population is estimates at 2,087. Along with irrigation, it serves as municipal water for the Town of Mancos, the Rural water company of the Mancos Valley and Mesa Verde National Park.

The District has an annual income of $76,000. This covers administration, insurance, operations and maintenance of the project, operations and maintenance of district equipment and facilities as well as wages. The project features and equipment are 45 years old. This equipment requires much repair.

Routine maintenance of the dam, tunnel and structures below the dam are absolutely necessary for the fitness and safety of the dam. The cost of one repair, especially one that was not predicted, can wipe out the entire budget. Administrative costs are continually increasing due to the additional regulations required of water districts and other such entities every year.

The valley currently has a low to middle economic base compared to the cost of living standards being set today across the nation. Water rates are reasonable and comparable to the current cost of living standards within the valley. The income derived for the District is fair but certainly not enough to keep up with the rapid increase in the cost of maintenance, routine and emergency. Again, it is considered crucial to the District and the people it serves to maintain water rates within the reasonable means of the people who use it while continuing the routine and emergency maintenance of the entire project.

This District finally received confirmation that they could not move forward with the hydro development with this language and must seek legislation to change the language to allow said development on November 12, 1993. Cost to build the power plant increased each passing year while awaiting this decision. The District cannot stress enough the need to build as soon as possible to take advantage of today's interest rates and dollar stability or the importance of the continued success and maintenance of the project for the overall economic well-being of this entire valley and her residents!

Thank you on behalf of the District. We hope that you can see our cause as just and we ask if there is anything that we can assist in to expedite this matter please let us know. We cannot say enough how much this would help our District.

Sincerely,

MANCOS WATER CONSERVANCY DISTRICT
BOARD OF DIRECTORS.

TOWN OF MANCOS
Mancos, CO, May 16, 1994.

Hon. HANK BROWN,
U.S. Senate, Washington, DC.
Re Jackson Lake hydro power project.

DEAR SENATOR BROWN: The Town of Mancos would like to express it's support for the proposed Jackson Lake Hydro-Power Project.

Jackson Lake is the main water supplier for the Mancos Valley and has been since 1950.

Jackson Lake provides irrigation water, municipal water and recreation in boating and fishing. With adding hydro-power to Jackson it only increases it's usefulness to the Mancos Valley.

Sincerely,

JAY DOTZENKO,
Town of Mancos Public Works Director.

MANCOS WATER CONSERVANCY DISTRICT JACKSON GULCH RESERVOIR HISTORY AND ECONOMICS

The Mancos Valley was basically settled by miners followed by ranching and timber production on private and public lands. Irrigation began in 1876 but crop success depended on the rain fall and the previous winter snow fall which dictated the runoff of the Mancos River which was very low. The river was also the primary water source of the valley, including domestic use for the town and the rural homes. Ranching and farming dominated the valley's economic base. The railroad opened up the valley in 1892 and brought with the first commercial freight facilities. This also brought more people to the valley making claim to the water. This and the late season water shortages caused the people to see the need for a supplemental water supply. The Bureau of Reclamation started investigation on what was called the Mancos Project in October, 1936.

The Mancos Project was authorized under the Water Conservancy and Utilization Act of August 11, 1939, as amended, and was approved for construction by the President of the United States on December 19, 1941. Construction of the project was started in July of 1941. The project consisted of 4.8 miles of canal and one dam with a reservoir capacity of 9980 acre feet of storage. This is one of the few off-river storage projects constructed. On July 20, 1942, the Mancos Water Conservancy District entered into a contract with the United States to pay $600,000 toward the repayment of the construction cost of the Jackson Gulch Dam and Reservoir, inlet and outlet canals. An amendment contract made

December 22, 1947, raised the repayment obligation to $900,000 to be repaid in 60 successive installments of $15,000 annually beginning in December, 1954. On January 1, 1963, the Bureau of Reclamation transferred the operations of the project over to the Mancos Water Conservancy District who are still in charge of the operations and maintenance of the project to date.

Water from Jackson Gulch Reservoir serves 13,746 acres. 8,208 of these acres are currently in agricultural production. The remaining acres are urban and suburban use, dry cropped, idle fallow or grazed and gardened. Current population is estimated at 2,087. Alfalfa hay averaged 2.1 tons per acre at $105.00/ton. Grass hay averaged 2.4 tons per acre at $95.00/ton. Pasture acreage consisted of 3.8 animal units per acre at $11.25/acre per animal unit. Average yield of project water was .8 acre feet per acre.

Along with irrigation, Jackson Gulch water serves as municipal water for the Town of Mancos and the rural Mancos Valley. Mesa Verde National Park has storage rights within the reservoir. The original water plant facility for the park is established at the foot of the dam.

The District has an annual income of $76,000. This covers administration, insurance, operations and maintenance of the project, operations and maintenance of district equipment and facilities as well as wages. The project features and equipment are 45 years old. This equipment requires much repair.

The project has 1.5 miles of concrete flume and the natural environment has taken its toll (rocks falling, ground moving, freeze-thaw cycles, etc.). The District has done many things to preserve the flumes but even with constant repair replacement of these structures is inevitable and are being planned for 15 to 20 years from now. The replacement cost of the flume at todays rates would run around 1.5 million dollars. The project has been plagued with land slide problems above the canals. These slides have reduced in activity but are still a threat. The slides generally occur during the spring runoff and require immediate attention because spring is the only time the water is diverted into the reservoir. To remove slide material becomes an emergency situation which requires immediate attention thereby increasing the cost of such removal since it requires more equipment and more personnel than the usual repair which in most cases is done in a timely manner by the manager, the district's only full-time employee.

In addition to the concrete flumes there are 3.3 miles of earthen canal. The lower section of the earthen inlet canal will need major repair in the form of erosion control. This will require up-to-date equipment or a contractor will have to be hired and will have to be done 5 to 10 years from now. In either case, the cost of the repair will be expensive (rough estimates run between $30,000–$100,000).

With each passing year, the increase of the cost to repair the existing structures prioritize repairs on a crucial to severe basis. In 1994, a repair on the inlet canal stilling basin structure is going to cost the District approximately $5,000.00. This is the only repair which could be scheduled within the budget for this year. Any repair beside this one will be considered only if it is an emergency.

The headquarters were built in 1942 as bunk houses, offices, etc., as temporary structures to house the men who built the dam. Some were remodeled in 1948 to serve as the manager's residence, machine shop and warehouses. These are the same buildings in use today. In 1990, the electrical and water system were redone and upgraded within the residence to bring them to safety standards. The machine shop and storage units have not been up-graded due to lack of funds throughout the years. These will and do require much maintenance, repair or replacement or they will soon crumble.

Administrative costs are continually increasing due to the additional regulations required of water districts and other such entities every year. In order to use the pesticides needed to keep brush and weeds off the canals as required by the Bureau of Reclamation, a license is required and it is necessary to have the proper equipment. The office had to be upgraded with modern equipment in order to more efficiently process the ever increasing paper work to make the most of time so that efforts can be directed to the rest of the project. Insurance is now a major budget item that as of four years ago was a minimum budget figure. Here is an approximate estimate of expenditures in a year for this district:

Expenditures:	
Insurance	$15,000
Manager's wages	20,000
Debt Retirement	18,000
Administrative	9,000
Operations and Maintenance	14,000
Total Income	76,000

The operations and maintenance balance has to cover the cost of repairs to the aging equipment, aging structures such as buildings, and aging structures such as the canals. Routine maintenance of the dam, tunnel and structures below the dam are absolutely necessary for the fitness and safety of the dam and are also included in this category. The cost of one repair, especially one that was not predicted, can wipe out the entire budget figure.

The valley currently has a low to middle economic base compared to the cost of living standards being set today across the nation. Water rates are reasonable and comparable to the current cost of living standards within the valley. The income derived for the District is fair but certainly not enough to keep up with the rapid increase in the cost of maintenance, routine and emergency. It is considered crucial to the District and the people it serves to maintain water rates within the reasonable means of the people who use it while continuing the routine and emergency maintenance of the entire project. To raise the rates to compensate for the cost of operations of the District every year would be a dramatic increase which will soon result in many of the rural water users losing their business and homes along with them. This would be a great loss for the entire valley and it's economic system. The last few years have seen a subdivision of the large land holdings, causing an influx of people. The importance of this reservoir system is as great, if not greater, at the present time than it was in the early 40's.

The Board felt they needed to look for an alternative to raise revenues rather than a drastic increase in the water rates. Hydro power seemed the most promising. Lemon Dam and Pine River Dam, both in the area, had successfully established small power plants which were proving to be economically feasible. Development of hydro-power on this project was first considered in 1984 by a private developer who dropped his F.E.R.C. license due to financial problems within his corporation (1988). The Board took up the investigation to develop the power themselves taking into consideration the Ames Plant which is still in operation after 90 years. Tours of the two projects mentioned above were made, looking into feasibility, construction costs, etc. In 1990, the Board hired an engineering/construction firm to do a feasibility study on a hydro-power project on Jackson Gulch Reservoir. The preliminary results were that a hydro-power plant would be feasible for the District and would accomplish their revenue goal. The power plant the Board was considering will raise approximately $30,000 per year in today's dollars after debt service which is 15 years from now; a time when those dollars will be most needed.

In April, 1990, the District requested a license to generate electrical power from a hydro-power plant from the Bureau of Reclamation. The District's Board met with the Bureau to determine what would be required from an administrative viewpoint from the Bureau. At that time, the Board specifically informed the Bureau that it would proceed under the Reclamation Licensing Jurisdiction and were informed that they (the District) could proceed under the Bureau's jurisdiction. The Board had obtained financial backing for the project insuring that they could construct a power plant without Federal government money. On September 10, 1991, the District was officially informed by the Bureau of Reclamation that a Lease of Power Privilege could not be provided due to language in the Project Repayment Contract and later in the Water Conservation and Utilization Act of 1939. The District was in the final design stages of the project at this time with construction scheduled immediately.

This District finally received confirmation that they could not move forward with the hydro development with this language and must seek legislation to change the language to allow said development on November 12, 1993. In the interim, numerous trips not included in the District's budget were made to Salt Lake City, Washington D.C., and surrounding area offices talking with head officials and solicitors from the Bureau of Reclamation, the Department of Interior, Colorado Senators and Congressmen and many others in an effort to expedite the decision so construction could begin. Cost to build the power plant increased each passing year while awaiting this decision. The District cannot stress enough the need to build as soon as possible to take advantage of today's interest rates and dollar stability or the importance of the continued success and maintenance of the project for the overall economic well-being of this entire valley and her residents!

STATE OF COLORADO, DEPARTMENT OF NATURAL RESOURCES, DIVISION OF WILDLIFE,

Durango, CO, May 26, 1992.

GARY KENNEDY,
Superintendent, Mancos Water Conservancy District, Mancos, CO.

DEAR MR. KENNEDY: The Colorado Division of Wildlife has reviewed the Feasibility Report and Engineering and Construction Report for the Jackson Gulch Reservoir Hydroelectric Project. I also discussed the project with you on the telephone today. Since volume, timing, and temperature of the flows from the reservoir will not be altered by the project, we do not anticipate any negative impacts.

Thank you for the opportunity to comment.

Sincerely,

GARY T. SKIBA,
Wildlife Biologist.

U.S. DEPARTMENT OF THE INTERIOR,
FISH AND WILDLIFE SERVICE, ECOLOGICAL SERVICES,
Grand Junction, CO, October 26, 1993.

MEMORANDUM

To: Max J. Stodolski, Projects Manager, Bureau of Reclamation, Durango Projects Office, 835 East 2nd Avenue, P.O. Box 640, Durango, Colorado 81302-0640

From: Assistant Field Supervisor, Ecological Services, Grand Junction, Colorado, Mail Stop 65412

Subject: Proposed Hydroelectric project at Jackson Gulch Dam, Mancos Project, Colorado (Endangered Species)

This responds to your letter of October 20, 1993, requesting review of the plan to increase the hydroelectric capacity of the Jackson Gulch Dam in the Mancos Project.

The Fish and Wildlife Service (Service) feels that the proposed project is not likely to cause any new or increased adverse impacts to any federally listed or candidate species. Your report indicates that the project will not pollute and/or deplete any water from the San Juan River basin, and since the endangered river fish do not occur in the project area, there should not be any adverse effect on these species. The plan was also analyzed for possible impacts to any other listed or candidate species and none were found.

We appreciate the opportunity to review this plan. If the Service can be of further assistance, please contact Michael Tucker at the letterhead address.

KEITH L. ROSE.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SOLICITOR,
Washington, DC.

Memorandum to: Deputy Commissioner.

From: Associate Solicitor, Division of Energy and Resources.

Subject: Hydropower Development at Water Conservation and Utilization Act Projects.

This is in response to your request, dated April 19, 1993, for an opinion interpreting section 9 of the Water Conservation and Utilization Act (WCUA), 16 U.S.C. §590z-7. You have asked whether title in and revenues from facilities provided for surplus power must remain in the United States. More specifically, you inquired whether authority exists to amend the contract to allow a non-federal party to retain the revenue from the sale of electricity generated by a hydropower project constructed with non-federal funds. This opinion concludes that, although the WCUA reserves power development to the federal government, even if non-federal power development were authorized, the use of revenues would be restricted by the language of the WCUA.

A. BACKGROUND

The Bureau of Reclamation (Reclamation) constructed the Mancos Project under general authority of the WCUA. The specific determination to proceed with the Mancos Project is found in a letter from Secretary of the Interior Harold Ickes dated October 21, 1940, and approved by President Franklin D. Roosevelt on October 24, 1940. At that time, Reclamation found hydropower development not to be feasible and no costs were allocated to power. To our knowledge, no other WCUA project includes hydropower facilities.[1]

The Mancos Water Conservancy District (Mancos) has requested the right to develop non-federal power on project facilities. Under the proposal, Mancos would construct hydropower generation facilities on Jackson Gulch Dam. In order for the project to be economically viable, Mancos needs to receive the revenue from the sale of electricity generated by the project.

Section 9 of the WCUA authorizes the Secretary to make "provisions, including contrasts of sale * * * for developing and furnishing" surplus power. 16 U.S.C. §590z-7. It further provides that "[a]ll right, title, and interest in the facilities provided for such * * * surplus power and the revenue derived therefrom shall be and remain in the United States." Id.

The existing repayment contract with Mancos contains language which reserves all hydropower rights to the United States. Article 16(a) of the contract states:

The District shall have the perpetual right to the use of all water that becomes available through the construction and operation of the Project Works, delivered at the lower end of the outlet canal for irrigation, domestic, municipal, and industrial purposes *exclusive of the development of hydro-electric power* as hereinafter excepted. (Emphasis added.)

In addition, subarticle 16(b)(4)(ii) reserves to the United States the right—

[t]o use the Project Works and Water supply for the development of hydro-electric power * * * as provided in subdivision (a) of this article. *Revenues from any such power development shall be the property of the United States * * *. (Emphasis added.)*

B. STATUTORY AUTHORITIES

Authority to develop the hydropower potential of federally-owned dams or sites must originate with the Congress. Congress possesses the authority to regulate hydropower development under the Commerce Clause.

1. Town Sites and Power Development Act of 1906—In section 5 of the Town Sites and Power Development Act of 1906, Congress granted the Bureau of Reclamation authority to develop the hydropower potential of government dams, or to license private development through a lease of power privilege:

Whenever a development of power is necessary for the irrigation of lands under any project undertaken under the said reclamation Act, or an opportunity is afforded for the development of power under any such project, *the Secretary of the Interior is authorized to lease* for a period not exceeding ten years, giving preference to municipal purposes, *any surplus power or power privilege*, and the moneys derived from such leases shall be covered into the reclamation fund and be placed to the credit of the project from which such power is derived: *Provided*, That no lease shall be made of such surplus power or power privileges as will impair the efficiency of the irrigation project * * *. 34 Stat. 117; 43 U.S.C. §522 (Emphasis added.)

2. Reclamation Project Act of 1939.—In 1939, Congress enacted the Reclamation Project Act (1939 Act) which effected a significant reauthorization of the Reclamation program. It granted broad authorities to the Secretary with respect to curing repayment and accounting problems and provided new authorities to the Secretary with respect to contracting. Section 9(c) of the 1939 Act provides authority for furnishing municipal water supplies and provides new terms for contracting for electric power and leases of power privileges:

The Secretary is authorized to enter into contracts to furnish water for municipal water supply or miscellaneous purposes * * *. *Any sale of electric power or lease of power privileges*, made by the Secretary in connection with the operation of any project or division of a project, shall be for such periods, not to exceed forty years, and at such rates as in his judgment will produce power revenues at least sufficient to cover an appropriate share of the annual operation and maintenance costs, interest on an appropriate share of the construction investment at not less than 3 per centum per annum, and such other fixed charges as the Secretary deems proper: *Provided further*, That in said sales or leases preference shall be given to municipalities and other public corporations or agencies; and also to cooperatives and other nonprofit organizations financed in whole or in part by loans made pursuant to the Rural Electrification Act of 1936. Nothing in this subsection shall be applicable to provisions in existing contracts, made pursuant to law, for the use of power and miscellaneous revenues of a project for the benefit of users of water from such project. The provisions of this subsection respecting the terms of sales of electric power and leases of power privileges shall be in addition and alternative to any authority in existing laws relating to particular projects. No contract relating to municipal water supply or miscellaneous purposes or to electric power or power privileges shall be made unless, in the judgment of the Secretary, it will not impair the efficiency of the project for irrigation purposes. 53 Stat. 1194; 43 U.S.C. §485h(c) (Citation omitted.) (Emphasis added.) Thus, the 1906 Town Sites and Power Development Act provides explicit authorization to the Secretary to develop the power potential of a Reclamation project and leave the surplus power or to enter into leases of power privilege to enable non-federal hydropower development. The 1939 Act elaborates on the terms of such leases of surplus power or power privileges.[2]

3. Water Conservation and Utilization Act.—One week after enacting the 1939 Act Congress enacted the WCUA. Congress

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[1] The Federal Energy Regulatory Commission (FERC) issued a license for non-federal hydropower development on the Jackson Gulch Dam on December 29, 1986, to Prodek, Inc. On May 23, 1988, Prodek filed an application to surrender its license. FERC issued an order accepting surrender of the license on August 31, 1988.

[2] It can be argued that the 1939 Act did not provide new authority to enter contracts for the lease of surplus power or power privileges, it merely provided additional terms to be included in contracts when authority otherwise existed to enter such contracts. In section 9, Congress selected different language with respect to furnishing water for municipal water supply or miscellaneous purposes and in determining contract terms for sale of electric power or lease of power privileges. In the case of municipal and miscellaneous water supplies, Congress expressly "authorized" the Secretary to enter contracts. On the topic of providing electric power, Congress did not authorize the Secretary to "enter contracts." Rather, Congress specified terms which could apply to "[a]ny sale of electric power or lease of power privileges."

On the other hand, several previous Solicitor's opinions list, without analysis, the 1939 Act as authority for hydropower development on Reclamation projects. See, e.g., Memorandum from Associate Solicitor, Energy and Resources to Commissioner, Bureau of Reclamation (Jan. 31, 1985) (discussing the Grand Valley Project); Memorandum from Solicitor Tarr to Commissioner, Bureau of Reclamation (July 16, 1986) (discussing Hoover Powerplant modifications). Because this opinion turns on the specific limitation in section 9 of the WCUA, the issue of whether the 1939 Act constitutes independent authority to lease power privileges is not decided here. Nor does this opinion decide the issue of the continuing applicability or scope of the 1906 Town Sites Act following enactment of the 1920 Federal Power Act and, in particular, the 1935 amendments thereto.

amended the WCUA in 1940, adding sections 9 and 10 among other changes. 53 Stat. 1418; 54 Stat. 1119. The WCUA authorizes the construction of small projects which generally would have been infeasible under the Reclamation program. Section 9 of the WCUA addresses hydropower development specifically:

In connection with any project undertaken pursuant to this act, provisions, including contracts of sale, may be made for furnishing municipal or miscellaneous water supplies, or for developing and furnishing power in addition to the power requirements of irrigation: *Provided*, * * * That no contract relating to a water supply for municipal or miscellaneous purposes or to electric power shall be made unless, in the judgment of the Secretary, it will not impair the efficiency of the project for irrigation purposes. On any project where such provisions are made, the Secretary shall allocate to municipal or miscellaneous water purposes or to surplus power the part of the estimated construction costs of the project which he deems properly so allocable; and such allocations shall not be included in the reimbursable construction costs covered by the repayment contract or contracts required under section 4 [codified at 16 U.S.C. §590z–2. *All right, title, and interest in the facilities provided for such municipal or miscellaneous water supplies or surplus power and the revenues derived therefrom shall be and remain in the United States.* Contracts for such municipal or miscellaneous water supplies or for such surplus power shall be at such rates as, in the Secretary's judgment, will produce revenues at least sufficient to cover the appropriate share of the annual operation and maintenance cost of the project and such fixed charges, including interest, as the Secretary deems proper. Contracts for the sale of surplus power shall be for periods not to exceed forty years . . . *And provided further*, That in sales or leases of such power, preference shall be given to municipalities and other public corporations or agencies; and also to cooperatives and other nonprofit organizations financed in whole or in part by loans made pursuant to the Rural Electrification Act of 1936. 16 U.S.C. §590z–7 (emphasis added.) Thus, in contrast to the Town Sites Act which explicitly authorizes the lease of power privileges for non-federal development, section 9 of the WCUA explicitly authorizes the Secretary to develop hydropower and furnish the surplus power through sale or lease, subject to several conditions.

C. ANALYSIS

It has been argued that section 9 of the WCUA is not a prohibition against development of power by private parties for non-project purposes and that section 10 of the WCUA provides general authority for non-federal power development at WCUA projects. Section 10 of the WCUA provides that the "Secretary shall have the same authority, with regard to the utilization of lands owned by the United States * * * as he has in connection with projects undertaken pursuant to the Federal reclamation laws: * * *" 16 U.S.C. §590z–8(a). Under this analysis, the Town Sites and Power Development Act would authorize non-federal power development at WCUA projects, and the provision on retention of revenue by the United States contained in the WCUA would not apply.

While that argument has some appeal, according to accepted methods of statutory interpretation we believe that the better view is that section 9 of the WCUA controls hydropower development at WCUA projects and that section 9 does not authorize Reclamation to issue the necessary leases of power privilege to enable non-federal power development. Even if non-federal power development is authorized, we believe that the revenue and title restrictions would apply. Finally, it is our opinion that FERC does not have authority to license non-federal power development at WCUA projects.

1. Section 9 of the WCUA governs hydropower development at WCUA projects.—Unless there is a clear intention otherwise, a specific provision will not be controlled or nullified by a general one. *See, e.g., Crawford Fitting Co. v. J.T. Gibbons, Inc.* 482 U.S. 437, 444–45 (1987) (rejecting the claim that general authority to allow the payment of costs authorized payment of expert witness fees in excess of limitations contained in the specific witness fee provision). Of special relevance here is *Uncompahgre Valley Water Users Ass'n v. Federal Energy Regulatory Comm'n*, 785 F.2d 269, 275–76 (10th Cir.), *cert. denied sub nom. Town of Norwood v. Uncompahgre Valley Water Users Ass'n*, 479 U.S. 829 (1986), which held that a specific statute granting authority to the Department of the Interior to contract with private entities for the development and sale of surplus power at a Reclamation project takes precedence over the general licensing authority of the Federal Energy Regulatory Commission (FERC) under the Federal Power Act.[3] "[W]e believe that our conclusion is supported by the principle of construction that the more specific legislation

Section 9 of the WCUA establishes a comprehensive statutory framework specifically addressing hydropower development at WCUA projects. The command of the section is inclusive: the Secretary may make "provisions" for the development of hydropower. There is absolutely no indication in the structure of the statute itself or in its legislative history that Congress intended section 10 to override the restrictions contained in section 9 for a certain class of hydroelectric power projects. Without foundation in the statutory scheme or legislative history, such interpretation would render meaningless the revenue and title restrictions in section 9 with regard to private hydropower development at WCUA projects. In addition, the structure of the power provisions of the 1906 and 1939 Acts, which address federal and non-federal power development together in the same section, reinforces the interpretation that section 9 provides the complete authority for power development under the WCUA.

2. Section 9 does not authorize Reclamation to permit nonfederal power development at WCUA projects.—Section 9 expressly authorizes the Secretary to include production of surplus power in projects developed under the WCUA, subject to several conditions. However, we find that it does not expressly or impliedly authorize Reclamation to issue leases of power privilege at WCUA projects. Instead, we find that hydropower development at WCUA projects is reserved to the federal government.[4]

As the Supreme Court recently noted, "[n]ot every silence is pregnant." *Burns v. United States*, —— U.S. ——, 111 S.Ct. 2182, 2186 (1991) (quoting *State of Illinois Dept. of Public Aid v. Schweiker*, 707 F.2d 273, 277 (7th Cir. 1983)). The inference drawn from congressional silence will be interpreted in light of other textual and contextual evidence of congressional intent. Id.

Section 9 of the WCUA authorizes the Secretary to make "provisions, including contracts of sale * * * for developing and furnishing" surplus power. While taken alone, this could be interpreted to authorize leases of power privilege, the section goes on to refer exclusively to the sale or lease of surplus power. Thus, there is no textual evidence that Congress intended section 9 to authorize leases of power privileges.

Nor is there contextual evidence to support authority for a lease of power privilege under section 9. No legislative history supports such implication, and there is no support for the idea that omission of reference to leases of power privileges was simply an oversight. This omission is in direct contrast to the 1906 and 1939 Acts. The 1906 Town Sites Act explicitly authorizes the lease of "surplus power or power privileges." Similarly, the 1939 Act specifically references the "sale of electric power or lease of power privileges." Under the longstanding tenet of statutory construction of *expressio unius est exclusio alterius*, Where Congress has considered an issue and has included in the enacted legislation a provision explicitly addressing that issue, there is an implied exclusion of other term not mentioned. *See, e.g., Malone v. White Motor Corp.*, 435 U.S. 497, 505 (1978); *Public Serv. Co. of Colo. v. Federal Energy Regulatory Comm'n.*, 754 F.2d 1555, 1567 (10th Cir. 1985). In light of the careful attention paid by Congress in the prior statutes to including specific reference to leases of power privileges, Congress surely would have made explicit reference here had such authority been intended at WCUA projects.[5]

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[3] Moreover, the *Uncompaghre* court had before it the language and legislative history of the 1906 Act and found that the Secretary's authority to develop hydropower rested on the project-specific statute which authorized the project. 785 F.2d at 275–76. covering the given subject-matter will take precedence 'over the general language of the same or another statute which might otherwise prove controlling,'" Id. at 276 (quoting *Kepner v. United States*, 195 U.S. 100, 125 (1904)).

[4] This interpretation of the WCUA is not inconsistent with any other opinion issued by the Solicitor's Office. however, we note that a memorandum from the Commissioner of the Bureau of Reclamation to Reclamation's regional directors listed the WCUA as general authority for the development of hydropower at Reclamation projects, and stated that hydropower is authorized to the extent found feasible in reports submitted to the President and Congress. Memorandum from Commissioner, Bureau of Reclamation, to Regional Directors and Assistant Commissioner, Engineering and Research (Oct. 23, 1986) (entitled "Criteria for Determining Federal vs. Non-Federal (FERC) Hydropower Development at Bureau of Reclamation Facilities"). The memorandum further stated that "[i]n the event we are not seeking Federal financing to develop the hydropower potential of the site, we would be willing to enter into a lease of power privilege under which a non-Federal entity would develop the site under Reclamation law using non-Federal funding." Id. at 2. However, this did not represent a legal opinion of this office and, in fact, deviated from a memorandum dated three months earlier from the Solicitor to the Commissioner discussing the same analytical approach but which did not include the WCUA as a basis for private hydropower development. See Memorandum from Solicitor Tarr to the Commissioner, Bureau of Reclamation 11 (July 16, 1986), (relating to modifications to the Hoover Powerplant).

[5] This conclusion is bolstered by the stated purpose of the WCUA. While not intended to be identical, the legislative history of the WCUA indicates that its purpose was to establish procedures for authorizing small projects more like that of the Reclamation Project Act, enacted just fourteen months earlier. *See Hearings before the Committee on Irrigation and Reclamation*, House of Representatives, 76th Cong., 3rd Sess. 29–30 (1940) (testimony of Dr. H.H. Barrows, chairman, Northern Great Plans Committee).

In fact, the WCUA does contain most of the same provisions relating to hydropower development as are contained in the 1939 Act, such as the stipulation that irrigation will not be impaired, the 40-year limitation on contracts or leases, the requirement that rates must produce power revenues at least sufficient to cover an appropriate share of O&M and

Accordingly, we cannot assume that a lease of power privilege is authorized.

3. Even if the WCUA permits non-federal power development, the restriction on revenues would apply.—Further, even if the mandate to make "provisions for development" encompasses non-federal hydropower development, the express language of the WCUA provides that the United States must retain title to all project works and all revenue from the development of hydropower facilities at projects constructed under its authority. The proposed contract amendment would not be consistent with the statute under which the project was authorized and now operates.

The most persuasive evidence that neither section 9 nor section 10 authorizes private interests to retain power revenues is found in the purpose of the WCUA and the repayment structure it established. Enacted in the Depression era, the WCUA authorized small projects that would not have been considered feasible under reclamation laws but which aided local employment through use of Work Projects Administration (WPA) and Civilian Conservation Corps (CCC) labor. See 16 U.S.C. §§590y to 590z. Local water users were required to repay only the costs allocated to irrigation. See 16 U.S.C. §§590z–1 to §§590z–2. Unlike projects under the 1939 Act which generally required the water users to repay all costs except those allocated to navigation and flood control, see 43 U.S.C. §485h(a), the U.S. Treasury absorbed much of the cost for WCUA projects in nonreimbursable labor costs.[6] At Mancos, water users were obligated to repay only $900,000 of the approximately $2 million total cost of the project; the remainder was nonreimbursable and financed by U.S. taxpayers. This supports the notion that Congress intended that revenues from power production and municipal water supply should remain with the United States to recoup these reimbursed expenditures.

4. FERC does not have authority to license non-federal power development at WCUA projects.—Thus, it is our opinion that Reclamation does not have authority to issue leases of power privilege at WCUA projects. Furthermore, under *Uncompahgre Valley Water Users Ass'n. v. Federal Energy Regulatory Comm'n.*, 785 F.2d 269, 275–76 (10th Cir.). cert. denied sub nom. *Town of Norwood v. Uncompahgre Valley Water Users Ass'n:* 479 U.S. 829 (1986), FERC lacks such authority at WCUA projects. In *Uncompahgre*, the Tenth Circuit Court of Appeals ruled that specific statutory authority regarding hydropower development at Reclamation projects divested FERC of jurisdiction under the Federal Power Act. *Id.* at 275–76. Here, the WCUA provides the specific statutory authority for the Mancos project. By the same reasoning, the WCUA divests FERC of jurisdiction to license non-federal development by reserving hydropower production to the federal government.[7]

Please feel free to contact me if you have any further questions regarding this matter.

PATRICIA J. BENEKE.

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fixed costs, and the preference for municipalities. Since the WCUA was intended to be modeled after the 1939 Act, yet unlike the 1939 Act omits any reference to leases of power privileges, we conclude that Congress intended power development at WCUA projects to be reserved to the federal government.

[6]The Secretary could find a project feasible under the WCUA if the water users could repay the part of the costs allocated to irrigation. See 16 U.S.C. §590z–1. Under the 1939 Act, however, the Secretary could find a project feasible if the total estimated costs of construction could be allocated to irrigation, power, municipal water supply or other miscellaneous purposes, flood control, or navigation. See 43 U.S.C. §485h(a).

[7]This comports with the conclusion of a 1980 opinion from this office finding that "[W]here Congress has expressly authorized [Reclamation] to develop the hydropower potential of a project feature, the Commission's licensing authority is withdrawn, and it may not license non-Federal development of the same facility." Memorandum from Associate Solicitor, Division of Energy and Resources, to Commissioner, Water and Power Resources Service 5 (July 28, 1980). Likewise, the MOU between Reclamation and FERC provides that FERC is not authorized to issue licenses for hydroelectric power plants utilizing federal dams where hydroelectric power has been reserved exclusively for federal development. MOU, supra note 3.

ADDITIONAL COSPONSORS

S. 359

At the request of Mr. DECONCINI, the name of the Senator from West Virginia [Mr. ROCKEFELLER] was added as a cosponsor of S. 359, a bill to require the Secretary of Treasury to mint coins in commemoration of the National Law Enforcement Officers Memorial, and for other purposes.

S. 764

At the request of Mr. WOFFORD, the name of the Senator from South Dakota [Mr. DASCHLE] was added as a cosponsor of S. 764, a bill to exclude service of election officials and election workers from the Social Security payroll tax.

S. 1175

At the request of Mr. LIEBERMAN, the names of the Senator from Virginia [Mr. ROBB] and the Senator from Indiana [Mr. LUGAR) were added as cosponsors of S. 1175, a bill to amend the Internal Revenue Code of 1986 to allow corporations to issue performance stock options to employees, and for other purposes.

S. 1485

At the request of Mr. KERREY, his name was added as a cosponsor of S. 1485, a bill to extend certain satellite carrier compulsory licenses, and for other purposes.

S. 1634

At the request of Mr. HEFLIN, the name of the Senator from Arkansas [Mr. PRYOR] was added as a cosponsor of S. 1634, a bill to authorize each State and certain political subdivisions of States to control the movement of municipal solid waste generated within, or imported into, the State or political subdivisions of the State, and for other purposes.

S. 1770

At the request of Mr. CHAFEE, the names of the Senator from Oklahoma [Mr. BOREN] and the Senator from Nebraska [Mr. KERREY] were added as cosponsors of S. 1770, a bill to provide comprehensive reform of the health care system of the United States, and for other purposes.

S. 1805

At the request of Mr. WARNER, the names of the Senator from Alabama [Mr. HEFLIN] and the Senator from North Carolina [Mr. FAIRCLOTH] were added as cosponsors of S. 1805, a bill to amend title 10, United States Code, to eliminate the disparity between the periods of delay provided for civilian and military retiree cost-of-living adjustments in the Omnibus Budget Reconciliation Act of 1993.

S. 1842

At the request of Mr. CAMPBELL, the name of the Senator from Utah [Mr. BENNETT] was added as a cosponsor of S. 1842, a bill to amend title 23, United States Code, to exempt a State from certain penalties for failing to meet requirements relating to motorcycle helmet laws if the State has in effect a motorcycle safety program, and to delay the effective date of certain penalties for States that fail to meet certain requirements for motorcycle safety and passenger vehicle safety laws, and for other purposes.

S. 1941

At the request of Mr. BUMPERS, the name of the Senator from Tennessee [Mr. MATHEWS] was added as a cosponsor of S. 1941, a bill to terminate the Milstar II Communications Satellite Program.

S. 1972

At the request of Mr. BINGAMAN, the name of the Senator from Colorado [Mr. CAMPBELL] was added as a cosponsor of S. 1972, a bill to amend title I of the Omnibus Crime Control and Safe Streets Act of 1968 to authorize inclusion in a community policing grant of funds to pay 25 percent of the cost of providing bulletproof vests for 100,000 police officers.

S. 2073

At the request of Mr. SMITH, the names of the Senator from Massachusetts [Mr. KENNEDY], the Senator from Rhode Island [Mr. PELL], the Senator from Virginia [Mr. WARNER), and the Senator from Illinois [Mr. SIMON] were added as cosponsors of S. 2073, a bill to designate the United States courthouse that is scheduled to be constructed in Concord, New Hampshire, as the "Warren B. Rudman United States Courthouse", and for other purposes.

S. 2087

At the request of Mr. BUMPERS, the names of the Senator from Utah [Mr. HATCH], the Senator from Louisiana [Mr. BREAUX], the Senator from Missouri [Mr. DANFORTH], the Senator from Arkansas [Mr. PRYOR], the Senator from Missouri [Mr. BOND], the Senator from Pennsylvania [Mr. WOFFORD], the Senator from Delaware [Mr. BIDEN], and the Senator from North Carolina [Mr. HELMS] were added as cosponsors of S. 2087, a bill to extend the time period for compliance with the Nutrition Labeling and Education Act of 1990 for certain food products packaged prior to August 18, 1994.

At the request of Mr. SIMPSON, his name was added as a cosponsor of S. 2087, supra.

S. 2091

At the request of Mr. SARBANES, the name of the Senator from Arizona [Mr. DECONCINI] was added as a cosponsor of S. 2091, a bill to amend certain provisions of title 5, United States Code, in order to ensure equality between Federal firefighters and other employees in the civil service and other public sector firefighters, and for other purposes.

SENATE CONCURRENT RESOLUTION 65

At the request of Mr. LEAHY, the names of the Senator from Maryland [Ms. MIKULSKI], the Senator from Wisconsin [Mr. FEINGOLD], the Senator from Arizona [Mr. DECONCINI), the Senator from South Dakota [Mr. DASCHLE], the Senator from North Dakota [Mr. DORGAN], and the Senator from Hawaii [Mr. INOUYE] were added as cosponsors of Senate Concurrent Resolution 65, a concurrent resolution to express the sense of Congress that any health care reform legislation passed by Congress include guaranteed full funding for the special supplemental food program for women, infants, and children (WIC) so that all eligible women, infants, and children who apply could be served by the end of fiscal year 1996 and full funding could be maintained through fiscal year 2000, and for other purposes.

SENATE RESOLUTION 214—RELATING TO HEALTH CARE FOR MEMBERS OF CONGRESS

Mr. WELLSTONE submitted the following resolution; which was referred to the Committee on Labor and Human Resources:

S. RES. 214

Whereas, The American people want and deserve the same high quality health care as Members of Congress; and

Whereas, The best assurance for our constituents that their health care needs will be protected is to provide them with the same high quality care we receive at a cost they can afford; and

Whereas, Members of Congress, like all federal employees, are automatically eligible under the Federal Employee Health Benefits Program (FEHBP) for health care coverage, with no pre-existing condition exclusions, and employers pay a significant portion of premium costs; and

Whereas, Premiums, cost sharing requirements (such as copayments and deductibles), benefits, and choice of caregivers vary among the plans offered under FEHBP; and

Whereas, The health plan that offers the greatest choice of caregivers, the best schedule of co-payments and deductibles, and the best package of benefits currently available through FEHBP is also the most expensive plan; and

Whereas, Members of Congress have sufficient incomes to allow them to enroll in the best health plans offered under FEHBP without spending more than three percent of their incomes; and

Whereas, The best health plans are not similarly affordable for middle and lower income federal employees; and

Whereas, All FEHBP plans are better than many health care reform proposals now before Congress in that they offer a defined package of benefits with an employer contribution; and

Whereas, Improvements are necessary even to the best plan available under FEHBP, including needed services such as full coverage for long term care and dental care, and improvements that can only be accomplished through health care reform, such as expanding public health systems and coordinating care among providers; and

Whereas, The health and well-being of our nation, and our ability to control health care costs by covering everyone for a broad array of accessible health services that will keep people healthy, require that Congress enact the best possible health care reform legislation; Therefore be it

Resolved, That the Congress should enact health care reform that guarantees everyone health care as good as the best health care that will be available to Members of Congress.

Mr. WELLSTONE. Mr. President, I send a resolution to the desk and ask that it be appropriately referred.

The PRESIDENT pro tempore. The resolution will be received and appropriately referred.

Mr. WELLSTONE. I thank the President.

Mr. President, we in the Congress are at a historic crossroads in public policy. We have an opportunity of a generation to take decisive action on health care.

This week, one of the committees in the Senate, one of the two committees that will be doing markup, that is writing the bill, the Senate Committee on Labor and Human Resources, will start our markup of the health care bill. The Senate Finance Committee is working on this, as are three committees in the House of Representatives.

At the same time we are approaching this markup, which is really where the rubber meets the road, where we really get to work writing the bill—this is the time that I think probably all of us have been looking forward to because you get beyond the rhetoric and the generalities, and you really go to work in trying to shape a piece of legislation that will work well for people—at the same time that we are getting ready to mark up these bills in committees, there is a kind of pressure on the part of some here in Congress and some in the country who are really opposed to universal health care coverage to begin to strip down the benefits, scale down the benefits, phase in universal coverage over a long period of time.

Remember, this has been essentially a century struggle, and the United States will join the other advanced economies with some kind of universal health care coverage and a decent package of benefits. When all is said and done, people in the country are not policy experts but they understand full well what will work for themselves and their families. That is what they are talking about: Will we be covered? Will we have a decent package of benefits? Will we have choice? And will be able to afford it.

Mr. President, when we go home to Minnesota, North Dakota, West Virginia, or any State in the country, one of the things people are telling us in a very, very strong way is we want you all, as our representatives, to make sure that whatever health care plan is passed, it gives us or provides us as citizens, as your constituents, with the same quality care that you receive.

So this resolution that I today referred for appropriate action reads:

Therefore be it *Resolved*, That the Congress should enact health care reform that guarantees everyone health care as good as the best health care that will be available to Members of Congress.

Mr. President, I think this is a really important principle. I think it is an important principle in representative democracy, and I think all of us are committed to it. We want to do well for our own families, and we want to make sure that the health care plan we have is the health care plan that the people we represent are also able to participate in.

I do not mean just one plan. What I mean is the same high quality, a comparable level of care.

I do not mean just one plan. What I mean is the same high quality, a comparable level of care.

What our constituents may not realize, Mr. President, is that the health insurance program that covers Members of Congress provides many different levels of health care coverage to Federal employees, depending on what they can afford to buy.

So when we talk about the Federal Employees Health Benefit Program, what we want to make sure of is that that part of the program that we can afford as Members and Representatives and Senators, in terms of packaging of benefits, in terms of choice, in terms of deductibles, in terms of copays, in terms of the same quality of care, ought to be the same plan, the same package of benefits, available to our constituents.

I did not say, Mr. President, that we are saying to people in the country that they can be in the Federal employees benefit package. We are all in it now. The problem is that people who have the highest income can get the best package within that overall program.

I am saying what is the very best available to Senators and Representatives, based on our ability to afford the very best, ought to also be the same package of benefits, the same quality of care, the same choice, the same copays available to our constituents.

I mean, we are all in the United States of America today in the same health care system. The problem is, that health care system provides the best care to those who can afford it and, all too often, no care to those who cannot afford it.

So when we talk about the Federal benefit package, a health insurance

program, we have to be careful to make the distinction that what we can afford as Representatives and Senators ought to be the same plan that is available to our constituents.

Mr. President, I introduced this resolution today and referred it for appropriate action because as we move to mark up, I just do not want Representatives and Senators to be stripping away from a good package of benefits when we in fact can afford that package of benefits.

I think it is extremely important that in this final health care plan, we make sure that what we vote on, and again I refer to the resolution:

Therefore be it *Resolved*, That the Congress should enact health care reform that guarantees everyone [in our country] health care as good as the best health care that will be available to Members of Congress.

Mr. President, let me just give some examples of this health care plan, the best one in the Federal employees benefits package, which is the one I picked because it is one each Representative and Senator can afford. We might note that all Representatives and Senators do not choose to pick this plan, but it is one that all of us can afford.

What we do not want to have in the country is a lot of stratification where citizens in theory are participating in the same plans, but actually it is sort of based upon your ability to pay how much choice you have, how much you are going to pay in copays and deductibles, and for that matter, what the package of benefits are.

Let me kind of itemize some of what we have. By the way, I think it is real important for me as a Senator on the floor to make it clear, contrary to some of the bashing that is taking place in this country, that Senators and Representatives do not have free health care.

I mean, people really believe that we do. We do not. And I think it is also important to make it clear to people that some of what is in our plan or what is not in our plan really calls for real improvement. It is by no means as good as some plans that people have. But, overall, it is a pretty solid plan and I want to talk about it.

Annual deductible: $150 for all services. Inpatient hospital deductible: No deductible for inpatient. Hospital copayment: None.

And I am just summarizing.

Other copayments: 80 percent for all other services. Catastrophic stop loss: After plan participants pay $2,200 per year out of network, or $1,500 in network, the plan pays 100 percent of all health care expenses for the rest of the year. Mental health and substance abuse: No deductible for inpatient mental health services if network providers are used, and the deductible for out of network use is the same as for any other inpatient service. Patient copayment for outpatient mental health and substance abuse services are only 30 percent, and 50 visits a year are covered.

Benefits. The specific list of covered services that are better than those in most current standard insurance plans I want to outline and they include:

Certain organ/tissue transplants and donor expenses; well child care; allergy tests and services; delivery at birthing centers; coverage of care by nursing midwives; home nursing care, prescription drugs; Pap smears once a year for women age 18 and over; home health care, home hospice, and respite care; mammograms every year for women age 50 to 64; diagnosis and treatment of infertility; 100 percent coverage for emergency room care and related states.

Mr. President, some things are not covered. Institutional long-term care in nursing homes is not covered. And we do not provide dental coverage—and we could do better—and we do not provide vision care. So it is not a perfect plan.

Mr. President, the reason that I introduce this resolution today is that I want this resolution to be the benchmark as we go to committees. It seems to me that it is a reasonable proposition that the best health care plan for Senators and Representatives in the Federal employees benefit package—and there are many different plans; I am not talking about everybody being in the overall plan, I am talking about what we can afford in terms of the package of benefits and reasonable copays and deductibles—ought to be the same plan that we vote for our constituents.

I hope to receive much support. I think it is a very reasonable proposition. I will certainly be asking Senators to support this. This will be my yardstick for working in committee as we move in the markup on Labor and Human Resources, and I certainly hope that will be the case with the Senate Finance Committee, as well.

Mr. President, let me conclude by just repeating one or two points.

First, people in the country, do not engage in the bashing. It just denigrates into an across-the-board denigration of public service in our country and it is a huge mistake for democracy.

Second, do not assume that people have free health care coverage in the U.S. Senate or in the House of Representatives. We do not, for ourselves or our families.

Third, do not assume it is perfect coverage. We do not have long-term care, it is not good dental, it is not good vision. We can, frankly, do better, and I hope well we will do better, for ourselves and our families. But, most important of all, I hope, whatever we do for ourselves and our families, we do for our constituents.

I think the benchmark should be right now in this Federal employees benefits package which is being discussed rather widely here in the Congress. There is a whole menu, a cafeteria of a plan.

Some people can only afford this plan. We can afford the best as described in the package of benefits, the best as described in low deductibles and copays, so we can go out there and purchase that care when we need it for ourselves. That is the plan, the one that we can afford, the high-cost plan which ought to be available to our constituents. That is what this resolution says.

I am going to be pushing this very hard in committee in terms of a package of benefits and I will also be pushing very hard as this whole debate goes forward.

AMENDMENTS SUBMITTED

SAFE DRINKING WATER ACT AMENDMENTS OF 1994

DECONCINI (AND OTHERS) AMENDMENT NO. 1711

Mr. DECONCINI (for himself, Mrs. HUTCHISON, and Mr. MCCAIN) proposed an amendment to the bill (S. 2019) to reauthorize and amend title XIV of the Public Health Service Act, commonly known as the Safe Drinking Water Act, and for other purposes; as follows:

At the appropriate place, insert the following new section:

SEC. . SEWAGE TREATMENT ALONG THE UNITED STATES–MEXICO BORDER.

(a) DEFINITIONS.—As used in this section:

(1) ADMINISTRATOR.—The term "Administrator" means the Administrator of the Environmental Protection Agency.

(2) BORDER STATE.—The term "border State" means each of the following States:

(A) Arizona;

(B) California;

(C) New Mexico; and

(D) Texas.

(3) COMMISSION.—The term "Commission" means the International Boundary and Water Commission, or a successor agency of the International Boundary and Water Commission.

(4) COMMISSIONER.—The term "Commissioner" means the United States Commissioner of the International Boundary and Water Commission, or the head of a successor agency of the International Boundary and Water Commission.

(5) CONSTRUCTION.—The term "construction" has the meaning provided the term under section 212(1) of the Federal Water Pollution Control Act (33 U.S.C. 1292(1)).

(6) TREATMENT WORKS.—The term "treatment works" has the meaning provided the term under section 212(2) of the Federal Water Pollution Control Act (33 U.S.C. 1292(2)).

(7) BORDER AREA.—The term "border area" has the meaning provided the term under Article 4 of the Agreement Between The United States Of America And The United Mexican States On Cooperation For The Protection And Improvement Of The Environment In The Border Area (signed August 14, 1983,

commonly known as the "La Paz Agreement").

(b) CONSTRUCTION ASSISTANCE.—

(1) IN GENERAL.—Notwithstanding any other provision of law, the Administrator is authorized to—

(A) transfer funds—

(i) to the Secretary of State, who shall transfer the funds to the Commissioner for use by the head of the United States Section of the Commission to carry out an eligible project described in paragraph (2); or

(ii) To the head of any other Federal agency to carry out an eligible project described in paragraph (2); and

(B) make a grant—

(i) to an appropriate entity designated by the President; or

(ii) to a border State;

to pay for the Federal share of the cost of carrying out an eligible project described in paragraph (2).

(2) Eligible project.—An eligible project described in this paragraph is a project for the construction of—

(A) a treatment works to protect the public health, environment, and water quality from pollution resulting from inadequacies or breakdowns in treatment works and water systems from Mexican wastewater affecting United States waters or water and sewage systems; and

(B) a treatment works to provide treatment of municipal sewage and industrial waste in the United States-Mexico border area for treatment of high priority international wastewater pollution problems; constructed under appropriate standards under the laws of the United States and Mexico and under applicable treaties and international agreements.

(3) Federal share.—The Federal share of the cost of carrying out an eligible project that is the subject of a transfer or grant under paragraph (1) shall be 100 percent.

(c) Authorization of Appropriations.—

(1) Available funds.—The Administrator is authorized to use such funds as made available to the Environmental Protection Agency under the heading "Water Infrastructures/State Revolving Funds" under the heading "Environmental Protection Agency" in title III of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1994 (Public Law 103-124; 107 Stat. 1294), as is necessary to carry out this section.

(2) Authorization of appropriations.—There are authorized to be appropriated to the Environmental Protection Agency to carry out this section such sums as may be necessary for fiscal year 1995, and for each fiscal year thereafter.

GREGG (AND COVERDELL) AMENDMENT NO. 1712

Mr. GREGG (for himself and Mr. COVERDELL) proposed an amendment to the bill S. 2019, supra; as follows:

On page 74, between lines 5 and 6, insert the following new paragraph:

"(8) WAIVER OF PENALTIES THAT RESULT FROM UNFUNDED FEDERAL MANDATES.—

"(A) DEFINITIONS.—As used in this paragraph:

"(i) FUNDS.—The term 'funds' means amounts provided by the Federal Government to a political subdivision, including amounts that must be repaid by the subdivision.

"(ii) UNFUNDED FEDERAL MANDATE.—The term 'unfunded Federal mandate' means a requirement that a political subdivision undertake a specific activity, or provide a service, in accordance with this title during a period, to the extent that the Federal Government does not provide, directly or indirectly, funds that are necessary to undertake the activity or provide the service during the period.

"(B) WAIVER OF PENALTIES.—The Administrator may not commence a penalty assessment proceeding under this subsection against a political subdivision, and any pending penalty or penalty assessment or collection proceeding under this subsection against a political subdivision shall be waived, if the noncompliance of the subdivision that is the subject of the penalty or proceeding results from an unfunded Federal mandate.

IMPROVING AMERICA'S SCHOOLS ACT

WOFFORD AMENDMENT NO. 1713

(Ordered to lie on the table.)

Mr. WOFFORD submitted an amendment intended to be proposed by him to the bill (S. 1513) entitled "Improving America's Schools Act of 1993"; as follows:

On page 261, between lines 2 and 3, insert the following:

"SEC. 5111. INNOVATIVE PROGRAMS.

"(a) IN GENERAL.—From amounts reserved under section 5112(d) for each fiscal year, the Secretary shall award grants to local education agencies described in section to enable such agencies to conduct innovative programs that—

"(1) carry out the purpose of this part; and

"(2) do not involve magnet schools.

"(b) APPLICABILITY.—Sections 5103, 5106, 5107 and 5108, and shall not apply to grants awarded under subsection (a).

On page 261, line 4, strike "SEC. 5111." and insert "SEC. 5112.".

One page 261, between lines 20 and 21, insert the following:

"(d) INNOVATIVE PROGRAMS.—The Secretary shall reserve 5 percent of the funds appropriated under subsection (a) for each fiscal year to award grants under section 5111.

SAFE DRINKING WATER ACT

FAIRCLOTH (AND OTHERS) AMENDMENT NO. 1714

Mr. FAIRCLOTH (for himself, Mr. CRAIG, Mr. NICKLES, Mr. BROWN, Mr. SMITH, Mr. GRASSLEY, Mr. GRAMM, Mr. HELMS, Mrs. HUTCHISON, Mr. COATS, Mr. COHEN, and Mr. KEMPTHORNE) proposed an amendment to the bill (S. 2019) to reauthorize and amend title XIV of the Public Health Service Act (commonly known as the "Safe Drinking Water Act") and for other purposes; as follows:

Beginning on page 22, strike line 12 and all that follows through page 23, line 8.

On page 23, line 10, strike "1478" and insert "1477".

On page 23, line 23, strike "1479" and insert "1478".

On page 118, line 11, strike "1479" and insert "1478".

WALLOP AMENDMENT NO. 1715

(Ordered to lie on the table.)

Mr. WALLOP submitted an amendment intended to be proposed by him to the bill, S. 2019, supra; as follows:

At the end of the bill, add the following language:

SECTION 1.

(a) Any rule proposed pursuant to authority under this Act shall during the period after publication and before the rule becomes effective be subject to review by Congress as provided in section 2.

(b) DISPOSAL REQUIRED.—If a rule is reviewed pursuant to section 2, the rule shall not take effect unless a review resolution is disposed of as required under Section 2(b)(4) and Section 2(b)(5).

(c) If Congress adjourns sine die at the end of a Congress prior to disposition of a Review Resolution as provided in Section 2, the regulation will not become final.

SEC. 2. CONGRESSIONAL REVIEW.

(a) PETITION OF REVIEW.—If one-fifth of either House, duly chosen and sworn, sign a petition requesting congressional review of a regulation described in section 1, the Congress shall consider a joint resolution (referred to as a "review resolution") as provided in subsection (b).

(b) CONGRESSIONAL CONSIDERATION OF REVIEW RESOLUTION.—

(1) Terms of the resolution.—For the purposes of subsection (a), the term "review resolution" means a joint resolution that—

(A) is introduced within the 2-day period beginning on the date on which a petition is filed pursuant to subsection (a);

(B) does not have a preamble;

(C) states after the resolving clause "That Congress disapproves and repeals the regulations promulgated on XX", the blank space being filled in with the date on which the regulations were promulgated and a description of the regulation; and

(D) is entitled a "Joint resolution disapproving the regulations promulgated on XX", on the blank space being filled with the date and agency.".

(2) Referral.—(A) A review resolution that is introduced in the House of Representatives shall be referred to the committee of jurisdiction.

(B) A review resolution that is introduced in the Senate shall be referred to the committee of jurisdiction.

(3) Discharge.—If the committee to which a review resolution is referred has not reported the resolution (or an identical resolution) by the end of the 5-day period beginning on the date on which the petition is filed, such committee shall, at the end of that period, be discharged from further consideration of the resolution, and the resolution shall be placed on the appropriate calendar of the House of Representatives or the Senate, as the case may be.

(4) Consideration.—(A)(i) On or after the first day after the date on which the committee to which a review resolution is referred has reported, or has been discharged (under paragraph (3)) from further consideration of, such a resolution, it is in order (even though a previous motion to the same effect has been disagreed to) for any member of the House of Representatives or the Senate, respectively, to move to proceed to the consideration of the resolution (but only on the date after the calendar day on which the member announces to the House concerned the member's intention to do so).

(ii) All points of order against a review resolution (and against consideration of the resolution) are waived.

(iii)(I) A motion to proceed to the consideration of a review resolution is highly privileged in the House of Representatives and is privileged in the Senate and is not debatable.

(II) A motion described in subclause (I) is not subject to amendment, to a motion to postpone consideration of the resolution, or to a motion to proceed to the consideration of other business.

(III) A motion to reconsider the vote by which a motion described in subclause (I) is agreed to or not agreed to shall not be in order.

(IV) If a motion described in subclause (I) is agreed to, the House of Representatives or the Senate, as the case may be, shall immediately proceed to consideration of the review resolution without intervening motion, order, or other business, and the resolution shall remain the unfinished business of the House of Representatives or the Senate, as the case may be, until disposed of.

(B)(i) Debate on a review resolution and on all debatable motions and appeals in connection therewith shall be limited to not more than 5 hours, which shall be divided equally between those favoring and those opposing the resolution.

(ii) An amendment to a review resolution is not in order.

(iii) A motion further to limit debate on a review resolution is in order and not debatable.

(iv) A motion to postpone consideration of a review resolution, a motion to proceed to the consideration of other business, or a motion to recommit the resolution is not in order.

(v) A motion to reconsider the vote by which a review resolution is agreed to or not agreed to is not in order.

(C) Immediately following the conclusion of the debate on a review resolution and a single quorum call at the conclusion of the debate if requested in accordance with the rules of the House of Representatives or the Senate, as the case may be, the vote on final passage of the resolution shall occur.

(D) Appeals from the decisions of the Chair relating to the application of the rules of the House of Representatives or of the Senate, as the case may be, to the procedure relating to a review resolution shall be decided without debate.

(5) CONSIDERATION BY OTHER HOUSE.—(A) If, before the passage by one House of a review resolution that was introduced in that House, that House receives from the other House a review resolution.

(i) the resolution of the other House shall not be referred to a committee and may not be considered in the House that receives it otherwise than on final passage under clause (ii)(II); and

(ii)(I) the procedure in the House that receives such a resolution with respect to such a resolution that was introduced in that House shall be the same as if no resolution had been received from the other House; but

(II) the vote on final passage shall be on the resolution of the other House.

(B) Upon disposition of a review resolution that is received by one House from the other House, it shall no longer be in order to consider such a resolution that was introduced in the receiving House.

(6) RULES OF THE SENATE AND HOUSE OF REPRESENTATIVES.—This subsection is enacted by Congress.

(A) as an exercise of the rulemaking power of the Senate and House of Representatives, respectively, and is deemed to be part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of a review resolution, and it superseded other rules only to the extent that it is inconsistent with such rules; and

(B) with full recognition of the constitutional right of either House to change the rules (so far as they relate to the procedure of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

STEVENS (AND MURKOWSKI) AMENDMENT NO. 1716

Mr. STEVENS (for himself and Mr. MURKOWSKI) proposed amendment to the bill S. 2019, supra; as follows:

On page 12, line 1, add a carriage return immediately after "DIRECT GRANTS.—", indent the text thereafter through line 8 as a separate paragraph, and insert "(1) IN GENERAL.—" immediately before "The".

On page 12, line 8, strike the period and insert in lieu thereof "; and".

On page 12, between lines 8 and 9, insert the following new paragraph:

"(2) ALASKA NATIVE VILLAGES.—In the case of a grant for a project under this subsection in an Alaska Native village, the Administrator is also authorized to make grants to the State of Alaska for the benefit of Native villages. An amount not to exceed 4 percent of the grant amount may be used by the State of Alaska for project management.

MURKOWSKI (AND STEVENS) AMENDMENT NO. 1717

Mr. STEVENS (for Mr. MURKOWSKI, for himself and Mr. STEVENS) proposed an amendment to the bill S. 2019, supra; as follows:

On page 68, between lines 10 and 11, insert the a new subparagraph:

"' (I) For purposes of this subsection, the State of Alaska shall be considered a region.".

BOXER (AND OTHERS) AMENDMENT NO. 1718

Mrs. BOXER (for herself and Mr. BRADLEY, Mr. KERRY, Mr. LAUTENBERG, Mr. LIEBERMAN, Mr. MIKULSKI, Mr. METZENBAUM, Mr. LEAHY, Mr. KOHL, and Mr. CHAFEE), proposed an amendment to the bill S. 2019, supra; as follows:

On page 7 of the manager's amendment, after line 20, insert the following:

(iv) the effects of the contaminant upon subpopulations that are identified as being at greater risk for adverse health effects in the research and evidence described in section 1442(j).

On page 18, line 13 of the manager's amendment, strike "." and insert after "water" the following:

"In characterizing the health effects of drinking water contaminants under this Act, the Administrator shall take into account all relevant factors, including the margin of safety for variability in the general population and the results of research required under this subsection and other sound scientific evidence (including the 1993 and 1994 reports of the National Academy of Sciences) regarding subpopulations at greater risk for adverse health effects."

NUTRITION LABELING AND EDUCATION ACT EXTENSION ACT OF 1994

BUMPERS (AND HATCH) AMENDMENT NO. 1719

Mr. FORD (for Mr. BUMBERS for himself and Mr. HATCH) proposed an amendment to the bill (S. 2087) to extend the time period for compliance with the Nutrition Labeling and Education Act of 1990 for certain food products packaged prior to August 18, 1994; as follows:

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

Before August 8, 1994, sections 403(q) and 403 (r)(2) of the Federal Food, Drug, and Cosmetic Act, and the provision of section 408(i) of such Act added by section 7(2) of the Nutrition Labeling and Education Act of 1990, shall not apply with respect to a food product which is contained in a package for which the label was printed before May 8, 1994 (or before August 8, 1994, in the case of a juice or milk food product if the person responsible for the labeling of such food product exercised due diligence in obtaining before such date labels which are in compliance with such sections 403(q) and 403(r)(2) and such provision of section 408(i)), if, before June 15, 1994, the person who introduces or delivers for introduction such food product into interstate commerce submits to the Secretary of Health and Human Services a certification that such person will comply with this section and will comply with such sections 403(q) and 403(r)(2) and such provision of section 408(i) after August 8, 1994.

NOTICE OF HEARING

COMMITTEE ON INDIAN AFFAIRS

Mr. INOUYE. Mr. President, I would like to announce that the Senate Committee on Indian Affairs will be holding a hearing on Tuesday, May 24, 1994, beginning at 9:30 a.m., in 485 Russell Senate Office Building on S. 2075, to amend the Indian Child Protection and Family Violence Prevention Act to reauthorize and improve programs under the act; and S. 2074, the Crime Victim Assistance Improvement Act.

Those wishing additional informational should contact the Committee on Indian Affairs at 224-2251.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. Ford. Mr. President, I ask unanimous consent that the Senate Committee on Commerce, Science, and Transportation be authorized to meet on May 17, 1994, at 10 a.m. On pending committee business.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. Ford. Mr. President, I ask unanimous consent that the Committee on Foreign Relations, be authorized to meet during the session of the Senate

on Tuesday, May 17, at 10 a.m. To hold a hearing on the Chemical Weapons Convention—Treaty Doc. 103-121.

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

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. FORD. Mr. President, I ask unanimous consent on behalf of the Governmental Affairs Committee for authority to meet on Tuesday, May 17, at 9:30 a.m. for a hearing on: Exports in the 1990's.

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

COMMITTEE ON INDIAN AFFAIRS

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Indian Affairs be authorized to meet on Tuesday, May 17, 1994, beginning at 2:30 p.m., in 106 Dirksen Senate Office Building on proposals to amend the Indian Gaming Regulatory Act.

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

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources' Subcommittee on Education, Arts and Humanities be authorized to meet on May 17, 1994, at 3:30 p.m. for an execution session to consider S. 1513, Improving America's Schools Act.

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

COMMITTEE ON SMALL BUSINESS

Mr. FORD. Mr. President, I ask unanimous consent that the Small Business Committee be authorized to meet during the session of the Senate on Tuesday, May 17, 1994, at 10 a.m. the Committee will hold a full committee on the issue of prepayment of section 503 Development Company Loans and on the section 504 Development Company Loan Program.

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

SELECT COMMITTEE ON INTELLIGENCE

Mr. FORD. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Tuesday, May 17, 1994 at 3 p.m. to hold a closed hearing on intelligence matters.

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

SUBCOMMITTEE ON CHILDREN, FAMILY, DRUGS AND ALCOHOLISM

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources and the Subcommittee on Children, Family, Drugs and Alcoholism be authorized to meet for a joint hearing on Before Dreams Disappear: Preventing Youth Violence, during the session of the Senate on May 17, 1994, at 9:30 a.m.

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

SUBCOMMITTEE ON EDUCATION, ARTS AND THE HUMANITIES

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources' Subcommittee on Education, Arts and the Humanities be authorized to meet for a hearing on Minorities in Higher Education, during the session of the Senate on May 17, 1994, at 10 a.m.

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

SUBCOMMITTEE ON PUBLIC LANDS, NATIONAL PARKS AND FORESTS

Mr. FORD. Mr. President, I ask unanimous consent that the Subcommittee on Public Lands, National Parks and Forests of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate, 2:30 p.m., May 17, 1994.

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

SUBCOMMITTEE ON SCIENCE, TECHNOLOGY AND SPACE

Mr. FORD. Mr. President, I ask unanimous consent that the Science, Technology and Space Subcommittee of the Committee on Commerce, Science and Transportation be authorized to meet on September 17, 1994, at 2:30 p.m. on Earthquake Program Reauthorization.

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

SUBCOMMITTEE ON TOXIC SUBSTANCES, RESEARCH AND DEVELOPMENT

Mr. FORD. Mr. President, I ask unanimous consent that the Subcommittee on Toxic Substances, Research and Development, Committee on Environment and Public Works, be authorized to meet during the session of the Senate on Tuesday, May 17, beginning at 9:30 a.m., to conduct a hearing on reauthorization of the Toxic Substances and Control Act.

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

ADDITIONAL STATEMENTS

NAVAL AVIATION

• Mr. D'AMATO. Mr. President, the budget process for fiscal year 1996 is in full swing over in the Pentagon, and some of the early reports are disturbing in the extreme. In particular, naval aviation appears to be teetering on the brink of catastrophe.

As my colleagues know, the proposed 1995 budget request terminates each Navy and Marine helicopter program but the AH-1W. Fixed-wing aircraft procurement drops to 40, with an additional 4 remanufactures. This is well below attrition.

Now, I read that the proposed fiscal year 1996 budget will slash 24 of 48 F/A-18C/D's, 24 of 72 F/A-18E/F's, 18 of 18 AH-1W's, 1 of 16 E-2C's, and a bevy of air-to-air and air-to-ground weapons from the fiscal year 1995-99 5-year defense plan. V-22 and armed SH-60B will slip a year and F-14 upgrades will be gutted. One wonders just what is going to be left of naval aviation by the time the CVN-76 is christened.

Just for fun, I urge my colleagues to request copies of the latest naval aviation plan [NAP], if it exists. The NAP, when it is published, includes projections of aircraft requirements versus inventory over then next several decades. My colleagues may be surprised to discover that the Navy will be experiencing significant shortfalls in almost every category of aircraft. Something to consider when we are asked to support yet another multibillion-dollar aircraft carrier this year.

In the meantime, I would like to share an article from the May 9, 1994, edition of Defense Week by Eric Rosenberg entitled "To Meet Budget Targets, Big Cuts Proposed by Navy Aviators." I ask that the article be included in the RECORD at the end of my remarks.

The article follows:

[From Defense Week, May 9, 1994]

TO MEET BUDGET TARGETS, BIG CUTS PROPOSED BY NAVY AVIATORS

(By Eric Rosenberg)

The Navy is recommending steep cuts to a front-line fighter bomber and its top-priority costly successor, according to internal documents obtained by Defense Week. In addition, the documents detail delays to the V-22 tilt rotor, the Marine Corps' No. 1 program.

The Navy is also seeking to either kill or slow several other major aviation-related projects, including AMRAAM and SLAM missile variants, the documents said.

The multi-billion dollar program cuts were detailed in a 50-plus page April 12 memorandum written by the Navy's air warfare division. The cuts underscore an intense Pentagon debate as the service slashes its mainstay programs to meet budget reduction targets in fiscal 1996 and beyond.

The document doesn't tinker with the overall force level laid out in the "bottom-up" review, the guiding precepts of the Clinton-era Pentagon. That document recommended a 12-aircraft carrier Navy, 11 service air wings and four Marine air wings.

Should the Navy and Pentagon leadership accept them, the proposals will significantly hurt the balance sheet of McDonnell Douglas Corp., maker of the F/A-18 E/F. The proposals will also wound an industrial team of Bell-Helicopter Textron Inc. and the Boeing Co.'s helicopter unit, makers of the V-22 Osprey.

At press time, reports were circulating in the Navy that the service leadership was scrambling to overrule the F/A-18 E/F reduction. But the reports could not be independently verified.

Senior Navy officials conducting the budget planning told the aviation segment "to accept modernization reductions to emphasize recapitalization," the document said. The aviation segment also was told to "accommodate acquisition adjustments."

"Recapitalization" is the Navy's far-reaching effort to close bases and retire older model ships, planes and submarines to pay for new state-of-the-art equipment.

The military services currently are in the throes of crafting their program objectives memoranda, or POM, the long-range budget blueprint. They are scheduled to complete the planning by May 20, when the recommendations will be forwarded to Defense Secretary William Perry's staff for review. The Pentagon will work through the summer on the spending plan, which will form the

basis of the fiscal 1996 submission to Congress next January.

A senior Navy official familiar with the proposals said last week there was little "gold-watching" in the plans, a reference to disingenuous budgeting.

According to the documents, the Navy is proposing to slash 24 F/A-18 C/Ds from long-range plans, worth approximately $1.4 billion. Twelve would be cut from the 24 jets that were planned for fiscal 1996 and 12 from fiscal 1997. The action would stop production after the fiscal 1996.

The recommendations also would pare 12 F/A-18 E/F models from fiscal 1998, leaving on the books 12 jets, and another 12 jets in fiscal 1999, leaving 24 planes. The proposal would slash $1.5 billion from the program. Twelve planes would be added to fiscal 2001, upping procurement from 36 to 48 jets.

The latter proposal is especially noteworthy, as the aircraft is the Navy's stated No. 1 priority. It is being designed as the service's cornerstone jet of the future, able to perform bombing and fighter missions. But a senior Navy official claimed the action didn't signify slipping Navy support.

Asked about the proposals, Lt. Jim Fallin, a Navy spokesman said: "The navy is in the process of looking at various options on how best to structure our forces to meet current and future requirements within fiscal constraints. It would be inappropriate to discuss that process while it is still on-going."

Concerning another top-priority project, the V-22, the document offered scant detail other than comment, "Slide V-22 procurement." The Marines were planning to buy their No. 1 priority tilt rotor beginning in fiscal 1997, but a chart accompanying the documents shows production beginning one year later.

A senior Navy official said this recommendation, which could draw the wrath of lawmakers and White House program supporters, was up for negotiation.

Other key actions the Navy aviation branch recommended included ending the Bell Helicopter Textron Inc. AH-1W helicopter program after fiscal 1995. The service had planned to buy 18 of the choppers in fiscal 1996 and 1997. The action will pare some $220 million from the books. It also will necessitate the procurement of a successor helicopter six years sooner than planned, the documents said.

The Navy had planned to buy four new E-2C Hawkeye surveillance planes annually through fiscal 2001. But the service has proposed buying only three E-2Cs in fiscal 1996, saving $58 million.

In a challenge to Pentagon civilians, the Navy is proposing the cancellation of the F-14 block I upgrade, an effort to outfit Tomcats with laser-guided bomb capability.

The Navy authors understood that this was a risky proposition because it was "specifically endorsed by the secretary of defense in the bottom-up review," said the documents. In the program's place, the service is proposing a cheaper, "slowed F-14 A/B upgrade program."

The documents said the service wants to end its commitment to the Air Force-led Advanced Medium-Range Air-To-Air Missile's pre-planned product improvement. The Navy proposed cancelling the effort "due to fiscal constraints." Additionally, the Navy wants to "slow procurement of AMRAAM down" to save money.

Also offered up for termination was the Advanced Rocket System, designed to replace 2.75-inch and five-inch rockets. The Navy will instead buy additional 2.75-inch systems.

In addition, the service proposed a steep reduction to the AV-8B remanufacture program, also a McDonnell Douglas effort. Where the Marine Corps was seeking to rebuild 86 jets with new equipment from fiscal 1996 through 2001, the Navy is proposing 64 jets over the same period, paring $503 million. The Navy said the proposal "retains flexibility" and that "new aircraft remain a future option."

Other key actions proposed by the Navy:

"Slowing down" the AIM-9X Sidewinder successor;

Delaying fielding of the Joint Standoff Weapon "BLU-108" two years to fiscal 2003. The unitary warhead is unaffected;

Delaying procurement of the Joint Primary Aircraft Trainer System by one year until fiscal 1998;

Delaying funding of the SH-60B armed helicopter from fiscal 1996 to 1997; slipping fielding one year to fiscal 1999;

Reducing the P-3 maritime patrol aircraft force levels significantly. Last year, the Navy planned a fleet of 13 active and nine reserve P-3 squadrons. A new proposal on the table calls for cutting the force to six active and six reserve squadrons, with two squadrons forward deployed;

Cancelling the Standoff Land Attack Missile expanded response variant and signing up to the Air Force-led Tri-Service Standoff Attack Missile.•

TURKISH DEMOCRACY? FREE MEHDI ZANA

• Mr. DECONCINI. Mr. President, I am compelled to recount to this body an incident which reflects a growing and most disturbing trend by the Government of Turkey to restrict free speech on the Kurdish issue. As I speak today, I sadly recall similar statements I have made on behalf of political prisoners who spoke out and then suffered at the hands of authoritarian Communist rulers behind the iron curtain.

Last Friday, Mehdi Zana, a man whom I have met and for whom I hold deep respect, was jailed for 4 years for a speech he delivered at the European Parliament in October 1992. Mr. President, Zana is a man of honor and peaceful intentions who has struggled for more than 30 years for the cause of human rights in Turkey. He has already spent 15 years in jail and has been tortured because he refused to remain silent about the injustices visited upon his Kurdish brothers and sisters. Leyla Zana, his wife, is one of six Turkish parliamentarians who face the death penalty for statements they made in support of Kurdish rights.

Mr. President, I am frightened not only for the fate of the Zana family, but for the future of Turkish democracy itself. The situation in southeast Turkey has deteriorated to the point where violence has become the most common form of discourse between Turks and Kurds. It is a tragic irony that thousands of Turkish Kurds are presently being forced to seek refuge in northern Iraq—taking the reverse route of Iraqi Kurdish refugees who fled Saddam Hussein's war machine. Turkish security forces seem to be creating a buffer zone along the Iraqi border to prevent infiltration by the PKK and hundreds of villages have been destroyed and their inhabitants forced to flee—a pattern which has been compared to ethnic cleansing conducted by the Serbs in Bosnia.

Mr. President, as I have in the past, I once again condemn PKK terrorism. Terrorist violence is never, I repeat, never, a legitimate means of securing political objectives in a democratic state. I am acutely aware of the severity of the PKK threat, but firmly believe all of Turkey's Kurdish citizens cannot be labeled PKK supporters. The fight against terrorism must not be waged at the expense of the legitimate rights of all Turkish citizens. Turkey's Kurds, whether in Istanbul or Diyarbakir, must be allowed to express their cultural identity and to participate in the political process.

Aside from my overriding human rights concerns, however, my major motivation for speaking out is that, given my belief that Turkey is a most valuable ally, I cannot remain silent as Turkey's Government pursues policies which have no hope of ending the violence. I am convinced that these policies further threaten democracy and regional stability. The $7 billion the Turkish Government spends each year to fight the PKK could be better used to address Turkey's serious economic woes. As a friend and supporter of Turkey, I have to express my frustration with the Government for not seeking a political solution to a crisis which cannot be solved by military means or crude attempts to restrict free speech.

Mr. President, yesterday, STENY HOYER and I, as chairmen of the Helsinki Commission, sent a cable to Prime Minister Ciller urging the immediate release of Mehdi Zana. I wish to submit to the RECORD a copy of the appeal he delivered before the European Parliament which resulted in his 4-year jail sentence. Successive Turkish Governments have committed themselves to upholding numerous international human rights conventions which include free speech protections. The increasingly frequent practice of arresting those who speak out peacefully for Kurdish rights is an affront to democracy and violates Turkey's stated international commitments. What follows is the text of the speech which serves as the basis for Mehdi Zana's being in jail now as I speak. So again, Mr. President, I call for his immediate release, and urge my colleagues to follow suit.

The text follows:

OCTOBER 26, 1992.

AN APPEAL FROM MEHDI ZANA TO THE EUROPEAN PARLIAMENT, TO ALL HUMAN RIGHTS ADVOCATES, AND TO THE PRESS

Ladies and Gentlemen, let me first heartily thank you for your presence here today at this press conference.

My name is Mehdi Zana. I am 52 years old. For 30 years I have fought for the recogni-

tion of the rights of the Kurdish people in Turkey. In spite of the fact that I was never involved in any act of violence, I had to spend 15 years of my life in Turkish prisons because of my opinions and pacifist struggle for my people. I am one of the few miraculous survivors of the sinister Diyarbakir prison where so many of my companions died under torture. My eye-witness account of the unspeakably brutal and sadistic torture proceedings is included in the publication "Journal of Barbarity" currently being translated from Turkish to French. I owe my survival to the mobilization of public opinion, to NGOs and to the Western mayor colleagues in my favor.

I say colleagues, because I was mayor of Diyarbakir, the politico-cultural capital of Turkish Kurdistan. The population of this city which amounted to 400,000 inhabitants in 1977 had elected me mayor by direct universal suffrage. At that time, I practiced the trade of tailor and I was an independent activist. The military coup d'etat of September 1980 dissolved my municipal council. I was arrested and incarcerated only to be released in May 1991. Since then, I have again been arrested twice. At this time, I, like all other Kurds condemned of the "crime of separatism", am deprived of my political rights for the rest of my life. Such is democracy—Turkish style! Finally I must emphasize that while continuing to struggle pacifically for the recognition of the rights of 15 million Kurds of Turkey, I am not a member of any party or movement.

Thus, it is as an independent Kurdish activist, that I address myself to you and through you to public opinion to the conscience of the civilized world, so that a cry of alarm may be sent forth.

The Kurds of Turkey are experiencing at this time one of the most dramatic moments in their history. Our cities and villages have been systematically destroyed, our forests burned. Using military and economic means, Turkey has forced the Kurdish people to evacuate their ancestral lands. Girls and women of the villages are insulted and raped by Turkish soldiers. Homes are looted, Kurdish journalists and intellectuals are assassinated one after another in broad daylight. People arrested on the pretext of interrogation are tortured to death by barbaric methods. Prisons are filled with children and youth under 18. Legal and illegal state organizations known as counter-guerilla units or as special units have the authorisation to act freely as they please. They have the power of life and death over those questioned. The last measure taken by the National Security Council protects members of the security forces against prosecution for actions committed in the exercising of their functions and prohibits the press from reporting these incidents.

Our maternal language, Kurdish, still remains prohibited. Offenders are arrested and mistreated at police stations. One example among so many others, illustrates this prohibition de facto: barely 15 days ago in Diyarbakir, the security forces intervened in the wedding ceremony of a Kurdish lawyer, Fikret Akias, broke the Kurdish musical instruments and arrested several people including 7 lawyers.

State television by way of propaganda programs incites the Turkish people to rise up against the Kurdish population established in Anatolia. The ideas which suggest a ban on doing business with the Kurds, on furnishing them with work have appeared on these openly distributed tracts. The latest violent events against the Kurds in the city of Fethiye in the West of the country give evidence of the severity of the situation. Chased by the violence perpetrated in their region, the Kurdish population no longer knows where to shelter themselves, where to live in security. In fear they wait to die at any moment. The risk of a Kurdish-Turkish racial war is growing larger every day.

Whole hours would not suffice were I to begin to enumerate for you the cases of assassination, of torture and destruction which I have witnessed, the tragedy which my people are experiencing even as I stand before you. In the press kit, you will find numerous facts, figures and eye-witness accounts on this subject.

Is it still possible to imagine that at the dawn of the twenty-first century, a people can still be deprived of the use of its own mother tongue, of the expression of its identity?

The democratic promises, the speeches on the respect of human rights which thoroughly dominated the October 1991 legislative elections, over the course of moving electoral meetings, promises for the respect of the rights and demands of the Kurdish people made by the governmental coalition of the DYP and the SHP which emerged from the elections, which had worried over the massive support of Kurdish voices for the candidates of the HEP party, gave birth to real hope. The current Prime Minister Demirel, barely 5 days after his nomination, publicly affirmed during a televised speech which surprised everyone, that henceforth Turkey would recognize the Kurdish reality in the East and West of the country, that it would establish an egalitarian policy permitting a common life between the Kurdish and Turkish people.

Mr. Demirel also displayed his faith in a henceforth unrestricted democracy and his willingness to put an end to all anti-democratic laws, to develop a new Constitution which would take contemporary reality and values into consideration.

Since then, not only has not a single anti-democratic law inherited from the military junta and aiming to wipe out the rights of the Kurdish people been abolished, but on the contrary, the promulgation of new repressive laws almost inspire a nostalgia for the military regime.

At this time in Turkey not a single investigation nor trial is underway concerning so many journalists and intellectuals, against the forces which destroyed and set fire to cities such as Sirnak, Cizre, Kulp, Vario and so many others which you will find listed in the press kit.

Meetings on democracy and on human rights have been prohibited in the Kurdish provinces. Censorship rages in full force to prevent the circulation of independent news on the barbarity of the war running rampant in Kurdistan. Not a single journalist is authorized to go to the scene of army operations. Even the parliamentarians of the region are denied the right to approach the regions concerned.

A new administrative measure has just transferred the prerogatives of the Regional Prefect to the military. Kurdistan is now governed by an undeclared State of siege administration and completely left to the good will of the army.

About three weeks ago, the IFHR delegation which visited Turkish Kurdistan was not authorised to go to the cities of Sirnak and Cizre. They will be able to testify to the situation themselves.

I sincerely believe that the Turkish regime never opted for democracy. This notion remains only in the speeches destined to mislead the civilised world. If we make a careful assessment of the current government over the past year, we will not find any arrangements made to further the respect of human rights.

I send forth publicly an appeal to all those who are enamoured of liberty and democracy to act to stop the Turkish government's policy which aims at the pure and simple extinction of the Kurdish people, to act in order to finally permit this people to live in dignity and in peace.

I invite journalists, parliamentarians, NGOs to investigate on the spot, to pierce the wall of silence which surrounds the destruction of my country and my people.●

HOMICIDES BY GUNSHOT IN NEW YORK CITY

● Mr. MOYNIHAN. Mr. President, I rise today to announce to the Senate that 8 people were killed this week in New York City by gunshot, bringing the total in 1994 to 368.

The epidemic of violence caused by handguns and handgun ammunition continues to grow more serious, and the homicide statistics—frightening as they are—do not tell the whole story. The Justice Department reported this week that the number of nonfatal crimes committed with a handgun rose to a record level during 1992. Specifically, handguns were used in over 917,500 nonfatal crimes—almost 50 percent more than the average for the previous 5 years. The FBI reported an additional 13,200 handgun homicides during the same year, a 24 percent increase over the 5-year average.

I have proposed that we ban or tax heavily certain rounds of particularly insidious handgun ammunition. If we do not, many more will die or will be injured by handgun ammunition. We must act now, Mr. President, before tens of thousands more lose their lives.●

TENSIONS IN EGYPT

● Mr. SIMON. Mr. President, last July 23, at my request, an article by Dr. Mamoum Fandy from the magazine "Middle East Policy" appeared in the RECORD. I was interested by Dr. Fandy's argument that tensions within Egyptian society which contribute to terrorism derive partly from religious fundamentalism and are also caused by the existence of an economic, social, and geographic underclass. As I noted, the underclass problem is something we have in the United States, apparently in less magnified form, although we ought to do better in dealing with it.

The Egyptian Government does not share Dr. Fandy's conclusions and Ambassador El Sayed wrote to me last fall, taking strong issue with the article in a response emphasizing that the full weight of the law must be brought to bear against terrorists, while affirming the Egyptian Government's sen-

sitivity to human rights. I would note that, as in any pluralistic system, the process is not easy and the verdict will be for the Egyptian people to render. I hope that President Mubarak, who has contributed so much and so courageously to the Middle East peace process, will see the realization of his vision of a tolerant, moderate democracy which is not undermined by terrorism.

I ask to insert Ambassador El Sayed's letter into the RECORD at this point.

The letter follows:

THE AMBASSADOR OF EGYPT,
Washington, DC, October 20, 1993.

Hon. PAUL SIMON,
Senate Office Building, Washington, DC.

DEAR SENATOR SIMON: I wish to express to you my deep appreciation for your constant advocacy of African causes. I am also gratified by the interest you have always shown to matters related to Egypt, and your desire to be acquainted with the developments in my country as it continues to follow the path of more democracy and more liberalization of the economy leading towards fully responding to the aspirations of our people.

Since part of what is published about Egypt does not respond to the requirements of objectivity and accuracy, and as I know your interest and your desire to judge matters on their merits, I wish to put before you the following facts:

1. The Egyptian society has always been a society characterized by moderation and openness dictated by our geographical reality and historical background which made Egypt not only the cradle of civilization, but also the meeting ground of later civilizations. Extremism is alien to the genius of the Egyptian people.

2. In modern times, various attempts to impose by force, under the usurped banner of religion, theocratic regimes have failed because of their rejection by the people. At no time have these attempts—despite the many victims, which they caused—constituted a danger to the solid fabric of our society.

3. In moments of great change, these forces of darkness try to take advantage of the difficulties of any transition, to inject their false representation of Islam, and pursue their real objective which is to seize power by force to satisfy ambitions and greed.

4. We realize that the best answer is to continue on our path towards reform, thus allowing the people to reap the fruits of their sacrifices. But, at the same time, no Government can fail to firmly oppose with all the legal means at its disposal, those who are using lethal tactics against the authorities, against innocent civilians, and against the very life and livelihood of the population. When a war is waged against society, no appeasement is allowed, and the whole weight of the law must be brought to bear upon the culprits. In doing so the Egyptian Government is very sensitive to ensure, at the same time as the rights of the accused, the human rights of the majority of the people who want to live in peace and security and are the victims of the terrorists.

5. Part of the campaign launched by those terrorists is to use, in addition to lethal weapons and bombs which hit blindly and indiscriminately the weapons of innuendo, false accusations, and smear. Accusations of corruption are part of this war. I do not pretend that Egypt, or any other country for that matter, is inhabited by angels, nor do I want to compare corruption—real or alleged—in Egypt with the same in other countries, I just want to assure you that the policy of the Government is to pursue any case of corruption and punish the guilty whomever they be.

At the same time, what has been achieved under President Mubarak in rebuilding the whole infrastructure, in reforming the economy, in erecting a democratic regime, is a living testimony to the falsehood of the picture of doom which some analysts unfortunately tend to draw in good or bad faith. We are determined to continue on the same course, with the support of our friends, and in particular the United States, until we achieve our aim which is to ensure to free citizens in a free country a high degree of prosperity on the threshold of the Twenty-First Century.

Sincerely, and with best wishes

AHMED MAHER EL SAYED.●

COST PERFORMANCE INDEX

● Mr. D'AMATO. Mr. President, Members who went into cardiac arrest over $500 million B-2's better start popping nitroglycerin: C-17's are running at $497.7 million a copy in fiscal year 1995. How, you ask, can a transport aircraft cost nearly as much as the most sophisticated strategic bomber ever conceived? Therein lies a tale.

One major reason, maybe the key reason, the C-17 costs so much is turmoil on the production line. The best overall measure of line efficiency is the cost performance index [CPI], which compares work accomplished against the actual dollars spent for that work. Typically, CPI improved over time as workers on a production line climb the learning curve. In the case of the C-17, however, the CPI for the full scale engineering development [FSED] lot and lots I, II, and III is actually declining over time. Only lot IV, which showed steady decline in the first 6 months, experienced a 1-percent increase in return on each dollar invested in the last month in which figures are available.

The Air Force has attributed much of this miserable performance to labor inefficiencies caused by bumping, the practice of senior employees displacing junior workers during labor downturns. In the case of the Douglas plant in Long Beach, idle commercial airline workers have steadily migrated to the C-17 program. The resulting disruption up and down the line has played havoc with productivity.

Now here is the scary part. The Saudis have just decided to make a large purchase of United States commercial airliners, including MD-11's. It is likely, in order to meet delivery schedules, that former MD-11 employees now working on the C-17 will be moved back to the reenergized MD-11 line—in essence, bumping in reverse. The resultant gaps on the C-17 shop floor will have to be filled by new hires, and, once again, line efficiency will suffer. Something to consider as we contemplate the purchase of six additional C-17's this year.

I ask that the latest CPI chart be printed in the RECORD at the conclusion of my remarks.

The chart follows:

FSED CPI CUM

Month	1985	1986	1987	1988	1989	1990	1991	1992	1993
Jan	1.03	1.03	1.01	0.97	0.88	0.79	0.69	0.69	0.69
Feb	1.03	1.03	1.01	.96	.88	.79	.69	.69	.68
Mar	1.02	1.03	1.00	.95	.87	.78	.70	.69	.68
Apr	1.03	1.03	1.00	.93	.86	.76	.69	.69	.68
May	1.03	1.02	.99	.93	.85	.74	.69	.69	.68
Jun	1.02	1.01	.98	.93	.85	.71	.69	.65	.68
Jul	1.03	1.00	.98	.92	.84	.71	.69	.69	.68
Aug	1.03	1.01	.98	.91	.84	.68	.69	.69	.68
Sep	1.03	1.01	.97	.91	.83	.67	.69	.69	.68
Oct	1.03	1.01	.98	.90	.82	.67	.69	.69	.68
Nov	1.03	1.01	.97	.89	.81	.69	.69	.69	.68
Dec	1.03	1.02	.98	.89	.80	.69	.69	.69	.68

LOT I CPI CUM

Month	1988	1989	1990	1991	1992	1993
Jan	.....	0.89	0.91	0.69	0.66	0.66
Feb	.....	.92	.92	.69	.66	.66
Mar	.....	.87	.94	.69	.66	.66
Apr	.....	.87	.88	.67	.66	.66
May	.....	.89	.85	.66	.66	.65
Jun	0.79	.88	.83	.67	.66	.65
Jul	.81	.89	.84	.67	.66	.65
Aug	.82	.92	.8	.67	.66	.65
Sep	.83	.93	.76	.67	.66	.64
Oct	.87	1.02	.74	.66	.66	.64
Nov	.87	.99	.66	.66	.66	.64
Dec	.87	.96	.67	.66	.66	.64

LOT II CPI CUM

Month	1989	1990	1991	1992	1993
Jan	.....	0.98	0.70	0.70	0.63
Feb	.....	.91	.73	.68	.64
Mar	.....	.67	.73	.69	.64
Apr	.....	.88	.74	.67	.64
May	.....	1.07	.75	.67	.63
Jun	.....	1.07	.73	.67	.63
Jul	.....	1.21	.73	.66	.63
Aug	.....	1.21	.73	.66	.63
Sep	.....	1.04	.72	.65	.63
Oct	.....	1.05	.70	.64	.62
Nov	0.97	.64	.70	.64	.62
Dec	.97	.69	.70	.64	.62

LOT III CPI CUM

Month	1991	1992	1993
Jan	.....	0.97	0.92
Feb	.....	.95	.92
Mar	.....	.96	.91
Apr	.....	.95	.90
May	.....	.95	.90
Jun	.....	.95	.89
Jul	.....	.95	.88
Aug	.....	.95	.86
Sep	0.92	.95	.86
Oct	.94	.95	.85
Nov	.95	.94	.85
Dec	.94	.93	.85

LOT IV CPI CUM

Month	*1993*
January	...
February	...
March	...
April	...
May	...
June	0.97
July	.97
August	.96
September	.95
October	.94
November	.93
December	.94●

THE BISHKEK PROTOCOL ON NAGORNO-KARABAKH

● Mr. DECONCINI. Mr. President, the peace process in Nagorno-Karabakh has taken a new turn. At a meeting of the Parliamentary Assembly of the Commonwealth of Independent States [CIS] in Bishkek, Kyrgyzstan, representatives of Armenia, Azerbaijan, Nagorno-

Karabakh, Russia, and Kyrgyzstan on May 8 signed a protocol that may finally signal a winding down of the Nagorno-Karabakh conflict.

The provisions of the agreement include a cease-fire, followed by the withdrawal of Armenian forces from all areas captured, except for Lachin and Shusha, two key cities whose status will be negotiated subsequently. During this second phase, prisoners of war will be exchanged and refugees are supposed to be able to return to their homes. Phase three will inaugurate negotiations about the future status of Nagorno-Karabakh.

While Armenia and Nagorno-Karabakh agreed early on to sign the accord, Azerbaijan's representative insisted on several changes in the wording. For example, Azerbaijan has been resisting Russian pressure to station Russian peacekeeping forces in the conflict zone, and demanded that the observers who will be monitoring compliance with the agreement be international in composition.

Despite these modifications, Azerbaijan remains ambivalent about the accord. Opposition groups have criticized the government for signing on to a document that features the signature of a representative of Nagorno-Karabakh. They argue that Azerbaijan has thus recognized Nagorno-Karabakh as a party to the conflict, which runs counter to the official Azerbaijani line to date that the war is interstate in nature, that is, between Azerbaijan and Armenia. There is also continuing opposition to the stationing of Russian troops on Azerbaijani territory. Nevertheless, the Defense Ministers of Armenia, Azerbaijan, and the head of Nagorno-Karabakh's Armed Forces signed a cease-fire agreement in Moscow on May 16. The disengagement of the warring sides is to be followed by the stationing of observers and peacekeepers, most of whom are Russian.

From the U.S. perspective, a cease-fire in a conflict that has claimed over 20,000 lives is long overdue and very welcome. It is noteworthy, however, that the Bishkek agreement differs little from scenarios under discussion for some time in the CSCE's Minsk Group, but was reached through negotiations in the Russian-dominated forum of the CIS Parliamentary Assembly. Russia is itself a member of the Minsk Group, which the CSCE authorized to arbitrate the conflict, but has not been particularly successful to date. Vladimir Shumeiko, Chairman of the Federation Council, the upper chamber of Russia's parliament, who chaired the Bishkek conference, reportedly stated that problems in the CIS should be resolved by the CIS. This raises questions about the sincerity of Moscow's dedication to CSCE mediation of the Nagorno-Karabakh conflict and other disputes on the territory of the former Soviet Union.

Many cease-fires have been signed in the 6 years of the Nagorno-Karabakh conflict. None has lasted, and it remains to be seen whether this one will be any different. In fact, there have already been reports of cease-fire violations. Azerbaijan's Parliament must also ratify the accord, which seems likely but is not certain.

Mr. President, I fervently hope this cease-fire will hold. The Nagorno-Karabakh conflict must go from the battlefield to the negotiating table, refugees must be allowed to return home, and peace must be given a chance.●

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. FORD. Mr. President, I ask unanimous consent that the Senate proceed to executive session to consider executive calendar No. 21, two protocols amending the OAS charter; that the treaty be considered as having passed through its various parliamentary stages up to and including the presentation of the resolution of ratification; that no amendments, conditions, reservations, understandings, declarations or provisos be in order; that any statement be inserted in the CONGRESSIONAL RECORD as if read; that the motion to reconsider be laid upon the table; and that the President be notified of the Senate's action.

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

The treaties will be considered to have passed through their various parliamentary stages up to and including the presentation of the resolution of ratification, which the clerk will state.

The resolution of ratification was read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the "Protocol of Washington" Adopted on December 14, 1992, by the Sixteenth Special Session of the General Assembly of the Organization of American States (OAS) and Signed by the United States on January 23, 1993, and the "Protocol of Managua" Adopted by the Nineteenth Special Session of the OAS General Assembly on June 10, 1993, and Signed That Day by the United States.

Mr. FORD. Mr. President, I ask for a division vote.

The PRESIDING OFFICER. A division has been requested.

Senators in favor of the resolution of ratification of the treaty, please rise. [After a pause.] Those opposed will rise and stand until counted.

With two-thirds of those present, having voted in the affirmative, the resolution of ratification is agreed to.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. FORD. Mr. President, I ask unanimous consent that the Senate proceed to consider the following nominations: Calendar Nos. 896, 897, 898; 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 motion to reconsider be laid upon the table en bloc; that the President be immediately notified of the Senate's action; and that the Senate return to legislative session.

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

The nominations considered and confirmed en bloc are as follows:

Jeffrey K. Harris, of New Jersey, to be an Assistant Secretary of the Air Force.

Manuel Trinidad Pacheco, of Arizona, to be Member of the National Security Education Board for a term of four years.

Eamon M. Kelly, of Louisiana, to be a Member of the National Security Education Board for a term of four years.

STATEMENT OF NOMINATION OF MANUEL TRINIDAD PACHECO

Mr. MCCAIN. Mr. President, I urge the Senate to confirm the nomination of Dr. Manuel Trinidad Pacheco to the National Security Education Board. Dr. Pacheco is a distinguished academic and educator and was appointed president of the University of Arizona in 1991. During his tenure, the University of Arizona's reputation for excellence has been enhanced and the University's commitment to language development has been strengthened. His leadership of the university has greatly benefited the student body as well as the State of Arizona, and I believe that he will make a major contribution to the work of the National Security Education Board.

Starting his career as a French and Spanish teacher in New Mexico high schools, Dr. Pacheco went on to become a lecturer at New Mexico Western University, assistant professor at Florida State University, and associate professor at the University of Colorado where he also served as coordinator of Mexican-American studies. Dr. Pacheco holds a Ph.D. in foreign language education from Ohio State University.

Before becoming president of the University of Arizona, Dr. Pacheco held several positions in university administration and educational planning. From 1972 to 1977, he was dean of the university and professor of education at Texas A & I University—now Laredo State University. Subsequently, he chaired the multicultural education department at San Diego State University, and then returned to Texas A & I as executive director of the Bilingual Education Center. In 1982, he was appointed associate dean of the College of

Education at the University of El Paso where he later become executive director for planning.

In 1984, after serving as the chief policy aide to the Governor of New Mexico, Dr. Pacheco was named president of Laredo State University. He became president of the University of Houston-Downtown in 1988.

Throughout his professional life, Dr. Pacheco has devoted himself to linguistic and bilingual education. He has published extensively in this area.

Dr. Pacheco is extremely well-qualified to serve on the National Education Security Board. His expertise, experience, and devotion to language education and public service will be an asset to the Board, and his proven leadership in this important area will directly contribute to the success of the Board's work. I strongly support Dr. Pacheco's nomination and urge my colleagues in the Senate to confirm him.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now return to legislative session.

APPOINTMENT BY PRESIDENT PRO TEMPORE OF ESCORT COMMITTEE

Mr. FORD. Mr. President, I ask unanimous consent that the Senate pro tempore be authorized to appoint a committee of Senators to join with a like committee on the part of the House of Representatives to escort the Prime Minister of the Republic of India to the House Chamber for the joint meeting to be held at 11 a.m. tomorrow, Wednesday, May 18, 1994.

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

NUTRITION LABELING AND EDUCATION ACT

Mr. FORD. Mr. President, I ask unanimous consent that the Labor and Human Resources Committee be discharged from further consideration of S. 2087, a bill to extend the time period for compliance with the Nutrition Labeling Education Act of 1990; that the Senate proceed to its immediate consideration; that the bill be amended by a substitute amendment, which I send to the desk on behalf of Senators BUMPERS and HATCH; and that the bill, as amended, be read a third time and passed; that the motion to reconsider be laid upon the table; and that any statements thereon appear in the RECORD at the appropriate place as though read.

The amendment (No. 1719) is as follows:

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

Before August 8, 1994, sections 403(q) and 403 (r)(2) of the Federal Food, Drug, and Cosmetic Act, and the provision of section 408(i) of such Act added by section 7(2) of the Nutrition Labeling and Education Act of 1990, shall not apply with respect to a food product which is contained in a package for which the label was printed before May 8, 1994 (or before August 8, 1994, in the case of a juice or milk food product if the person responsible for the labeling of such food product exercised due diligence in obtaining before such date labels which are in compliance with such sections 403(q) and 403(r)(2) and such provision of section 408(i)), if, before June 15, 1994, the person who introduces or delivers for introduction such food product into interstate commerce submits to the Secretary of Health and Human Services a certification that such person will comply with this section and will comply with such sections 403(q) and 403(r)(2) and such provision of section 408(i) after August 8, 1994.

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

So the bill (S. 2087), as amended, was deemed read the third time and passed.

(The text of S. 2087 will appear in a future edition of the RECORD.)

VIETNAM HUMAN RIGHTS DAY

Mr. FORD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on a joint resolution (S.J. Res. 168) designating May 11, 1994, as "Vietnam Human Rights Day."

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the resolution from the Senate (S.J. Res. 168) entitled "Joint Resolution designating May 11, 1994, as 'Vietnam Human Rights Day'", do pass with the following amendments:

Page 1, in the third clause of the preamble, strike out ", Dr. Nguyen Dan Que,".

Page 2, in the last clause of the preamble, strike out "including Dr. Nguyen Dan Que,".

Mr. FORD. Mr. President, I move that the Senate concur in the amendments of the House.

The motion was agreed to.

Mr. FORD. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. CHAFEE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MEASURE READ FOR THE FIRST TIME

Mr. FORD. Mr. President, I understand that S. 2122, relating to the financing of long-term care, introduced earlier today by Senator COHEN, is at the desk.

The PRESIDING OFFICER. The bill is at the desk and will be read for the first time.

The assistant legislative clerk read as follows.

A bill (S. 2122) to improve the public and private financing of long-term care and to strengthen a public safety net for elderly and nonelderly disabled individuals who lack adequate protection against long-term care expenses, and for other purposes.

Mr. FORD. Mr. President, I now ask for its second reading.

Mr. CHAFEE. Mr. President, on behalf of others, I object.

The PRESIDING OFFICER. Objection is heard. The bill will be read for a second time the next legislative day.

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

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

ORDERS FOR TOMORROW

Mr. FORD. Mr. President, on behalf of the majority leader, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 9 a.m., Wednesday, May 18; that, following the prayer, the Journal of proceedings be deemed approved to date, and the time for the two leaders be reserved for their use later in the day; that, immediately thereafter, the Senate resume consideration of S. 2019, the safe drinking water bill; further, that at 10:40 a.m., the Senate assemble as a body and proceed to the House of Representatives to meet with the House in a joint meeting to hear the address of the Prime Minister of India; and, that the Senate then recess until 12:15 p.m.

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

RECESS UNTIL TOMORROW AT 9 A.M.

Mr. FORD. Mr. President, I thank the Chair.

Mr. President, if there is no further business to come before the Senate today, and no Senator wishes to speak, I ask unanimous consent that the Senate stand in recess as previously ordered.

There being no objection, the Senate, at 7:28 p.m., recessed until tomorrow, Wednesday, May 18, 1994, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate May 17, 1994:

SUPREME COURT OF THE UNITED STATES

STEPHEN G. BREYER, OF MASSACHUSETTS, TO BE AN ASSOCIATE JUSTICE OF THE SUPREME COURT OF THE UNITED STATES, VICE HARRY A. BLACKMUN.

U.S. ARMS CONTROL AND DISARMAMENT AGENCY

MICHAEL NACHT, OF MARYLAND, TO BE AN ASSISTANT DIRECTOR OF THE U.S. ARMS CONTROL AND DISARMAMENT AGENCY, VICE LINTON F. BROOKS, RESIGNED.

AMY SANDS, OF CALIFORNIA, TO BE AN ASSISTANT DIRECTOR OF THE U.S. ARMS CONTROL AND DISARMAMENT AGENCY, VICE MANFRED EIMER.

LAWRENCE SCHEINMAN, OF NEW YORK, TO BE AN ASSISTANT DIRECTOR OF THE U.S. ARMS CONTROL AND DISARMAMENT AGENCY, VICE BRADLEY GORDON, RESIGNED.

FEDERAL LABOR RELATIONS AUTHORITY

PHYLLIS NICHAMOFF SEGAL, OF MASSACHUSETTS, TO BE A MEMBER OF THE FEDERAL LABOR RELATIONS AU-

THORITY FOR A TERM OF 5 YEARS EXPIRING JULY 1, 1999, VICE JEAN MCKEE, TERM EXPIRING.

IN THE COAST GUARD

PURSUANT TO THE PROVISIONS OF 14 U.S.C. 729, THE FOLLOWING-NAMED COMMANDERS OF THE COAST GUARD RESERVE TO BE PERMANENT COMMISSIONED OFFICERS IN THE COAST GUARD RESERVE IN THE GRADE OF CAPTAIN.

To be captain

ROGER K. WIEBUSCH
ANDREW J. MCDONOUGH
MICHAEL J. PERPER
MARY P. O'DONNELL
DAVID V. EDLING
GREGORY S. CHAPMAN
ROBERT K. ANDERSON
KENNETH M. NORRIS
SETH J. HUDAK
ROBERT W. MONTFORT

THE FOLLOWING INDIVIDUAL FOR APPOINTMENT AS A PERMANENT REGULAR COMMISSIONED OFFICER IN THE U.S. COAST GUARD IN THE GRADE OF COMMANDER.

To be commander

KAY L. HICKMAN

IN THE ARMY

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTIONS 601(A) AND 3034:

To be general

LT. GEN. JOHN H. TILELLI, JR. [redacted]

IN THE AIR FORCE

THE FOLLOWING OFFICERS FOR APPOINTMENT IN THE REGULAR AIR FORCE UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 531, WITH A VIEW TO DESIGNATION UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 8067, TO PERFORM DUTIES INDICATED WITH GRADE AND DATE OF RANK TO BE DETERMINED BY THE SECRETARY OF THE AIR FORCE PROVIDED THAT IN NO CASE SHALL THE FOLLOWING OFFICERS BE APPOINTED IN A HIGHER GRADE THAN THAT INDICATED.

MEDICAL CORPS

To be colonel

JERRY J. FOSTER [redacted]

To be lieutenant colonel

BRADLEY A. YODER, [redacted]

To be major

DAVID P. ARMSTRONG [redacted]
MIGUEL A. RAMIREZCOLON [redacted]
PETER T. WALSH [redacted]

DENTAL CORPS

To be lieutenant colonel

BARRETT W. BADER [redacted]
JAMES C. BROOME, JR. [redacted]
ROBERT M. GARRETT [redacted]
DEAN A. PFIRRMAN [redacted]

To be major

CORYDON L. DOERR [redacted]
JOHN R. EMBRY [redacted]
DANIEL C. HAMAN [redacted]
LYNN C. HARRIS [redacted]
SCOTT A. MAZANEC [redacted]
ALAN L. PEET [redacted]
JOE D. SPARKS [redacted]

THE FOLLOWING INDIVIDUALS FOR APPOINTMENT AS RESERVE OF THE AIR FORCE, IN GRADE INDICATED, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 593, WITH A VIEW TO DESIGNATION UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 8067, TO PERFORM THE DUTIES INDICATED.

MEDICAL CORPS

To be lieutenant colonel

DONALD B. BEAMON [redacted]
JACK W. CRAMER [redacted]
KARL E. LEE [redacted]

THE FOLLOWING AIR FORCE OFFICER FOR PERMANENT PROMOTION IN THE U.S. AIR FORCE, IN ACCORDANCE WITH TITLE 10, UNITED STATES CODE, SECTIONS 624 AND 1552, WITH DATE OF RANK TO BE DETERMINED BY THE SECRETARY OF THE AIR FORCE.

LINE OF THE AIR FORCE

To be lieutenant colonel

SANDRA D. GATLIN [redacted]

IN THE MARINE CORPS

THE FOLLOWING-NAMED OFFICERS OF THE MARINE CORPS RESERVE FOR PROMOTION TO THE PERMANENT GRADE OF COLONEL UNDER SECTION 5912 OF TITLE 10, UNITED STATES CODE:

JOHN B. ATKINSON, [redacted]
COLEMAN L. BENNETT, [redacted]
FERGUS P. BRIGGGS, [redacted]
MARK A. BULTMEMEIER, [redacted]
MARK F. CANCAIN, [redacted]
DAVID L. CARMICHAEL, [redacted]
LAWRENCE E. CARR III, [redacted]
JERE J. CARROLL, [redacted]
WILLIAM J. CAVENAUGH, [redacted]
LARRY L. CHAPMAN, [redacted]
JAMES P. COLLERY, [redacted]
MARTIN J. CONRAD, [redacted]
ROBERT S. DONAGHUE, [redacted]
JOHN A. DURANT, [redacted]
DANIEL C. FARINA, [redacted]
DAVID L. FERGUSON, [redacted]
JAMES D. FUGIT, [redacted]
DARRELL F. HALSE, [redacted]
JOHN A. HARP, [redacted]
DAVID P. HEIDENTHAL, [redacted]
KENNETH F. HERRINGTON III, [redacted]
COLLIS A. HOLLOWAY, [redacted]
FRANCIS A. JOHNSON III, [redacted]
JERRY K. JOHNSON, [redacted]
GEORGE C. LAKE, [redacted]
WESLEY F. MAY III, [redacted]
JOHN M. MCAFEE, [redacted]
ROBERT F. MCCULLOUGH, [redacted]
STEVEN C. MORGAN, [redacted]
JERROLD B. PETERSON, [redacted]
DAVID R. REEVES, [redacted]
STEPHEN M. RICH, [redacted]
SCOTT ROBERTSON, [redacted]
PATRICIA M. ROGERS, [redacted]
ROGER L. ROUSSEAU, [redacted]
ROBERT B. ST. CLAIR, [redacted]
JOHN C. SWANSON, [redacted]
JAMES B. TALLEY, JR., [redacted]
DAVID L. WARE, [redacted]
CORNELL A. WILSON, JR. [redacted]
JOHN F. WIRTZ, JR. [redacted]

IN THE NAVY

THE FOLLOWING-NAMED REAR ADMIRALS (LOWER HALF) OF THE RESERVE OF THE U.S. NAVY FOR PERMANENT PROMOTION TO THE GRADE OF REAR ADMIRAL IN THE LINE, AS INDICATED, PURSUANT TO THE PROVISION OF TITLE 10, UNITED STATES CODE, SECTION 5912:

UNRESTRICTED LINE OFFICER

To be rear admiral

REAR ADM. (LH) JAMES PAUL SCHEAR, [redacted] U.S. NAVAL RESERVE
REAR ADM. (LH) JOHN EARL TILL, [redacted] U.S. NAVAL RESERVE
REAR ADM. (LH) GEORGE DENNIS VAUGHAN, [redacted] U.S. NAVAL RESERVE

UNRESTRICTED LINE OFFICER (TRAINING AND ADMINISTRATION OF RESERVE)

To be rear admiral

REAR ADM. (LH) FRANCIS WILLIAM HARNESS, [redacted] U.S. NAVAL RESERVE

SPECIAL DUTY OFFICER (INTELLIGENCE)

To be rear admiral

REAR ADM. (LH) BRUCE ALLEN BLACK, [redacted] U.S. NAVAL RESERVE

THE FOLLOWING-NAMED AIR FORCE CADETS TO BE PERMANENT ENSIGN IN THE LINE OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTIONS 531 AND 541:

DALE C. HOOVER
JAMES D. MCCARTHY
JOB W. PRICE
DAVID C. SASSER

THE FOLLOWING-NAMED NAVAL RESERVE OFFICERS TRAINING CORPS PROGRAM CANDIDATES TO BE APPOINTED PERMANENT ENSIGN IN THE LINE OR STAFF CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

RAMON A. MALDONADO
ERIK B. MILCH
REGINALD RICHARDSON
ERIC B. SWENSON

THE FOLLOWING-NAMED NAVY ENLISTED COMMISSIONING PROGRAM CANDIDATES TO BE APPOINTED PERMANENT ENSIGN IN THE LINE OR STAFF CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

DAVID K. ANDERSON
ANTHONY A. BARGER
CHRISTOPHER J. BUDDE
WILLIAM D. CARROLL
CHARLES P. CONE
JERRY D. FOSTER, JR.
BRIAN E. JACKSON

THE FOLLOWING-NAMED DISTINGUISHED NAVAL GRADUATES TO BE APPOINTED PERMANENT ENSIGN IN THE LINE OR STAFF CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

DENNIS A. DAROCZY
AMY E. DERRICK
MARC P. GAGE
MICHAEL T. LONG
WILLIAM T. MILLS
JAMES P. NUNN
JAMES P. REYNOLD
JED L. VAN LOAN
KENNETH T. WILSON

THE FOLLOWING-NAMED MEDICAL COLLEGE GRADUATE TO BE APPOINTED PERMANENT COMMANDER IN THE MEDICAL CORPS OF THE U.S. NAVAL RESERVE, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 593:

JACK H. KLAUSEN

THE FOLLOWING-NAMED FORMER U.S. NAVAL RESERVE OFFICER TO BE APPOINTED PERMANENT COMMANDER IN THE MEDICAL CORPS OF THE U.S. NAVAL RESERVE, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 593:

PHILIP J. SHAVER

THE FOLLOWING-NAMED FORMER U.S. NAVY OFFICER TO BE APPOINTED PERMANENT COMMANDER IN THE MEDICAL CORPS OF THE U.S. NAVAL RESERVE, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 593:

ROBERT D. PUDER

THE FOLLOWING-NAMED U.S. NAVY OFFICER TO BE APPOINTED PERMANENT COMMANDER IN THE MEDICAL CORPS OF THE U.S. NAVAL RESERVE, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 593:

SCOTT M. BALDERSTON

CONFIRMATIONS

Executive nominations confirmed by the Senate May 17, 1994:

DEPARTMENT OF DEFENSE

JEFFREY K. HARRIS, OF NEW JERSEY, TO BE AN ASSISTANT SECRETARY OF THE AIR FORCE.

MANUEL TRINIDAD PACHECO, OF ARIZONA, TO BE A MEMBER OF THE NATIONAL SECURITY EDUCATION BOARD FOR A TERM OF 4 YEARS.

EAMON M. KELLY, OF LOUISIANA, TO BE A MEMBER OF THE NATIONAL SECURITY EDUCATION BOARD 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.

HOUSE OF REPRESENTATIVES—*Tuesday, May 17, 1994*

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

DESIGNATION OF SPEAKER PRO TEMPORE

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

WASHINGTON, DC,
May 17, 1994.

I hereby designate the Honorable TED STRICKLAND 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 Friday, February 11, 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 leaders limited to not to exceed 5 minutes.

The Chair recognizes the gentleman from Michigan [Mr. BONIOR] for 5 minutes.

TRIBUTE TO LEWIS PULLER, JR.

Mr. BONIOR. Mr. Speaker, I did not know Lewis Puller, Jr., very well. But you didn't have to know him well to be inspired by his courage and his bravery.

I think the reason that his death hit all of us so hard last week was because he—as much as anyone else—showed veterans that there is life after the Vietnam war.

He showed America that healing is possible.

For 25 years, after losing both legs and having his hands mangled by a landmine in Vietnam, after fighting against physical disabilities and alcoholism and drug dependency that resulted, he showed us that heroes are not heroes just for what they accomplish, but for what they inspire in others.

And his inspiration will live on long after the tributes and eulogies that have poured out the past week fade into the history books.

Mr. Speaker, before I came down here this morning, I was searching for the right words to express the courage with which Lewis Puller lived his life.

But then I realized it is impossible to come up with the right words, because any words will not match the eloquence with which he used to tell his own story in one of the best books published to date on the Vietnam war.

He did not write the book "Fortunate Son" in hopes of winning a Pulitzer Prize—although he did.

He wrote it in the hopes that by telling his story, he might be able to help other veterans come to grips with their own problems, to help families bind the wounds and move on, and rebuild their own lives.

In that book he wrote, "If I could now summon the courage to forgive my government, to forgive those whose views and actions concerning the war differed from mine and to forgive myself," he said, "I could perhaps * * * find the reason for which I had been spared, first in Vietnam, and then, a second time, from alcoholic death."

By finding it in himself to heal and move on, he helped heal a nation.

Mr. Speaker, I will never forget the last time I saw Lewis Puller.

It was at the Vietnam Veterans Memorial last Memorial Day.

We used to run into each other there a few times each year, usually on Veterans Day, or at a POW/MIA rally, and he always had a kind word to say.

Last year, when President Clinton was suffering through his first few months as Commander in Chief, Lewis volunteered to help.

He pressed the President to go to the wall with him and pay tribute to the men and women who gave their lives for this country.

I remember standing there that day, watching as boos and shouts came from many of the veterans assembled who were there that day.

And as the protest continued, Lewis Puller, who was sitting a few feet behind the President, among gathered dignitaries and others, looked out at the crowd, and without hesitation, pushed his wheelchair to the very front of the platform next to the President, and facing the crowd, absorbed every bit of the abuse until it subsided.

That same courage and commitment to healing led him, in the past year, to a much greater healing—between America and Vietnam.

As a director of the Vietnamese Memorial, he worked hard for reconciliation between our two countries, and helped conceive of a project to build a series of schools in the poorest province in Vietnam as a living memorial to the 2 million men, women, and children who died in that country.

He was on the verge of seeing the ground being broken when he left us last week.

For 25 years, he carried an overwhelming burden with strength, grace, and dignity. And it is that image that will sustain him long after this time is over.

Mr. Speaker, in a television interview in 1992, Lewis Puller was asked what he would say to God when he arrived in heaven.

He responded: "Lt. Lewis B. Puller, Jr., reporting for duty, Sir! I've already served my time in hell."

Heaven is a better place today, Mr. Speaker, and we are all the lesser for his having left us.

MORE SETBACKS FOR UNITED STATES POLICY IN HAITI

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

Mr. GOSS. Mr. Speaker, it is shaping up to be another bad week for United States policy in Haiti. The United Nations has granted the President's wish for a tougher embargo should the military leadership not step down by May 21. The clock is ticking—the pressure is building.

In usual form, the junta responded by throwing the threats back in the faces of White House policymakers; instead of turning over power, the military leaders appointed a new President—never mind that the duly elected President of Haiti they overthrew received 67 percent of the popular vote.

The State Department announced yesterday that regrettably, the Haitian refugee numbers are up. In fact, the Coast Guard has repatriated 586 Haitians since Friday—a weekend high not reached since 1992, a direct result of White House policies announced over a week ago.

Regrettably the predictions have come true. These sanctions are victimizing the very poorest in Haiti, forcing them into the sea to go into processing centers that do not exist.

The Coast Guard had no choice but to return the Haitians to Port-au-Prince. No third country has stepped forward to offer refuge. No processing centers have been set up on ships or elsewhere to deal wire asylum claims. The Coast Guard on the scene has no orders to implement a shipboard processing policy the President recently announced.

Now we learn that the Pentagon has leased, at a cost of $34,000 a day, a

Ukrainian cruise ship to serve as a processing center anchored nobody knows where.

If this three-ring policy circus did not have the potential to cause such damage and human misery it would be laughable. However, there is more than just the loss of American face at home and abroad to contend with. The President and his advisors have put this Nation on the slippery slope toward military intervention in Haiti—with a built-in crisis trigger at the May 21 deadline. I do not think any Member of Congress wants to have to explain to Americans why their loved ones are being sent to Haiti where their lives are at risk for an unclear mission with no clear-cut end-game strategy.

I have repeatedly offered the administration an alternative approach to the current stalemate in Haiti—a safe haven proposal designed to restore the rightful President to Haitian soil, to give refuge to Haitians fleeing political persecution, to facilitate the humanitarian aid process so desperately needed, and to allow for orderly visa processing in a safer environment.

All of this can be accomplished on Haitian soil on the 80-square-mile island of Gonave which lies 15 miles across the bay from Port-au-Prince. With one Coast Guard cutter the United States would be able to assist the international community in enhancing the natural defenses of the island without extensive or imprudent military commitment. With only 15 miles to travel, Haitian refugees would not have to risk life and limb in a 900-mile journey across the Straits of Florida.

It is all there: We solve the refugee problem, the Aristide problem, and keep American soldiers out of harm's way.

This week, as we consider the national defense authorization, I will offer two amendments dealing with Haiti. The first would cut off any DOD funding for the processing of refugee claims on the high seas. The President's proposal—which still lacks the details for implementation—is simply a bad idea and, as the reports already indicate, will only encourage more Haitians to risk their lives on the high seas.

In addition, I will offer an amendment supporting a safe haven on the island of Gonave.

Let me conclude by taking a moment to remind my colleagues what happened in Haiti in 1991. As an official observer for the 1991 Presidential elections, I watched the Haitian people take the most important step they have taken in the 200 tumultuous years since indpendence—the first faltering step toward democracy. In September 1991, this progress was halted by the military junta that ousted a President 67 percent of the Haitian people enthustically voted for. Today, we have the opportunity to help the Haitians recapture the spirit of the 1991 election. We cannot do it at the barrel of a gun. But, by encouraging return of their democratically elected President, by making it safe for them to stay on Haitian soil, by encouraging Haitians to work with Haitians to solve Haiti's problems in Haiti we might actually help them build elusive stability and democracy in their country.

Mr. Speaker, it does not have to be another bad week for United States policy in Haiti. We offer a good republican "safe haven" solution on behalf of America and on behalf of Haiti and on behalf of democracy.

□ 1040

LIVING IN THE PAST WITH THE INTERSTATE COMMERCE COMMISSION

The SPEAKER pro tempore (Mr. STRICKLAND). Under the Speaker's announced policy of February 11, 1994, the gentleman from Colorado [Mr. HEFLEY] is recognized during morning business for 5 minutes.

Mr. HEFLEY. Mr. Speaker, the spring issue of Audacity magazine has an article on Malcom McClean. He is the man who invented those intermodal containers that you see used on trains, trucks, and ships.

Here is a real self-made man with a high school education who works his way up from hauling dirt in a pickup truck to raising the world's standard of living. A story of triumph over adversity.

Unfortunately, those adversaries included the Federal Government. Listen to this quote:

> * * * his moves alarmed railroaders, who complained to the Interstate Commerce Commission. And the ICC responded by telling him he must choose between trucks and ships.

Here is a man poised to revolutionize an entire industry—and the ICC worked to stop him.

That, in a nutshell, is the problem with the Interstate Commerce Commission. The ICC does not protect consumers; it protects industries. It does not lower transportation costs; it raises them. And it does not protect communities from abandonment; it speeds the process up!

Last year, an amendment I offered came a handful of votes short of eliminating this unnecessary agency. Today, let me address several of the issues raised during that debate.

QUASI-GOVERNMENT

Mr. Speaker, some Members argue that the ICC's quasi-legislative, quasi-executive, quasi-judicial nature makes it more accountable.

I suggest this is a quasi-bad idea.

Unlike the executive branch, which is responsible to the President, the ICC is responsible only to a handful of powerful Representatives and Senators.

When something goes wrong in the executive branch, we blame the President. When something goes wrong with the ICC, who gets blamed?

When a President's policies fail, he gets fired. The chairman of the Energy and Commerce Committee will never lose an election due to his failed policies at the ICC.

That is not accountability, and that is why the ICC has managed to survive so long despite its questionable record.

UNDERCHARGE

Mr. Speaker, the filed rate doctrine and the related undercharge litigation are other ICC topics worth revisiting. Here is an explanation of both:

Imagine you bought a few hamburgers a week from the corner fast-food stand when you were younger and thinner. Now, years later, you receive a letter from a lawyer representing the creditors of that hamburger stand.

Apparently, the stand went broke since you stopped eating there, and the lawyer discovered that the owner violated Federal law by selling hamburgers below the price he listed with the Interstate Hamburger Commission.

Under Federal law, fast-food operators must file their hamburger prices with the IHC in order to protect consumers from discrimination and cutthroat competition. Since you consistently paid less than the filed rate, you inadvertently violated the law. Now the creditor's lawyer is demanding several thousand dollars that you owe her clients.

Sounds absurd, does it not? But substitute transportation for hamburgers and ICC for IHC and that is exactly what happened to thousands of shippers during the 1980's, when free markets ran head long into the archaic filed rate doctrine.

What is the cost? Congress spends about $40 million a year to run the ICC. Shippers are paying lawyers millions to settle undercharge claims. It costs American consumers billions to pay for the filed rate doctrine.

Those who support the ICC also support the filed rate doctrine. Chairman DINGELL argues that rates should be set in an open forum only available at the ICC. What he does not explain is why the ICC should set rates at all.

ABANDONMENTS

Mr. Speaker, when I offered an amendment to cut funding for the ICC last year, Chairman DINGELL claimed the author—that's me—does not know what the ICC does.

As an example of my ignorance, Chairman DINGELL cited the rail line abandonment duties of the ICC. He said, "The ICC can approve the abandonment of rail lines as long as 1,000 miles or longer."

"What would you do," he asked, "if rail service were to be abandoned in your district involving a single community or a number of communities?"

I would suggest that abandoned rail lines may have been a problem when

Congress was busy regulating our rail industry into oblivion, but since deregulation, contested abandonments have become the exception rather than the rule.

Look at the numbers. Formal abandonment filings averaged 155 requests affecting over 3,000 miles of track per year in the 1970's. In contrast, the last 4 years formal filings have averaged 16 per year, affecting only 500 miles per year.

What is more revealing is the number formal abandonment requests the ICC denies. Throughout the 1970's and 1980's, despite the filing of thousands of abandonments, the ICC only denied a few applications each year.

That number has declined in the 1990's to average one per year. What Chairman DINGELL's rhetoric described as huge areas "being affected by the closure of rail service upon which those communities are dependent" was, in the real world of 1993, one line totaling 1 mile.

Mr. DINGELL's point was that without an independent agency handling these cases, we cannot protect our communities from abandonments. As the record shows, ease of entry and exit into the rail industry is the best protection our communities have.

LIVING IN THE PAST

Mr. Speaker, every argument in support of the ICC details what the Commission was supposed to do—not what it actually accomplished. The words are tributes to a glorious age of price fixing and consumer protection that never existed.

The record is clear. Before deregulation, all the industries under the ICC's jurisdiction were in serious financial trouble. Since deregulation, those industries have rebounded with a vengeance.

The ICC is not only unnecessary, it is destructive and costly. This year, I again plan to offer an amendment to kill the ICC. I hope my colleagues will support it.

DR. ELDERS SHOULD RESIGN

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

Mr. WALKER. Mr. Speaker, our Surgeon General, Dr. Elders, was recently asked the following question. It was asked in this manner: This may not be germane, but it is close to it. Heart disease is the No. 1 killer in the United States, followed by all forms of cancer. Yet we are currently spending more money on AIDS research than either heart disease or cancer. Do you support shifting funds so that the Government spends the most money on the No. 1 killer rather than on the No. 9 killer?

Our Surgeon General, Dr. Elders, replied this way: "We know that AIDS is a ravaging disease in our country that is destroying our bright young people. We have not found the cure for this disease. We do not have a vaccine for this disease. The only thing we have is education and to try and treat them as best we can. I feel that if we do not find a vaccine, do not find a good drug, and if we do not educate our bright young people, Senator, we are going to lose our entire society. And I feel that we must continue to invest in trying to find a way to take care of this disease in our society. And as you know, most of the people who die with heart disease and cancer are our elderly population, you know, and we all will probably die with something sooner or later."

Mr. Speaker, no wonder the administration's health program sees nothing wrong with rationing health care to senior citizens through big government bureaucracies. Now we know where that attitude comes from.

Mr. Speaker, no wonder the Democratic chairman of the Committee on Ways and Means is talking about a massive restructuring of the Social Security Program, reducing benefits to middle-class elderly Americans. Now we know where that attitude comes from.

Mr. Speaker, evidently the Democrats have decided that the retired middle class are expendable, and now we know where that issue and that attitude come from.

Mr. Speaker, everyone in our society should be required to pay their fair share and carry their fair share, young and old, rich and poor. But singling out older Americans as expensive and expendable cannot be tolerated.

□ 1050

It is time for the President to ask Dr. Elders for her resignation.

A PROPOSED LETTER TO HONORABLE NEAL SMITH, CHAIRMAN OF APPROPRIATIONS SUBCOMMITTEE

The SPEAKER pro tempore (Mr. STRICKLAND). Under the Speaker's announced policy of February 11, 1994, the gentleman from New Mexico is recognized during morning business for 1 minute.

Mr. SCHIFF. Mr. Speaker, I rise to invite my colleagues on both sides of the aisle to cosign a letter with me to our colleague, the gentleman from Iowa [Mr. SMITH], who is the chairman of the Subcommittee on Commerce, Justice, State, and Judiciary of the Committee on Appropriations.

The purpose of this letter is to ask Mr. SMITH not to follow the administration's recommendations in the Justice Department's proposed budget that would actually reduce the number of Federal personnel devoted to fighting crime. In the administration's proposed budget, there is a recommendation to lose personnel in the criminal division of the Department of Justice, to lose permanent positions in the Drug Enforcement Administration and Federal Bureau of Investigation, and even in the number of criminal prosecutors in the U.S. attorneys' offices around the country. At the same time, the administration proposed increasing the number of personnel in the antitrust division.

Now, I have no opposition, of course, to prosecuting antitrust cases, but the President of the United States has very correctly and very strongly emphasized the need to prosecute the violent criminals in our society. And the President will not be able to do so without the tools to get that job done, both under the current law and under any new crime bill that we might pass.

Therefore, I urge my colleagues to join me in supporting a letter to Congressman SMITH that would say at the very least, "Don't cut the number of personnel devoted to criminal prosecution in the current fiscal year."

HEALTH CARE REFORM UPDATE

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

Mr. THOMAS of Wyoming. Mr. Speaker, I am disappointed to see that what has started, and properly started, as meaningful debate on how to reform the Nation's health care delivery system, it has turned into a political vehicle relating to the elections in 1994.

It has changed from efforts to strengthen the delivery system, which it surely needs, to one driven by political imperative to get something done, whether or not it is useful, but if it has political ramifications.

While Congress sits on the sidelines offering scaled-down versions of President Clinton's plan, Americans are either going without coverage or locked in often to a job for fear of losing coverage. The No. 1 fix Congress could make today to help millions of Americans is to prohibit being rejected by preexisting conditions.

This is not the only reform that Republicans and Democrats agree upon. We agree that self-employed business owners should be allowed to fully deduct the cost of health insurance premiums. We believe insurance companies must offer a basic benefit package for physician and hospital care, preventive and diagnostic care. We believe medical schools should place higher priority on primary care. We also believe that administrative paperwork could and should be reduced, and the costs therein being reduced as well.

I would hope we could reach consensus on some other reforms, such as antitrust barriers which would allow

small hospitals and doctors to work together to develop a delivery system in States like mine in Wyoming, where you have to move people to regional centers; to enact malpractice reform, tort reform, and allow small rural hospitals to downsize to emergency medical centers.

I realize that there are some differences on these issues that may require further debate, but these areas of disagreement do not preempt Congress from its responsibilities. If the majority is serious about health care reform, it should act now to deal with those issues upon which we can agree and which are practical to do.

Because support for the President's Government-run program has dropped, the majority is beginning to offer scaled-down versions. The proposals range from delaying price controls to limiting the size of businesses affected by employer mandates. But no one limits the involvement in the role of the Federal Government. Employer mandates, it seems to me, could be something that we should be and must be concerned about, even though they are offered at a very modest level. And Congress may say, "Well, it only affects a few, we will exempt businesses with 5 or 10 and pay subsidies." The fact is, once employer mandates are established, once employers are required to pay, you will see enacted in Congress each year legislation expanding the mandate, saying, "It doesn't cost a thing, taxpayers," and raising the contributions that are required from employers.

Each scaled-down version still establishes Government entities called health alliances to pool consumers, bargain with employers, and collect premiums. They each contain a national health board which would be in charge of one-seventh of this country's economy. And they each require the establishment of a national information system to collect health care data on every individual. These are not the changes that we need.

It is time Congress started listening to the American people. Their requests are practical and affordable. They do not want Government in charge of health care. They already see what happens when the Federal Government calls the shots—taxes go up, quality goes down, and choices are taken away.

Americans simply want to purchase coverage at an affordable price. They do not want to trade the problem of uninsurance for the problem of unemployment.

Americans want to be covered if they have a preexisting condition, and they want the flexibility of changing jobs and still keep their insurance. Most of all, they want the freedom to stay with the same insurance plan they have and see the same doctor they have seen all their lives.

It is time Congress honors these requests.

RECESS

The SPEAKER pro tempore. There being no further requests for morning business, pursuant to clause 12, rule I, the House will stand in recess until 12 noon.

Accordingly (at 10 o'clock and 56 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

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

O gracious God, You have created each person in Your divine image and given us the gift of life. Yet, we are created with distinctions and differences, with various ideas and backgrounds, and these contrasts can bring conflict and discord. May Your good spirit, O God, so lead and guide us that we will not only be tolerant of one another, but rather learn the positive values and the lasting benefits of respect and honor, of esteem and appreciation. Bless us and all Your people, this day and every day, we pray, Amen.

THE JOURNAL

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

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

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

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

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

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

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 238, nays 158, not voting 36, as follows:

[Roll No. 171]

YEAS—238

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

NAYS—158

Allard
Archer
Armey
Bachus (AL)
Baker (CA)
Baker (LA)
Ballenger
Barrett (NE)
Bartlett
Barton
Bentley
Bereuter
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bunning
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Clay
Coble
Cox
Crane
Crapo
Cunningham
DeLay
Díaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehlers
Emerson
Ewing
Fawell
Fields (TX)
Fowler
Franks (CT)
Franks (NJ)
Gallegly
Gallo
Gekas
Gilchrest
Gingrich
Goodlatte
Goodling

Goss	Livingston	Roukema
Grams	Manzullo	Royce
Gunderson	McCandless	Saxton
Hancock	McCrery	Schaefer
Hansen	McDade	Schiff
Hastert	McHugh	Schroeder
Hefley	McKeon	Sensenbrenner
Herger	McMillan	Shaw
Hobson	Meyers	Shays
Hoekstra	Mica	Shuster
Hoke	Michel	Skeen
Horn	Miller (FL)	Smith (MI)
Huffington	Molinari	Smith (TX)
Hunter	Moorhead	Snowe
Hutchinson	Morella	Solomon
Hyde	Murphy	Spence
Inhofe	Nussle	Stearns
Istook	Oxley	Stump
Jacobs	Packard	Sundquist
Johnson (CT)	Paxon	Talent
Johnson, Sam	Petri	Taylor (NC)
Kim	Porter	Thomas (CA)
King	Portman	Thomas (WY)
Kingston	Pryce (OH)	Torkildsen
Klug	Quillen	Upton
Knollenberg	Quinn	Vucanovich
Kolbe	Ramstad	Walker
Kyl	Ravenel	Walsh
Lazio	Regula	Weldon
Leach	Ridge	Wolf
Levy	Roberts	Young (AK)
Lewis (CA)	Rogers	Young (FL)
Lewis (FL)	Rohrabacher	Zeliff
Lightfoot	Ros-Lehtinen	Zimmer
Linder	Roth	

NOT VOTING—36

Andrews (TX)	Foglietta	Rush
Barlow	Ford (TN)	Santorum
Bevill	Grandy	Sharp
Brown (CA)	Greenwood	Smith (OR)
Brown (OH)	Hinchey	Stupak
Chapman	Hoyer	Taylor (MS)
de la Garza	Jefferson	Thompson
Derrick	Johnston	Tucker
Edwards (CA)	Kaptur	Velazquez
Engel	Machtley	Vento
English	Neal (NC)	Washington
Farr	Price (NC)	Wheat

□ 1225

So the Journal was approved.

The result of the vote was announced as above recorded.

PLEDGE OF ALLEGIANCE

The SPEAKER. The gentleman from Indiana [Mr. JACOBS] will please come forward and lead the House in the Pledge of Allegiance.

Mr. JACOBS 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.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2042. An act to remove the United States arms embargo of the Government of Bosnia and Herzegovina.

The message also announced that pursuant to sections 1928a–1928d, of title 22, United States Code, the Chair, on behalf of the Vice President, appoints Mr. SPECTER, Mr. GREGG, and Mr. BENNETT, as members of the Senate delegation to the North Atlantic Assembly Spring Meeting during the Second Session of the One Hundred Third Congress, to be held in Oslo, Norway, May 26–31, 1994.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, DC,
May 17, 1994.

Hon. THOMAS S. FOLEY,
The Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: I have the honor to transmit herewith a facsimile copy of the certificate of election from the Secretary of State, State of Oklahoma, indicating that, according to the official returns of the Special Election held on May 10, 1994, the Honorable Frank D. Lucas was elected to the office of Representative in Congress from the Sixth Congressional District, State of Oklahoma.

With great respect, I am

Sincerely yours,

DONNALD K. ANDERSON, Clerk,
U.S. House of Representatives.

OFFICE OF THE SECRETARY OF STATE, STATE OF OKLAHOMA, CERTIFICATE OF ELECTION FOR U.S. HOUSE OF REPRESENTATIVES

This is to certify that on May 10, 1994, Frank D. Lucas, was duly chosen by the qualified electors of the State of Oklahoma as United States Representative, District 6, from the State of Oklahoma to represent said State in the United States House of Representatives for the term beginning May 10, 1994 and ending January 2, 1995.

Witness: His excellency our Governor David Walters, and our seal hereto affixed at Oklahoma City, Oklahoma this 16th day of May, 1994.

By the Governor:

DAVID WALTERS,
Governor.
GLO HENLEY
Secretary of State.

OFFICIAL RETURNS DISTRICT 6, SPECIAL GENERAL ELECTION—MAY 10, 1994

Dan Webber Jr., Democrat of Okarche, 60,411 votes.

Frank D. Lucas, Republican of Cheyenne, 71,354 votes.

The foregoing is a true and correct compilation of the votes cast at the Special General Election, May 10, 1994, for the office of United States Representative, District 6.—Lance Ward, Secretary, State Election Board.

SWEARING IN OF THE HONORABLE FRANK D. LUCAS AS A MEMBER OF THE HOUSE OF REPRESENTATIVES

The SPEAKER. Will the Member-elect from Oklahoma, the Honorable FRANK D. LUCAS, please come forward, accompanied by members of the Oklahoma delegation?

Mr. LUCAS appeared at the bar of the House, and took the oath of office, as follows:

Do you solemnly swear that you will support and defend the Constitution of the United States against all enemies, foreign and domestic; that you will bear true faith and allegiance to the same; that you take this obligation freely, without any mental reservation or purpose of evasion, and that you will well and faithfully discharge the duties of the office on which you are about to enter. So help you God.

The SPEAKER. Congratulations. You are now a Member of the House of Representatives.

A WELCOME TO THE HONORABLE FRANK D. LUCAS AS A MEMBER OF THE HOUSE

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

Mr. INHOFE. Mr. Speaker, in case the Members wondered, those in the gallery over here, I believe, can be properly identified as being from Roger Mills County in western Oklahoma.

We are very proud today to present our newest Member of the Oklahoma delegation. There is quite a change that is taking place in Oklahoma, and I am sure we are all excited about that.

This makes our delegation in the House of Representatives from Oklahoma three Republicans and three Democrats. A short while ago, when I was elected, it was 5 and 1.

□ 1230

Roger Mills County is a very interesting place. It is a place that is rural America, and it is a place that has real down-to-earth values, and they are wonderful people. I wanted to say to my friends on this side of the aisle, however, it is registered 92 percent Democrat, and our Republican got 81 percent of that vote there.

I will say there was a registration drive that was very effective out there in Roger Mills County. Out of the 449 registered Republicans, he got 447 votes, and is still trying to figure out who the other 2 are. His closest town is Roll, OK, population of about 14 people. Not far away is Cheyenne, with 1,200 people and 1 stoplight. And we finally have someone who can rival the agriculture credentials of the gentleman from Kansas [Mr. ROBERTS].

Our newly elected Member graduated from Oklahoma State University with a degree in agriculture. He is a member of the Oklahoma Farm Bureau, the Oklahoma Cattlemen's Association, the Oklahoma Shorthorn Association, and is just really a great guy. He has a wife and three beautiful children who are here with him today.

So I am very proud to introduce to you an experienced businessman and effective State legislator, a strong Christian, who will bring the badly needed good, fundamental Oklahoma roots to the U.S. House of Representatives, our newest Member, the Honorable FRANK LUCAS.

EXPRESSION OF PLEASURE TO SERVE AS A MEMBER OF THE HOUSE OF REPRESENTATIVES

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

Mr. LUCAS. Mr. Speaker, Mr. INHOFE, Mr. ISTOOK, fellow Oklahoma delegation Members, and fellow Members, only 14 short weeks ago I started down this trail in a race to fulfill the unexpired term in the Sixth District of Oklahoma. Three elections later, I now have the privilege of standing before you, a part of this body, of this tremendous legislative body, I should say.

In all honesty, the things that compelled me to run for Congress were very similar things that made me run for and be elected to the State legislature in Oklahoma. When I came home from college a number of years ago to western Oklahoma and became reinvolved in my community and continued my farming business, I looked around and felt at that time that we could expect more of our State government. And being an idealistic soul, I charged off down the trail to do something about it, be it the concepts of reform, or being accountable to the taxpayers dollars, or with the effectiveness of government. Any my neighbors out there chose to send me to the State legislature.

Now, after having offered myself to them as their potential Congressman, they chose to send me to work among you, and I think no doubt probably on many of those same issues, striving for more ethical Government, striving for more reforms to make Government more efficient, trying to limit the Government's involvement in their lives, be it through their pocketbook or their purse, and I appreciate that.

Quite clearly, the last 4 months have been one of those intense periods of my life. I realize the challenges ahead that face me in my district are many and numerous. But with the interaction that I have had with you so far in my short period of time, I feel it is going to be a very rewarding experience and that together, we can do what is right for the Sixth District of Oklahoma, for Oklahoma in general, and for our Nation, and I thank you for your warm welcome and response.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair will limit 1-minute speeches to 15 on each side.

POLICY REGARDING NATIONAL HEALTH REFORM BILL

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

Mrs. MINK of Hawaii. Mr. Speaker, I thank the Speaker for giving us this opportunity this morning to call attention of not only this House but the people of America to the tremendous things that are occurring with reference to the shaping and formulating of policy in the national health reform bill.

The national health reform bill is pending before many committees of the House and the Senate, but it is moving forward very rapidly in the House Committee on Education and Labor, and particularly the Subcommittee on Labor Management chaired by the gentleman from Montana [Mr. WILLIAMS].

In the chair's mark are some significant advantages for health care. The advantages that we have made over and above what the President proposed in his bill are that we are going to cover mammograms without any deductibles or copayments for women below the age of 40 every 2 years and for women above 50 years of age every year. There will be annual clinical breast exams also. We will cover pap smears annually. There will be free family planning visits. And, more importantly, we will designate ob-gyn physicians as primary care providers. This is an enormous step forward.

We have to remember when we are talking about health care reform that we are going to affect the lives and the quality of life for millions of Americans, and we want to pay special attention to the need of women in America.

WAR ON THE WEST

(Mr. THOMAS of Wyoming asked and was given permission to revise and extend his remarks.)

Mr. THOMAS of Wyoming. Mr. Speaker, the administration continues its war on the West with Bruce Babbitt as its point man. The Federal Government has become a burden in all parts of the country. Too many regulations, excessive rules, and bureaucratic overkill. But imagine what it would be like if 50 percent, up to 85 percent, of your State belonged to the Federal Government? The issue is not parks or the issue is not forests that have been set aside for a special purpose and are properly managed that way.

The problem lies with residual lands, that were simply left there after the homesteading for no particular reason. Indeed, they were managed by BLN pending disposal, but are still being managed by BLN.

In order to have an economy in a Western State, you must be able to fold in multiple-use lands into your economic future, to develop jobs, and to develop tax base, and to have support for towns and schools, and to protect the environment.

The Babbitt attack seeks to restrict this multiple use. It affects grazing and land reform, it affects oil and coal and gas. And, Mr. Speaker, this needs to be changed so that we can develop an economy and a future for the West.

WOMEN'S HEALTH

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

Mrs. KENNELLY. Madam Speaker, for too long, the Federal Government ignored the health needs of women. Little research was done on diseases which afflicted women, and clinical trials of diseases which affected everyone often used only men as subjects.

But health care reform gives us the opportunity to help reverse the years of neglect. It gives us the opportunity to help the mothers, daughters, sisters, and wives whose health needs have previously been neglected.

By ensuring coverage of needed preventive and primary care services, we will make progress in the fight against many diseases. Early detection can mean the difference between life and death in the battle against breast cancer, cervical cancer, and heart disease. By guaranteeing this coverage, we give women the chance they need to live healthy lives.

Too many women have died because they could not afford a mammogram or a doctor. As a Nation—as a Congress—we cannot afford to let that happen any longer.

□ 1240

"A TO Z"

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

Mr. HERGER. Madam Speaker, promises, promises, promises. Our President has made a lot of promises to the American people. Unfortunately, he has not always kept them.

Remember when the President was trying desperately to buy support for his tax bill? He specifically promised to come back in September, look at the budget again, and cut more wasteful Government spending.

It is now time to hold the President to his word. We must pass legislation that cuts spending in all areas of the budget where there is waste. Let us implement the "A to Z" spending cut plan proposed by BOB ANDREWS and BILL ZELIFF. With this plan, Members could propose specific, line-item cuts, from "A to Z."

There would be no phony package deals. Each of the spending cuts would be subject to a roll call vote, and each Federal program would stand on its own merits.

The American people are demanding accountability from their leaders. I am ready to cast the tough votes to cut wasteful spending. I call upon my colleagues to join me in this historic effort.

EQUALITY IN HEALTH CARE

(Mrs. SCHROEDER asked and was given permission to address the House

for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Madam Speaker, universal health care coverage is critical to women who have difficulty qualifying for health insurance and are particularly at risk of losing it. Women are significantly more likely than men to be part-time, temporary, or seasonal employees. As a result, they are less likely to qualify for employer sponsored health plans, and are most vulnerable to losing their insurance through changes in employment and marital status.

However, universality is not enough. In order to provide full equality to women, health care reform must include equitable coverage for preventive health services, such as pap smears and mammographies. Full reproductive health services including abortion, family planning services, pregnancy-related care, and postreproductive care is also required to ensure a comprehensive system. This is not a political debate over mammography or abortion—rather it is the essence of health equity for women. It is only by covering the full range of our health care needs, that we will be treated as full citizens with equal access to the health care system.

THE SUPERLAWYER

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

Mr. HEFLEY. Madam Speaker, President Clinton has hired superlawyer Robert Bennett to defend him against charges of sexual harassment.

I wonder if Mr. Bennett will also defend the President's foreign policy.

If he could do that, Bennett would really be a superlawyer.

But let us face it, Madam Speaker. For many of the President's policies, there is no defense.

His foreign policy has been inconsistent, indecisive, weak, vacillating, mystifying, and maddening. He has sacrificed American leadership on the altar of domestic politics.

And the latest polls indicate the President has not impressed the public with his foreign policy efforts. In fact, 50 percent of the people do not trust the President to make the right call in international affairs.

Madam Speaker, the President has hired a superlawyer to defend him against sexual harassment charges. He needs more than a superlawyer to defend his foreign policy.

WOMEN AND CHILDREN'S HEALTH PROVISIONS IN HEALTH CARE REFORM

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

Mrs. MEEK of Florida. Madam Speaker, as the song goes: "I'm every woman," and I rise to offer my support for the health care provisions for women and children that Chairman Pat Williams has incorporated in the health care reform bill being drafted by his Education and Labor Subcommittee on Labor-Management Relations.

If the distinctive health care needs of women and children are neglected in health care reform, how can we dare call it universal? Without correcting the longstanding failure to recognize the health needs that are characteristic of women and those which are characteristic of children, how can we possibly call this legislation reform?

The benefits added in committee by Chairman WILLIAMS are essentially preventive or rehabilitative in nature. Preventive medicine has been called by all of us as the cost-effective approach to health care reform. It is also the most compassionate. It avoids a future of unnecessary suffering.

For women, it provides, among other services, reproductive health care and regular checkups for cancer. For children with chronic and congenital conditions, it provides for rehabilitation services.

Only by oversight, not by design, was this latter benefit left out of the administration's proposal. Only through inexplicable callousness could we fail to incorporate it in our final proposal to the President.

Madam Speaker, these are good proposals, seeking good outcomes, both in terms of fiscal responsibility and in the quality of life. I urge they remain intact in any final bill we draft.

Madam Speaker, "I'm every woman, and so are you."

SECOND THOUGHTS ABOUT CLINTON

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

Mr. BALLENGER. Madam Speaker, how do the American people feel about President Bill Clinton?

Well, according to the latest polls, not so good.

In fact, 50 percent of the people don't trust the President to make the right decision on foreign policy.

Indeed, in the latest election, the voters of Oklahoma voiced their disapproval of the President by voting against the Democrat in a Democrat-district by a wide margin.

The President's coattails are more like scorpion tails, deadly to all Democrats who do not run away fast enough.

I would like to extend my congratulations to our newest colleague, FRANK LUCAS.

He promoted the Republican message of less taxes, less government, and less spending. He was rewarded with a victory that must make the White House very nervous.

SERVICES FOR CHILDREN IN HEALTH REFORM

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

Ms. DELAURO. Madam Speaker, in the United States today, too many children live in poverty, our infant mortality rate is still too high, and children still are not properly vaccinated. And too many women do not get the health care and screening services that could save their lives.

We have the opportunity to help turn this around through health care reform. The plan the President sent to Congress takes a giant step in the right direction by providing for immunizations, mammograms, and pap smears in the preventive services portion of the guaranteed benefits package.

And now the Labor-Management Relations Subcommittee has made some important improvements for both women and children by expanding those benefits. Chairman WILLIAMS' plan would increase mammogram screening without copayments to every 2 years for women between ages 40 and 49, and every year for women age 50 and above. Pap smears would be available without copayments for women of childbearing age. And for children, outpatient rehabilitation services would be expanded to include coverage for children with chronic and congenital conditions.

Madam Speaker, I applaud the work of Chairman WILLIAMS' subcommittee and I strongly urge my colleagues to lend their support for comprehensive preventive health services for women and children in the final health care reform legislation.

EMPLOYER MANDATES MEAN LOST EMPLOYEE JOBS

(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. Madam Speaker, the American Chamber of Commerce recently polled its members on the various health care plans.

They asked their members about a Government-run health care plan, like the one proposed by President Clinton, one that would be paid for by more taxes on individuals, one that would be paid for with more taxes on businesses.

What did the Chamber members say? They resoundingly rejected the plan 87 percent to just 8 percent.

The people who know business best, the people who know what taxes mean to the economy, said "no" in a landslide.

The people who know, said "no," for a basic reason: employer mandates

mean lost employee jobs. In fact, over 1 million jobs are projected to be lost if the Clinton health plan passes.

The free lunch theory that only employers pay employer mandates is pure fantasy. The truth is everyone pays employer mandates. The employer pays on the balance sheet, the employee pays at the closed factory gate, and the consumer pays at the ringing cash register.

With the Clinton health care plan, everyone will pay and pay and pay.

IN SUPPORT OF REPRESENTATIVE PAT WILLIAMS' VERSION OF H.R. 3600

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

Mrs. UNSOELD. Madam Speaker, I want to commend Subcommittee Chairman PAT WILLIAMS of the Committee on Education and Labor for his outstanding universal health care plan. It is based on a simple principle: Every person in this Nation has the right to decent and affordable health care. While some Americans have always had access to such care, others have not.

It has been 3 years since the General Accounting Office [GAO] gave us the disturbing news that medical research was done mainly by men on men for men. This was compounded by reports that women received less aggressive treatment that men for heart disease and others serious illnesses. Since the release of that first GAO study, my Women's Caucus colleagues and I have been educating and advocating and fighting for equal attention to women's health.

As our country moves toward a comprehensive health care system, we feel this is our best shot at guaranteeing that women's health—of which reproductive health is a significant part—is treated equal to men's. How can we do this?—By ensuring that women have direct access to ob/gyns without referral from a gate keeper; by demanding that comprehensive reproductive health services are covered as standard services; and by requiring that women are covered for regular mammograms and pap smears.

In short, we can do this by passing the Williams bill. I hope you will join me in supporting this vital initiative to protect women's health and women's lives.

□ 1250

STATUTORILY MANDATED RTC OVERSIGHT HEARING IS 150 DAYS PAST DUE

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

Mr. HOKE. Madam Speaker, under rule of law, the House Banking Committee is required to hold an oversight hearing on the Resolution Trust Corporation 30 days after the release of the Thrift Depositor Protection Oversight Board's report on the activities of the RTC.

Although two oversight hearings are required each year, the last hearing took place in March of 1993. The committee should have held the next hearing in December of 1993 but that hearing was never scheduled.

It is now May 1994 and the statutorily mandated hearing is some 150 days behind schedule.

Madam Speaker, the end of this month marks the deadline for the next statutorily-mandated oversight hearing. We do not even have a precedent on how to proceed when one unscheduled statutorily-mandated hearing overlaps another unscheduled statutorily-mandated hearing.

This blatant circumvention of the law is one more symptom of the lack of disclosure surrounding what has become known as Whitewater and it highlights one of the reasons why the public holds Congress in such contempt.

Madam Speaker, it is the worst kind of hypocrisy when Members of Congress who write the law do not obey the law.

WOMEN'S HEALTH PROVISIONS

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

Ms. WOOLSEY. Madam Speaker, as a member of the Labor-Management Relations Subcommittee, I am extremely proud of the women's health provisions contained in the subcommittee's health care bill.

Our bill improves coverage of services that women urgently need such as mammograms, breast exams, and pap smears. Further it makes sure that the same benefits women now have in their private health care plans are maintained—including coverage of abortion, and direct access to OB–GYN providers—ensuring that the more than 7 million women who now visit their OB–GYN for primary care can continue to do so.

Make no mistake, Madam Speaker, if the final health care plan does not address women's health care needs, it will be a giant step backward for women.

I urge my colleagues on other committees considering health care legislation to follow the lead of the Labor-Management Relations Subcommittee and adopt similar provisions that will improve the health of the women of this Nation.

FOREIGN POLICY AND INDIA

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

Mr. BURTON of Indiana. Madam Speaker, President Clinton wants to improve his foreign policy image and I have a suggestion for him: Tomorrow in this Chamber the Prime Minister of India will be speaking to a joint session of Congress and the President will have an opportunity to talk with the Prime Minister of India.

Madam Speaker, right now in northwestern India in a place called Punjab, in a place called Kashmir, 1.1 million Indian troops are gang-raping women, torturing men, women and children, putting people in jail without just cause, without any due process of law, and horrible things go on day and night and it has been going on for years.

Madam Speaker, just recently a woman named Kanwar Singh Dhami in Punjab who was about 6 months pregnant was hung upside down by her heels for several hours until she had a miscarriage because her husband and she and her 6-year-old son believe in human rights, democracy, and freedom in Punjab. In Kashmir a wedding party consisting of the bride, the groom and a bunch of people was stopped, their bus was ransacked and the bride was gang-raped.

Madam Speaker, we need to tell the Prime Minister of India we will not tolerate those kinds of human rights abuses.

WOMEN'S HEALTH CARE REFORM

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

Mrs. LOWEY. Madam Speaker, health care reform is critical to the women of America. For far too long, our health has been neglected, and our families have suffered.

We face a historic opportunity to correct past inequities in women's health care—an opportunity we cannot afford to miss.

That is why I am so pleased to support the benefits package being considered by the Education and Labor Committee. My colleagues on that committee, including Congresswomen MINK, UNSOELD, WOOLSEY, and ENGLISH, and Chairman WILLIAMS, have worked hard to craft a package that will restore fairness and sensibility to women's health care. There can be no doubt that it will improve women's lives, and save health care dollars.

I want to note just some of the expanded provisions that are so important to women and their families:

Comprehensive mammography screening that will ensure women access to this vital service;

Annual PAP smears and pelvic exams with no cost sharing;

Family planning visit with no cost sharing;

Expanded coverage of contraceptive drugs and devices;

And improved benefits for our children.

Madam Speaker, the task before us is great. The potential benefits are tremendous. We must seize this opportunity to ensure health equity once and for all.

NEA CONTINUES WITH CONTROVERSIAL GRANTS

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

Mr. STEARNS. Madam Speaker, the new chairwoman of the National Endowment for the Arts, Jane Alexander, has awarded $78 million in new contracts from the NEA, but, my colleagues, I am concerned about two of the grants that were issued. NEA has granted tax dollars to two artists whose past projects have degraded Christianity and promoted illicit homosexual behavior.

Madam Speaker, I could go into detail of these past works of Holy Hughes and Tim Miller but suffice it to say that they used explicit sexual themes which were obscene.

These two performance artists even sued the NEA for rejecting their applications in the past but they are still receiving thousands of taxpayer dollars for their work.

Madam Speaker, the folks in Washington and New York may laugh and belittle those of us who oppose funding this type of art but the people beyond the Beltway know better and they will make their voices heard as they find out what kind of art our Government continues to fund.

WELCOME TO PRIME MINISTER RAO OF INDIA

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

Mr. HASTINGS. Madam Speaker, I rise today to welcome to Washington Prime Minister Rao of India. I look forward to attending the joint session which he will address tomorrow and to sharing with him my interest in closer relations between our two countries.

India, the world's largest democracy, has already established a free market economy. Their markets are open to foreign investment and their trade barriers have been slashed. India, with its burgeoning middle/consumer class, has outstanding potential for United States products and businesses.

Both the United States and India have, of late, forgotten why our two democracies have traditionally been close allies. I hope that Prime Minister Rao's visit will both remind us why we have been friends and illustrate how a closer future relationship will benefit both countries.

THE ADMINISTRATION'S FOREIGN POLICY

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

Mr. EWING. Madam Speaker, the candor of the Clinton administration on foreign policy concerns me.

Whom do we believe? Is the Clinton administration giving us the straight scoop?

Does the President want it both ways? While he supports U.N. control of our troops in foreign military operations, he also wants the American public, or some of them who have lost loved ones in U.N. operations, to think otherwise.

A local newspaper in my district on May 13 carried an Associated Press story which makes me skeptical and should concern every American.

The President, while meeting with relatives of soldiers killed in Somalia said he was surprised and angry that Army Rangers launched the ill-fated raid last fall.

His immediate reaction was, and I quote, "Why did they launch the raid?" But last fall at the time of the raid, the President called it a very successful mission and released a statement supporting U.N. policy and seeking Aidid's arrest.

Now, Madam Speaker, which way is it? My guess is the President wants it both ways.

THE PRESIDENT'S FOREIGN POLICY

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

Mr. JACOBS. Madam Speaker, there has been a lot of noise from a few frowning experts who find fault with the President's foreign policy. They say he is out of touch with the great bipartisan tradition.

Since that tradition more often than not was to kill our kids for points in the polls, Mr. Clinton can take pride in the criticism.

If his unwillingness to borrow money to borrow trouble in other peoples' wars is bad policy, then, to paraphrase the Lincoln story, we should get cases of that bad policy and send them to all of our Presidents.

THE PRESIDENT'S ROADMAP

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

Mr. LINDER. Madam Speaker, the President tried to provide the world a clear road map to his foreign policy during an international townhall meeting.

Unfortunately, according to the latest poll, most Americans believe the President is still lost. Some 53 percent disapprove of the way the President conducts his foreign policy, and an astonishing 48 percent do not trust him to make the right decision.

On the Clinton foreign policy map, there are so many U-turns, dead ends, forked crossings, and wrong ways, the people need more than a map to figure out where this President is going. They need a fortune teller.

Madam Speaker, why is it the President seems to have his map turned upside down when it comes to foreign affairs? Is it because he spends so little of his time and energy on this vital subject?

President Clinton may have a foreign policy road map, but most Americans wish he would pull over and ask for directions.

INNOCENT UNTIL PROVEN GUILTY

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

Mr. TRAFICANT. Madam Speaker, it may be mid-May but I want to talk about the Grinch that stole Christmas, the IRS.

In 1991, Charles Benjamin, a laid-off plumber in Pennsylvania, took tax exemptions for his 10 children like he is allowed to. The IRS said, "No way, Mr. Benjamin. No one in America these days can afford to have 10 kids. We don't believe it. Prove it."

Mr. Benjamin sent in their proof, Social Security cards, birth certificates, notarized records from the school system and they said, "That is not enough." They went to the bank and took $4,000 this man had, laid off, which was Christmas money and family money.

□ 1300

Ladies and gentlemen, this is out of control, and Congress should be ashamed of themselves.

When it was pressed, do you know what the IRS said? "Mr. Benjamin, prove it, prove it. We do not believe you."

Discharge petition No. 12 says whenever you go to court, Mr. Archer, for tax fraud or tax evasion, the burden of proof is on the Secretary. If it is good enough for the Son of Sam, it is good enough for Mr. Benjamin and his 10 kids.

Think about it.

HEED ADVICE FROM THE PEOPLE OF OKLAHOMA

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

Mr. BOEHNER. Madam Speaker and my colleagues, today we welcome FRANK LUCAS to the Chamber as our

newest Member from the Sixth District of Oklahoma.

The Sixth District of Oklahoma for the last 20 years has sent democrats to Washington. As a matter of fact, the district is a 2 to 1 Democrat majority district. It should not surprise a lot of people that they sent them.

Why did they send a Republican? Could it be they do not want higher taxes, larger government? Could it be they do not want national health care and the Government controlling their health care system? Perhaps they do not feel like they are getting their money's worth from their hard-earned tax dollars out of Washington back to their district.

I think the people of Oklahoma have made a wise decision. I think they have also sent a message to all of us in this Chamber that it is time the U.S. Congress listens clearly to the American people that do not want higher taxes and larger bureaucratic government.

We ought to heed their advice.

ANNOUNCING SPECIAL ORDER TONIGHT IN TRIBUTE TO THE HONORABLE WILLIAM NATCHER

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

Mr. MAZZOLI. Madam Speaker, on behalf of the Kentucky delegation, I take this moment to advise the House that tonight following legislative business we will have a special order to honor our late and revered colleague, the gentleman from Kentucky, Congressman William Natcher.

All of us know that Bill was in life a remarkable human being, a remarkable legislative leader, a great legislative tactician, but most of all, we know him as a courtly, genteel, gentlemanly person who graced this Chamber.

So those who are available to take part actually in the special order tonight are certainly welcome. Members who cannot be here, any statement will be happily received and made part of the RECORD.

But that special order on behalf of Congressman Natcher will be tonight following legislative business.

PASS SPENDING CUTS FROM A TO Z

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

Mr. KINGSTON. Madam Speaker, in private industry things work a little differently than they do in Congress.

Before being a Member of Congress, I sold business insurance, and if I told a customer that his premium was not going to go up over last year, that meant he was going to pay the same amount of money. But not so in Congress. In Congress, when we say there is no increase in spending, we simply mean there is not going to be as much of an increase as projected.

When we say there is going to be a cut, what we mean is there is going to be a decrease in the projected increase, not a real cut the way you and I think of a cut in our households or businesses.

There is a solution to change this foolishness, Madam Speaker, and that is the spending cuts of the A-to-Z plan. It will give Members of Congress a real chance for deficit reduction. It will give us a chance to vote on specific, enumerated spending cuts which will be a welcome breath of fresh air.

Let us pass spending cuts from A to Z.

WELCOMING INDIA'S PRIME MINISTER RAO TO WASHINGTON

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

Mr. FALEOMAVAEGA. Mr. Speaker, I want to take a few moments to comment on a historic event that will take place tomorrow in this Chamber.

As you know, the Prime Minister of India, the Honorable Narasimha Rao, will deliver the first joint-session address by an Indian leader in more than 9 years, and the first to address the Congress by any foreign dignitary during the Clinton administration.

In 1947, India became the world's largest democracy when it gained independence from Great Britain. During the first four decades of independence, the Government of India has tried to meet the needs of India's diverse cultures, an enormous population of approximately 885 million people now.

I realize India still faces serious problems with Pakistan over the nuclear issue, the problems with the Kashmir and Punjab provinces, but I believe Prime Minister Rao's visit to our country is part of the democratic process whereby our two governments will make every effort to resolve those differences and promote economic growth and prosperity which now approaches approximately $6 billion worth of trade between our two countries.

I know our colleagues join me in welcoming Prime Minister Rao to Washington, and we all look forward to hearing his vision of the future of United States-India relations.

A TO Z

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

Mr. BAKER of California. Mr. Speaker, one side says the budget deficit is the result of the same old "tax and spend." The other side says that the only alternative is to "borrow and spend." What is the common ingredient here? That is right—spending.

If we are serious about eliminating the budget deficit and restoring the people's confidence in Government, we must have the courage to cut wasteful spending. The "A-to-Z Spending Cuts Plan"—sponsored by Representative ROB ANDREWS and BILL ZELIFF—can give us the chance to make those cuts.

While business after business in America is slashing operating costs, cutting out unnecessary spending to be more competitive, the Federal budget continues its bloated ways. The "A-to-Z" plan will allow us to get at the outdated, inefficient or just plain worthless spending that is spread throughout our budget. By trimming the budget fat with targeted amendments, we can restore fiscal health to our country. Like America's leaner corporations, our Nation can become more competitive worldwide.

I urge everyone of my colleagues to support the "A-to-Z" plan. Let us bring this plan to the House floor so we can get serious about cutting wasteful spending.

BROWN VERSUS BOARD ANNIVERSARY SHOULD SPARK RACIAL DIALOG

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

Mr. LEWIS of Georgia. Mr. Speaker, the 40th anniversary of the Brown versus Board of Education decision commemorates one of the most crucial moments in the history of modern America.

I was 14 years old when the Supreme Court issued the Brown decision. For me and many others, the decision gave us a feeling of optimism and hope. The decision created the climate for a nonviolent civil rights movement. As a participant in that movement, I feel a deep sense of pride and accomplishment in how far we have come in these past 40 years.

And yet, 40 years after the Brown decision, I fear that many Americans have forgotten how important the battle against racism is to the overall health of our Nation's democracy.

There is a feeling that race is no longer a central issue. We do not talk about race in America anymore. We need to engage in a very serious dialog as a nation and as a people; a real debate and a major discussion on the issue of race. As a nation and as a people, we must continue to lay down the burden of race. As we move toward the 21st century, there is a need at the highest level of Government for our leaders to summon a national summit on race. We should say that we are one nation; one people; one house and one

family; the American house and the American family.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. MAZZOLI). The Chair would advise the gallery that our guests are welcome, and we are happy to have you here, but it is not permissible to take part or to demonstrate regarding debate on the House floor.

PRESIDENT'S DEFENSE BUDGET DESTROYING OUR NATIONAL SECURITY

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

Mr. HUNTER. Mr. Speaker, President Clinton's defense budget is destroying our national security.

We live in a very dangerous world with North Korea acquiring nuclear weapons; the Balkans continue to explode, there is massive death in Africa; China is attempting to take over the superpower status previously enjoyed by the Soviet Union, claiming most of the territory in the South China Sea; the former Soviet states are still unstable, and still possess nuclear weapons.

Against this backdrop of danger, President Clinton is massively cutting the national security budget of the United States. He is cutting about 1,600 young people out of uniform every week. We are cutting back combat aircraft to roughly 50 percent of what they were just a few years ago. We are stretching our operating tempo to the limits, and we are returning to the hollow forces of the 1970's.

□ 1310

The Republicans stand for a strong defense. In a day or so, when the Committee on Armed Services bill reaches the floor, we are going to try to bring this House to a consensus, to a logical consensus, that we need to invest more in defense if we are going to remain strong in this very dangerous world.

Democrats would be well advised to join us.

A COURT-ORDERED GOLD HEIST

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

Mr. REGULA. Mr. Speaker and my colleagues, today's Washington Post contains a story captioned "A Court-Ordered Gold Heist." It points out in the article that yesterday Secretary Babbitt signed a deed from the American people to a Canadian company for 1,950 acres in Nevada. The Canadian company paid less than $10,000 for the 1,950 acres, which is estimated to contain $10 billion worth of gold. What a bargain for this company but not for the taxpayers.

This is the result of the 1872 Mining Law, a law that is now more than 130 years old. This is a rip-off of the American taxpayer, a rip-off of the American people. If we could get mining reform, this would not happen.

The House Subcommittee on Interior Appropriations, in its bills, has for the past 4 years included a moratorium on issuing patents. This has passed the House, but unfortunately, it has been removed in conference. So the result is that the United States conveys this valuable, valuable acreage for a pittance because of the provisions in this antiquated law. What an outrage. The Mining Act needs reform in the worst kind of way.

APPOINTMENT OF ADDITIONAL CONFEREES ON HOUSE AMENDMENTS TO SENATE AMENDMENT TO H.R. 3355, VIOLENT CRIME CONTROL AND LAW ENFORCEMENT ACT OF 1994

The SPEAKER pro tempore (Mr. MAZZOLI). Without objection, the Chair appoints the following conferees on the House amendments to the Senate amendment to the bill (H.R. 3355) to control and prevent crime:

As additional conferees from the Committee on Agriculture, for consideration of sections 4601–08, 5105, and 5145 of the Senate amendment, and modifications committed to conference:

Messrs. DE LA GARZA, ROSE, STENHOLM, ROBERTS, and POMBO.

As additional conferees from the Committee on Banking, Finance and Urban Affairs, for consideration of sections 2201–04, 2301, and 4901–33 of the Senate amendment, and sections 1031(b), 1038, and 1099AA–1099CC of the House amendment, and modifications committed to conference:

Messrs. GONZALEZ, NEAL of North Carolina, VENTO, LEACH, and Mrs. ROUKEMA.

As additional conferees from the Committee on Education and Labor, for consideration of sections 631–33, 622(e), 662(f), 811–16, 921–28, 1121–50, 1331, 2801–03, 3261, 3263, 3311, 3341, 3351, 3361, 3381–83, 3501, 3707, 4001–09, 4301–04, 4701–02, 4801–09, 4901–4933, 5120, 5122, 5135, 5140, 5142–43, and 5147 of the Senate amendment, and sections 1010–26, 1030–34, 1038, 1051–52, 1065–71, 1081–96 1099A–1099G, 1099H–1099O, 1099P–1099T, 1606, 1610, 1653–54, 1902(e), 1902(f), 2201–02, 2701–39, 3061–62, 3089–90, of the House amendment, and modifications committed to conference:

Messrs. FORD of Michigan, KILDEE, MARTINEZ, GOODLING, and BALLENGER.

As additional conferees from the Committee on Energy and Commerce, for consideration of sections 1503–04, 1511–23, 1532, 1534–35, 1537, 1902(e), 3101–03, 3261, and 5166 of the Senate amendment, and sections 1010–26, 1041–44, 1606, 2901–03, and 3086 of the House amendment, and modifications committed to conference:

Mr. DINGEL, Mr. WAXMAN, Mrs. COLLINS of Illinois, Mr. MOORHEAD, and Mr. BLILEY.

Provided, Mr. OXLEY is appointed in lieu of Mr. BLILEY solely for the consideration of sections 1334, 1902(e). and 3101–03 of the Senate amendment and sections 2901–03 of the House amendment.

Provided, Mr. STEARNS is appointed in lieu of Mr. BLILEY solely for the consideration of section 3086 of the House amendment.

As additional conferees from the Committee on Government Operations, for consideration of sections 1353–54, 1535, and 5150 of the Senate amendment, and sections 1075–76 of the House amendment, and modifications committed to conference:

Messrs. WAXMAN, LANTOS, TOWNS, CLINGER, and MCCANDLESS.

Provided, Messrs. SPRATT and KYL are appointed in lieu of Messrs. WAXMAN and CLINGER solely for the consideration of sections 1535 and 5150 of the Senate amendment.

As additional conferees from the Committee on Merchant Marine and Fisheries, for consideration of sections 713–15, 4601–08, 5105, and 5145 of the Senate amendment, and modifications committed to conference:

Messrs. STUDDS, ORTIZ, HOCHBRUECKNER, FIELDS of Texas, and YOUNG of Alaska.

As additional conferees from the Committee on Natural Resources, for consideration of sections 3232–33, 4601–08, and 5145 of the Senate amendment and sections 1099U–1099Z of the House amendment, and modifications committed to conference:

Mr. MILLER of California, Mr. VENTO, Ms. SHEPHERD, Mr. YOUNG of Alaska, and Mrs. VUCANOVICH.

Provided, Ms. ENGLISH of Arizona is appointed in lieu of Ms. SHEPHERD solely for the consideration of sections 4601–08 of the Senate amendment.

Mr. HINCHEY is appointed in lieu of Ms. SHEPHERD solely for the consideration of sections 1099U–1099Z of the House amendment.

As additional conferees from the Committee on Post Office and Civil Service, for consideration of sections 1352 and 3371 of the Senate amendment, and modifications committed to conference:

Messrs. CLAY, MCCLOSKEY, Ms. NORTON, Mr. MYERS of Indiana, and Mrs. MORELLA.

As additional conferees from the Committee on Rules, for consideration of sections 1353–54 of the Senate amendment, and modifications committed to conference:

Messrs. MOAKLEY, DERRICK, BEILENSON, SOLOMON, and GOSS.

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As additional conferees from the Committee on Ways and Means, for consideration of sections 311(b), 1502, 1515–16, 1802, 4702(e)(1), 5102, and 5113 of the Senate amendment, and modifications committed to conference:

Messrs. ROSTENKOWSKI, GIBBONS, PICKLE, ARCHER, and CRANE.

There was no objection.

The SPEAKER pro tempore. The clerk will notify the Senate of the change in conferees.

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 the first two 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 at the end of legislative business today.

Additonal suspensions, to be considered later today, will have their votes postponed until tomorrow Wednesday, May 18, 1994.

TAX SIMPLIFICATION AND TECHNICAL CORRECTIONS ACT OF 1993

Mr. ROSTENKOWSKI. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3419) to simplify certain provisions of the Internal Revenue Code of 1986, and for other purposes, as amended.

The Clerk read as follows:

H.R. 3419

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

SECTION 1. SHORT TITLE, ETC.

(a) SHORT TITLE.—This Act may be cited as the "Tax Simplification and Technical Corrections Act of 1993".

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

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TITLE I—PROVISIONS RELATING TO INDIVIDUALS

Subtitle A—Provisions Relating to Rollover of Gain on Sale of Principal Residence

SEC. 101. MULTIPLE SALES WITHIN ROLLOVER PERIOD.

(a) GENERAL RULE.—

(1) Section 1034 (relating to rollover of gain on sale of principal residence) is amended by striking subsection (d).

(2) Paragraph (4) of section 1034(c) is amended to read as follows:

"(4) If the taxpayer, during the period described in subsection (a), purchases more than 1 residence which is used by him as his principal residence at some time within 2 years after the date of the sale of the old residence, only the first of such residences so used by him after the date of such sale shall constitute the new residence."

(3) Subsections (h)(1) and (k) of section 1034 are each amended by striking "(other than the 2 years referred to in subsection (c)(4))".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to sales of old residences (within the meaning of section 1034 of the Internal Revenue Code of 1986) after the date of the enactment of this Act.

SEC. 102. SPECIAL RULES IN CASE OF DIVORCE.

(a) IN GENERAL.—Subsection (c) of section 1034 is amended by adding at the end thereof the following new paragraph:

"(5) If—

"(A) a residence is sold by an individual pursuant to a divorce or marital separation, and

"(B) the taxpayer used such residence as his principal residence at any time during the 2-year period ending on the date of such sale,

for purposes of this section, such residence shall be treated as the taxpayer's principal residence at the time of such sale."

(b) EFFECTIVE DATES.—The amendment made by subsection (a) shall apply to sales of old residences (within the meaning of section 1034 of the Internal Revenue Code of 1986) after the date of the enactment of this Act.

Subtitle B—Other Provisions

SEC. 111. DE MINIMIS EXCEPTION TO PASSIVE LOSS RULES.

(a) GENERAL RULE.—Section 469 (relating to passive activity losses and credits limited) is amended—

(1) by striking subsection (m),

(2) by redesignating subsection (l) as subsection (m), and

(3) by inserting after subsection (k) the following new subsection:

"(l) DE MINIMIS EXCEPTION.—

"(1) IN GENERAL.—In the case of a natural person, subsection (a) shall not apply to the passive activity loss for any taxable year if the amount of such loss does not exceed $200.

"(2) EXCEPTION FOR ITEMS ATTRIBUTABLE TO PUBLICLY TRADED PARTNERSHIPS.—This subsection shall not apply to items treated separately under subsection (k) (and such items shall not be taken into account in determining whether paragraph (1) applies to the taxpayer for the taxable year with respect to other items).

"(3) ESTATES ELIGIBLE.—For purposes of this subsection, an estate shall be treated as a natural person with respect to any taxable year ending less than 2 years after the death of the decedent.

"(4) MARRIED INDIVIDUALS FILING SEPARATELY.—

"(A) IN GENERAL.—This subsection shall not apply to a taxpayer who—

"(i) is a married individual filing a separate return for the taxable year, and

"(ii) does not live apart from his spouse at all times during such taxable year.

"(B) LIMITATION.—Paragraph (1) shall be applied by substituting '$100' for '$200' in the case of a married individual who files a separate return for the taxable year and to whom this subsection applies after the application of subparagraph (A)."

(b) CONFORMING AMENDMENTS.—

(1) Subparagraph (C) of section 56(b)(1) is amended by striking clause (ii) and redesignating the following clauses accordingly.

(2) Subsection (b) of section 58 is amended by inserting "and" at the end of paragraph (1), by striking paragraph (2), and by redesignating paragraph (3) as paragraph (2).

(3) Paragraph (4) of section 163(d) is amended by striking subparagraph (E).

(4) Subsection (d) of section 163 is amended by striking paragraph (6).

(5) Subsection (h) of section 163 is amended by striking paragraph (5).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1993.

SEC. 112. PAYMENT OF TAX BY CREDIT CARD.

(a) GENERAL RULE.—Section 6311 is amended to read as follows:

"SEC. 6311. PAYMENT BY CHECK, MONEY ORDER, OR OTHER MEANS.

"(a) AUTHORITY TO RECEIVE.—It shall be lawful for the Secretary to receive for internal revenue taxes (or in payment for internal revenue stamps) checks, money orders, or any other commercially acceptable means that the Secretary deems appropriate, including payment by use of credit cards or debit cards, to the extent and under the conditions provided in regulations prescribed by the Secretary.

"(b) ULTIMATE LIABILITY.—If a check, money order, or other method of payment, including payment by credit card or debit card, so received is not duly paid, or is paid and subsequently charged back to the Secretary, the person by whom such check, or money order, or other method of payment has been tendered shall remain liable for the payment of the tax or for the stamps, and for all legal penalties and additions, to the same extent as if such check, money order, or other method of payment had not been tendered.

"(c) LIABILITY OF BANKS AND OTHERS.—If any certified, treasurer's, or cashier's check (or other guaranteed draft), or any money order, or any other means of payment that has been guaranteed by a financial institution (such as a credit card or debit card transaction which has been guaranteed expressly by a financial institution) so received is not duly paid, the United States shall, in addition to its right to exact payment from the party originally indebted therefor, have a lien for—

"(1) the amount of such check (or draft) upon all assets of the financial institution on which drawn,

"(2) the amount of such money order upon all the assets of the issuer thereof, or

"(3) the guaranteed amount of any other transaction upon all the assets of the institution making such guarantee,

and such amount shall be paid out of such assets in preference to any other claims whatsoever against such financial institution, issuer, or guaranteeing institution, except the necessary costs and expenses of administration and the reimbursement of the United States for the amount expended in the redemption of the circulating notes of such financial institution.

"(d) PAYMENT BY OTHER MEANS.—

"(1) AUTHORITY TO PRESCRIBE REGULATIONS.—The Secretary shall prescribe such regulations as the Secretary deems necessary to receive payment by commercially acceptable means, including regulations that—

"(A) specify which methods of payment by commercially acceptable means will be acceptable,

"(B) specify when payment by such means will be considered received,

"(C) identify types of nontax matters related to payment by such means that are to be resolved by persons ultimately liable for payment and financial intermediaries, without the involvement of the Secretary, and

"(D) ensure that tax matters will be resolved by the Secretary, without the involvement of financial intermediaries.

"(2) AUTHORITY TO ENTER INTO CONTRACTS.—Notwithstanding section 3718(f) of title 31, United States Code, the Secretary is authorized to enter into contracts to obtain services related to receiving payment by other means where cost beneficial to the Government and is further authorized to pay any fees required by such contracts.

"(3) SPECIAL PROVISIONS FOR USE OF CREDIT CARDS.—If use of credit cards is accepted as a method of payment of taxes pursuant to subsection (a)—

"(A) a payment of internal revenue taxes (or a payment for internal revenue stamps) by a person by use of a credit card shall not be subject to section 161 of the Truth-in-Lending Act (15 U.S.C. 1666), or to any similar provisions of State law, if the error alleged by the person is an error relating to the underlying tax liability, rather than an error relating to the credit card account such as a computational error or numerical transposition in the credit card transaction or an issue as to whether the person authorized payment by use of the credit card,

"(B) a payment of internal revenue taxes (or a payment for internal revenue stamps) shall not be subject to section 170 of the Truth-in-Lending Act (15 U.S.C. 1666i), or to any similar provisions of State law,

"(C) a payment of internal revenue taxes (or a payment for internal revenue stamps) by a person by use of a debit card shall not be subject to section 908 of the Electronic Fund Transfer Act (15 U.S.C. 1693f), or to any similar provisions of State law, if the error alleged by the person is an error relating to the underlying tax liability, rather than an error relating to the debit card account such as a computational error or numerical transposition in the debit card transaction or an issue as to whether the person authorized payment by use of the debit card,

"(D) the term 'creditor' under section 103(f) of the Truth-in-Lending Act (15 U.S.C. 1602(f)) shall not include the Secretary with respect to credit card transactions in payment of internal revenue taxes (or payment for internal revenue stamps), and

"(E) notwithstanding any other provision of law to the contrary, in the case of payment made by credit card or debit card transaction of an amount owed to a person as the result of the correction of an error under section 161 of the Truth-in-Lending Act (15 U.S.C. 1666) or section 908 of the Electronic Fund Transfer Act (15 U.S.C. 1693f), the Secretary is authorized to provide such amount to such person as a credit to that person's credit card or debit card account through the applicable credit card or debit card system.

"(e) CONFIDENTIALITY OF INFORMATION.—

"(1) IN GENERAL.—Except as otherwise authorized by this subsection, no person may use or disclose any information relating to credit or debit card transactions obtained pursuant to section 6103(k)(8) other than for purposes directly related to the processing of such transactions, or the billing or collection of amounts charged or debited pursuant thereto.

"(2) EXCEPTIONS.—

"(A) Debit or credit card issuers or others acting on behalf of such issuers may also use and disclose such information for purposes directly related to servicing an issuer's accounts.

"(B) Debit or credit card issuers or others directly involved in the processing of credit or debit card transactions or the billing or collection of amounts charged or debited thereto may also use and disclose such information for purposes directly related to—

"(i) statistical risk and profitability assessment;

"(ii) transferring receivables, accounts, or interest therein;

"(iii) auditing the account information;

"(iv) complying with Federal, State, or local law; and

"(v) properly authorized civil, criminal, or regulatory investigation by Federal, State, or local authorities.

"(3) PROCEDURES.—Use and disclosure of information under this paragraph shall be made only to the extent authorized by written procedures promulgated by the Secretary.

"(4) CROSS REFERENCE.—

"For provision providing for civil damages for violation of paragraph (1), see section 7431."

(b) CLERICAL AMENDMENT.—The table of sections for subchapter B of chapter 64 is amended by striking the item relating to section 6311 and inserting the following:

"Sec. 6311. Payment by check, money order, or other means."

(c) AMENDMENTS TO SECTIONS 6103 AND 7431 WITH RESPECT TO DISCLOSURE AUTHORIZATION.—

(1) Subsection (k) of section 6103 (relating to confidentiality and disclosure of returns and return information) is amended by adding at the end thereof the following new paragraph:

"(8) DISCLOSURE OF INFORMATION TO ADMINISTER SECTION 6311.—The Secretary may disclose returns or return information to financial institutions and others to the extent the Secretary deems necessary for the administration of section 6311. Disclosures of information for purposes other than to accept payments by checks or money orders shall be made only to the extent authorized by written procedures promulgated by the Secretary."

(2) Section 7431 (relating to civil damages for unauthorized disclosure of returns and return information) is amended by adding at the end thereof the following new subsection:

"(g) SPECIAL RULE FOR INFORMATION OBTAINED UNDER SECTION 6103(k)(8).—For purposes of this section, any reference to section 6103 shall be treated as including a reference to section 6311(e)."

(3) Section 6103(p)(3)(A) is amended by striking "or (6)" and inserting in lieu thereof "(6), or (8)".

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on the day 9 months after the date of the enactment of this Act.

SEC. 113. MODIFICATIONS TO ELECTION TO INCLUDE CHILD'S INCOME ON PARENT'S RETURN.

(a) ELIGIBILITY FOR ELECTION.—Clause (ii) of section 1(g)(7)(A) (relating to election to include certain unearned income of child on parent's return) is amended to read as follows:

"(ii) such gross income is more than the amount described in paragraph (4)(A)(ii)(I) and less than 10 times the amount so described,".

(b) COMPUTATION OF TAX.—Subparagraph (B) of section 1(g)(7) (relating to income included on parent's return) is amended—

(1) by striking "$1,000" in clause (i) and inserting "twice the amount described in paragraph (4)(A)(ii)(I)", and

(2) by amending subclause (II) of clause (ii) to read as follows:

"(II) for each such child, 15 percent of the lesser of the amount described in paragraph (4)(A)(ii)(I) or the excess of the gross income of such child over the amount so described, and".

(c) MINIMUM TAX.—Subparagraph (B) of section 59(j)(1) is amended by striking "$1,000" and inserting "twice the amount in effect for the taxable year under section 63(c)(5)(A)".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1993.

SEC. 114. SIMPLIFIED FOREIGN TAX CREDIT LIMITATION FOR INDIVIDUALS.

(a) GENERAL RULE.—Section 904 (relating to limitations on foreign tax credit) is amended by redesignating subsection (j) as subsection (k) and by inserting after subsection (i) the following new subsection:

"(j) SIMPLIFIED LIMITATION FOR CERTAIN INDIVIDUALS.—

"(1) IN GENERAL.—In the case of an individual to whom this subsection applies for any taxable year, the limitation of subsection (a) shall be the lesser of—

"(A) 25 percent of such individual's gross income for the taxable year from sources without the United States, or

"(B) the amount of the creditable foreign taxes paid or accrued by the individual during the taxable year (determined without regard to subsection (c)),

No taxes paid or accrued by the individual during such taxable year may be deemed paid or accrued in any other taxable year under subsection (c).

"(2) INDIVIDUALS TO WHOM SUBSECTION APPLIES.—This subsection shall apply to an individual for any taxable year if—

"(A) the entire amount of such individual's gross income for the taxable year from sources without the United States consists of qualified passive income,

"(B) the amount of the creditable foreign taxes paid or accrued by the individual during the taxable year does not exceed $200 ($400 in the case of a joint return), and

"(C) such individual elects to have this subsection apply for the taxable year.

"(3) DEFINITIONS.—For purposes of this subsection—

"(A) QUALIFIED PASSIVE INCOME.—The term 'qualified passive income' means any item of gross income if—

"(i) such item of income is passive income (as defined in subsection (d)(2)(A) without regard to clause (iii) thereof), and

"(ii) such item of income is shown on a payee statement furnished to the individual.

"(B) CREDITABLE FOREIGN TAXES.—The term 'creditable foreign taxes' means any taxes for which a credit is allowable under section 901; except that such term shall not include any tax unless such tax is shown on a payee statement furnished to such individual.

"(C) PAYEE STATEMENT.—The term 'payee statement' has the meaning given to such term by section 6724(d)(2).

"(D) ESTATES AND TRUSTS NOT ELIGIBLE.—This subsection shall not apply to any estate or trust."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1993.

SEC. 115. TREATMENT OF PERSONAL TRANSACTIONS BY INDIVIDUALS UNDER FOREIGN CURRENCY RULES.

(a) GENERAL RULE.—Subsection (e) of section 988 (relating to application to individuals) is amended to read as follows:

"(e) APPLICATION TO INDIVIDUALS.—

"(1) IN GENERAL.—The preceding provisions of this section shall not apply to any section 988 transaction entered into by an individual which is a personal transaction.

"(2) EXCLUSION FOR CERTAIN PERSONAL TRANSACTIONS.—If—

"(A) nonfunctional currency is disposed of by an individual in any transaction, and

"(B) such transaction is a personal transaction,

no gain shall be recognized for purposes of this subtitle by reason of changes in exchange rates after such currency was acquired by such individual and before such disposition. The preceding sentence shall not apply if the gain which would otherwise be recognized exceeds $200.

"(3) PERSONAL TRANSACTIONS.—For purposes of this subsection, the term 'personal transaction' means any transaction entered into by an individual, except that such term shall not include any transaction to the extent that expenses properly allocable to such transaction meet the requirements of section 162 or 212 (other than that part of section 212 dealing with expenses incurred in connection with taxes)."

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1992.

SEC. 116. EXPANDED ACCESS TO SIMPLIFIED INCOME TAX RETURNS.

(a) GENERAL RULE.—The Secretary of the Treasury or his delegate shall take such actions as may be appropriate to expand access to simplified individual income tax returns and to otherwise simplify the individual income tax returns, including—

(1) (if appropriate) allowing taxpayers who itemize deductions to file their return on Form 1040A, and

(2) removing or raising the taxable income limitations on taxpayers who may file Form 1040A.

(b) REPORT.—Not later than the date 1 year after the date of the enactment of this Act, the Secretary of the Treasury or his delegate shall submit a report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate, a report on his actions under subsection (a), together with such recommendations as he may deem advisable.

SEC. 117. TREATMENT OF CERTAIN REIMBURSED EXPENSES OF RURAL MAIL CARRIERS.

(a) IN GENERAL.—Section 162 (relating to trade or business expenses) is amended by redesignating subsection (o) as subsection (p) and by inserting after subsection (n) the following new subsection:

"(o) TREATMENT OF CERTAIN REIMBURSED EXPENSES OF RURAL MAIL CARRIERS.—

"(1) GENERAL RULE.—In the case of any employee of the United States Postal Service who performs services involving the collection and delivery of mail on a rural route and who receives qualified reimbursements for the expenses incurred by such employee for the use of a vehicle in performing such services—

"(A) the amount allowable as a deduction under this chapter for the use of a vehicle in performing such services shall be equal to the amount of such qualified reimbursements; and

"(B) such qualified reimbursements shall be treated as paid under a reimbursement or other expense allowance arrangement for purposes of section 62(a)(2)(A) (and section 62(c) shall not apply to such qualified reimbursements).

"(2) DEFINITION OF QUALIFIED REIMBURSEMENTS.—For purposes of this subsection, the term 'qualified reimbursements' means the amounts paid by the United States Postal Service to employees as an equipment maintenance allowance under the 1991 collective bargaining agreement between the United States Postal Service and the National Rural Letter Carriers' Association. Amounts paid as an equipment maintenance allowance by such Postal Service under later collective bargaining agreements that supersede the 1991 agreement shall be considered qualified reimbursements if such amounts do not exceed the amounts that would have been paid under the 1991 agreement, adjusted for changes in the Consumer Price Index (as defined in section 1(f)(5)) since 1991."

(b) TECHNICAL AMENDMENT.—Section 6008 of the Technical and Miscellaneous Revenue Act of 1988 is hereby repealed.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1992.

SEC. 118. EXCLUSION OF COMBAT PAY FROM WITHHOLDING LIMITED TO AMOUNT EXCLUDABLE FROM GROSS INCOME.

(a) IN GENERAL.—Paragraph (1) of section 3401(a) (defining wages) is amended by inserting before the semicolon the following: "to the extent remuneration for such service is excludable from gross income under such section".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to remuneration paid after December 31, 1994.

TITLE II—PENSION SIMPLIFICATION

Subtitle A—Simplified Distribution Rules

SEC. 201. REPEAL OF 5-YEAR INCOME AVERAGING FOR LUMP-SUM DISTRIBUTIONS.

(a) IN GENERAL.—Subsection (d) of section 402 (relating to taxability of beneficiary of employees' trust) is amended to read as follows:

"(d) TAXABILITY OF BENEFICIARY OF CERTAIN FOREIGN SITUS TRUSTS.—For purposes of subsections (a), (b), and (c), a stock bonus, pension, or profit-sharing trust which would qualify for exemption from tax under section 501(a) except for the fact that it is a trust created or organized outside the United States shall be treated as if it were a trust exempt from tax under section 501(a)."

(b) CONFORMING AMENDMENTS.—

(1) Subparagraph (D) of section 402(e)(4) (relating to other rules applicable to exempt trusts) is amended to read as follows:

"(D) LUMP-SUM DISTRIBUTION.—For purposes of this paragraph—

"(i) IN GENERAL.—The term 'lump sum distribution' means the distribution or payment within one taxable year of the recipient of the balance to the credit of an employee which becomes payable to the recipient—

"(I) on account of the employee's death,

"(II) after the employee attains age 59½,

"(III) on account of the employee's separation from service, or

"(IV) after the employee has become disabled (within the meaning of section 72(m)(7)),

from a trust which forms a part of a plan described in section 401(a) and which is exempt from tax under section 501 or from a plan described in section 403(a). Subclause (III) of this clause shall be applied only with respect to an individual who is an employee without regard to section 401(c)(1), and subclause (IV) shall be applied only with respect to an employee within the meaning of section 401(c)(1). For purposes of this clause, a distribution to two or more trusts shall be treated as a distribution to one recipient. For purposes of this paragraph, the balance to the credit of the employee does not include the accumulated deductible employee contributions under the plan (within the meaning of section 72(o)(5)).

"(ii) AGGREGATION OF CERTAIN TRUSTS AND PLANS.—For purposes of determining the balance to the credit of an employee under clause (i)—

"(I) all trusts which are part of a plan shall be treated as a single trust, all pension plans maintained by the employer shall be treated as a single plan, all profit-sharing plans maintained by the employer shall be treated as a single plan, and all stock bonus plans maintained by the employer shall be treated as a single plan, and

"(II) trusts which are not qualified trusts under section 401(a) and annuity contracts which do not satisfy the requirements of section 404(a)(2) shall not be taken into account.

"(iii) COMMUNITY PROPERTY LAWS.—The provisions of this paragraph shall be applied without regard to community property laws.

"(iv) AMOUNTS SUBJECT TO PENALTY.—This paragraph shall not apply to amounts described in subparagraph (A) of section 72(m)(5) to the extent that section 72(m)(5) applies to such amounts.

"(v) BALANCE TO CREDIT OF EMPLOYEE NOT TO INCLUDE AMOUNTS PAYABLE UNDER QUALIFIED DOMESTIC RELATIONS ORDER.—For purposes of this paragraph, the balance to the credit of an employee shall not include any amount payable to an alternate payee under a qualified domestic relations order (within the meaning of section 414(p)).

"(vi) TRANSFERS TO COST-OF-LIVING ARRANGEMENT NOT TREATED AS DISTRIBUTION.—For purposes of this paragraph, the balance to the credit of an employee under a defined contribution plan shall not include any amount transferred from such defined contribution plan to a qualified cost-of-living arrangement (within the meaning of section 415(k)(2)) under a defined benefit plan.

"(vii) LUMP-SUM DISTRIBUTIONS OF ALTERNATE PAYEES.—If any distribution or payment of the balance to the credit of an employee would be treated as a lump-sum distribution, then, for purposes of this paragraph, the payment under a qualified domestic relations order (within the meaning of section 414(p)) of the balance to the credit of an alternate payee who is the spouse or former spouse of the employee shall be treated as a lump-sum distribution. For purposes of this clause, the balance to the credit of the alternate payee shall not include any amount payable to the employee."

(2) Section 402(c) (relating to rules applicable to rollovers from exempt trusts) is amended by striking paragraph (10).

(3) Paragraph (1) of section 55(c) (defining regular tax) is amended by striking "shall not include any tax imposed by section 402(d) and".

(4) Paragraph (8) of section 62(a) (relating to certain portion of lump-sum distributions from pension plans taxed under section 402(d)) is hereby repealed.

(5) Section 401(a)(28)(B) (relating to coordination with distribution rules) is amended by striking clause (v).

(6) Subparagraph (B)(ii) of section 401(k)(10) (relating to distributions that must be lump-sum distributions) is amended to read as follows:

"(ii) LUMP-SUM DISTRIBUTION.—For purposes of this subparagraph, the term 'lump-sum distribution' means any distribution of the balance to the credit of an employee immediately before the distribution."

(7) Section 406(c) (relating to termination of status as deemed employee not to be treated as separation from service for purposes of limitation of tax) is hereby repealed.

(8) Section 407(c) (relating to termination of status as deemed employee not to be treated as separation from service for purposes of limitation of tax) is hereby repealed.

(9) Section 691(c) (relating to deduction for estate tax) is amended by striking paragraph (5).

(10) Paragraph (1) of section 871(b) (relating to imposition of tax) is amended by striking "section 1, 55, or 402(d)(1)" and inserting "section 1 or 55".

(11) Subsection (b) of section 877 (relating to alternative tax) is amended by striking "section 1, 55, or 402(d)(1)" and inserting "section 1 or 55".

(12) Section 4980A(c)(4) is amended—

(A) by striking "to which an election under section 402(d)(4)(B) applies" and inserting "(as defined in section 402(e)(4)(D)) with respect to which the individual elects to have this paragraph apply",

(B) by adding at the end the following new flush sentence:

"An individual may elect to have this paragraph apply to only one lump-sum distribution.", and

(C) by striking the heading and inserting:

"(4) SPECIAL ONE-TIME ELECTION.—".

(13) Section 402(e) is amended by striking paragraph (5).

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years beginning after December 31, 1993.

(2) RETENTION OF CERTAIN TRANSITION RULES.—Notwithstanding any other provision of this section, the amendments made by this section shall not apply to any distribution for which the taxpayer elects the benefits of section 1122 (h)(3) or (h)(5) of the Tax Reform Act of 1986. For purposes of the preceding sentence, the rules of sections 402(c)(10) and 402(d) of the Internal Revenue Code of 1986 (as in effect before the amendments made by this Act) shall apply.

SEC. 202. REPEAL OF $5,000 EXCLUSION OF EMPLOYEES' DEATH BENEFITS.

(a) IN GENERAL.—Subsection (b) of section 101 is hereby repealed.

(b) CONFORMING AMENDMENT.—Subsection (c) of section 101 is amended by striking "subsection (a) or (b)" and inserting "subsection (a)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1993.

SEC. 203. SIMPLIFIED METHOD FOR TAXING ANNUITY DISTRIBUTIONS UNDER CERTAIN EMPLOYER PLANS.

(a) GENERAL RULE.—Subsection (d) of section 72 (relating to annuities; certain proceeds of endowment and life insurance contracts) is amended to read as follows:

"(d) SPECIAL RULES FOR QUALIFIED EMPLOYER RETIREMENT PLANS.—

"(1) SIMPLIFIED METHOD OF TAXING ANNUITY PAYMENTS.—

"(A) IN GENERAL.—In the case of any amount received as an annuity under a qualified employer retirement plan—

"(i) subsection (b) shall not apply, and

"(ii) the investment in the contract shall be recovered as provided in this paragraph.

"(B) METHOD OF RECOVERING INVESTMENT IN CONTRACT.—

"(i) IN GENERAL.—Gross income shall not include so much of any monthly annuity payment under a qualified employer retirement plan as does not exceed the amount obtained by dividing—

"(I) the investment in the contract (as of the annuity starting date), by

"(II) the number of anticipated payments determined under the table contained in clause (iii) (or, in the case of a contract to which subsection (c)(3)(B) applies, the number of monthly annuity payments under such contract).

"(ii) CERTAIN RULES MADE APPLICABLE.—Rules similar to the rules of paragraphs (2) and (3) of subsection (b) shall apply for purposes of this paragraph.

"(iii) NUMBER OF ANTICIPATED PAYMENTS.—

"If the age of the primary annuitant on the annuity starting date is:	The number of anticipated payments is:
Not more than 55	300
More than 55 but not more than 60	260
More than 60 but not more than 65	240
More than 65 but not more than 70	170
More than 70	120

"(C) ADJUSTMENT FOR REFUND FEATURE NOT APPLICABLE.—For purposes of this paragraph, investment in the contract shall be determined under subsection (c)(1) without regard to subsection (c)(2).

"(D) SPECIAL RULE WHERE LUMP SUM PAID IN CONNECTION WITH COMMENCEMENT OF ANNUITY PAYMENTS.—If, in connection with the commencement of annuity payments under any qualified employer retirement plan, the taxpayer receives a lump sum payment—

"(i) such payment shall be taxable under subsection (e) as if received before the annuity starting date, and

"(ii) the investment in the contract for purposes of this paragraph shall be determined as if such payment had been so received.

"(E) EXCEPTION.—This paragraph shall not apply in any case where the primary annuitant has attained age 75 on the annuity starting date unless there are fewer than 5 years of guaranteed payments under the annuity.

"(F) ADJUSTMENT WHERE ANNUITY PAYMENTS NOT ON MONTHLY BASIS.—In any case where the annuity payments are not made on a monthly basis, appropriate adjustments in the application of this paragraph shall be made to take into account the period on the basis of which such payments are made.

"(G) QUALIFIED EMPLOYER RETIREMENT PLAN.—For purposes of this paragraph, the term 'qualified employer retirement plan' means any plan or contract described in paragraph (1), (2), or (3) of section 4974(c).

"(2) TREATMENT OF EMPLOYEE CONTRIBUTIONS UNDER DEFINED CONTRIBUTION PLANS.—For purposes of this section, employee contributions (and any income allocable thereto) under a defined contribution plan may be treated as a separate contract."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply in cases where the annuity starting date is after December 31, 1993.

SEC. 204. REQUIRED DISTRIBUTIONS.

(a) IN GENERAL.—Section 401(a)(9)(C) (defining required beginning date) is amended to read as follows:

"(C) REQUIRED BEGINNING DATE.—For purposes of this paragraph—

"(i) IN GENERAL.—The term 'required beginning date' means April 1 of the calendar year following the later of—

"(I) the calendar year in which the employee attains age 70½, or

"(II) the calendar year in which the employee retires.

"(ii) EXCEPTION.—Subclause (II) of clause (i) shall not apply—

"(I) except as provided in section 409(d), in the case of an employee who is a 5-percent owner (as defined in section 416) with respect to the plan year ending in the calendar year in which the employee attains age 70½, or

"(II) for purposes of section 408 (a)(6) or (b)(3).

"(iii) ACTUARIAL ADJUSTMENT.—In the case of an employee to whom clause (i)(II) applies who retires in a calendar year after the calendar year in which the employee attains age 70½, the employee's accrued benefit shall be actuarially increased to take into account the period after age 70½ in which the employee was not receiving any benefits under the plan.

"(iv) EXCEPTION FOR GOVERNMENTAL AND CHURCH PLANS.—Clauses (ii) and (iii) shall not apply in the case of a governmental plan or church plan. For purposes of this clause, the term 'church plan' means a plan maintained by a church for church employees, and the term 'church' means any church (as defined in section 3121(w)(3)(A)) or qualified church-controlled organization (as defined in section 3121(w)(3)(B)).."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to years beginning after December 31, 1993.

Subtitle B—Increased Access to Pension Plans

SEC. 211. MODIFICATIONS OF SIMPLIFIED EMPLOYEE PENSIONS.

(a) INCREASE IN NUMBER OF ALLOWABLE PARTICIPANTS FOR SALARY REDUCTION ARRANGEMENTS.—Section 408(k)(6)(B) is amended by striking "25" each place it appears in the text and heading thereof and inserting "100".

(b) REPEAL OF PARTICIPATION REQUIREMENT.—Section 408(k)(6)(A) is amended by striking clause (ii) and by redesignating clauses (iii) and (iv) as clauses (ii) and (iii), respectively.

(c) CONFORMING AMENDMENTS.—Clause (ii) of section 408(k)(6)(C) and clause (ii) of section 408(k)(6)(F) are each amended by striking "subparagraph (A)(iii)" and inserting "subparagraph (A)(ii)".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 1993.

SEC. 212. TAX EXEMPT ORGANIZATIONS ELIGIBLE UNDER SECTION 401(k).

(a) GENERAL RULE.—Subparagraph (B) of section 401(k)(4) is amended to read as follows:

"(B) STATE AND LOCAL GOVERNMENTS NOT ELIGIBLE.—A cash or deferred arrangement shall not be treated as a qualified cash or deferred arrangement if it is part of a plan maintained by a State or local government or political subdivision thereof, or any agency or instrumentality thereof. This subparagraph shall not apply to a rural cooperative plan."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to plan years beginning after December 31, 1993, but shall not apply to any cash or deferred arrangement to which clause (i) of section 1116(f)(2)(B) of the Tax Reform Act of 1986 applies.

SEC. 213. DUTIES OF SPONSORS OF CERTAIN PROTOTYPE PLANS.

(a) IN GENERAL.—The Secretary of the Treasury may, as a condition of sponsorship, prescribe rules defining the duties and responsibilities of sponsors of master and prototype plans, regional prototype plans, and other Internal Revenue Service preapproved plans.

(b) DUTIES RELATING TO PLAN AMENDMENT, NOTIFICATION OF ADOPTERS, AND PLAN ADMINISTRATION.—The duties and responsibilities referred to in subsection (a) may include—

(1) the maintenance of lists of persons adopting the sponsor's plans, including the updating of such lists not less frequently than annually,

(2) the furnishing of notices at least annually to such persons and to the Secretary or his delegate, in such form and at such time as the Secretary shall prescribe,

(3) duties relating to administrative services to such persons in the operation of their plans, and

(4) other duties that the Secretary considers necessary to ensure that—

(A) the master and prototype, regional prototype, and other preapproved plans of adopting employers are timely amended to meet the requirements of the Internal Revenue Code of 1986 or of any rule or regulation of the Secretary, and

(B) adopting employers receive timely notification of amendments and other actions taken by sponsors with respect to their plans.

Subtitle C—Nondiscrimination Provisions

SEC. 221. DEFINITION OF HIGHLY COMPENSATED EMPLOYEES.

(a) IN GENERAL.—Paragraph (1) of section 414(q) (defining highly compensated employee) is amended to read as follows:

"(1) IN GENERAL.—The term 'highly compensated employee' means any employee who—

"(A) was a 5-percent owner at any time during the year or the preceding year, or

"(B) had compensation for the preceding year from the employer in excess of $50,000.

The Secretary shall adjust the $50,000 amount under subparagraph (B) at the same time and in the same manner as under section 415(d)."

(b) SPECIAL RULE WHERE NO EMPLOYEES TREATED AS HIGHLY COMPENSATED.—Paragraph (2) of section 414(q) is amended to read as follows:

"(2) SPECIAL RULE IF NO EMPLOYEE DESCRIBED IN PARAGRAPH (1).—If no employee is treated as a highly compensated employee under paragraph (1), the highest paid officer for the year shall be treated as a highly compensated employee."

(c) TREATMENT OF FAMILY MEMBERS.—Paragraph (6) of section 414(q) is hereby repealed.

(d) CONFORMING AMENDMENTS.—

(1) Paragraphs (4), (5), (8), and (12) of section 414(q) are hereby repealed.

(2)(A) Section 414(r) is amended by adding at the end thereof the following new paragraph:

"(9) EXCLUDED EMPLOYEES.—For purposes of this subsection, the following employees shall be excluded:

"(A) Employees who have not completed 6 months of service.

"(B) Employees who normally work less than 17½ hours per week.

"(C) Employees who normally work not more than 6 months during any year.

"(D) Employees who have not attained the age of 21.

"(E) Except to the extent provided in regulations, employees who are included in a unit of employees covered by an agreement which the Secretary of Labor finds to be a collective bargaining agreement between employee representatives and the employer.

Except as provided by the Secretary, the employer may elect to apply subparagraph (A), (B), (C), or (D) by substituting a shorter period of service, smaller number of hours or months, or lower age for the period of service, number of hours or months, or age (as the case may be) specified in such subparagraph."

(B) Subparagraph (A) of section 414(r)(2) is amended by striking "subsection (q)(8)" and inserting "paragraph (9)".

(3) Subparagraph (A) of section 401(a)(17) is amended by striking the last sentence.

(4) Subsection (l) of section 404 is amended by striking the last sentence.

(5) Section 1114(c)(4) of the Tax Reform Act of 1986 is amended by adding at the end the following new sentence: "Any reference in this paragraph to section 414(q) shall be treated as a reference to such section as in effect before the Tax Simplification and Technical Corrections Act of 1993."

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 1993.

SEC. 222. MODIFICATION OF ADDITIONAL PARTICIPATION REQUIREMENTS.

(a) GENERAL RULE.—Section 401(a)(26)(A) (relating to additional participation requirements) is amended to read as follows:

"(A) IN GENERAL.—In the case of a trust which is a part of a defined benefit plan, such trust shall not constitute a qualified trust under this subsection unless on each day of the plan year such trust benefits at least the lesser of—

"(i) 50 employees of the employer, or

"(ii) the greater of—

"(I) 40 percent of all employees of the employer, or

"(II) 2 employees (or if there is only 1 employee, such employee)."

(b) SEPARATE LINE OF BUSINESS TEST.—Section 401(a)(26)(G) (relating to separate line of business) is amended by striking "paragraph (7)" and inserting "paragraph (2)(A) or (7)".

(c) EFFECTIVE DATE.—The amendment made by this section shall apply to years beginning after December 31, 1993.

SEC. 223. NONDISCRIMINATION RULES FOR QUALIFIED CASH OR DEFERRED ARRANGEMENTS AND MATCHING CONTRIBUTIONS.

(a) ALTERNATIVE METHODS OF SATISFYING SECTION 401(k) NONDISCRIMINATION TESTS.—Section 401(k) (relating to cash or deferred arrangements) is amended by adding at the end thereof the following new paragraph:

"(11) ALTERNATIVE METHODS OF MEETING NONDISCRIMINATION REQUIREMENTS.—

"(A) IN GENERAL.—A cash or deferred arrangement shall be treated as meeting the requirements of paragraph (3)(A)(ii) if such arrangement—

"(i) meets the contribution requirements of subparagraph (B) or (C), and

"(ii) meets the notice requirements of subparagraph (D).

"(B) MATCHING CONTRIBUTIONS.—

"(i) IN GENERAL.—The requirements of this subparagraph are met if, under the arrangement, the employer makes matching contributions on behalf of each employee who is not a highly compensated employee in an amount equal to—

"(I) 100 percent of the elective contributions of the employee to the extent such elective contributions do not exceed 3 percent of the employee's compensation, and

"(II) 50 percent of the elective contributions of the employee to the extent that such elective contributions exceed 3 percent but do not exceed 5 percent of the employee's compensation.

"(ii) RATE FOR HIGHLY COMPENSATED EMPLOYEES.—The requirements of this subparagraph are not met if, under the arrangement, the matching contribution with respect to any elective contribution of a highly compensated employee at any level of compensation is greater than that with respect to an employee who is not a highly compensated employee.

"(iii) ALTERNATIVE PLAN DESIGNS.—If the matching contribution with respect to any elective contribution at any specific level of compensation is not equal to the percentage required under clause (i), an arrangement shall not be treated as failing to meet the requirements of clause (i) if—

"(I) the level of an employer's matching contribution does not increase as an employee's elective contributions increase, and

"(II) the aggregate amount of matching contributions with respect to elective contributions not in excess of such level of compensation is at least equal to the amount of matching contributions which would be made if matching contributions were made on the basis of the percentages described in clause (i).

"(C) NONELECTIVE CONTRIBUTIONS.—The requirements of this subparagraph are met if, under the arrangement, the employer is required, without regard to whether the employee makes an elective contribution or employee contribution, to make a contribution to a defined contribution plan on behalf of each employee who is not a highly compensated employee and who is eligible to participate in the arrangement in an amount equal to at least 3 percent of the employee's compensation.

"(D) NOTICE REQUIREMENT.—An arrangement meets the requirements of this paragraph if, under the arrangement, each employee eligible to participate is, within a reasonable period before any year, given written notice of the employee's rights and obligations under the arrangement which—

"(i) is sufficiently accurate and comprehensive to appraise the employee of such rights and obligations, and

"(ii) is written in a manner calculated to be understood by the average employee eligible to participate.

"(E) OTHER REQUIREMENTS.—

"(i) WITHDRAWAL AND VESTING RESTRICTIONS.—An arrangement shall not be treated as meeting the requirements of subparagraph (B) or (C) unless the requirements of subparagraphs (B) and (C) of paragraph (2) are met with respect to all employer contributions (including matching contributions).

"(ii) SOCIAL SECURITY AND SIMILAR CONTRIBUTIONS NOT TAKEN INTO ACCOUNT.—An arrangement shall not be treated as meeting the requirements of subparagraph (B) or (C) unless such requirements are met without regard to subsection (l), and, for purposes of subsection (l), employer contributions under subparagraph (B) or (C) shall not be taken into account.

"(F) OTHER PLANS.—An arrangement shall be treated as meeting the requirements under subparagraph (A)(i) if any other plan maintained by the employer meets such requirements with respect to employees eligible under the arrangement."

(b) ALTERNATIVE METHODS OF SATISFYING SECTION 401(m) NONDISCRIMINATION TESTS.—Section 401(m) (relating to nondiscrimination test for matching contributions and employee contributions) is amended by redesignating paragraph (10) as paragraph (11) and by adding after paragraph (9) the following new paragraph:

"(10) ALTERNATIVE METHOD OF SATISFYING TESTS.—

"(A) IN GENERAL.—A defined contribution plan shall be treated as meeting the requirements of paragraph (2) with respect to matching contributions if the plan—

"(i) meets the contribution requirements of subparagraph (B) or (C) of subsection (k)(11),

"(ii) meets the notice requirements of subsection (k)(11)(D), and

"(iii) meets the requirements of subparagraph (B).

"(B) LIMITATION ON MATCHING CONTRIBUTIONS.—The requirements of this subparagraph are met if—

"(i) matching contributions on behalf of any employee may not be made with respect to an employee's contributions or elective deferrals in excess of 6 percent of the employee's compensation,

"(ii) the level of an employer's matching contribution does not increase as an employee's contributions or elective deferrals increase, and

"(iii) the matching contribution with respect to any highly compensated employee at a specific level of compensation is not greater than that with respect to an employee who is not a highly compensated employee."

(c) YEAR FOR COMPUTING NONHIGHLY COMPENSATED EMPLOYEE PERCENTAGE.—

(1) CASH OR DEFERRED ARRANGEMENTS.—Clause (ii) of section 401(k)(3)(A) is amended—

(A) by striking "such year" and inserting "the plan year", and

(B) by striking "for such plan year" and inserting "the preceding plan year".

(2) MATCHING AND EMPLOYEE CONTRIBUTIONS.—Section 401(m)(2)(A) is amended—

(A) by inserting "for such plan year" after "highly compensated employees", and

(B) by inserting "for the preceding plan year" after "eligible employees" each place it appears in clause (i) and clause (ii).

(d) SPECIAL RULE FOR DETERMINING AVERAGE DEFERRAL PERCENTAGE FOR FIRST PLAN YEAR, ETC.—

(1) Paragraph (3) of section 401(k) is amended by adding at the end thereof the following new subparagraph:

"(E) For purposes of this paragraph, in the case of the first plan year of any plan, the amount taken into account as the actual deferral percentage of nonhighly compensated employees for the preceding plan year shall be—

"(i) 3 percent, or

"(ii) if the employer makes an election under this subclause, the actual deferral percentage of nonhighly compensated employees determined for such first plan year."

(2) Paragraph (3) of section 401(m) is amended by adding at the end thereof the following: "Rules similar to the rules of subsection (k)(3)(E) shall apply for purposes of this subsection."

(e) DISTRIBUTION OF EXCESS CONTRIBUTIONS.—

(1) Subparagraph (C) of section 401(k)(8) (relating to arrangement not disqualified if excess contributions distributed) is amended by striking "on the basis of the respective portions of the excess contributions attributable to each of such employees" and inserting "on the basis of the amount of contributions by, or on behalf of, each of such employees".

(2) Subparagraph (C) of section 401(m)(6) (relating to method of distributing excess aggregate contributions) is amended by striking "on the basis of the respective portions of such amounts attributable to each of such employees" and inserting "on the basis of the amount of contributions on behalf of, or by, each such employee".

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 1993.

Subtitle D—Miscellaneous Simplification

SEC. 231. TREATMENT OF LEASED EMPLOYEES.

(a) GENERAL RULE.—Subparagraph (C) of section 414(n)(2) (defining leased employee) is amended to read as follows:

"(C) such services are performed under significant direction or control by the recipient."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to years beginning after December 31, 1993, but shall not apply to any relationship determined under an Internal Revenue Service ruling issued before the date of the enactment of this Act pursuant to section 414(n)(2)(C) of the Internal Revenue Code of 1986 (as in effect on the day before such date) not to involve a leased employee.

SEC. 232. MODIFICATIONS OF COST-OF-LIVING ADJUSTMENTS.

(a) IN GENERAL.—Section 415(d) (relating to cost-of-living adjustments) 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), and

"(B) in the case of a participant who separated from service, the amount taken into account under subsection (b)(1)(B),

for increases in the cost-of-living in accordance with regulations prescribed by the Secretary.

"(2) METHOD.—

"(A) IN GENERAL.—The regulations prescribed under paragraph (1) shall provide for adjustment procedures which are similar to the procedures used to adjust benefit amounts under section 215(i)(2)(A) of the Social Security Act.

"(B) PERIODS FOR ADJUSTMENT OF DOLLAR AMOUNT.—For purposes of paragraph (1)(A)—

"(i) IN GENERAL.—The adjustment with respect to any calendar year shall be based on the increase in the applicable index as of the close of the calendar quarter ending September 30 of the preceding calendar year over such index as of the close of the base period.

"(ii) BASE PERIOD.—For purposes of clause (i), the base period is the calendar quarter beginning October 1, 1986.

"(C) BASE PERIOD FOR SEPARATIONS.—For purposes of paragraph (1)(B), the base period is the last calendar quarter of the calendar year preceding the calendar year in which the participant separated from service.

"(3) ROUNDING.—Any amount determined under paragraph (1) (or by reference to this subsection) shall be rounded to the nearest $1,000, except that the amounts under sections 402(g)(1), 408(k)(2)(C), and 457(e)(14) shall be rounded to the nearest $100 and the amount under section 401(a)(17) shall be rounded, to the next lowest multiple of $10,000."

(b) EFFECTIVE DATE.—The amendments made by this section apply to adjustments with respect to calendar years beginning after December 31, 1993.

SEC. 233. PLANS COVERING SELF-EMPLOYED INDIVIDUALS.

(a) AGGREGATION RULES.—Section 401(d) (relating to additional requirements for qualification of trusts and plans benefiting owner-employees) is amended to read as follows:

"(d) CONTRIBUTION LIMIT ON OWNER-EMPLOYEES.—A trust forming part of a pension or profit-sharing plan which provides contributions or benefits for employees some or all of whom are owner-employees shall constitute a qualified trust under this section only if, in addition to meeting the requirements of subsection (a), the plan provides that contributions on behalf of any owner-employee may be made only with respect to the earned income of such owner-employee which is derived from the trade or business with respect to which such plan is established."

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 1993.

SEC. 234. ELIMINATION OF SPECIAL VESTING RULE FOR MULTIEMPLOYER PLANS.

(a) IN GENERAL.—Paragraph (2) of section 411(a) (relating to minimum vesting standards) is amended—

(1) by striking "subparagraph (A), (B), or (C)" and inserting "subparagraph (A) or (B)"; and

(2) by striking subparagraph (C).

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning on or after the earlier of—

(1) the later of—

(A) January 1, 1994, or

(B) the date on which the last of the collective bargaining agreements pursuant to which the plan is maintained terminates (determined without regard to any extension thereof after the date of the enactment of this Act), or

(2) January 1, 1996.

Such amendments shall not apply to any individual who does not have more than 1 hour of service under the plan on or after the 1st day of the 1st plan year to which such amendments apply.

SEC. 235. FULL-FUNDING LIMITATION OF MULTIEMPLOYER PLANS.

(a) FULL-FUNDING LIMITATION.—Section 412(c)(7)(C) (relating to full-funding limitation) is amended—

(1) by inserting "or in the case of a multiemployer plan," after "paragraph (6)(B),", and

(2) by inserting "AND MULTIEMPLOYER PLANS" after "PARAGRAPH (6)(B)" in the heading thereof.

(b) VALUATION.—Section 412(c)(9) is amended—

(1) by inserting "(3 years in the case of a multiemployer plan)" after "year", and

(2) by striking "ANNUAL VALUATION" in the heading and inserting "VALUATION".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 1993.

SEC. 236. ALTERNATIVE FULL-FUNDING LIMITATION.

(a) IN GENERAL.—Subsection (c) of section 412 (relating to minimum funding standards) is amended by redesignating paragraphs (8) through (11) as paragraphs (9) through (12), respectively, and by adding after paragraph (7) the following new paragraph:

"(8) ALTERNATIVE FULL-FUNDING LIMITATION.—

"(A) GENERAL RULE.—An employer may elect the full-funding limitation under this paragraph with respect to any defined benefit plan of the employer in lieu of the full-funding limitation determined under paragraph (7) if the requirements of subparagraphs (C) and (D) are met.

"(B) ALTERNATIVE FULL-FUNDING LIMITATION.—The full-funding limitation under this paragraph is the full-funding limitation determined under paragraph (7) without regard to subparagraph (A)(i)(I) thereof.

"(C) REQUIREMENTS RELATING TO PLAN ELIGIBILITY.—

"(i) IN GENERAL.—The requirements of this subparagraph are met with respect to a defined benefit plan if—

"(I) as of the 1st day of the election period, the average accrued liability of participants accruing benefits under the plan for the 5 immediately preceding plan years is at least 80 percent of the plan's total accrued liability,

"(II) the plan is not a top-heavy plan (as defined in section 416(g)) for the 1st plan year of the election period or either of the 2 preceding plan years, and

"(III) each defined benefit plan of the employer (and each defined benefit plan of each employer who is a member of any controlled group which includes such employer) meets the requirements of subclauses (I) and (II).

"(ii) FAILURE TO CONTINUE TO MEET REQUIREMENTS.—

"(I) If any plan fails to meet the requirement of clause (i)(I) for any plan year during an election period, the benefits of the election under this paragraph shall be phased out under regulations prescribed by the Secretary.

"(II) If any plan fails to meet the requirement of clause (i)(II) for any plan year during an election period, such plan shall be treated as not meeting the requirements of clause (i) for the remainder of the election period.

If there is a failure described in subclause (I) or (II) with respect to any plan, such plan (and each plan described in clause (i)(III) with respect to such plan) shall be treated as not meeting the requirements of clause (i) for any of the 10 plan years beginning after the election period.

"(D) REQUIREMENTS RELATING TO ELECTION.—

"(i) IN GENERAL.—The requirements of this subparagraph are met with respect to an election if—

"(I) FILING DATE.—Notice of such election is filed with the Secretary (in such form and manner and containing such information as the Secretary may provide) by January 1 of any calendar year, and is effective as of the 1st day of the election period beginning on or after January 1 of the following calendar year.

"(II) CONSISTENT ELECTION.—Such an election is made for all defined benefit plans maintained by the employer or by any member of a controlled group which includes the employer.

"(ii) TRANSITION PERIOD.—In the case of any election period beginning on or after July 1, 1994, and before January 1, 1995, the requirements of clause (i) shall not apply and the requirements of this subparagraph are met with respect to such election period if—

"(I) FILING DATE.—Notice of election is filed with the Secretary by October 1, 1994.

"(II) INFORMATION.—The notice sets forth the name and tax identification number of the plan sponsor, the names and tax identification numbers of the plans to which the election applies, the limitation under paragraph (7) (determined with and without regard to this paragraph), and a signed certification by an officer of the employer stating that the requirements of this paragraph have been met.

"(iii) REVENUE OFFSET PROCEDURES.—The Secretary shall, by January 1, 1995, notify defined benefit plans that have not made an election under this paragraph for the transition period described in clause (ii) of the adjustment required by subparagraph (H). The revenue offset for the transition period shall apply to plan years beginning on or after July 1, 1994, and before January 1, 1995.

"(iv) EXCESS CONTRIBUTIONS MADE BY NONELECTING PLANS.—To the extent a defined benefit plan sponsor makes a contribution to a defined benefit plan with respect to the transition period described in clause (ii) which exceeds the limitation of paragraph (7), as adjusted by the Secretary for the transition period, the sponsor shall offset the excess contribution against allowable contributions to the plan in subsequent quarters in the taxable year of the sponsor. If no subsequent contributions may be made for the taxable year, the trustee of the defined benefit plan shall return the excess contribution to the sponsor in that taxable year or the following taxable year. Notwithstanding any other provision of this title, no deduction shall be allowed for any contribution made in excess of the limitation of paragraph (7), as adjusted by the Secretary for the transition period, and no penalty shall apply with respect to contributions made in excess of such limitation to the extent such excess

contributions are either used to offset subsequent contributions, or returned to the plan sponsor, as provided in this clause.

"(E) TERM OF ELECTION.—Any election made under this paragraph shall apply for the election period.

"(F) OTHER CONSEQUENCES OF ELECTION.—

"(i) NO FUNDING WAIVERS.—In the case of a plan with respect to which an election is made under this paragraph, no waiver may be granted under subsection (d) for any plan year beginning after the date the election was made and ending at the close of the election period with respect thereto.

"(ii) FAILURE TO MAKE SUCCESSIVE ELECTIONS.—If an election is made under this paragraph with respect to any plan and such an election does not apply for each successive plan year of such plan, such plan shall be treated as not meeting the requirements of subparagraph (C) for the period of 10 plan years beginning after the close of the last election period for such plan.

"(G) DEFINITIONS.—For purposes of this paragraph—

"(i) ELECTION PERIOD.—The term 'election period' means the period of 5 consecutive plan years beginning with the 1st plan year for which the election is made.

"(ii) CONTROLLED GROUP.—The term 'controlled group' means all persons who are treated as a single employer under subsection (b), (c), (m), or (o) of section 414.

"(H) PROCEDURES IF ALTERNATIVE FUNDING LIMITATION REDUCES NET FEDERAL REVENUES.—

"(i) IN GENERAL.—At least once with respect to each fiscal year, the Secretary shall estimate whether the application of this paragraph will result in a net reduction in Federal revenues for such fiscal year.

"(ii) ADJUSTMENT OF FULL-FUNDING LIMITATION IF REVENUE SHORTFALL.—If the Secretary estimates that the application of this paragraph will result in a more than insubstantial net reduction in Federal revenues for any fiscal year, the Secretary—

"(I) shall make the adjustment described in clause (iii), and

"(II) to the extent such adjustment is not sufficient to reduce such reduction to an insubstantial amount, shall make the adjustment described in clause (iv).

Such adjustments shall apply only to defined benefit plans with respect to which an election under this paragraph is not in effect.

"(iii) REDUCTION IN LIMITATION BASED ON 150 PERCENT OF CURRENT LIABILITY.—The adjustment described in this clause is an adjustment which substitutes a percentage (not lower than 140 percent) for the percentage described in paragraph (7)(A)(i)(I) determined by reducing the percentage of current liability taken into account with respect to participants who are not accruing benefits under the plan.

"(iv) REDUCTION IN LIMITATION BASED ON ACCRUED LIABILITY.—The adjustment described in this clause is an adjustment which reduces the percentage of accrued liability taken into account under paragraph (7)(A)(i)(II). In no event may the amount of accrued liability taken into account under such paragraph after the adjustment be less than 140 percent of current liability."

(b) ALTERATION OF DISCRETIONARY REGULATORY AUTHORITY.—Subparagraph (D) of section 412(c)(7) is amended by striking "provide—" and all that follows through "(iii) for" and inserting "provide for".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1995, except that, in the case of an election under subparagraph (D)(ii) of paragraph (8) of section 412(c) of the Internal Revenue Code of 1986, as added by this section, such amendments shall take effect on July 1, 1994.

SEC. 237. DISTRIBUTIONS UNDER RURAL COOPERATIVE PLANS.

(a) DISTRIBUTIONS AFTER CERTAIN AGE.—Section 401(k)(7) is amended by adding at the end thereof the following new subparagraph:

"(C) SPECIAL RULE FOR CERTAIN DISTRIBUTIONS.—A rural cooperative plan which includes a qualified cash or deferred arrangement shall not be treated as violating the requirements of section 401(a) merely by reason of a distribution to a participant after attainment of age 59½."

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

SEC. 238. TREATMENT OF GOVERNMENTAL PLANS UNDER SECTION 415.

(a) DEFINITION OF COMPENSATION.—Subsection (k) of section 415 (regarding limitations on benefits and contributions under qualified plans) is amended by adding immediately after paragraph (2) thereof the following new paragraph:

"(3) DEFINITION OF COMPENSATION FOR GOVERNMENTAL PLANS.—For purposes of this section, in the case of a governmental plan (as defined in section 414(d)), the term 'compensation' includes, in addition to the amounts described in subsection (c)(3)—

"(A) any elective deferral (as defined in section 402(g)(3)), and

"(B) any amount which is contributed by the employer at the election of the employee and which is not includible in the gross income of an employee under section 125 or 457."

(b) COMPENSATION LIMIT.—Subsection (b) of section 415 is amended by adding immediately after paragraph (10) the following new paragraph:

"(11) SPECIAL LIMITATION RULE FOR GOVERNMENTAL PLANS.—In the case of a governmental plan (as defined in section 414(d)), subparagraph (B) of paragraph (1) shall not apply."

(c) TREATMENT OF CERTAIN EXCESS BENEFIT PLANS.—

(1) IN GENERAL.—Section 415 is amended by adding at the end thereof the following new subsection:

"(m) TREATMENT OF QUALIFIED GOVERNMENTAL EXCESS BENEFIT ARRANGEMENTS.—

"(1) GOVERNMENTAL PLAN NOT AFFECTED.—In determining whether a governmental plan (as defined in section 414(d)) meets the requirements of this section, benefits provided under a qualified governmental excess benefit arrangement shall not be taken into account. Income accruing to a governmental plan (or to a trust that is maintained solely for the purpose of providing benefits under a qualified governmental excess benefit arrangement) in respect of a qualified governmental excess benefit arrangement shall constitute income derived from the exercise of an essential governmental function upon which such governmental plan (or trust) shall be exempt from tax under section 115.

"(2) TAXATION OF PARTICIPANT.—For purposes of this chapter—

"(A) the taxable year or years for which amounts in respect of a qualified governmental excess benefit arrangement are includible in gross income by a participant, and

"(B) the treatment of such amounts when so includible by the participant,

shall be determined as if such qualified governmental excess benefit arrangement were treated as a plan for the deferral of compensation which is maintained by a corporation not exempt from tax under this chapter and which does not meet the requirements for qualification under section 401.

"(3) QUALIFIED GOVERNMENTAL EXCESS BENEFIT ARRANGEMENT.—For purposes of this subsection, the term 'qualified governmental excess benefit arrangement' means a portion of a governmental plan if—

"(A) such portion is maintained solely for the purpose of providing to participants in the plan that part of the participant's annual benefit otherwise payable under the terms of the plan that exceeds the limitations on benefits imposed by this section,

"(B) under such portion no election is provided at any time to the participant (directly or indirectly) to defer compensation, and

"(C) benefits described in subparagraph (A) are not paid from a trust forming a part of such governmental plan unless such trust is maintained solely for the purpose of providing such benefits."

(2) COORDINATION WITH SECTION 457.—Subsection (e) of section 457 is amended by adding at the end thereof the following new paragraph:

"(15) TREATMENT OF QUALIFIED GOVERNMENTAL EXCESS BENEFIT ARRANGEMENTS.—Subsections (b)(2) and (c)(1) shall not apply to any qualified governmental excess benefit arrangement (as defined in section 415(m)(3)), and benefits provided under such an arrangement shall not be taken into account in determining whether any other plan is an eligible deferred compensation plan."

(3) CONFORMING AMENDMENT.—Paragraph (2) of section 457(f) is amended by striking the word "and" at the end of subparagraph (C), by striking the period after subparagraph (D) and inserting the words ", and", and by inserting immediately thereafter the following new subparagraph:

"(E) a qualified governmental excess benefit arrangement described in section 415(m)."

(d) EXEMPTION FOR SURVIVOR AND DISABILITY BENEFITS.—Paragraph (2) of section 415(b) is amended by adding at the end thereof the following new subparagraph:

"(I) EXEMPTION FOR SURVIVOR AND DISABILITY BENEFITS PROVIDED UNDER GOVERNMENTAL PLANS.—Subparagraph (B) of paragraph (1), subparagraph (C) of this paragraph, and paragraph (5) shall not apply to—

"(i) income received from a governmental plan (as defined in section 414(d)) as a pension, annuity, or similar allowance as the result of the recipient becoming disabled by reason of personal injuries or sickness, or

"(ii) amounts received from a governmental plan by the beneficiaries, survivors, or the estate of an employee as the result of the death of the employee."

(e) REVOCATION OF GRANDFATHER ELECTION.—Subparagraph (C) of section 415(b)(10) is amended by adding at the end thereof the following new sentence: "An election made pursuant to the preceding sentence to have the provisions of this paragraph applied to the plan may be revoked not later than the last day of the 3rd plan year beginning after the date of enactment with respect to all plan years as to which such election has been applicable and all subsequent plan years; provided that any amount paid by the plan in a taxable year ending after revocation of such election in respect of benefits attributable to a taxable year during which such election was in effect shall be includible in income by the recipient in accordance with the rules of this chapter in the taxable year in which such amount is received (except

that such amount shall be treated as received for purposes of the limitations imposed by this section in the earlier taxable year or years to which such amount is attributable)."

(f) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by subsections (a), (b), (c), and (d) shall apply to taxable years beginning on or after the date of the enactment of this Act. The amendments made by subsection (e) shall apply with respect to election revocations adopted after the date of the enactment of this Act.

(2) TREATMENT FOR YEARS BEGINNING BEFORE DATE OF ENACTMENT.—In the case of a governmental plan (as defined in section 414(d) of the Internal Revenue Code of 1986), such plan shall be treated as satisfying the requirements of section 415 of such Code for all taxable years beginning before the date of the enactment of this Act.

SEC. 239. UNIFORM RETIREMENT AGE.

(a) DISCRIMINATION TESTING.—Paragraph (5) of section 401(a) (relating to special rules relating to nondiscrimination requirements) is amended by adding at the end thereof the following new subparagraph:

"(F) SOCIAL SECURITY RETIREMENT AGE.—For purposes of testing for discrimination under paragraph (4)—

"(i) the social security retirement age (as defined in section 415(b)(8)) shall be treated as a uniform retirement age, and

"(ii) subsidized early retirement benefits and joint and survivor annuities shall not be treated as being unavailable to employees on the same terms merely because such benefits or annuities are based in whole or in part on an employee's social security retirement age (as so defined)."

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 1993.

SEC. 240. UNIFORM PENALTY PROVISIONS TO APPLY TO CERTAIN PENSION REPORTING REQUIREMENTS.

(a) IN GENERAL.—

(1) Paragraph (1) of section 6724(d) is amended by striking "and" at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting ", and", and by inserting after subparagraph (B) the following new subparagraph:

"(C) any statement of the amount of payments to another person required to be made to the Secretary under—

"(i) section 408(i) (relating to reports with respect to individual retirement accounts or annuities), or

"(ii) section 6047(d) (relating to reports by employers, plan administrators, etc.)."

(2) Paragraph (2) of section 6724(d) is amended by striking "or" at the end of subparagraph (S), by striking the period at the end of subparagraph (T) and inserting a comma, and by inserting after subparagraph (T) the following new subparagraphs:

"(U) section 408(i) (relating to reports with respect to individual retirement plans) to any person other than the Secretary with respect to the amount of payments made to such person, or

"(V) section 6047(d) (relating to reports by plan administrators) to any person other than the Secretary with respect to the amount of payments made to such person."

(b) MODIFICATION OF REPORTABLE DESIGNATED DISTRIBUTIONS.—

(1) SECTION 408.—Subsection (i) of section 408 (relating to individual retirement account reports) is amended by inserting "aggregating $10 or more in any calendar year" after "distributions".

(2) SECTION 6047.—Paragraph (1) of section 6047(d) (relating to reports by employers, plan administrators, etc.) is amended by adding at the end thereof the following new sentence: "No return or report may be required under the preceding sentence with respect to distributions to any person during any year unless such distributions aggregate $10 or more."

(c) QUALIFYING ROLLOVER DISTRIBUTIONS.—Section 6652(i) is amended—

(1) by striking "the $10" and inserting "$100", and

(2) by striking "$5,000" and inserting "$50,000".

(d) CONFORMING AMENDMENTS.—

(1) Paragraph (1) of section 6047(f) is amended to read as follows:

"(1) For provisions relating to penalties for failures to file returns and reports required under this section, see sections 6652(e), 6721, and 6722."

(2) Subsection (e) of section 6652 is amended by adding at the end thereof the following new sentence: "This subsection shall not apply to any return or statement which is an information return described in section 6724(d)(1)(C)(ii) or a payee statement described in section 6724(d)(2)(U)."

(3) Subsection (a) of section 6693 is amended by adding at the end thereof the following new sentence: "This subsection shall not apply to any report which is an information return described in section 6724(d)(1)(C)(i) or a payee statement described in section 6724(d)(2)(T)."

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to returns, reports, and other statements the due date for which (determined without regard to extensions) is after December 31, 1993.

SEC. 241. CONTRIBUTIONS ON BEHALF OF DISABLED EMPLOYEES.

(a) ALL DISABLED PARTICIPANTS RECEIVING CONTRIBUTIONS.—Section 415(c)(3)(C) is amended by adding at the end thereof the following: "If a defined contribution plan provides for the continuation of contributions on behalf of all participants described in clause (i) for a fixed or determinable period, this subparagraph shall be applied without regard to clauses (ii) and (iii)."

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 1993.

SEC. 242. SPECIAL RULES FOR PLANS COVERING PILOTS.

(a) GENERAL RULE.—

(1) Subparagraph (B) of section 410(b)(3) is amended to read as follows:

"(B) in the case of a plan established or maintained by one or more employers to provide contributions or benefits for air pilots employed by one or more common carriers engaged in interstate or foreign commerce or air pilots employed by carriers transporting mail for or under contract with the United States Government, all employees who are not air pilots."

(2) Paragraph (3) of section 410(b) is amended by striking the last sentence and inserting the following new sentence: "Subparagraph (B) shall not apply in the case of a plan which provides contributions or benefits for employees who are not air pilots or for air pilots whose principal duties are not customarily performed aboard aircraft in flight."

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to years beginning after December 31, 1993.

SEC. 243. TREATMENT OF DEFERRED COMPENSATION PLANS OF STATE AND LOCAL GOVERNMENTS AND TAX-EXEMPT ORGANIZATIONS.

(a) SPECIAL RULES FOR PLAN DISTRIBUTIONS.—Paragraph (9) of section 457(e) (relating to other definitions and special rules) is amended to read as follows:

"(9) BENEFITS NOT TREATED AS MADE AVAILABLE BY REASON OF CERTAIN ELECTIONS, ETC.—

"(A) TOTAL AMOUNT PAYABLE IS $3,500 OR LESS.—The total amount payable to a participant under the plan shall not be treated as made available merely because the participant may elect to receive such amount (or the plan may distribute such amount without the participant's consent) if—

"(i) such amount does not exceed $3,500, and

"(ii) such amount may be distributed only if—

"(I) no amount has been deferred under the plan with respect to such participant during the 2-year period ending on the date of the distribution, and

"(II) there has been no prior distribution under the plan to such participant to which this subparagraph applied.

A plan shall not be treated as failing to meet the distribution requirements of subsection (d) by reason of a distribution to which this subparagraph applies.

"(B) ELECTION TO DEFER COMMENCEMENT OF DISTRIBUTIONS.—The total amount payable to a participant under the plan shall not be treated as made available merely because the participant may elect to defer commencement of distributions under the plan if—

"(i) such election is made after amounts may be available under the plan in accordance with subsection (d)(1)(A) and before commencement of such distributions, and

"(ii) the participant may make only 1 such election."

(b) COST-OF-LIVING ADJUSTMENT OF MAXIMUM DEFERRAL AMOUNT.—Subsection (e) of section 457 is amended by adding at the end thereof the following new paragraph:

"(14) COST-OF-LIVING ADJUSTMENT OF MAXIMUM DEFERRAL AMOUNT.—The Secretary shall adjust the $7,500 amount specified in subsections (b)(2) and (c)(1) at the same time and in the same manner as under section 415(d), except that the base year in applying such section for purposes of this paragraph shall be 1993."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 244. TREATMENT OF EMPLOYER REVERSIONS REQUIRED BY CONTRACT TO BE PAID TO THE UNITED STATES.

(a) IN GENERAL.—Subparagraph (B) of section 4980(c)(2) (defining employer reversion) is amended by striking "or" at the end of clause (i), by striking the period at the end of clause (ii) and inserting ", or", and by adding at the end thereof the following new clause:

"(iii) any distribution to the employer to the extent that the distribution is paid within a reasonable period to the United States in satisfaction of a Federal claim for an equitable share of the plan's surplus assets, as determined pursuant to Federal contracting regulations."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to reversions on or after the date of the enactment of this Act.

SEC. 245. CONTINUATION HEALTH COVERAGE FOR EMPLOYEES OF FAILED FINANCIAL INSTITUTIONS.

(a) ENFORCEMENT OF CONTINUATION OF HEALTH PLAN REQUIREMENTS OF ACQUIRERS OF FAILED DEPOSITORY INSTITUTIONS.—Subsection (f) of section 4980B (relating to continuation of coverage requirements of group

health plans) is amended by adding at the end thereof the following new paragraph:

"(9) SPECIAL RULES FOR ACQUIRERS OF FAILED DEPOSITORY INSTITUTIONS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), any acquirer of a failed depository institution—

"(i) shall have the same obligation to provide a group health plan meeting the requirements of this subsection with respect to qualified individuals of such institution as the failed depository institution would have had but for its failure, and

"(ii) shall be treated as the employer of such qualified individuals for purposes of this section.

"(B) TAX NOT TO APPLY IF FDIC OR RTC PROVIDE CONTINUATION COVERAGE.—No person shall be subject to any liability under this section by reason of being an acquirer of a failed depository institution if the Federal Deposit Insurance Corporation or the Resolution Trust Corporation elects to relieve such acquirer from its obligations under subparagraph (A). In any such case, the requirements of subparagraph (A) shall apply to the Federal Deposit Insurance Corporation or the Resolution Trust Corporation, as the case may be.

"(C) ACQUIRER.—For purposes of this paragraph, an entity is an acquirer of a failed depository institution during any period if—

"(i) such entity holds substantially all of the assets or liabilities of such institution, and

"(ii)(I) such entity is a bridge bank, or

"(II) such entity acquired such assets or liabilities from the Federal Deposit Insurance Corporation, the Resolution Trust Corporation, or a bridge bank.

"(D) FAILED DEPOSITORY INSTITUTION.—For purposes of this section, the term 'failed depository institution' means any depository institution (as defined in section 3(c) of the Federal Deposit Insurance Act) for which a receiver or conservator has been appointed.

"(E) QUALIFIED INDIVIDUAL.—For purposes of this section, the term 'qualified individual' means—

"(i) any individual who was, on the day before the date of the appointment of the receiver or conservator, provided coverage under a group health plan of the failed depository institution by reason of the performance of services for such institution, and

"(ii) any individual who was, on such day, a beneficiary under such plan as the spouse or dependent child of the individual described in clause (i)."

(b) TREATMENT OF DEPOSITORY INSTITUTION FAILURES AS QUALIFYING EVENTS FOR RETIREES OF SUCH INSTITUTIONS.—

(1) IN GENERAL.—Subparagraph (B) of section 4980B(f)(3) is amended—

(A) by striking "The termination" and inserting "(i) The termination",

(B) by striking the period at the end and inserting ", or", and

(C) by inserting after clause (i) the following new clause:

"(ii) the appointment of a receiver or conservator for a failed depository institution from whose employment the covered employee retired at any time."

(2) CONFORMING AMENDMENT.—Subclause (I) of section 4980B(f)(2)(B)(i) is amended by striking "AND REDUCED HOURS" and inserting ", REDUCED HOURS, AND FAILURES OF DEPOSITORY INSTITUTIONS".

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply as if included in section 451 of the Federal Deposit Insurance Corporation Improvement Act of 1991 as of the date of the enactment of such Act.

(2) LIABILITY OF FDIC.—In the case of the Federal Deposit Insurance Corporation or any acquirer from such Corporation, the amendments made by this section shall apply only to failed depository institutions for which the receiver or conservator is appointed after the date of the enactment of this Act.

(3) SPECIAL RULE FOR COVERAGE UNDER FDIC PLAN.—Effective as of the date of the enactment of the Federal Deposit Insurance Corporation Improvement Act of 1991, coverage under the health care continuation plan maintained by the Federal Deposit Insurance Corporation on June 25, 1992, and any other substantially similar plan maintained by such Corporation, shall be deemed to satisfy the obligations of the Federal Deposit Insurance Corporation (and any acquirer from such Corporation) under section 4980B(f) of the Internal Revenue Code of 1986 and section 451 of the Federal Deposit Insurance Corporation Improvement Act of 1991 with respect to qualified individuals of failed depository institutions.

SEC. 246. DATE FOR ADOPTION OF PLAN AMENDMENTS.

If any amendment made by this title requires an amendment to any plan, such plan amendment shall not be required to be made before the first day of the first plan year beginning on or after January 1, 1995, if—

(1) during the period after such amendment takes effect and before such first plan year, the plan is operated in accordance with the requirements of such amendment, and

(2) such plan amendment applies retroactively to such period.

TITLE III—TREATMENT OF LARGE PARTNERSHIPS

Subtitle A—General Provisions

SEC. 301. SIMPLIFIED FLOW-THROUGH FOR LARGE PARTNERSHIPS.

(a) GENERAL RULE.—Subchapter K (relating to partners and partnerships) is amended by adding at the end thereof the following new part:

"PART IV—SPECIAL RULES FOR LARGE PARTNERSHIPS

"Sec. 771. Application of subchapter to large partnerships.

"Sec. 772. Simplified flow-through.

"Sec. 773. Computations at partnership level.

"Sec. 774. Other modifications.

"Sec. 775. Large partnership defined.

"Sec. 776. Special rules for partnerships holding oil and gas properties.

"Sec. 777. Regulations.

"SEC. 771. APPLICATION OF SUBCHAPTER TO LARGE PARTNERSHIPS.

"The preceding provisions of this subchapter to the extent inconsistent with the provisions of this part shall not apply to a large partnership and its partners.

"SEC. 772. SIMPLIFIED FLOW-THROUGH.

"(a) GENERAL RULE.—In determining the income tax of a partner of a large partnership, such partner shall take into account separately such partner's distributive share of the partnership's—

"(1) taxable income or loss from passive loss limitation activities,

"(2) taxable income or loss from other activities,

"(3) net capital gain (or net capital loss)—

"(A) to the extent allocable to passive loss limitation activities, and

"(B) to the extent allocable to other activities,

"(4) tax-exempt interest,

"(5) applicable net AMT adjustment separately computed for—

"(A) passive loss limitation activities, and

"(B) other activities,

"(6) general credits,

"(7) low-income housing credit determined under section 42,

"(8) rehabilitation credit determined under section 47,

"(9) foreign income taxes,

"(10) the credit allowable under section 29, and

"(11) other items to the extent that the Secretary determines that the separate treatment of such items is appropriate.

"(b) SEPARATE COMPUTATIONS.—In determining the amounts required under subsection (a) to be separately taken into account by any partner, this section and section 773 shall be applied separately with respect to such partner by taking into account such partner's distributive share of the items of income, gain, loss, deduction, or credit of the partnership.

"(c) TREATMENT AT PARTNER LEVEL.—

"(1) IN GENERAL.—Except as provided in this subsection, rules similar to the rules of section 702(b) shall apply to any partner's distributive share of the amounts referred to in subsection (a).

"(2) INCOME OR LOSS FROM PASSIVE LOSS LIMITATION ACTIVITIES.—For purposes of this chapter, any partner's distributive share of any income or loss described in subsection (a)(1) shall be treated as an item of income or loss (as the case may be) from the conduct of a trade or business which is a single passive activity (as defined in section 469). A similar rule shall apply to a partner's distributive share of amounts referred to in paragraphs (3)(A) and (5)(A) of subsection (a).

"(3) INCOME OR LOSS FROM OTHER ACTIVITIES.—

"(A) IN GENERAL.—For purposes of this chapter, any partner's distributive share of any income or loss described in subsection (a)(2) shall be treated as an item of income or expense (as the case may be) with respect to property held for investment.

"(B) DEDUCTIONS FOR LOSS NOT SUBJECT TO SECTION 67.—The deduction under section 212 for any loss described in subparagraph (A) shall not be treated as a miscellaneous itemized deduction for purposes of section 67.

"(4) TREATMENT OF NET CAPITAL GAIN OR LOSS.—For purposes of this chapter, any partner's distributive share of any gain or loss described in subsection (a)(3) shall be treated as a long-term capital gain or loss, as the case may be.

"(5) MINIMUM TAX TREATMENT.—In determining the alternative minimum taxable income of any partner, such partner's distributive share of any applicable net AMT adjustment shall be taken into account in lieu of making the separate adjustments provided in sections 56, 57, and 58 with respect to the items of the partnership. Except as provided in regulations, the applicable net AMT adjustment shall be treated, for purposes of section 53, as an adjustment or item of tax preference not specified in section 53(d)(1)(B)(ii).

"(6) GENERAL CREDITS.—A partner's distributive share of the amount referred to in paragraph (6) of subsection (a) shall be taken into account as a current year business credit.

"(d) OPERATING RULES.—For purposes of this section—

"(1) PASSIVE LOSS LIMITATION ACTIVITY.—The term 'passive loss limitation activity' means—

"(A) any activity which involves the conduct of a trade or business, and

"(B) any rental activity.

For purposes of the preceding sentence, the term 'trade or business' includes any activity treated as a trade or business under paragraph (5) or (6) of section 469(c).

"(2) TAX-EXEMPT INTEREST.—The term 'tax-exempt interest' means interest excludable from gross income under section 103.

"(3) APPLICABLE NET AMT ADJUSTMENT.—

"(A) IN GENERAL.—The applicable net AMT adjustment is—

"(i) with respect to taxpayers other than corporations, the net adjustment determined by using the adjustments applicable to individuals, and

"(ii) with respect to corporations, the net adjustment determined by using the adjustments applicable to corporations.

"(B) NET ADJUSTMENT.—The term 'net adjustment' means the net adjustment in the items attributable to passive loss activities or other activities (as the case may be) which would result if such items were determined with the adjustments of sections 56, 57, and 58.

"(4) TREATMENT OF CERTAIN SEPARATELY STATED ITEMS.—

"(A) EXCLUSION FOR CERTAIN PURPOSES.—In determining the amounts referred to in paragraphs (1) and (2) of subsection (a), any net capital gain or net capital loss (as the case may be), and any item referred to in subsection (a)(11), shall be excluded.

"(B) ALLOCATION RULES.—The net capital gain shall be treated—

"(i) as allocable to passive loss limitation activities to the extent the net capital gain does not exceed the net capital gain determined by only taking into account gains and losses from sales and exchanges of property used in connection with such activities, and

"(ii) as allocable to other activities to the extent such gain exceeds the amount allocated under clause (i).

A similar rule shall apply for purposes of allocating any net capital loss.

"(C) NET CAPITAL LOSS.—The term 'net capital loss' means the excess of the losses from sales or exchanges of capital assets over the gains from sales or exchange of capital assets.

"(5) GENERAL CREDITS.—The term 'general credits' means any credit other than the low-income housing credit, the rehabilitation credit, the foreign tax credit, and the credit allowable under section 29.

"(6) FOREIGN INCOME TAXES.—The term 'foreign income taxes' means taxes described in section 901 which are paid or accrued to foreign countries and to possessions of the United States.

"(e) SPECIAL RULE FOR UNRELATED BUSINESS TAX.—In the case of a partner which is an organization subject to tax under section 511, such partner's distributive share of any items shall be taken into account separately to the extent necessary to comply with the provisions of section 512(c)(1).

"(f) SPECIAL RULES FOR APPLYING PASSIVE LOSS LIMITATIONS.—If any person holds an interest in a large partnership other than as a limited partner—

"(1) paragraph (2) of subsection (c) shall not apply to such partner, and

"(2) such partner's distributive share of the partnership items allocable to passive loss limitation activities shall be taken into account separately to the extent necessary to comply with the provisions of section 469.

The preceding sentence shall not apply to any items allocable to an interest held as a limited partner.

"SEC. 773. COMPUTATIONS AT PARTNERSHIP LEVEL.

"(a) GENERAL RULE.—

"(1) TAXABLE INCOME.—The taxable income of a large partnership shall be computed in the same manner as in the case of an individual except that—

"(A) the items described in section 772(a) shall be separately stated, and

"(B) the modifications of subsection (b) shall apply.

"(2) ELECTIONS.—All elections affecting the computation of the taxable income of a large partnership or the computation of any credit of a large partnership shall be made by the partnership; except that the election under section 901, and any election under section 108, shall be made by each partner separately.

"(3) LIMITATIONS, ETC.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), all limitations and other provisions affecting the computation of the taxable income of a large partnership or the computation of any credit of a large partnership shall be applied at the partnership level (and not at the partner level).

"(B) CERTAIN LIMITATIONS APPLIED AT PARTNER LEVEL.—The following provisions shall be applied at the partner level (and not at the partnership level):

"(i) Section 68 (relating to overall limitation on itemized deductions).

"(ii) Sections 49 and 465 (relating to at risk limitations).

"(iii) Section 469 (relating to limitation on passive activity losses and credits).

"(iv) Any other provision specified in regulations.

"(4) COORDINATION WITH OTHER PROVISIONS.—Paragraphs (2) and (3) shall apply notwithstanding any other provision of this chapter other than this part.

"(b) MODIFICATIONS TO DETERMINATION OF TAXABLE INCOME.—In determining the taxable income of a large partnership—

"(1) CERTAIN DEDUCTIONS NOT ALLOWED.—The following deductions shall not be allowed:

"(A) The deduction for personal exemptions provided in section 151.

"(B) The net operating loss deduction provided in section 172.

"(C) The additional itemized deductions for individuals provided in part VII of subchapter B (other than section 212 thereof).

"(2) CHARITABLE DEDUCTIONS.—In determining the amount allowable under section 170, the limitation of section 170(b)(2) shall apply.

"(3) COORDINATION WITH SECTION 67.—In lieu of applying section 67, 70 percent of the amount of the miscellaneous itemized deductions shall be disallowed.

"(c) SPECIAL RULES FOR INCOME FROM DISCHARGE OF INDEBTEDNESS.—If a large partnership has income from the discharge of any indebtedness—

"(1) such income shall be excluded in determining the amounts referred to in section 772(a), and

"(2) in determining the income tax of any partner of such partnership—

"(A) such income shall be treated as an item required to be separately taken into account under section 772(a), and

"(B) the provisions of section 108 shall be applied without regard to this part.

"SEC. 774. OTHER MODIFICATIONS.

"(a) TREATMENT OF CERTAIN OPTIONAL ADJUSTMENTS, ETC.—In the case of a large partnership—

"(1) computations under section 773 shall be made without regard to any adjustment under section 743(b) or 108(b), but

"(2) a partner's distributive share of any amount referred to in section 772(a) shall be appropriately adjusted to take into account any adjustment under section 743(b) or 108(b) with respect to such partner.

"(b) CREDIT RECAPTURE DETERMINED AT PARTNERSHIP LEVEL.—

"(1) IN GENERAL.—In the case of a large partnership—

"(A) any credit recapture shall be taken into account by the partnership, and

"(B) the amount of such recapture shall be determined as if the credit with respect to which the recapture is made had been fully utilized to reduce tax.

"(2) METHOD OF TAKING RECAPTURE INTO ACCOUNT.—A large partnership shall take into account a credit recapture by reducing the amount of the appropriate current year credit to the extent thereof, and if such recapture exceeds the amount of such current year credit, the partnership shall be liable to pay such excess.

"(3) DISPOSITIONS NOT TO TRIGGER RECAPTURE.—No credit recapture shall be required by reason of any transfer of an interest in a large partnership.

"(4) CREDIT RECAPTURE.—For purposes of this subsection, the term 'credit recapture' means any increase in tax under section 42(j) or 50(a).

"(c) PARTNERSHIP NOT TERMINATED BY REASON OF CHANGE IN OWNERSHIP.—Subparagraph (B) of section 708(b)(1) shall not apply to a large partnership.

"(d) PARTNERSHIP ENTITLED TO CERTAIN CREDITS.—The following shall be allowed to a large partnership and shall not be taken into account by the partners of such partnership:

"(1) The credit provided by section 34.

"(2) Any credit or refund under section 852(b)(3)(D).

"(e) TREATMENT OF REMIC RESIDUALS.—For purposes of applying section 860E(e)(6) to any large partnership—

"(1) all interests in such partnership shall be treated as held by disqualified organizations,

"(2) in lieu of applying subparagraph (C) of section 860E(e)(6), the amount subject to tax under section 860E(e)(6) shall be excluded from the gross income of such partnership, and

"(3) subparagraph (D) of section 860E(e)(6) shall not apply.

"(f) SPECIAL RULES FOR APPLYING CERTAIN INSTALLMENT SALE RULES.—In the case of a large partnership—

"(1) the provisions of sections 453(l)(3) and 453A shall be applied at the partnership level, and

"(2) in determining the amount of interest payable under such sections, such partnership shall be treated as subject to tax under this chapter at the highest rate of tax in effect under section 1 or 11.

"SEC. 775. LARGE PARTNERSHIP.

"(a) GENERAL RULE.—For purposes of this part—

"(1) IN GENERAL.—Except as otherwise provided in this section or section 776, the term 'large partnership' means, with respect to any partnership taxable year, any partnership if the number of persons who were partners in such partnership in such taxable year or any preceding partnership taxable year ending on or after December 31, 1994, equaled or exceeded 250. To the extent provided in regulations, a partnership shall cease to be treated as a large partnership for any partnership taxable year if in such taxable year fewer than 100 persons were partners in such partnership.

"(2) ELECTION FOR PARTNERSHIPS WITH AT LEAST 100 PARTNERS.—If a partnership makes

an election under this paragraph, paragraph (1) shall be applied by substituting '100' for '250'. Such an election shall apply to the taxable year for which made and all subsequent taxable years unless revoked with the consent of the Secretary.

"(b) SPECIAL RULES FOR CERTAIN SERVICE PARTNERSHIPS.—

"(1) CERTAIN PARTNERS NOT COUNTED.—For purposes of this section, the term 'partner' does not include any individual performing substantial services in connection with the activities of the partnership and holding an interest in such partnership, or an individual who formerly performed substantial services in connection with such activities and who held an interest in such partnership at the time the individual performed such services.

"(2) EXCLUSION.—For purposes of this part, the term 'large partnership' does not include any partnership if substantially all the partners of such partnership—

"(A) are individuals performing substantial services in connection with the activities of such partnership or are personal service corporations (as defined in section 269A(b)) the owner-employees (as defined in section 269A(b)) of which perform such substantial services,

"(B) are retired partners who had performed such substantial services, or

"(C) are spouses of partners who are performing (or had previously performed) such substantial services.

"(3) SPECIAL RULE FOR LOWER TIER PARTNERSHIPS.—For purposes of this subsection, the activities of a partnership shall include the activities of any other partnership in which the partnership owns directly an interest in the capital and profits of at least 80 percent.

"(c) EXCLUSION OF COMMODITY POOLS.—For purposes of this part, the term 'large partnership' does not include any partnership the principal activity of which is the buying and selling of commodities (not described in section 1221(1)), or options, futures, or forwards with respect to such commodities.

"(d) SECRETARY MAY RELY ON TREATMENT ON RETURN.—If, on the partnership return of any partnership, such partnership is treated as a large partnership, such treatment shall be binding on such partnership and all partners of such partnership but not on the Secretary.

"SEC. 776. SPECIAL RULES FOR PARTNERSHIPS HOLDING OIL AND GAS PROPERTIES.

"(a) EXCEPTION FOR PARTNERSHIPS HOLDING SIGNIFICANT OIL AND GAS PROPERTIES.—

"(1) IN GENERAL.—For purposes of this part, the term 'large partnership' shall not include any partnership if the average percentage of assets (by value) held by such partnership during the taxable year which are oil or gas properties is at least 25 percent. For purposes of the preceding sentence, any interest held by a partnership in another partnership shall be disregarded, except that the partnership shall be treated as holding its proportionate share of the assets of such other partnership.

"(2) ELECTION TO WAIVE EXCEPTION.—Any partnership may elect to have paragraph (1) not apply. Such an election shall apply to the partnership taxable year for which made and all subsequent partnership taxable years unless revoked with the consent of the Secretary.

"(b) SPECIAL RULES WHERE PART APPLIES.—

"(1) COMPUTATION OF PERCENTAGE DEPLETION.—In the case of a large partnership, except as provided in paragraph (2)—

"(A) the allowance for depletion under section 611 with respect to any partnership oil or gas property shall be computed at the partnership level without regard to any provision of section 613A requiring such allowance to be computed separately by each partner,

"(B) such allowance shall be determined without regard to the provisions of section 613A(c) limiting the amount of production for which percentage depletion is allowable and without regard to paragraph (1) of section 613A(d), and

"(C) paragraph (3) of section 705(a) shall not apply.

"(2) TREATMENT OF CERTAIN PARTNERS.—

"(A) IN GENERAL.—In the case of a disqualified person, the treatment under this chapter of such person's distributive share of any item of income, gain, loss, deduction, or credit attributable to any partnership oil or gas property shall be determined without regard to this part. Such person's distributive share of any such items shall be excluded for purposes of making determinations under sections 772 and 773.

"(B) DISQUALIFIED PERSON.—For purposes of subparagraph (A), the term 'disqualified person' means, with respect to any partnership taxable year—

"(i) any person referred to in paragraph (2) or (4) of section 613A(d) for such person's taxable year in which such partnership taxable year ends, and

"(ii) any other person if such person's average daily production of domestic crude oil and natural gas for such person's taxable year in which such partnership taxable year ends exceeds 500 barrels.

"(C) AVERAGE DAILY PRODUCTION.—For purposes of subparagraph (B), a person's average daily production of domestic crude oil and natural gas for any taxable year shall be computed as provided in section 613A(c)(2)—

"(i) by taking into account all production of domestic crude oil and natural gas (including such person's proportionate share of any production of a partnership),

"(ii) by treating 6,000 cubic feet of natural gas as a barrel of crude oil, and

"(iii) by treating as 1 person all persons treated as 1 taxpayer under section 613A(c)(8) or among whom allocations are required under such section.

"SEC. 777. REGULATIONS.

"The Secretary shall prescribe such regulations as may be appropriate to carry out the purposes of this part."

(b) CLERICAL AMENDMENT.—The table of parts for subchapter K of chapter 1 is amended by adding at the end thereof the following new item:

"Part IV. Special rules for large partnerships."

SEC. 302. SIMPLIFIED AUDIT PROCEDURES FOR LARGE PARTNERSHIPS.

(a) GENERAL RULE.—Chapter 63 is amended by adding at the end thereof the following new subchapter:

"Subchapter D—Treatment of Large Partnerships

"Part I. Treatment of partnership items and adjustments.

"Part II. Partnership level adjustments.

"Part III. Definitions and special rules.

"PART I—TREATMENT OF PARTNERSHIP ITEMS AND ADJUSTMENTS

"Sec. 6240. Application of subchapter.

"Sec. 6241. Partner's return must be consistent with partnership return.

"Sec. 6242. Procedures for taking partnership adjustments into account.

"SEC. 6240. APPLICATION OF SUBCHAPTER.

"(a) GENERAL RULE.—This subchapter shall only apply to large partnerships and partners in such partnerships.

"(b) COORDINATION WITH OTHER PARTNERSHIP AUDIT PROCEDURES.—

"(1) IN GENERAL.—Subchapter C of this chapter shall not apply to any large partnership other than in its capacity as a partner in another partnership which is not a large partnership.

"(2) TREATMENT WHERE PARTNER IN OTHER PARTNERSHIP.—If a large partnership is a partner in another partnership which is not a large partnership—

"(A) subchapter C of this chapter shall apply to items of such large partnership which are partnership items with respect to such other partnership, but

"(B) any adjustment under such subchapter C shall be taken into account in the manner provided by section 6242.

"SEC. 6241. PARTNER'S RETURN MUST BE CONSISTENT WITH PARTNERSHIP RETURN.

"(a) GENERAL RULE.—A partner of any large partnership shall, on the partner's return, treat each partnership item attributable to such partnership in a manner which is consistent with the treatment of such partnership item on the partnership return.

"(b) UNDERPAYMENT DUE TO INCONSISTENT TREATMENT ASSESSED AS MATH ERROR.—Any underpayment of tax by a partner by reason of failing to comply with the requirements of subsection (a) shall be assessed and collected in the same manner as if such underpayment were on account of a mathematical or clerical error appearing on the partner's return. Paragraph (2) of section 6213(b) shall not apply to any assessment of an underpayment referred to in the preceding sentence.

"(c) ADJUSTMENTS NOT TO AFFECT PRIOR YEAR OF PARTNERS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), subsections (a) and (b) shall apply without regard to any adjustment to the partnership item under part II.

"(2) CERTAIN CHANGES IN DISTRIBUTIVE SHARE TAKEN INTO ACCOUNT BY PARTNER.—

"(A) IN GENERAL.—To the extent that any adjustment under part II involves a change under section 704 in a partner's distributive share of the amount of any partnership item shown on the partnership return, such adjustment shall be taken into account in applying this title to such partner for the partner's taxable year for which such item was required to be taken into account.

"(B) COORDINATION WITH DEFICIENCY PROCEDURES.—

"(i) IN GENERAL.—Subchapter B shall not apply to the assessment or collection of any underpayment of tax attributable to an adjustment referred to in subparagraph (A).

"(ii) ADJUSTMENT NOT PRECLUDED.—Notwithstanding any other law or rule of law, nothing in subchapter B (or in any proceeding under subchapter B) shall preclude the assessment or collection of any underpayment of tax (or the allowance of any credit or refund of any overpayment of tax) attributable to an adjustment referred to in subparagraph (A) and such assessment or collection or allowance (or any notice thereof) shall not preclude any notice, proceeding, or determination under subchapter B.

"(C) PERIOD OF LIMITATIONS.—The period for—

"(i) assessing any underpayment of tax, or

"(ii) filing a claim for credit or refund of any overpayment of tax,

attributable to an adjustment referred to in subparagraph (A) shall not expire before the

close of the period prescribed by section 6248 for making adjustments with respect to the partnership taxable year involved.

"(D) TIERED STRUCTURES.—If the partner referred to in subparagraph (A) is another partnership or an S corporation, the rules of this paragraph shall also apply to persons holding interests in such partnership or S corporation (as the case may be); except that, if such partner is a large partnership, the adjustment referred to in subparagraph (A) shall be taken into account in the manner provided by section 6242.

"(d) ADDITION TO TAX FOR FAILURE TO COMPLY WITH SECTION.—

"For addition to tax in case of partner's disregard of requirements of this section, see part II of subchapter A of chapter 68.

"SEC. 6242. PROCEDURES FOR TAKING PARTNERSHIP ADJUSTMENTS INTO ACCOUNT.

"(a) ADJUSTMENTS FLOW THROUGH TO PARTNERS FOR YEAR IN WHICH ADJUSTMENT TAKES EFFECT.—

"(1) IN GENERAL.—If any partnership adjustment with respect to any partnership item takes effect (within the meaning of subsection (d)(2)) during any partnership taxable year and if an election under paragraph (2) does not apply to such adjustment, such adjustment shall be taken into account in determining the amount of such item for the partnership taxable year in which such adjustment takes effect. In applying this title to any person who is (directly or indirectly) a partner in such partnership during such partnership taxable year, such adjustment shall be treated as an item actually arising during such taxable year.

"(2) PARTNERSHIP LIABLE IN CERTAIN CASES.—If—

"(A) a partnership elects under this paragraph to not take an adjustment into account under paragraph (1),

"(B) a partnership does not make such an election but in filing its return for any partnership taxable year fails to take fully into account any partnership adjustment as required under paragraph (1), or

"(C) any partnership adjustment involves a reduction in a credit which exceeds the amount of such credit determined for the partnership taxable year in which the adjustment takes effect,

the partnership shall pay to the Secretary an amount determined by applying the rules of subsection (b)(4) to the adjustments not so taken into account and any excess referred to in subparagraph (C).

"(3) OFFSETTING ADJUSTMENTS TAKEN INTO ACCOUNT.—If a partnership adjustment requires another adjustment in a taxable year after the adjusted year and before the partnership taxable year in which such partnership adjustment takes effect, such other adjustment shall be taken into account under this subsection for the partnership taxable year in which such partnership adjustment takes effect.

"(4) COORDINATION WITH PART II.—Amounts taken into account under this subsection for any partnership taxable year shall continue to be treated as adjustments for the adjusted year for purposes of determining whether such amounts may be readjusted under part II.

"(b) PARTNERSHIP LIABLE FOR INTEREST AND PENALTIES.—

"(1) IN GENERAL.—If a partnership adjustment takes effect during any partnership taxable year and such adjustment results in an imputed underpayment for the adjusted year, the partnership—

"(A) shall pay to the Secretary interest computed under paragraph (2), and

"(B) shall be liable for any penalty, addition to tax, or additional amount as provided in paragraph (3).

"(2) DETERMINATION OF AMOUNT OF INTEREST.—The interest computed under this paragraph with respect to any partnership adjustment is the interest which would be determined under chapter 67—

"(A) on the imputed underpayment determined under paragraph (4) with respect to such adjustment,

"(B) for the period beginning on the day after the return due date for the adjusted year and ending on the return due date for the partnership taxable year in which such adjustment takes effect (or, if earlier, in the case of any adjustment to which subsection (a)(2) applies, the date on which the payment under subsection (a)(2) is made).

Proper adjustments in the amount determined under the preceding sentence shall be made for adjustments required for partnership taxable years after the adjusted year and before the year in which the partnership adjustment takes effect by reason of such partnership adjustment.

"(3) PENALTIES.—A partnership shall be liable for any penalty, addition to tax, or additional amount for which it would have been liable if such partnership had been an individual subject to tax under chapter 1 for the adjusted year and the imputed underpayment determined under paragraph (4) were an actual underpayment (or understatement) for such year.

"(4) IMPUTED UNDERPAYMENT.—For purposes of this subsection, the imputed underpayment determined under this paragraph with respect to any partnership adjustment is the underpayment (if any) which would result—

"(A) by netting all adjustments to items of income, gain, loss, or deduction and by treating any net increase in income as an underpayment equal to the amount of such net increase multiplied by the highest rate of tax in effect under section 1 or 11 for the adjusted year, and

"(B) by taking adjustments to credits into account as increases or decreases (whichever is appropriate) in the amount of tax.

For purposes of the preceding sentence, any net decrease in a loss shall be treated as an increase in income and a similar rule shall apply to a net increase in a loss.

"(c) ADMINISTRATIVE PROVISIONS.—

"(1) IN GENERAL.—Any payment required by subsection (a)(2) or (b)(1)(A)—

"(A) shall be assessed and collected in the same manner as if it were a tax imposed by subtitle C, and

"(B) shall be paid on or before the return due date for the partnership taxable year in which the partnership adjustment takes effect.

"(2) INTEREST.—For purposes of determining interest, any payment required by subsection (a)(2) or (b)(1)(A) shall be treated as an underpayment of tax.

"(3) PENALTIES.—

"(A) IN GENERAL.—In the case of any failure by any partnership to pay on the date prescribed therefor any amount required by subsection (a)(2) or (b)(1)(A), there is hereby imposed on such partnership a penalty of 10 percent of the underpayment. For purposes of the preceding sentence, the term 'underpayment' means the excess of any payment required under this section over the amount (if any) paid on or before the date prescribed therefor.

"(B) ACCURACY-RELATED AND FRAUD PENALTIES MADE APPLICABLE.—For purposes of part II of subchapter A of chapter 68, any payment required by subsection (a)(2) shall be treated as an underpayment of tax.

"(d) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) PARTNERSHIP ADJUSTMENT.—The term 'partnership adjustment' means any adjustment in the amount of any partnership item of a large partnership.

"(2) WHEN ADJUSTMENT TAKES EFFECT.—A partnership adjustment takes effect—

"(A) in the case of an adjustment pursuant to the decision of a court in a proceeding brought under part II, when such decision becomes final,

"(B) in the case of an adjustment pursuant to any administrative adjustment request under section 6251, when such adjustment is allowed by the Secretary, or

"(C) in any other case, when such adjustment is made.

"(3) ADJUSTED YEAR.—The term 'adjusted year' means the partnership taxable year to which the item being adjusted relates.

"(4) RETURN DUE DATE.—The term 'return due date' means, with respect to any taxable year, the date prescribed for filing the partnership return for such taxable year (determined without regard to extensions).

"(5) ADJUSTMENTS INVOLVING CHANGES IN CHARACTER.—Under regulations, appropriate adjustments in the application of this section shall be made for purposes of taking into account partnership adjustments which involve a change in the character of any item of income, gain, loss, or deduction.

"(e) PAYMENTS NONDEDUCTIBLE.—No deduction shall be allowed under subtitle A for any payment required to be made by a large partnership under this section.

"PART II—PARTNERSHIP LEVEL ADJUSTMENTS

"Subpart A. Adjustments by Secretary.

"Subpart B. Claims for adjustments by partnership.

"Subpart A—Adjustments by Secretary

"Sec. 6245. Secretarial authority.

"Sec. 6246. Restrictions on partnership adjustments.

"Sec. 6247. Judicial review of partnership adjustment.

"Sec. 6248. Period of limitations for making adjustments.

"SEC. 6245. SECRETARIAL AUTHORITY.

"(a) GENERAL RULE.—The Secretary is authorized and directed to make adjustments at the partnership level in any partnership item to the extent necessary to have such item be treated in the manner required.

"(b) NOTICE OF PARTNERSHIP ADJUSTMENT.—

"(1) IN GENERAL.—If the Secretary determines that a partnership adjustment is required, the Secretary is authorized to send notice of such adjustment to the partnership by certified mail or registered mail. Such notice shall be sufficient if mailed to the partnership at its last known address even if the partnership has terminated its existence.

"(2) FURTHER NOTICES RESTRICTED.—If the Secretary mails a notice of a partnership adjustment to any partnership for any partnership taxable year and the partnership files a petition under section 6247 with respect to such notice, in the absence of a showing of fraud, malfeasance, or misrepresentation of a material fact, the Secretary shall not mail another such notice to such partnership with respect to such taxable year.

"(3) AUTHORITY TO RESCIND NOTICE WITH PARTNERSHIP CONSENT.—The Secretary may, with the consent of the partnership, rescind any notice of a partnership adjustment

mailed to such partnership. Any notice so rescinded shall not be treated as a notice of a partnership adjustment, for purposes of this section, section 6246, and section 6247, and the taxpayer shall have no right to bring a proceeding under section 6247 with respect to such notice. Nothing in this subsection shall affect any suspension of the running of any period of limitations during any period during which the rescinded notice was outstanding.

"SEC. 6246. RESTRICTIONS ON PARTNERSHIP ADJUSTMENTS.

"(a) GENERAL RULE.—Except as otherwise provided in this chapter, no adjustment to any partnership item may be made (and no levy or proceeding in any court for the collection of any amount resulting from such adjustment may be made, begun or prosecuted) before—

"(1) the close of the 90th day after the day on which a notice of a partnership adjustment was mailed to the partnership, and

"(2) if a petition is filed under section 6247 with respect to such notice, the decision of the court has become final.

"(b) PREMATURE ACTION MAY BE ENJOINED.—Notwithstanding section 7421(a), any action which violates subsection (a) may be enjoined in the proper court, including the Tax Court. The Tax Court shall have no jurisdiction to enjoin any action under this subsection unless a timely petition has been filed under section 6247 and then only in respect of the adjustments that are the subject of such petition.

"(c) EXCEPTIONS TO RESTRICTIONS ON ADJUSTMENTS.—

"(1) ADJUSTMENTS ARISING OUT OF MATH OR CLERICAL ERRORS.—

"(A) IN GENERAL.—If the partnership is notified that, on account of a mathematical or clerical error appearing on the partnership return, an adjustment to a partnership item is required, rules similar to the rules of paragraphs (1) and (2) of section 6213(b) shall apply to such adjustment.

"(B) SPECIAL RULE.—If a large partnership is a partner in another large partnership, any adjustment on account of such partnership's failure to comply with the requirements of section 6241(a) with respect to its interest in such other partnership shall be treated as an adjustment referred to in subparagraph (A), except that paragraph (2) of section 6213(b) shall not apply to such adjustment.

"(2) PARTNERSHIP MAY WAIVE RESTRICTIONS.—The partnership shall at any time (whether or not a notice of partnership adjustment has been issued) have the right, by a signed notice in writing filed with the Secretary, to waive the restrictions provided in subsection (a) on the making of any partnership adjustment.

"(d) LIMIT WHERE NO PROCEEDING BEGUN.—If no proceeding under section 6247 is begun with respect to any notice of a partnership adjustment during the 90-day period described in subsection (a), the amount for which the partnership is liable under section 6242 (and any increase in any partner's liability for tax under chapter 1 by reason of any adjustment under section 6242(a)) shall not exceed the amount determined in accordance with such notice.

"SEC. 6247. JUDICIAL REVIEW OF PARTNERSHIP ADJUSTMENT.

"(a) GENERAL RULE.—Within 90 days after the date on which a notice of a partnership adjustment is mailed to the partnership with respect to any partnership taxable year, the partnership may file a petition for a readjustment of the partnership items for such taxable year with—

"(1) the Tax Court,

"(2) the district court of the United States for the district in which the partnership's principal place of business is located, or

"(3) the Claims Court.

"(b) JURISDICTIONAL REQUIREMENT FOR BRINGING ACTION IN DISTRICT COURT OR CLAIMS COURT.—

"(1) IN GENERAL.—A readjustment petition under this section may be filed in a district court of the United States or the Claims Court only if the partnership filing the petition deposits with the Secretary, on or before the date the petition is filed, the amount for which the partnership would be liable under section 6242(b) (as of the date of the filing of the petition) if the partnership items were adjusted as provided by the notice of partnership adjustment. The court may by order provide that the jurisdictional requirements of this paragraph are satisfied where there has been a good faith attempt to satisfy such requirement and any shortfall of the amount required to be deposited is timely corrected.

"(2) INTEREST PAYABLE.—Any amount deposited under paragraph (1), while deposited, shall not be treated as a payment of tax for purposes of this title (other than chapter 67).

"(c) SCOPE OF JUDICIAL REVIEW.—A court with which a petition is filed in accordance with this section shall have jurisdiction to determine all partnership items of the partnership for the partnership taxable year to which the notice of partnership adjustment relates and the proper allocation of such items among the partners (and the applicability of any penalty, addition to tax, or additional amount for which the partnership may be liable under section 6242(b)).

"(d) DETERMINATION OF COURT REVIEWABLE.—Any determination by a court under this section shall have the force and effect of a decision of the Tax Court or a final judgment or decree of the district court or the Claims Court, as the case may be, and shall be reviewable as such. The date of any such determination shall be treated as being the date of the court's order entering the decision.

"(e) EFFECT OF DECISION DISMISSING ACTION.—If an action brought under this section is dismissed other than by reason of a rescission under section 6245(b)(3), the decision of the court dismissing the action shall be considered as its decision that the notice of partnership adjustment is correct, and an appropriate order shall be entered in the records of the court.

"SEC. 6248. PERIOD OF LIMITATIONS FOR MAKING ADJUSTMENTS.

"(a) GENERAL RULE.—Except as otherwise provided in this section, no adjustment under this subpart to any partnership item for any partnership taxable year may be made after the date which is 3 years after the later of—

"(1) the date on which the partnership return for such taxable year was filed, or

"(2) the last day for filing such return for such year (determined without regard to extensions).

"(b) EXTENSION BY AGREEMENT.—The period described in subsection (a) (including an extension period under this subsection) may be extended by an agreement entered into by the Secretary and the partnership before the expiration of such period.

"(c) SPECIAL RULE IN CASE OF FRAUD, ETC.—

"(1) FALSE RETURN.—In the case of a false or fraudulent partnership return with intent to evade tax, the adjustment may be made at any time.

"(2) SUBSTANTIAL OMISSION OF INCOME.—If any partnership omits from gross income an amount properly includible therein which is in excess of 25 percent of the amount of gross income stated in its return, subsection (a) shall be applied by substituting '6 years' for '3 years'.

"(3) NO RETURN.—In the case of a failure by a partnership to file a return for any taxable year, the adjustment may be made at any time.

"(4) RETURN FILED BY SECRETARY.—For purposes of this section, a return executed by the Secretary under subsection (b) of section 6020 on behalf of the partnership shall not be treated as a return of the partnership.

"(d) SUSPENSION WHEN SECRETARY MAILS NOTICE OF ADJUSTMENT.—If notice of a partnership adjustment with respect to any taxable year is mailed to the partnership, the running of the period specified in subsection (a) (as modified by the other provisions of this section) shall be suspended—

"(1) for the period during which an action may be brought under section 6247 (and, if a petition is filed under section 6247 with respect to such notice, until the decision of the court becomes final), and

"(2) for 1 year thereafter.

"Subpart B—Claims for Adjustments by Partnership

"Sec. 6251. Administrative adjustment requests.

"Sec. 6252. Judicial review where administrative adjustment request is not allowed in full.

"SEC. 6251. ADMINISTRATIVE ADJUSTMENT REQUESTS.

"(a) GENERAL RULE.—A partnership may file a request for an administrative adjustment of partnership items for any partnership taxable year at any time which is—

"(1) within 3 years after the later of—

"(A) the date on which the partnership return for such year is filed, or

"(B) the last day for filing the partnership return for such year (determined without regard to extensions), and

"(2) before the mailing to the partnership of a notice of a partnership adjustment with respect to such taxable year.

"(b) SECRETARIAL ACTION.—If a partnership files an administrative adjustment request under subsection (a), the Secretary may allow any part of the requested adjustments.

"(c) SPECIAL RULE IN CASE OF EXTENSION UNDER SECTION 6248.—If the period described in section 6248(a) is extended pursuant to an agreement under section 6248(b), the period prescribed by subsection (a)(1) shall not expire before the date 6 months after the expiration of the extension under section 6248(b).

"SEC. 6252. JUDICIAL REVIEW WHERE ADMINISTRATIVE ADJUSTMENT REQUEST IS NOT ALLOWED IN FULL.

"(a) IN GENERAL.—If any part of an administrative adjustment request filed under section 6251 is not allowed by the Secretary, the partnership may file a petition for an adjustment with respect to the partnership items to which such part of the request relates with—

"(1) the Tax Court,

"(2) the district court of the United States for the district in which the principal place of business of the partnership is located, or

"(3) the Claims Court.

"(b) PERIOD FOR FILING PETITION.—A petition may be filed under subsection (a) with respect to partnership items for a partnership taxable year only—

"(1) after the expiration of 6 months from the date of filing of the request under section 6251, and

"(2) before the date which is 2 years after the date of such request.

The 2-year period set forth in paragraph (2) shall be extended for such period as may be agreed upon in writing by the partnership and the Secretary.

"(c) COORDINATION WITH SUBPART A.—

"(1) NOTICE OF PARTNERSHIP ADJUSTMENT BEFORE FILING OF PETITION.—No petition may be filed under this section after the Secretary mails to the partnership a notice of a partnership adjustment for the partnership taxable year to which the request under section 6251 relates.

"(2) NOTICE OF PARTNERSHIP ADJUSTMENT AFTER FILING BUT BEFORE HEARING OF PETITION.—If the Secretary mails to the partnership a notice of a partnership adjustment for the partnership taxable year to which the request under section 6251 relates after the filing of a petition under this subsection but before the hearing of such petition, such petition shall be treated as an action brought under section 6247 with respect to such notice, except that subsection (b) of section 6247 shall not apply.

"(3) NOTICE MUST BE BEFORE EXPIRATION OF STATUTE OF LIMITATIONS.—A notice of a partnership adjustment for the partnership taxable year shall be taken into account under paragraphs (1) and (2) only if such notice is mailed before the expiration of the period prescribed by section 6248 for making adjustments to partnership items for such taxable year.

"(d) SCOPE OF JUDICIAL REVIEW.—Except in the case described in paragraph (2) of subsection (c), a court with which a petition is filed in accordance with this section shall have jurisdiction to determine only those partnership items to which the part of the request under section 6251 not allowed by the Secretary relates and those items with respect to which the Secretary asserts adjustments as offsets to the adjustments requested by the partnership.

"(e) DETERMINATION OF COURT REVIEWABLE.—Any determination by a court under this subsection shall have the force and effect of a decision of the Tax Court or a final judgment or decree of the district court or the Claims Court, as the case may be, and shall be reviewable as such. The date of any such determination shall be treated as being the date of the court's order entering the decision.

"PART III—DEFINITIONS AND SPECIAL RULES

"Sec. 6255. Definitions and special rules.

"SEC. 6255. DEFINITIONS AND SPECIAL RULES.

"(a) DEFINITIONS.—For purposes of this subchapter—

"(1) LARGE PARTNERSHIP.—The term 'large partnership' has the meaning given to such term by section 775 without regard to section 776(a).

"(2) PARTNERSHIP ITEM.—The term 'partnership item' has the meaning given to such term by section 6231(a)(3).

"(b) PARTNERS BOUND BY ACTIONS OF PARTNERSHIP, ETC.—

"(1) DESIGNATION OF PARTNER.—Each large partnership shall designate (in the manner prescribed by the Secretary) a partner (or other person) who shall have the sole authority to act on behalf of such partnership under this subchapter. In any case in which such a designation is not in effect, the Secretary may select any partner as the partner with such authority.

"(2) BINDING EFFECT.—A large partnership and all partners of such partnership shall be bound—

"(A) by actions taken under this subchapter by the partnership, and

"(B) by any decision in a proceeding brought under this subchapter.

"(c) PARTNERSHIPS HAVING PRINCIPAL PLACE OF BUSINESS OUTSIDE THE UNITED STATES.—For purposes of sections 6247 and 6252, a principal place of business located outside the United States shall be treated as located in the District of Columbia.

"(d) TREATMENT WHERE PARTNERSHIP CEASES TO EXIST.—If a partnership ceases to exist before a partnership adjustment under this subchapter takes effect, such adjustment shall be taken into account by the former partners of such partnership under regulations prescribed by the Secretary.

"(e) DATE DECISION BECOMES FINAL.—For purposes of this subchapter, the principles of section 7481(a) shall be applied in determining the date on which a decision of a district court or the Claims Court becomes final.

"(f) PARTNERSHIPS IN CASES UNDER TITLE 11 OF THE UNITED STATES CODE.—The running of any period of limitations provided in this subchapter on making a partnership adjustment (or provided by section 6501 or 6502 on the assessment or collection of any amount required to be paid under section 6242) shall, in a case under title 11 of the United States Code, be suspended during the period during which the Secretary is prohibited by reason of such case from making the adjustment (or assessment or collection) and—

"(1) for adjustment or assessment, 60 days thereafter, and

"(2) for collection, 6 months thereafter.

"(g) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the provisions of this subchapter, including regulations—

"(1) to prevent abuse through manipulation of the provisions of this subchapter, and

"(2) providing that this subchapter shall not apply to any case described in section 6231(c)(1) (or the regulations prescribed thereunder) where the application of this subchapter to such a case would interfere with the effective and efficient enforcement of this title.

In any case to which this subchapter does not apply by reason of paragraph (2), rules similar to the rules of sections 6229(f) and 6255(f) shall apply."

(b) CLERICAL AMENDMENT.—The table of subchapters for chapter 63 is amended by adding at the end thereof the following new item:

"SUBCHAPTER D. Treatment of large partnerships."

SEC. 303. DUE DATE FOR FURNISHING INFORMATION TO PARTNERS OF LARGE PARTNERSHIPS.

(a) GENERAL RULE.—Subsection (b) of section 6031 (relating to copies to partners) is amended by adding at the end thereof the following new sentence: "In the case of a large partnership (as defined in sections 775 and 776(a)), such information shall be furnished on or before the first March 15 following the close of such taxable year."

(b) TREATMENT AS INFORMATION RETURN.—Section 6724 is amended by adding at the end thereof the following new subsection:

"(e) SPECIAL RULE FOR CERTAIN PARTNERSHIP RETURNS.—If any partnership return under section 6031(a) is required under section 6011(e) to be filed on magnetic media or in other machine-readable form, for purposes of this part, each schedule required to be included with such return with respect to each partner shall be treated as a separate information return."

SEC. 304. RETURNS MAY BE REQUIRED ON MAGNETIC MEDIA.

Paragraph (2) of section 6011(e) (relating to returns on magnetic media) is amended by adding at the end thereof the following new sentence:

"The preceding sentence shall not apply in the case of the partnership return of a large partnership (as defined in sections 775 and 776(a)) or any other partnership with 250 or more partners."

SEC. 305. TREATMENT OF PARTNERSHIP ITEMS OF INDIVIDUAL RETIREMENT ACCOUNTS.

Subsection (b) of section 6012 is amended by adding at the end thereof the following new paragraph:

"(6) IRA SHARE OF PARTNERSHIP INCOME.—In the case of a trust which is exempt from taxation under section 408(e), for purposes of this section, the trust's distributive share of items of gross income and gain of any partnership to which subchapter C or D of chapter 63 applies shall be treated as equal to the trust's distributive share of the taxable income of such partnership."

SEC. 306. EFFECTIVE DATE.

(a) GENERAL RULE.—Except as otherwise provided in this section, the amendments made by this subtitle shall apply to partnership taxable years ending on or after December 31, 1994.

(b) SPECIAL RULE FOR SECTION 304.—In the case of a partnership which is not a large partnership (as defined in sections 775 and 776(a) of the Internal Revenue Code of 1986, as added by this subtitle), the amendment made by section 304 shall only apply to partnership taxable years ending on or after December 31, 1998.

(c) SPECIAL RULE FOR SECTION 305.—The amendment made by section 305 shall apply to taxable years beginning after December 31, 1993.

Subtitle B—Provisions Related to TEFRA Partnership Proceedings

SEC. 311. TREATMENT OF PARTNERSHIP ITEMS IN DEFICIENCY PROCEEDINGS.

(a) IN GENERAL.—Subchapter C of chapter 63 is amended by adding at the end thereof the following new section:

"SEC. 6234. DECLARATORY JUDGMENT RELATING TO TREATMENT OF ITEMS OTHER THAN PARTNERSHIP ITEMS WITH RESPECT TO AN OVERSHELTERED RETURN.

"(a) GENERAL RULE.—If—

"(1) a taxpayer files an oversheltered return for a taxable year,

"(2) the Secretary makes a determination with respect to the treatment of items (other than partnership items) of such taxpayer for such taxable year, and

"(3) the adjustments resulting from such determination do not give rise to a deficiency (as defined in section 6211) but would give rise to a deficiency if there were no net loss from partnership items,

the Secretary is authorized to send a notice of adjustment reflecting such determination to the taxpayer by certified or registered mail.

"(b) OVERSHELTERED RETURN.—For purposes of this section, the term 'oversheltered return' means an income tax return which—

"(1) shows no taxable income for the taxable year, and

"(2) shows a net loss from partnership items.

"(c) JUDICIAL REVIEW IN THE TAX COURT.—Within 90 days, or 150 days if the notice is addressed to a person outside the United States, after the day on which the notice of adjustment authorized in subsection (a) is

mailed to the taxpayer, the taxpayer may file a petition with the Tax Court for redetermination of the adjustments. Upon the filing of such a petition, the Tax Court shall have jurisdiction to make a declaration with respect to all items (other than partnership items and affected items which require partner level determinations as described in section 6230(a)(2)(A)(i)) for the taxable year to which the notice of adjustment relates, in accordance with the principles of section 6214(a). Any such declaration shall have the force and effect of a decision of the Tax Court and shall be reviewable as such.

"(d) FAILURE TO FILE PETITION.—

"(1) IN GENERAL.—Except as provided in paragraph (2), if the taxpayer does not file a petition with the Tax Court within the time prescribed in subsection (c), the determination of the Secretary set forth in the notice of adjustment that was mailed to the taxpayer shall be deemed to be correct.

"(2) EXCEPTION.—Paragraph (1) shall not apply after the date that the taxpayer—

"(A) files a petition with the Tax Court within the time prescribed in subsection (c) with respect to a subsequent notice of adjustment relating to the same taxable year, or

"(B) files a claim for refund of an overpayment of tax under section 6511 for the taxable year involved.

If a claim for refund is filed by the taxpayer, then solely for purposes of determining (for the taxable year involved) the amount of any computational adjustment in connection with a partnership proceeding under this subchapter (other than under this section) or the amount of any deficiency attributable to affected items in a proceeding under section 6230(a)(2), the items that are the subject of the notice of adjustment shall be presumed to have been correctly reported on the taxpayer's return during the pendency of the refund claim (and, if within the time prescribed by section 6532 the taxpayer commences a civil action for refund under section 7422, until the decision in the refund action becomes final).

"(e) LIMITATIONS PERIOD.—

"(1) IN GENERAL.—Any notice to a taxpayer under subsection (a) shall be mailed before the expiration of the period prescribed by section 6501 (relating to the period of limitations on assessment).

"(2) SUSPENSION WHEN SECRETARY MAILS NOTICE OF ADJUSTMENT.—If the Secretary mails a notice of adjustment to the taxpayer for a taxable year, the period of limitations on the making of assessments shall be suspended for the period during which the Secretary is prohibited from making the assessment (and, in any event, if a proceeding in respect of the notice of adjustment is placed on the docket of the Tax Court, until the decision of the Tax Court becomes final), and for 60 days thereafter.

"(3) RESTRICTIONS ON ASSESSMENT.—Except as otherwise provided in section 6851, 6852, or 6861, no assessment of a deficiency with respect to any tax imposed by subtitle A attributable to any item (other than a partnership item or any item affected by a partnership item) shall be made—

"(A) until the expiration of the applicable 90-day or 150-day period set forth in subsection (c) for filing a petition with the Tax Court, or

"(B) if a petition has been filed with the Tax Court, until the decision of the Tax Court has become final.

"(f) FURTHER NOTICES OF ADJUSTMENT RESTRICTED.—If the Secretary mails a notice of adjustment to the taxpayer for a taxable year and the taxpayer files a petition with the Tax Court within the time prescribed in subsection (c), the Secretary may not mail another such notice to the taxpayer with respect to the same taxable year in the absence of a showing of fraud, malfeasance, or misrepresentation of a material fact.

"(g) COORDINATION WITH OTHER PROCEEDINGS UNDER THIS SUBCHAPTER.—

"(1) IN GENERAL.—The treatment of any item that has been determined pursuant to subsection (c) or (d) shall be taken into account in determining the amount of any computational adjustment that is made in connection with a partnership proceeding under this subchapter (other than under this section), or the amount of any deficiency attributable to affected items in a proceeding under section 6230(a)(2), for the taxable year involved. Notwithstanding any other law or rule of law pertaining to the period of limitations on the making of assessments, for purposes of the preceding sentence, any adjustment made in accordance with this section shall be taken into account regardless of whether any assessment has been made with respect to such adjustment.

"(2) SPECIAL RULE IN CASE OF COMPUTATIONAL ADJUSTMENT.—In the case of a computational adjustment that is made in connection with a partnership proceeding under this subchapter (other than under this section), the provisions of paragraph (1) shall apply only if the computational adjustment is made within the period prescribed by section 6229 for assessing any tax under subtitle A which is attributable to any partnership item or affected item for the taxable year involved.

"(3) CONVERSION TO DEFICIENCY PROCEEDING.—If—

"(A) after the notice referred to in subsection (a) is mailed to a taxpayer for a taxable year but before the expiration of the period for filing a petition with the Tax Court under subsection (c) (or, if a petition is filed with the Tax Court, before the Tax Court makes a declaration for that taxable year), the treatment of any partnership item for the taxable year is finally determined, or any such item ceases to be a partnership item pursuant to section 6231(b), and

"(B) as a result of that final determination or cessation, a deficiency can be determined with respect to the items that are the subject of the notice of adjustment,

the notice of adjustment shall be treated as a notice of deficiency under section 6212 and any petition filed in respect of the notice shall be treated as an action brought under section 6213.

"(4) FINALLY DETERMINED.—For purposes of this subsection, the treatment of partnership items shall be treated as finally determined if—

"(A) the Secretary enters into a settlement agreement (within the meaning of section 6224) with the taxpayer regarding such items,

"(B) a notice of final partnership administrative adjustment has been issued and—

"(i) no petition has been filed under section 6226 and the time for doing so has expired, or

"(ii) a petition has been filed under section 6226 and the decision of the court has become final, or

"(C) the period within which any tax attributable to such items may be assessed against the taxpayer has expired.

"(h) SPECIAL RULES IF SECRETARY INCORRECTLY DETERMINES APPLICABLE PROCEDURE.—

"(1) SPECIAL RULE IF SECRETARY ERRONEOUSLY MAILS NOTICE OF ADJUSTMENT.—If the Secretary erroneously determines that subchapter B does not apply to a taxable year of a taxpayer and consistent with that determination timely mails a notice of adjustment to the taxpayer pursuant to subsection (a) of this section, the notice of adjustment shall be treated as a notice of deficiency under section 6212 and any petition that is filed in respect of the notice shall be treated as an action brought under section 6213.

"(2) SPECIAL RULE IF SECRETARY ERRONEOUSLY MAILS NOTICE OF DEFICIENCY.—If the Secretary erroneously determines that subchapter B applies to a taxable year of a taxpayer and consistent with that determination timely mails a notice of deficiency to the taxpayer pursuant to section 6212, the notice of deficiency shall be treated as a notice of adjustment under subsection (a) and any petition that is filed in respect of the notice shall be treated as an action brought under subsection (c)."

(b) TREATMENT OF PARTNERSHIP ITEMS IN DEFICIENCY PROCEEDINGS.—Section 6211 (defining deficiency) is amended by adding at the end thereof the following new subsection:

"(c) COORDINATION WITH SUBCHAPTER C.—In determining the amount of any deficiency for purposes of this subchapter, adjustments to partnership items shall be made only as provided in subchapter C."

(c) CLERICAL AMENDMENT.—The table of sections for subchapter C of chapter 63 is amended by adding at the end thereof the following new item:

"Sec. 6234. Declaratory judgment relating to treatment of items other than partnership items with respect to an oversheltered return."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to partnership taxable years ending after the date of the enactment of this Act.

SEC. 312. PARTNERSHIP RETURN TO BE DETERMINATIVE OF AUDIT PROCEDURES TO BE FOLLOWED.

(a) IN GENERAL.—Section 6231 (relating to definitions and special rules) is amended by adding at the end thereof the following new subsection:

"(g) PARTNERSHIP RETURN TO BE DETERMINATIVE OF WHETHER SUBCHAPTER APPLIES.—

"(1) DETERMINATION THAT SUBCHAPTER APPLIES.—If, on the basis of a partnership return for a taxable year, the Secretary reasonably determines that this subchapter applies to such partnership for such year but such determination is erroneous, then the provisions of this subchapter are hereby extended to such partnership (and its items) for such taxable year and to partners of such partnership.

"(2) DETERMINATION THAT SUBCHAPTER DOES NOT APPLY.—If, on the basis of a partnership return for a taxable year, the Secretary reasonably determines that this subchapter does not apply to such partnership for such year but such determination is erroneous, then the provisions of this subchapter shall not apply to such partnership (and its items) for such taxable year or to partners of such partnership."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to partnership taxable years ending after the date of the enactment of this Act.

SEC. 313. PROVISIONS RELATING TO STATUTE OF LIMITATIONS.

(a) SUSPENSION OF STATUTE WHERE UNTIMELY PETITION FILED.—Paragraph (1) of section 6229(d) (relating to suspension where

Secretary makes administrative adjustment) is amended by striking all that follows "section 6226" and inserting the following: "(and, if a petition is filed under section 6226 with respect to such administrative adjustment, until the decision of the court becomes final), and".

(b) SUSPENSION OF STATUTE DURING BANKRUPTCY PROCEEDING.—Section 6229 is amended by adding at the end thereof the following new subsection:

"(h) SUSPENSION DURING PENDENCY OF BANKRUPTCY PROCEEDING.—If a petition is filed naming a partner as a debtor in a bankruptcy proceeding under title 11 of the United States Code, the running of the period of limitations provided in this section with respect to such partner shall be suspended—

"(1) for the period during which the Secretary is prohibited by reason of such bankruptcy proceeding from making an assessment, and

"(2) for 60 days thereafter."

(c) TAX MATTERS PARTNER IN BANKRUPTCY.—Section 6229(b) is amended by redesignating paragraph (2) as paragraph (3) and by inserting after paragraph (1) the following new paragraph:

"(2) SPECIAL RULE WITH RESPECT TO DEBTORS IN TITLE 11 CASES.—Notwithstanding any other law or rule of law, if an agreement is entered into under paragraph (1)(B) and the agreement is signed by a person who would be the tax matters partner but for the fact that, at the time that the agreement is executed, the person is a debtor in a bankruptcy proceeding under title 11 of the United States Code, such agreement shall be binding on all partners in the partnership unless the Secretary has been notified of the bankruptcy proceeding in accordance with regulations prescribed by the Secretary."

(d) EFFECTIVE DATES.—

(1) SUBSECTIONS (a) AND (b).—The amendments made by subsections (a) and (b) shall apply to partnership taxable years with respect to which the period under section 6229 of the Internal Revenue Code of 1986 for assessing tax has not expired on or before the date of the enactment of this Act.

(2) SUBSECTION (c).—The amendment made by subsection (c) shall apply to agreements entered into after the date of the enactment of this Act.

SEC. 314. EXPANSION OF SMALL PARTNERSHIP EXCEPTION.

(a) IN GENERAL.—Clause (i) of section 6231(a)(1)(B) (relating to exception for small partnerships) is amended to read as follows:

"(i) IN GENERAL.—The term 'partnership' shall not include any partnership having 10 or fewer partners each of whom is an individual (other than a nonresident alien), a C corporation, or an estate of a deceased partner. For purposes of the preceding sentence, a husband and wife (and their estates) shall be treated as 1 partner."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to partnership taxable years ending after the date of the enactment of this Act.

SEC. 315. EXCLUSION OF PARTIAL SETTLEMENTS FROM 1 YEAR LIMITATION ON ASSESSMENT.

(a) IN GENERAL.—Subsection (f) of section 6229 (relating to items becoming nonpartnership items) is amended—

(1) by striking "(f) ITEMS BECOMING NONPARTNERSHIP ITEMS.—If" and inserting the following:

"(f) SPECIAL RULES.—

"(1) ITEMS BECOMING NONPARTNERSHIP ITEMS.—If",

(2) by moving the text of such subsection 2 ems to the right, and

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

"(2) SPECIAL RULE FOR PARTIAL SETTLEMENT AGREEMENTS.—If a partner enters into a settlement agreement with the Secretary with respect to the treatment of some of the partnership items in dispute for a partnership taxable year but other partnership items for such year remain in dispute, the period of limitations for assessing any tax attributable to the settled items shall be determined as if such agreement had not been entered into."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to settlements entered into after the date of the enactment of this Act.

SEC. 316. EXTENSION OF TIME FOR FILING A REQUEST FOR ADMINISTRATIVE ADJUSTMENT.

(a) IN GENERAL.—Section 6227 (relating to administrative adjustment requests) is amended by redesignating subsections (b) and (c) as subsections (c) and (d), respectively, and by inserting after subsection (a) the following new subsection:

"(b) SPECIAL RULE IN CASE OF EXTENSION OF PERIOD OF LIMITATIONS UNDER SECTION 6229.—The period prescribed by subsection (a)(1) for filing of a request for an administrative adjustment shall be extended—

"(1) for the period within which an assessment may be made pursuant to an agreement (or any extension thereof) under section 6229(b), and

"(2) for 6 months thereafter."

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect as if included in the amendments made by section 402 of the Tax Equity and Fiscal Responsibility Act of 1982.

SEC. 317. AVAILABILITY OF INNOCENT SPOUSE RELIEF IN CONTEXT OF PARTNERSHIP PROCEEDINGS.

(a) IN GENERAL.—Subsection (a) of section 6230 is amended by adding at the end thereof the following new paragraph:

"(3) SPECIAL RULE IN CASE OF ASSERTION BY PARTNER'S SPOUSE OF INNOCENT SPOUSE RELIEF.—

"(A) Notwithstanding section 6404(b), if the spouse of a partner asserts that section 6013(e) applies with respect to a liability that is attributable to any adjustment to a partnership item, then such spouse may file with the Secretary within 60 days after the notice of computational adjustment is mailed to the spouse a request for abatement of the assessment specified in such notice. Upon receipt of such request, the Secretary shall abate the assessment. Any reassessment of the tax with respect to which an abatement is made under this subparagraph shall be subject to the deficiency procedures prescribed by subchapter B. The period for making any such reassessment shall not expire before the expiration of 60 days after the date of such abatement.

"(B) If the spouse files a petition with the Tax Court pursuant to section 6213 with respect to the request for abatement described in subparagraph (A), the Tax Court shall only have jurisdiction pursuant to this section to determine whether the requirements of section 6013(e) have been satisfied. For purposes of such determination, the treatment of partnership items under the settlement, the final partnership administrative adjustment, or the decision of the court (whichever is appropriate) that gave rise to the liability in question shall be conclusive.

"(C) Rules similar to the rules contained in subparagraphs (B) and (C) of paragraph (2) shall apply for purposes of this paragraph."

(b) CLAIMS FOR REFUND.—Subsection (c) of section 6230 is amended by adding at the end thereof the following new paragraph:

"(5) RULES FOR SEEKING INNOCENT SPOUSE RELIEF.—

"(A) IN GENERAL.—The spouse of a partner may file a claim for refund on the ground that the Secretary failed to relieve the spouse under section 6013(e) from a liability that is attributable to an adjustment to a partnership item.

"(B) TIME FOR FILING CLAIM.—Any claim under subparagraph (A) shall be filed within 6 months after the day on which the Secretary mails to the spouse the notice of computational adjustment referred to in subsection (a)(3)(A).

"(C) SUIT IF CLAIM NOT ALLOWED.—If the claim under subparagraph (B) is not allowed, the spouse may bring suit with respect to the claim within the period specified in paragraph (3).

"(D) PRIOR DETERMINATIONS ARE BINDING.—For purposes of any claim or suit under this paragraph, the treatment of partnership items under the settlement, the final partnership administrative adjustment, or the decision of the court (whichever is appropriate) that gave rise to the liability in question shall be conclusive."

(c) TECHNICAL AMENDMENTS.—

(1) Paragraph (1) of section 6230(a) is amended by striking "paragraph (2)" and inserting "paragraph (2) or (3)".

(2) Subsection (a) of section 6503 is amended by striking "section 6230(a)(2)(A)" and inserting "paragraph (2)(A) or (3) of section 6230(a)".

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the amendments made by section 402 of the Tax Equity and Fiscal Responsibility Act of 1982.

SEC. 318. DETERMINATION OF PENALTIES AT PARTNERSHIP LEVEL.

(a) IN GENERAL.—Section 6221 (relating to tax treatment determined at partnership level) is amended by striking "item" and inserting "item (and the applicability of any penalty, addition to tax, or additional amount which relates to an adjustment to a partnership item)".

(b) CONFORMING AMENDMENTS.—

(1) Subsection (f) of section 6226 is amended—

(A) by striking "relates and" and inserting "relates,", and

(B) by inserting before the period ", and the applicability of any penalty, addition to tax, or additional amount which relates to an adjustment to a partnership item".

(2) Clause (i) of section 6230(a)(2)(A) is amended to read as follows:

"(i) affected items which require partner level determinations (other than penalties, additions to tax, and additional amounts that relate to adjustments to partnership items), or".

(3)(A) Subparagraph (A) of section 6230(a)(3), as added by section 317, is amended by inserting "(including any liability for any penalty, addition to tax, or additional amount relating to such adjustment)" after "partnership item".

(B) Subparagraph (B) of such section is amended by inserting "(and the applicability of any penalties, additions to tax, or additional amounts)" after "partnership items".

(C) Subparagraph (A) of section 6230(c)(5), as added by section 317, is amended by inserting before the period "(including any liability for any penalties, additions to tax, or additional amounts relating to such adjustment)".

(D) Subparagraph (D) of section 6230(c)(5), as added by section 317, is amended by inserting "(and the applicability of any penalties, additions to tax, or additional amounts)" after "partnership items".

(4) Paragraph (1) of section 6230(c) is amended by striking "or" at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting ", or", and by adding at the end thereof the following new subparagraph:

"(C) the Secretary erroneously imposed any penalty, addition to tax, or additional amount which relates to an adjustment to a partnership item."

(5) So much of subparagraph (A) of section 6230(c)(2) as precedes "shall be filed" is amended to read as follows:

"(A) UNDER PARAGRAPH (1) (A) OR (C).—Any claim under subparagraph (A) or (C) of paragraph (1)".

(6) Paragraph (4) of section 6230(c) is amended by adding at the end thereof the following: "In addition, the determination under the final partnership administrative adjustment or under the decision of the court (whichever is appropriate) concerning the applicability of any penalty, addition to tax, or additional amount which relates to an adjustment to a partnership item shall also be conclusive. Notwithstanding the preceding sentence, the partner shall be allowed to assert any partner level defenses that may apply or to challenge the amount of the computational adjustment."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to partnership taxable years ending after the date of the enactment of this Act.

SEC. 319. PROVISIONS RELATING TO COURT JURISDICTION, ETC.

(a) TAX COURT JURISDICTION TO ENJOIN PREMATURE ASSESSMENTS OF DEFICIENCIES ATTRIBUTABLE TO PARTNERSHIP ITEMS.—Subsection (b) of section 6225 is amended by striking "the proper court." and inserting "the proper court, including the Tax Court. The Tax Court shall have no jurisdiction to enjoin any action or proceeding under this subsection unless a timely petition for a readjustment of the partnership items for the taxable year has been filed and then only in respect of the adjustments that are the subject of such petition."

(b) JURISDICTION TO CONSIDER STATUTE OF LIMITATIONS WITH RESPECT TO PARTNERS.—Paragraph (1) of section 6226(d) is amended by adding at the end thereof the following new sentence:

"Notwithstanding subparagraph (B), any person treated under subsection (c) as a party to an action shall be permitted to participate in such action (or file a readjustment petition under subsection (b) or paragraph (2) of this subsection) solely for the purpose of asserting that the period of limitations for assessing any tax attributable to partnership items has expired with respect to such person, and the court having jurisdiction of such action shall have jurisdiction to consider such assertion."

(c) TAX COURT JURISDICTION TO DETERMINE OVERPAYMENTS ATTRIBUTABLE TO AFFECTED ITEMS.—

(1) Paragraph (6) of section 6230(d) is amended by striking "(or an affected item)".

(2) Paragraph (3) of section 6512(b) is amended by adding at the end thereof the following new sentence:

"In the case of a credit or refund relating to an affected item (within the meaning of section 6231(a)(5)), the preceding sentence shall be applied by substituting the periods under sections 6229 and 6230(d) for the periods under section 6511(b)(2), (c), and (d)."

(d) VENUE ON APPEAL.—

(1) Paragraph (1) of section 7482(b) is amended by striking "or" at the end of subparagraph (D), by striking the period at the end of subparagraph (E) and inserting ", or", and by inserting after subparagraph (E) the following new subparagraph:

"(F) in the case of a petition under section 6234(c)—

"(i) the legal residence of the petitioner if the petitioner is not a corporation, and

"(ii) the place or office applicable under subparagraph (B) if the petitioner is a corporation."

(2) The last sentence of section 7482(b)(1) is amended by striking "or 6228(a)" and inserting ", 6228(a), or 6234(c)".

(e) OTHER PROVISIONS.—

(1) Subsection (c) of section 7459 is amended by striking "or section 6228(a)" and inserting ", 6228(a), or 6234(c)".

(2) Subsection (o) of section 6501 is amended by adding at the end thereof the following new paragraph:

"(3) For declaratory judgment relating to treatment of items other than partnership items with respect to an oversheltered return, see section 6234."

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to partnership taxable years ending after the date of the enactment of this Act.

SEC. 320. TREATMENT OF PREMATURE PETITIONS FILED BY NOTICE PARTNERS OR 5-PERCENT GROUPS.

(a) IN GENERAL.—Subsection (b) of section 6226 (relating to judicial review of final partnership administrative adjustments) is amended by redesignating paragraph (5) as paragraph (6) and by inserting after paragraph (4) the following new paragraph:

"(5) TREATMENT OF PREMATURE PETITIONS.—If—

"(A) a petition for a readjustment of partnership items for the taxable year involved is filed by a notice partner (or a 5-percent group) during the 90-day period described in subsection (a), and

"(B) no action is brought under paragraph (1) during the 60-day period described therein with respect to such taxable year which is not dismissed,

such petition shall be treated for purposes of paragraph (1) as filed on the last day of such 60-day period."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to petitions filed after the date of the enactment of this Act.

SEC. 321. BONDS IN CASE OF APPEALS FROM TEFRA PROCEEDING.

(a) IN GENERAL.—Subsection (b) of section 7485 (relating to bonds to stay assessment of collection) is amended—

(1) by inserting "penalties," after "any interest,", and

(2) by striking "aggregate of such deficiencies" and inserting "aggregate liability of the parties to the action".

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect as if included in the amendments made by section 402 of the Tax Equity and Fiscal Responsibility Act of 1982.

SEC. 322. SUSPENSION OF INTEREST WHERE DELAY IN COMPUTATIONAL ADJUSTMENT RESULTING FROM TEFRA SETTLEMENTS.

(a) IN GENERAL.—Subsection (c) of section 6601 (relating to interest on underpayment, nonpayment, or extension of time for payment, of tax) is amended by adding at the end thereof the following new sentence: "In the case of a settlement under section 6224(c) which results in the conversion of partnership items to nonpartnership items pursuant to section 6231(b)(1)(C), the preceding sentence shall apply to a computational adjustment resulting from such settlement in the same manner as if such adjustment were a deficiency and such settlement were a waiver referred to in the preceding sentence."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to adjustments with respect to partnership taxable years beginning after the date of the enactment of this Act.

SEC. 323. SPECIAL RULES FOR ADMINISTRATIVE ADJUSTMENT REQUESTS WITH RESPECT TO BAD DEBTS OR WORTHLESS SECURITIES.

(a) GENERAL RULE.—Section 6227 (relating to administrative adjustment requests) is amended by adding at the end thereof the following new subsection:

"(d) REQUESTS WITH RESPECT TO BAD DEBTS OR WORTHLESS SECURITIES.—In the case of that portion of any request for an administrative adjustment which relates to the deductibility by the partnership under section 166 of a debt as a debt which became worthless, or under section 165(g) of a loss from worthlessness of a security, the period prescribed in subsection (a)(1) shall be 7 years from the last day for filing the partnership return for the year with respect to which such request is made (determined without regard to extensions)."

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by subsection (a) shall take effect as if included in the amendments made by section 402 of the Tax Equity and Fiscal Responsibility Act of 1982.

(2) TREATMENT OF REQUESTS FILED BEFORE DATE OF ENACTMENT.—In the case of that portion of any request (filed before the date of the enactment of this Act) for an administrative adjustment which relates to the deductibility of a debt as a debt which became worthless or the deductibility of a loss from the worthlessness of a security—

(A) paragraph (2) of section 6227(a) of the Internal Revenue Code of 1986 shall not apply,

(B) the period for filing a petition under section 6228 of the Internal Revenue Code of 1986 with respect to such request shall not expire before the date 6 months after the date of the enactment of this Act, and

(C) such a petition may be filed without regard to whether there was a notice of the beginning of an administrative proceeding or a final partnership administrative adjustment.

TITLE IV—FOREIGN PROVISIONS

Subtitle A—Simplification of Treatment of Passive Foreign Corporations

SEC. 401. REPEAL OF FOREIGN PERSONAL HOLDING COMPANY RULES AND FOREIGN INVESTMENT COMPANY RULES.

(a) GENERAL RULE.—The following provisions are hereby repealed:

(1) Part III of subchapter G of chapter 1 (relating to foreign personal holding companies).

(2) Section 1246 (relating to gain on foreign investment company stock).

(3) Section 1247 (relating to election by foreign investment companies to distribute income currently).

(b) EXEMPTION OF FOREIGN CORPORATIONS FROM ACCUMULATED EARNINGS TAX AND PERSONAL HOLDING COMPANY RULES.—

(1) ACCUMULATED EARNINGS TAX.—Subsection (b) of section 532 (relating to exceptions) is amended—

(A) by striking paragraph (2) and inserting the following:

"(2) a foreign corporation, or",

(B) by striking ", or" at the end of paragraph (3) and inserting a period, and

(C) by striking paragraph (4).

(2) PERSONAL HOLDING COMPANY RULES.—Subsection (c) of section 542 (relating to exceptions) is amended—

(A) by striking paragraph (5) and inserting the following:

"(5) a foreign corporation,",

(B) by striking paragraphs (7) and (10) and by redesignating paragraphs (8) and (9) as paragraphs (7) and (8), respectively,

(C) by inserting "and" at the end of paragraph (7) (as so redesignated), and

(D) by striking "; and" at the end of paragraph (8) (as so redesignated) and inserting a period.

(c) TREATMENT OF CERTAIN SERVICE CONTRACTS UNDER SUBPART F.—

(1) Paragraph (1) of section 954(c) (defining foreign personal holding company income) is amended by adding at the end thereof the following new subparagraph:

"(F) PERSONAL SERVICE CONTRACTS.—

"(i) Amounts received under a contract under which the corporation is to furnish personal services, if some person other than the corporation has the right to designate (by name or by description) the individual who is to perform the services, or if the individual who is to perform the services is designated (by name or by description) in the contract.

"(ii) Amounts received from the sale or other disposition of such contract.

This subparagraph shall apply with respect to amounts received for services under a particular contract only if at some time during the taxable year 25 percent or more in value of the outstanding stock of the corporation is owned, directly or indirectly, by or for the individual who has performed, is to perform, or may be designated (by name or by description) as the one to perform, such services. For purposes of the preceding sentence, the attribution rules of section 544 shall apply, determined as if any reference to section 543(a)(7) were a reference to this subparagraph."

(2) Clause (iii) of section 904(d)(2)(A) is amended by striking "and" at the end of subclause (II), by striking the period at the end of subclause (III) and inserting ", and", and by adding at the end thereof the following new subclause:

"(IV) any income described in section 954(c)(1)(F) (relating to personal service contracts)."

SEC. 402. REPLACEMENT FOR PASSIVE FOREIGN INVESTMENT COMPANY RULES.

(a) GENERAL RULE.—Part VI of subchapter P of chapter 1 (relating to treatment of certain passive foreign investment companies) is amended to read as follows:

"PART VI—TREATMENT OF PASSIVE FOREIGN CORPORATIONS

"Subpart A. Current taxation rules.

"Subpart B. Interest on holdings to which subpart A does not apply.

"Subpart C. General provisions.

"Subpart A—Current Taxation Rules

"Sec. 1291. Stock in certain passive foreign corporations marked to market.

"Sec. 1292. Inclusion of income of certain passive foreign corporations.

"SEC. 1291. STOCK IN CERTAIN PASSIVE FOREIGN CORPORATIONS MARKED TO MARKET.

"(a) GENERAL RULE.—In the case of marketable stock in a passive foreign corporation which is owned (or treated under subsection (g) as owned) by a United States person at the close of any taxable year of such person—

"(1) If the fair market value of such stock as of the close of such taxable year exceeds its adjusted basis, such United States person shall include in gross income for such taxable year an amount equal to the amount of such excess.

"(2) If the adjusted basis of such stock exceeds the fair market value of such stock as of the close of such taxable year, such United States person shall be allowed a deduction for such taxable year equal to the lesser of—

"(A) the amount of such excess, or

"(B) the unreversed inclusions with respect to such stock.

"(b) BASIS ADJUSTMENTS.—

"(1) IN GENERAL.—The adjusted basis of stock in a passive foreign corporation—

"(A) shall be increased by the amount included in the gross income of the United States person under subsection (a)(1) with respect to such stock, and

"(B) shall be decreased by the amount allowed as a deduction to the United States person under subsection (a)(2) with respect to such stock.

"(2) SPECIAL RULE FOR STOCK CONSTRUCTIVELY OWNED.—In the case of stock in a passive foreign corporation which the United States person is treated as owning under subsection (g)—

"(A) the adjustments under paragraph (1) shall apply to such stock in the hands of the person actually holding such stock but only for purposes of determining the subsequent treatment under this chapter of the United States person with respect to such stock, and

"(B) similar adjustments shall be made to the adjusted basis of the property by reason of which the United States person is treated as owning such stock.

"(c) CHARACTER AND SOURCE RULES.—

"(1) ORDINARY TREATMENT.—

"(A) GAIN.—Any amount included in gross income under subsection (a)(1), and any gain on the sale or other disposition of marketable stock in a passive foreign corporation, shall be treated as ordinary income.

"(B) LOSS.—Any—

"(i) amount allowed as a deduction under subsection (a)(2), and

"(ii) loss on the sale or other disposition of marketable stock in a passive foreign corporation to the extent that the amount of such loss does not exceed the unreversed inclusions with respect to such stock,

shall be treated as an ordinary loss. The amount so treated shall be treated as a deduction allowable in computing adjusted gross income.

"(2) SOURCE.—The source of any amount included in gross income under subsection (a)(1) (or allowed as a deduction under subsection (a)(2)) shall be determined in the same manner as if such amount were gain or loss (as the case may be) from the sale of stock in the passive foreign corporation.

"(d) UNREVERSED INCLUSIONS.—For purposes of this section, the term 'unreversed inclusions' means, with respect to any stock in a passive foreign corporation, the excess (if any) of—

"(1) the amount included in gross income of the taxpayer under subsection (a)(1) with respect to such stock for prior taxable years, over

"(2) the amount allowed as a deduction under subsection (a)(2) with respect to such stock for prior taxable years.

The amount referred to in paragraph (1) shall include any amount which would have been included in gross income under subsection (a)(1) with respect to such stock for any prior taxable year but for section 1293.

"(e) COORDINATION WITH SECTION 1292.—This section shall not apply with respect to any stock in a passive foreign corporation—

"(1) which is U.S. controlled,

"(2) which is a qualified electing fund with respect to the United States person for the taxable year, or

"(3) in which the United States person is a 25-percent shareholder.

"(f) TREATMENT OF CONTROLLED FOREIGN CORPORATIONS WHICH ARE SHAREHOLDERS IN PASSIVE FOREIGN CORPORATIONS.—In the case of a foreign corporation which is a controlled foreign corporation (or is treated as a controlled foreign corporation under section 1292) and which owns (or is treated under subsection (g) as owning) stock in a passive foreign corporation—

"(1) this section (other than subsection (c)(2) thereof) shall apply to such foreign corporation in the same manner as if such corporation were a United States person, and

"(2) for purposes of subpart F of part III of subchapter N—

"(A) any amount included in gross income under subsection (a)(1) shall be treated as foreign personal holding company income described in section 954(c)(1)(A), and

"(B) any amount allowed as a deduction under subsection (a)(2) shall be treated as a deduction allocable to foreign personal holding company income so described.

"(g) STOCK OWNED THROUGH CERTAIN FOREIGN ENTITIES.—Except as provided in regulations—

"(1) IN GENERAL.—For purposes of this section, stock owned, directly or indirectly, by or for a foreign partnership or foreign trust or foreign estate shall be considered as being owned proportionately by its partners or beneficiaries. Stock considered to be owned by a person by reason of the application of the preceding sentence shall, for purposes of applying such sentence, be treated as actually owned by such person.

"(2) TREATMENT OF CERTAIN DISPOSITIONS.—In any case in which a United States person is treated as owning stock in a passive foreign corporation by reason of paragraph (1)—

"(A) any disposition by the United States person or by any other person which results in the United States person being treated as no longer owning such stock, and

"(B) any disposition by the person owning such stock,

shall be treated as a disposition by the United States person of the stock in the passive foreign corporation.

"(h) COORDINATION WITH SECTION 851(b).—For purposes of paragraphs (2) and (3) of section 851(b), any amount included in gross income under subsection (a) shall be treated as a dividend.

"(i) TRANSITION RULES.—

"(1) INDIVIDUALS BECOMING SUBJECT TO UNITED STATES TAX.—If any individual becomes a United States person in a taxable year beginning after December 31, 1993, solely for purposes of this section, the adjusted basis (before adjustments under subsection (b)) of any marketable stock in a passive foreign corporation owned (or treated as owned under subsection (g)) by such individual on the first day of such taxable year shall be treated as being the greater of its fair market value on such first day or its adjusted basis on such first day.

"(2) MARKETABLE STOCK HELD BEFORE EFFECTIVE DATE.—

"(A) IN GENERAL.—If any marketable stock in a passive foreign corporation is owned (or

treated under subsection (g) as owned) by a United States person on the first day of such person's first taxable year, beginning after December 31, 1993—

"(i) paragraph (2) of section 1294(a) shall apply to such stock as if it became marketable during such first taxable year; except that—

"(I) section 1293 shall not apply to the amount included in gross income under subsection (a) to the extent such amount is attributable to increases in fair market value during such first taxable year, and

"(II) the taxpayer's holding period shall be treated as having ended on the last day of the preceding taxable year for purposes of allocating amounts under section 1293(a)(1)(A), and

"(ii) such person may elect to extend the time for the payment of the applicable section 1293 deferred tax as provided in subparagraph (B).

"(B) ELECTION TO EXTEND TIME FOR PAYMENT.—

"(i) IN GENERAL.—At the election of the taxpayer, the time for the payment of the applicable section 1293 deferred tax shall be extended to the extent and subject to the limitations provided in this subparagraph.

"(ii) TERMINATION OF EXTENSION.—

"(I) DISTRIBUTIONS.—If any distribution is received with respect to any stock to which an extension under clause (i) relates and such distribution would be an excess distribution within the meaning of section 1293 if such section applied to such stock, then the extension under clause (i) for the appropriate portion (as determined under regulations) of the applicable section 1293 deferred tax shall expire on the last day prescribed by law (determined without regard to extensions) for filing the return of tax for the taxable year in which the distribution is received.

"(II) REVERSAL OF INCLUSION.—If an amount is allowable as a deduction under subsection (a)(2) with respect to any stock to which an extension under clause (i) relates and the amount so allowable is allocable to the amount which gave rise to the applicable section 1293 deferred tax, then the extension under clause (i) for the appropriate portion (as determined under regulations) of the applicable section 1293 deferred tax shall expire on the last day prescribed by law (determined without regard to extensions) for filing the return of the tax for the taxable year for which such deduction is allowed.

"(III) DISPOSITIONS, ETC.—If stock in a passive foreign corporation is disposed of during the taxable year, all extensions under clause (i) for payment of the applicable section 1293 deferred tax attributable to such stock which have not expired before the date of such disposition shall expire on the last date prescribed by law (determined without regard to extensions) for filing the return of tax for the taxable year in which such disposition occurs. To the extent provided in regulations, the preceding sentence shall not apply in the case of a disposition in a transaction with respect to which gain or loss is not recognized (in whole or in part), and the person acquiring such stock in such transaction shall succeed to the treatment under this section of the person making such disposition.

"(iii) OTHER RULES.—

"(I) ELECTION.—The election under clause (i) shall be made not later than the time prescribed by law (including extensions) for filing the return of tax imposed by this chapter for the first taxable year referred to in subparagraph (A).

"(II) TREATMENT OF LOANS TO SHAREHOLDER.—For purposes of this subparagraph, any loan by a passive foreign corporation (directly or indirectly) to a shareholder of such corporation shall be treated as a distribution to such shareholder.

"(C) CROSS REFERENCE.—

"For provisions providing for interest for the period of the extension under this paragraph, see section 6601.

"(D) APPLICABLE SECTION 1293 DEFERRED TAX.—For purposes of this paragraph, the term 'applicable section 1293 deferred tax' means the deferred tax amount determined under section 1293 with respect to the amount which, but for section 1293, would have been included in gross income for the first taxable year referred to in subparagraph (A). Such term also includes the tax imposed by this chapter for such first taxable year to the extent attributable to the amounts allocated under section 1293(a)(1)(A) to a period described in section 1293(a)(1)(B)(ii).

"(3) SPECIAL RULES FOR REGULATED INVESTMENT COMPANIES.—

"(A) IN GENERAL.—If any marketable stock in a passive foreign corporation is owned (or treated under subsection (g) as owned) by a regulated investment company on the first day of such company's first taxable year beginning after December 31, 1993—

"(i) section 1293 shall not apply to such stock with respect to any distribution or disposition during, or amount included in gross income under this section for, such first taxable year, but

"(ii) such company's tax under this chapter for such first taxable year shall be increased by the aggregate amount of interest which would have been determined under section 1293(c)(3) if section 1293 were applied without regard to this subparagraph.

"(B) DISALLOWANCE OF DEDUCTION.—No deduction shall be allowed to any regulated investment company for the increase in tax under subparagraph (A)(ii).

"SEC. 1292. CURRENT INCLUSION OF INCOME OF CERTAIN PASSIVE FOREIGN CORPORATIONS.

"(a) PASSIVE FOREIGN CORPORATIONS WHICH ARE UNITED STATES CONTROLLED.—

"(1) TREATMENT UNDER SUBPART F.—

"(A) IN GENERAL.—If a passive foreign corporation is United States controlled, then for purposes of subpart F of part III of subchapter N—

"(i) such corporation, if not otherwise a controlled foreign corporation, shall be treated as a controlled foreign corporation,

"(ii) the term 'United States shareholder' means, with respect to such corporation, any United States person who owns (within the meaning of section 958(a)) any stock in such corporation,

"(iii) the entire gross income of such corporation shall, after being reduced under the principles of paragraph (5) of section 954(b), be treated as foreign base company income, and

"(iv) sections 970 and 971 shall not apply to such corporation.

Except as provided in regulations, the preceding sentence shall also apply for purposes of section 904(d).

"(B) SPECIAL RULES.—If any taxpayer is treated as being a United States shareholder in a controlled foreign corporation solely by reason of this section—

"(i) section 954(b)(4) (relating to exception for certain income subject to high foreign taxes) shall not apply for purposes of determining the amount included in the gross income of such taxpayer under section 951 by reason of being so treated with respect to such corporation,

"(ii) the amount so included in the gross income of such taxpayer under section 951 with respect to such corporation shall be treated as long-term capital gain to the extent attributable to the net capital gain of such corporation, and

"(iii) sections 956 and 956A shall not apply to such taxpayer.

"(2) U.S. CONTROLLED.—For purposes of this subpart, a passive foreign corporation is United States controlled if—

"(A) such corporation is a controlled foreign corporation determined without regard to this subsection, or

"(B) at any time during the taxable year more than 50 percent of—

"(i) the total combined voting power of all classes of stock of such corporation entitled to vote, or

"(ii) the total value of the stock of such corporation,

is owned directly or indirectly by 5 or fewer United States persons.

"(3) CONSTRUCTIVE OWNERSHIP RULES FOR PURPOSES OF PARAGRAPH (2)(B).—For purposes of paragraph (2)(B), the attribution rules provided in section 544 shall apply, determined as if any reference to a personal holding company were a reference to a corporation described in paragraph (2)(B) (and any reference to the stock ownership requirement provided in section 542(a)(2) were a reference to the requirement of paragraph (2)(B)); except that—

"(A) subsection (a)(4) of such section shall be applied by substituting 'Paragraphs (1), (2), and (3)' for 'Paragraphs (2) and (3)',

"(B) stock owned by a nonresident alien individual shall not be considered by reason of attribution through family membership as owned by a citizen or resident alien individual who is not the spouse of the nonresident alien individual and who does not otherwise own stock in the foreign corporation (determined after the application of such attribution rules other than attribution through family membership), and

"(C) stock of a corporation owned by any foreign person shall not be considered by reason of attribution through partners as owned by a citizen or resident of the United States who does not otherwise own stock in the foreign corporation (determined after the application of such attribution rules and subparagraph (A), other than attribution through partners).

"(b) TAXPAYERS ELECTING CURRENT INCLUSION AND 25-PERCENT SHAREHOLDERS.—

"(1) IN GENERAL.—If a passive foreign corporation which is not United States controlled is a qualified electing fund with respect to any taxpayer or the taxpayer is a 25-percent shareholder in such corporation, then for purposes of subpart F of part III of subchapter N—

"(A) such passive foreign corporation shall be treated as a controlled foreign corporation with respect to such taxpayer,

"(B) such taxpayer shall be treated as a United States shareholder in such corporation, and

"(C) the modifications of clauses (iii) and (iv) of subsection (a)(1)(A) and of subparagraph (B) of subsection (a)(1) shall apply in determining the amount included under such subpart F in the gross income of such taxpayer (and the character of the amount so included).

For purposes of section 904(d), any amount included in the gross income of the taxpayer under the preceding sentence shall be treated as a dividend from a foreign corporation

which is not a controlled foreign corporation.

"(2) QUALIFIED ELECTING FUND.—For purposes of this subpart, the term 'qualified electing fund' means any passive foreign corporation if—

"(A) an election by the taxpayer under paragraph (3) applies to such corporation for the taxable year of the taxpayer, and

"(B) such corporation complies with such requirements as the Secretary may prescribe for purposes of carrying out the purposes of this subpart.

"(3) ELECTION.—

"(A) IN GENERAL.—A taxpayer may make an election under this paragraph with respect to any passive foreign corporation for any taxable year of the taxpayer. Such an election, once made with respect to any corporation, shall apply to all subsequent taxable years of the taxpayer with respect to such corporation unless revoked by the taxpayer with the consent of the Secretary.

"(B) WHEN MADE.—An election under this subsection may be made for any taxable year of the taxpayer at any time on or before the due date (determined with regard to extensions) for filing the return of the tax imposed by this chapter for such taxable year. To the extent provided in regulations, such an election may be made later than as required in the preceding sentence where the taxpayer fails to make a timely election because the taxpayer reasonably believes that the corporation was not a passive foreign corporation.

"(4) 25-PERCENT SHAREHOLDER.—For purposes of this subpart, the term '25-percent shareholder' means, with respect to any passive foreign corporation, any United States person who owns (within the meaning of section 958(a)), or is considered as owning by applying the rules of section 958(b), 25 percent or more (by vote or value) of the stock of such corporation.

"Subpart B—Interest on Holdings To Which Subpart A Does Not Apply

"Sec. 1293. Interest on tax deferral.

"Sec. 1294. Definitions and special rules.

"SEC. 1293. INTEREST ON TAX DEFERRAL.

"(a) TREATMENT OF DISTRIBUTIONS AND STOCK DISPOSITIONS.—

"(1) DISTRIBUTIONS.—If a United States person receives an excess distribution in respect of stock to which this section applies, then—

"(A) the amount of the excess distribution shall be allocated ratably to each day in the taxpayer's holding period for the stock,

"(B) with respect to such excess distribution, the taxpayer's gross income for the current year shall include (as ordinary income) only the amounts allocated under subparagraph (A) to—

"(i) the current year, or

"(ii) any period in the taxpayer's holding period before the first day of the first taxable year of the corporation which begins after December 31, 1986, and for which it was a passive foreign corporation, and

"(C) the tax imposed by this chapter for the current year shall be increased by the deferred tax amount (determined under subsection (c)).

"(2) DISPOSITIONS.—If the taxpayer disposes of stock to which this section applies, then the rules of paragraph (1) shall apply to any gain recognized on such disposition in the same manner as if such gain were an excess distribution.

"(3) DEFINITIONS.—For purposes of this subpart—

"(A) HOLDING PERIOD.—The taxpayer's holding period shall be determined under section 1223; except that—

"(i) for purposes of applying this section to an excess distribution, such holding period shall be treated as ending on the date of such distribution, and

"(ii) if section 1291 applied to such stock with respect to the taxpayer for any prior taxable year, such holding period shall be treated as beginning on the first day of the first taxable year beginning after the last taxable year for which section 1291 so applied.

"(B) CURRENT YEAR.—The term 'current year' means the taxable year in which the excess distribution or disposition occurs.

"(b) EXCESS DISTRIBUTION.—

"(1) IN GENERAL.—For purposes of this section, the term 'excess distribution' means any distribution in respect of stock received during any taxable year to the extent such distribution does not exceed its ratable portion of the total excess distribution (if any) for such taxable year.

"(2) TOTAL EXCESS DISTRIBUTION.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'total excess distribution' means the excess (if any) of—

"(i) the amount of the distributions in respect of the stock received by the taxpayer during the taxable year, over

"(ii) 125 percent of the average amount of the distributions received in respect of such stock by the taxpayer during the 3 preceding taxable years (or, if shorter, the portion of the taxpayer's holding period before the taxable year).

For purposes of clause (ii), any excess distribution received during such 3-year period shall be taken into account only to the extent it was included in gross income under subsection (a)(1)(B).

"(B) NO EXCESS FOR FIRST YEAR.—The total excess distributions with respect to any stock shall be zero for the taxable year in which the taxpayer's holding period in such stock begins.

"(3) ADJUSTMENTS.—Under regulations prescribed by the Secretary—

"(A) determinations under this subsection shall be made on a share-by-share basis, except that shares with the same holding period may be aggregated,

"(B) proper adjustments shall be made for stock splits and stock dividends,

"(C) if the taxpayer does not hold the stock during the entire taxable year, distributions received during such year shall be annualized,

"(D) if the taxpayer's holding period includes periods during which the stock was held by another person, distributions received by such other person shall be taken into account as if received by the taxpayer,

"(E) if the distributions are received in a foreign currency, determinations under this subsection shall be made in such currency and the amount of any excess distribution determined in such currency shall be translated into dollars,

"(F) proper adjustment shall be made for amounts not includible in gross income by reason of section 959(a) or for which a deduction is allowable under section 245(c), and

"(G) if a charitable deduction was allowable under section 642(c) to a trust for any distribution of its income, proper adjustments shall be made for the deduction so allowable to the extent allocable to distributions or gain in respect of stock in a passive foreign corporation.

For purposes of subparagraph (F), any amount not includible in gross income by reason of section 551(d) (as in effect on January 1, 1993) or 1293(c) (as so in effect) shall be treated as an amount not includible in gross income by reason of section 959(a).

"(c) DEFERRED TAX AMOUNT.—For purposes of this section—

"(1) IN GENERAL.—The term 'deferred tax amount' means, with respect to any distribution or disposition to which subsection (a) applies, an amount equal to the sum of—

"(A) the aggregate increases in taxes described in paragraph (2), plus

"(B) the aggregate amount of interest (determined in the manner provided under paragraph (3)) on such increases in tax.

Any increase in the tax imposed by this chapter for the current year under subsection (a) to the extent attributable to the amount referred to in subparagraph (B) shall be treated as interest paid under section 6601 on the due date for the current year.

"(2) AGGREGATE INCREASES IN TAXES.—For purposes of paragraph (1)(A), the aggregate increases in taxes shall be determined by multiplying each amount allocated under subsection (a)(1)(A) to any taxable year (other than any taxable year referred to in subsection (a)(1)(B)) by the highest rate of tax in effect for such taxable year under section 1 or 11, whichever applies.

"(3) COMPUTATION OF INTEREST.—

"(A) IN GENERAL.—The amount of interest referred to in paragraph (1)(B) on any increase determined under paragraph (2) for any taxable year shall be determined for the period—

"(i) beginning on the day after the due date for such taxable year, and

"(ii) ending on the due date for the taxable year with or within which the distribution or disposition occurs,

by using the rates and method applicable under section 6621 for underpayments of tax for such period.

"(B) DUE DATE.—For purposes of this subsection, the term 'due date' means the date prescribed by law (determined without regard to extensions) for filing the return of the tax imposed by this chapter for the taxable year.

"(C) SPECIAL RULE.—For purposes of determining the amount of interest referred to in paragraph (1)(B), the amount of any increase in tax determined under paragraph (2) shall be determined without regard to any reduction under section 1294(d) for a tax described in paragraph (2)(A)(ii) thereof.

"SEC. 1294. DEFINITIONS AND SPECIAL RULES.

"(a) STOCK TO WHICH SECTION 1293 APPLIES.—

"(1) IN GENERAL.—Except as otherwise provided in this subsection, section 1293 shall apply to any stock in a passive foreign corporation unless—

"(A) such stock is marketable stock as of the time of the distribution or disposition involved, or

"(B)(i) with respect to each of such corporation's taxable years for which such corporation was a passive foreign corporation and which began after December 31, 1993, and included any portion of the taxpayer's holding period in such stock—

"(I) such corporation was United States controlled (within the meaning of section 1292(a)(2)), or

"(II) such corporation was treated as a controlled foreign corporation under section 1292(b) with respect to the taxpayer, and

"(ii) with respect to each of such corporation's taxable years for which such corporation was a passive foreign corporation and which begin after December 31, 1986, and before January 1, 1994, and included any por-

tion of the taxpayer's holding period in such stock, such corporation was treated as a qualified electing fund under this part (as in effect on January 1, 1993) with respect to the taxpayer.

"(2) TREATMENT WHERE STOCK BECOMES MARKETABLE.—If any stock in a passive foreign corporation becomes marketable stock after the beginning of the taxpayer's holding period in such stock, and if the requirements of paragraph (1)(B) are not satisfied, section 1293 shall apply to—

"(A) any distributions with respect to, or disposition of, such stock in the taxable year of the taxpayer in which it becomes so marketable, and

"(B) any amount which, but for section 1293, would have been included in gross income under section 1291(a) with respect to such stock for such taxable year in the same manner as if such amount were gain on the disposition of such stock.

"(3) ELECTION TO RECOGNIZE GAIN WHERE COMPANY BECOMES SUBJECT TO CURRENT INCLUSIONS.—

"(A) IN GENERAL.—If—

"(i) a passive foreign corporation first meets the requirements of clause (i) of paragraph (1)(B) with respect to the taxpayer for a taxable year of such taxpayer which begins after December 31, 1993,

"(ii) the taxpayer holds stock in such company on the first day of such taxable year, and

"(iii) the taxpayer establishes to the satisfaction of the Secretary the fair market value of such stock on such first day,

the taxpayer may elect to recognize gain as if he sold such stock on such first day for such fair market value.

"(B) ADDITIONAL ELECTION FOR SHAREHOLDER OF CONTROLLED FOREIGN CORPORATIONS.—

"(i) IN GENERAL.—If—

"(I) a passive foreign corporation first meets the requirements of subclause (I) of paragraph (1)(B)(i) with respect to the taxpayer for a taxable year of such taxpayer which begins after December 31, 1993,

"(II) the taxpayer holds stock in such corporation on the first day of such taxable year, and

"(III) such corporation is a controlled foreign corporation without regard to this part,

the taxpayer may elect to be treated as receiving a dividend on such first day in an amount equal to the portion of the post-1986 earnings and profits of such corporation attributable (under regulations prescribed by the Secretary) to the stock in such corporation held by the taxpayer on such first day. The amount treated as a dividend under the preceding sentence shall be treated as an excess distribution and shall be allocated under section 1293(a)(1)(A) only to days during periods taken into account in determining the post-1986 earnings and profits so attributable.

"(ii) POST-1986 EARNINGS AND PROFITS.—For purposes of clause (i), the term 'post-1986 earnings and profits' means earnings and profits which were accumulated in taxable years of the corporation beginning after December 31, 1986, and during the period or periods the stock was held by the taxpayer while the corporation was a passive foreign corporation.

"(iii) COORDINATION WITH SECTION 959(e).—For purposes of section 959(e), any amount treated as a dividend under this subparagraph shall be treated as included in gross income under section 1248(a).

"(C) ADJUSTMENTS.—In the case of any stock to which subparagraph (A) or (B) applies—

"(i) the adjusted basis of such stock shall be increased by the gain recognized under subparagraph (A) or the amount treated as a dividend under subparagraph (B), as the case may be, and

"(ii) the taxpayer's holding period in such stock shall be treated as beginning on the first day referred to in such subparagraph.

"(b) RULES RELATING TO STOCK ACQUIRED FROM A DECEDENT.—

"(1) BASIS.—In the case of stock of a passive foreign corporation acquired by bequest, devise, or inheritance (or by the decedent's estate), notwithstanding section 1014, the basis of such stock in the hands of the person so acquiring it shall be the adjusted basis of such stock in the hands of the decedent immediately before his death (or, if lesser, the basis which would have been determined under section 1014 without regard to this paragraph).

"(2) DEDUCTION FOR ESTATE TAX.—If stock in a passive foreign corporation is acquired from a decedent, the taxpayer shall, under regulations prescribed by the Secretary, be allowed (for the taxable year of the sale or exchange) a deduction from gross income equal to that portion of the decedent's estate tax deemed paid which is attributable to the excess of (A) the value at which such stock was taken into account for purposes of determining the value of the decedent's gross estate, over (B) the basis determined under paragraph (1).

"(3) EXCEPTIONS.—This subsection shall not apply to any stock in a passive foreign corporation if—

"(A) section 1293 would not have applied to a disposition of such stock by the decedent immediately before his death, or

"(B) the decedent was a nonresident alien at all times during his holding period in such stock.

"(c) RECOGNITION OF GAIN.—Except as otherwise provided in regulations, in the case of any transfer of stock in a passive foreign company to which section 1293 applies, where (but for this subsection) there is not full recognition of gain, the excess (if any) of—

"(1) the fair market value of such stock, over

"(2) its adjusted basis,

shall be treated as gain from the sale or exchange of such stock and shall be recognized notwithstanding any provision of law. Proper adjustment shall be made to the basis of property for gain recognized under the preceding sentence.

"(d) COORDINATION WITH FOREIGN TAX CREDIT RULES.—

"(1) IN GENERAL.—If there are creditable foreign taxes with respect to any distribution in respect of stock in a passive foreign corporation—

"(A) the amount of such distribution shall be determined for purposes of section 1293 with regard to section 78,

"(B) the excess distribution taxes shall be allocated ratably to each day in the taxpayer's holding period for the stock, and

"(C) to the extent—

"(i) that such excess distribution taxes are allocated to a taxable year referred to in section 1293(a)(1)(B), such taxes shall be taken into account under section 901 for the current year, and

"(ii) that such excess distribution taxes are allocated to any other taxable year, such taxes shall reduce (subject to the principles of section 904 and not below zero) the increase in tax determined under section 1293(c)(2) for such taxable year by reason of such distribution (but such taxes shall not be taken into account under section 901).

"(2) DEFINITIONS.—For purposes of this subsection—

"(A) CREDITABLE FOREIGN TAXES.—The term 'creditable foreign taxes' means, with respect to any distribution—

"(i) any foreign taxes deemed paid under section 902 with respect to such distribution, and

"(ii) any withholding tax imposed with respect to such distribution,

but only if the taxpayer chooses the benefits of section 901 and such taxes are creditable under section 901 (determined without regard to paragraph (1)(C)(ii)).

"(B) EXCESS DISTRIBUTION TAXES.—The term 'excess distribution taxes' means, with respect to any distribution, the portion of the creditable foreign taxes with respect to such distribution which is attributable (on a pro rata basis) to the portion of such distribution which is an excess distribution.

"(C) SECTION 1248 GAIN.—The rules of this subsection also shall apply in the case of any gain which but for this section would be includible in gross income as a dividend under section 1248.

"(e) ATTRIBUTION OF OWNERSHIP.—For purposes of this subpart—

"(1) ATTRIBUTION TO UNITED STATES PERSONS.—This subsection—

"(A) shall apply to the extent that the effect is to treat stock of a passive foreign corporation as owned by a United States person, and

"(B) except as provided in paragraph (3) or in regulations, shall not apply to treat stock owned (or treated as owned under this subsection) by a United States person as owned by any other person.

"(2) CORPORATIONS.—

"(A) IN GENERAL.—If 50 percent or more in value of the stock of a corporation (other than an S corporation) is owned, directly or indirectly, by or for any person, such person shall be considered as owning the stock owned directly or indirectly by or for such corporation in that proportion which the value of the stock which such person so owns bears to the value of all stock in the corporation.

"(B) 50-PERCENT LIMITATION NOT TO APPLY IN CERTAIN CASES.—For purposes of determining whether a shareholder of a passive foreign corporation (or whether a United States shareholder of a controlled foreign corporation which is not a passive foreign corporation) is treated as owning stock owned directly or indirectly by or for such corporation, subparagraph (A) shall be applied without regard to the 50-percent limitation contained therein.

"(C) FAMILY AND PARTNER ATTRIBUTION FOR 50-PERCENT LIMITATION.—For purposes of determining whether the 50-percent limitation of subparagraph (A) is met, the constructive ownership rules of section 544(a)(2) shall apply in addition to the other rules of this subsection.

"(3) PARTNERSHIPS, ETC.—Except as provided in regulations, stock owned, directly or indirectly, by or for a partnership, S corporation, estate, or trust shall be considered as being owned proportionately by its partners, shareholders, or beneficiaries (as the case may be).

"(4) OPTIONS.—To the extent provided in regulations, if any person has an option to acquire stock, such stock shall be considered as owned by such person. For purposes of this paragraph, an option to acquire such an option, and each one of a series of such op-

tions, shall be considered as an option to acquire such stock.

"(5) SUCCESSIVE APPLICATION.—Stock considered to be owned by a person by reason of the application of paragraph (2), (3), or (4) shall, for purposes of applying such paragraphs, be considered as actually owned by such person.

"(f) OTHER SPECIAL RULES.—For purposes of this subpart—

"(1) TIME FOR DETERMINATION.—Stock held by a taxpayer shall be treated as stock in a passive foreign corporation if, at any time during the holding period of the taxpayer with respect to such stock, such corporation (or any predecessor) was a passive foreign corporation. The preceding sentence shall not apply if the taxpayer elects to recognize gain (as of the last day of the last taxable year for which the company was a passive foreign corporation) under rules similar to the rules of subsection (a)(3)(A).

"(2) APPLICATION OF SUBPART WHERE STOCK HELD BY OTHER ENTITY.—Under regulations—

"(A) IN GENERAL.—In any case in which a United States person is treated as owning stock in a passive foreign corporation by reason of subsection (e)—

"(i) any transaction which results in the United States person being treated as no longer owning such stock,

"(ii) any disposition of such stock by the person owning such stock, and

"(iii) any distribution of property in respect of such stock to the person holding such stock,

shall be treated as a disposition by, or distribution to, the United States person with respect to the stock in the passive foreign corporation.

"(B) AMOUNT TREATED IN SAME MANNER AS PREVIOUSLY TAXED INCOME.—Rules similar to the rules of section 959(b) shall apply to any amount described in subparagraph (A) in respect of stock which the taxpayer is treated as owning under subsection (e).

"(C) COORDINATION WITH SECTION 951.—If, but for this subparagraph, an amount would be taken into account under section 1293 by reason of subparagraph (A) and such amount would also be included in the gross income of the taxpayer under section 951, such amount shall only be taken into account under section 1293.

"(3) DISPOSITIONS.—Except as provided in regulations, if a taxpayer uses any stock in a passive foreign corporation as security for a loan, the taxpayer shall be treated as having disposed of such stock.

"Subpart C—General Provisions

"Sec. 1296. Passive foreign corporation.

"Sec. 1297. Special rules.

"SEC. 1296. PASSIVE FOREIGN CORPORATION.

"(a) IN GENERAL.—For purposes of this part, except as otherwise provided in this subpart, the term 'passive foreign corporation' means any foreign corporation if—

"(1) 60 percent or more of the gross income of such corporation for the taxable year is passive income,

"(2) the average percentage of assets (by value) held by such corporation during the taxable year which produce passive income or which are held for the production of passive income is at least 50 percent, or

"(3) such corporation is registered under the Investment Company Act of 1940, as amended (15 U.S.C. 80a-1 to 80b-2), either as a management company or as a unit investment trust.

In the case of a controlled foreign corporation (or any other foreign corporation if such corporation so elects), the determination under paragraph (2) shall be based on the adjusted bases (as determined for purposes of computing earnings and profits) of its assets in lieu of their value. Such an election, once made, may be revoked only with the consent of the Secretary.

"(b) PASSIVE INCOME.—For purposes of this section—

"(1) IN GENERAL.—Except as otherwise provided in this subsection, the term 'passive income' means any income which is of a kind which would be foreign personal holding company income as defined in section 954(c) without regard to paragraph (3) thereof.

"(2) EXCEPTIONS.—Except as provided in regulations, the term 'passive income' does not include any income—

"(A) derived in the active conduct of a banking business by an institution licensed to do business as a bank in the United States (or, to the extent provided in regulations, by any other corporation),

"(B) derived in the active conduct of an insurance business by a corporation which is predominantly engaged in an insurance business and which would be subject to tax under subchapter L if it were a domestic corporation,

"(C) which is interest, a dividend, or a rent or royalty, which is received or accrued from a related person (within the meaning of section 954(d)(3)) to the extent such amount is properly allocable (under regulations prescribed by the Secretary) to income of such related person which is not passive income, or

"(D) any foreign trade income of a FSC.

For purposes of subparagraph (C), the term 'related person' has the meaning given such term by section 954(d)(3) determined by substituting 'foreign corporation' for 'controlled foreign corporation' each place it appears in section 954(d)(3).

"(3) TREATMENT OF INCOME FROM CERTAIN ASSETS.—To the extent that any asset is properly treated as not held for the production of passive income for purposes of subsection (a)(2), all income from such asset shall be treated as income which is not passive income.

"(4) TREATMENT OF CERTAIN DEALERS IN SECURITIES.—

"(A) IN GENERAL.—In the case of any foreign corporation which is a controlled foreign corporation (as defined in section 957(a)), the term 'passive income' does not include any income derived in the active conduct of a securities business by such corporation if such corporation is registered as a securities broker or dealer under section 15(a) of the Securities Exchange Act of 1934 or is registered as a Government securities broker or dealer under section 15C(a) of such Act. To the extent provided in regulations, such term shall not include any income derived in the active conduct of a securities business by a controlled foreign corporation which is not so registered.

"(B) APPLICATION OF LOOK-THROUGH RULES.—For purposes of paragraph (2)(C), rules similar to the rules of subparagraph (A) of this paragraph shall apply in determining whether any income of a related person (whether or not a corporation) is passive income.

"(C) LIMITATION.—The preceding provisions of this paragraph shall only apply in the case of persons who are United States shareholders (as defined in section 951(b)) in the controlled foreign corporation.

"(c) LOOK-THROUGH IN CASE OF 25-PERCENT OWNED CORPORATION.—If a foreign corporation owns (directly or indirectly) at least 25 percent (by value) of the stock of another corporation, for purposes of determining whether such foreign corporation is a passive foreign corporation, such foreign corporation shall be treated as if it—

"(1) held its proportionate share of the assets of such other corporation, and

"(2) received directly its proportionate share of the income of such other corporation.

"SEC. 1297. SPECIAL RULES.

"(a) UNITED STATES PERSON.—For purposes of this part, the term 'United States person' has the meaning given to such term by section 7701(a)(30).

"(b) CONTROLLED FOREIGN CORPORATION.—For purposes of this part, the term 'controlled foreign corporation' has the meaning given such term by section 957(a).

"(c) MARKETABLE STOCK.—For purposes of this part—

"(1) IN GENERAL.—The term 'marketable stock' means—

"(A) any stock which is regularly traded on—

"(i) a national securities exchange which is registered with the Securities and Exchange Commission or the national market system established pursuant to section 11A of the Securities and Exchange Act of 1934, or

"(ii) any exchange or other market which the Secretary determines has rules adequate to carry out the purposes of this part, and

"(B) to the extent provided in regulations, stock in any foreign corporation which is comparable to a regulated investment company and which offers for sale or has outstanding any stock of which it is the issuer and which is redeemable at its net asset value.

"(2) SPECIAL RULE FOR REGULATED INVESTMENT COMPANIES.—In the case of any regulated investment company which is offering for sale or has outstanding any stock of which it is the issuer and which is redeemable at its net asset value, all stock in a passive foreign corporation which it owns (or is treated under section 1291(g) as owning) shall be treated as marketable stock for purposes of this part. Except as provided in regulations, a similar rule shall apply in the case of any other regulated investment company.

"(d) OTHER SPECIAL RULES.—For purposes of this part—

"(1) CERTAIN CORPORATIONS NOT TREATED AS PASSIVE.—A corporation shall not be treated as a passive foreign corporation for the 1st taxable year such corporation has gross income (hereinafter in this paragraph referred to as the 'start-up year') if—

"(A) no predecessor of such corporation was a passive foreign corporation,

"(B) it is established to the satisfaction of the Secretary that such corporation will not be a passive foreign corporation for either of the 1st 2 taxable years following the start-up year, and

"(C) such corporation is not a passive foreign corporation for either of the 1st 2 taxable years following the start-up year.

"(2) CERTAIN CORPORATIONS CHANGING BUSINESSES.—A corporation shall not be treated as a passive foreign corporation for any taxable year if—

"(A) neither such corporation (nor any predecessor) was a passive foreign corporation for any prior taxable year,

"(B) it is established to the satisfaction of the Secretary that—

"(i) substantially all of the passive income of the corporation for the taxable year is attributable to proceeds from the disposition of 1 or more active trades or businesses, and

"(ii) such corporation will not be a passive foreign corporation for either of the first 2 taxable years following the taxable year, and

"(C) such corporation is not a passive foreign corporation for either of such 2 taxable years.

For purposes of section 1296(c), any passive income referred to in subparagraph (B)(i) shall be treated as income which is not passive income and any assets which produce income so described shall be treated as assets producing income other than passive income.

"(3) TREATMENT OF CERTAIN FOREIGN CORPORATIONS OWNING STOCK IN 25-PERCENT OWNED DOMESTIC CORPORATION.—

"(A) IN GENERAL.—If a foreign corporation owns at least 25 percent (by value) of the stock of a domestic corporation, for purposes of determining whether such foreign corporation is a passive foreign corporation, any qualified stock held by such domestic corporation shall be treated as an asset which does not produce passive income (and is not held for the production of passive income) and any amount included in gross income with respect to such stock shall not be treated as passive income.

"(B) QUALIFIED STOCK.—For purposes of subparagraph (A), the term 'qualified stock' means any stock in a C corporation which is a domestic corporation and which is not a regulated investment company or real estate investment trust.

"(4) TREATMENT OF CORPORATION WHICH WAS A PFIC.—A corporation shall be treated as a passive foreign corporation for any taxable year beginning before January 1, 1994, if and only if such corporation was a passive foreign investment company under this part as in effect for such taxable year.

"(5) SEPARATE INTERESTS TREATED AS SEPARATE CORPORATIONS.—Under regulations prescribed by the Secretary, where necessary to carry out the purposes of this part, separate classes of stock (or other interests) in a corporation shall be treated as interests in separate corporations.

"(6) TREATMENT OF CERTAIN SUBPART F INCLUSIONS.—Any amount included in gross income under subparagraph (B) or (C) of section 951(a)(1) shall be treated as a distribution received with respect to the stock.

"(e) TREATMENT OF CERTAIN LEASED PROPERTY.—For purposes of this part—

"(1) IN GENERAL.—Any tangible personal property with respect to which a foreign corporation is the lessee under a lease with a term of at least 12 months shall be treated as an asset actually held by such corporation.

"(2) AMOUNT TAKEN INTO ACCOUNT.—

"(A) IN GENERAL.—The amount taken into account under section 1296(a)(2) with respect to any asset to which paragraph (1) applies shall be the unamortized portion (as determined under regulations prescribed by the Secretary) of the present value of the payments under the lease for the use of such property.

"(B) PRESENT VALUE.—For purposes of subparagraph (A), the present value of payments described in subparagraph (A) shall be determined in the manner provided in regulations prescribed by the Secretary—

"(i) as of the beginning of the lease term, and

"(ii) except as provided in such regulations, by using a discount rate equal to the applicable Federal rate determined under section 1274(d)—

"(I) by substituting the lease term for the term of the debt instrument, and

"(II) without regard to paragraph (2) or (3) thereof.

"(3) EXCEPTIONS.—This subsection shall not apply in any case where—

"(A) the lessor is a related person (as defined in section 954(d)(3)) with respect to the foreign corporation, or

"(B) a principal purpose of leasing the property was to avoid the provisions of this part or section 956A.

"(f) SPECIAL RULES FOR CERTAIN INTANGIBLES.—For purposes of this part—

"(1) RESEARCH EXPENDITURES.—The adjusted basis of the total assets of a controlled foreign corporation shall be increased by the research or experimental expenditures (within the meaning of section 174) paid or incurred by such foreign corporation during the taxable year and the preceding 2 taxable years. Any expenditure otherwise taken into account under the preceding sentence shall be reduced by the amount of any reimbursement received by the controlled foreign corporation with respect to such expenditure.

"(2) CERTAIN LICENSED INTANGIBLES.—

"(A) IN GENERAL.—In the case of any intangible property (as defined in section 936(h)(3)(B)) with respect to which a controlled foreign corporation is a licensee and which is used by such foreign corporation in the active conduct of a trade or business, the adjusted basis of the total assets of such foreign corporation shall be increased by an amount equal to 300 percent of the payments made during the taxable year by such foreign corporation for the use of such intangible property.

"(B) EXCEPTIONS.—Subparagraph (A) shall not apply to—

"(i) any payments to a foreign person if such foreign person is a related person (as defined in section 954(d)(3)) with respect to the controlled foreign corporation, and

"(ii) any payments under a license if a principal purpose of entering into such license was to avoid the provisions of this part or section 956A.

"(3) CONTROLLED FOREIGN CORPORATION.—For purposes of this subsection, the term 'controlled foreign corporation' has the meaning given such term by section 957(a).

"(g) ELECTION BY CERTAIN PASSIVE FOREIGN CORPORATIONS TO BE TREATED AS A DOMESTIC CORPORATION.—

"(1) IN GENERAL.—For purposes of this title, if—

"(A) a passive foreign corporation would qualify as a regulated investment company under part I of subchapter M if such passive foreign corporation were a domestic corporation,

"(B) such passive foreign corporation meets such requirements as the Secretary shall prescribe to ensure that the taxes imposed by this title on such passive foreign corporation are paid, and

"(C) such passive foreign corporation makes an election to have this paragraph apply and waives all benefits which are granted by the United States under any treaty and to which such corporation would otherwise be entitled by reason of being a resident of another country,

such corporation shall be treated as a domestic corporation.

"(2) CERTAIN RULES MADE APPLICABLE.—Rules similar to the rules of paragraphs (2), (3), (4)(A), and (5) of section 953(d) shall apply with respect to any corporation making an election under paragraph (1).

"(h) SPECIAL RULES FOR CERTAIN TAXPAYERS.—

"(1) TAX-EXEMPT ORGANIZATIONS.—In the case of any organization exempt from tax under section 501—

"(A) this part shall apply to any stock in a passive foreign corporation owned (or treated as owned under section 1294(e)) by such organization only to the extent that a dividend on such stock would be taken into account in determining the unrelated business taxable income of such organization, and

"(B) to the extent that this part applies to any such stock, this part shall be applied in the same manner as if such organization were not exempt from tax under section 501(a).

"(2) TREATMENT OF STOCK HELD BY POOLED INCOME FUND.—If stock in a passive foreign corporation is owned (or treated as owned under section 1294(e)) by a pooled income fund (as defined in section 642(c)(5)) and no portion of any gain from a disposition of such stock may be allocated to income under the terms of the governing instrument of such fund—

"(A) section 1293 shall not apply to any gain on a disposition of such stock by such fund if (without regard to section 1293) a deduction would be allowable with respect to such gain under section 642(c)(3),

"(B) subpart A shall not apply with respect to such stock, and

"(C) in determining whether section 1293 applies to any distribution in respect of such stock, such stock shall be treated as failing to qualify for the exceptions under section 1294(a)(1).

"(i) INFORMATION FROM SHAREHOLDERS.—Every United States person who owns stock in any passive foreign corporation shall furnish with respect to such corporation such information as the Secretary may prescribe.

"(j) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this part, including regulations—

"(1) providing that gross income shall be determined without regard to section 1293 for such purposes as may be specified in such regulations, and

"(2) to prevent avoidance of the provisions of this part through changes in citizenship or residence status."

(b) INSTALLMENT SALES TREATMENT NOT AVAILABLE.—Paragraph (2) of section 453(k) is amended by striking "or" at the end of subparagraph (A), by inserting "or" at the end of subparagraph (B), and by adding at the end thereof the following new subparagraph:

"(C) stock in a passive foreign corporation (as defined in section 1296) if section 1293 applies to such sale,".

(c) TREATMENT OF MARK-TO-MARKET GAIN UNDER SECTION 4982.—

(1) Subsection (e) of section 4982 is amended by adding at the end thereof the following new paragraph:

"(6) TREATMENT OF GAIN RECOGNIZED UNDER SECTION 1291.—For purposes of determining a regulated investment company's ordinary income—

"(A) notwithstanding paragraph (1)(C), section 1291 shall be applied as if such company's taxable year ended on October 31, and

"(B) any ordinary gain or loss from an actual disposition of stock in a passive foreign corporation during the portion of the calendar year after October 31 shall be taken into account in determining such company's ordinary income for the following calendar year.

In the case of a company making an election under paragraph (4), the preceding sentence shall be applied by substituting the last day of the company's taxable year for October 31."

(2) Subsection (b) of section 852 is amended by adding at the end thereof the following new paragraph:

"(10) SPECIAL RULE FOR CERTAIN LOSSES ON STOCK IN PASSIVE FOREIGN CORPORATIONS.—To the extent provided in regulations, the taxable income of a regulated investment company (other than a company to which an election under section 4982(e)(4) applies) shall be computed without regard to any net reduction in the value of any stock of a passive foreign corporation to which section 1291 applies occurring after October 31 of the taxable year, and any such reduction shall be treated as occurring on the first day of the following taxable year."

(3) Subsection (c) of section 852 is amended by inserting after "October 31 of such year" the following: ", without regard to any net reduction in the value of any stock of a passive foreign corporation to which section 1291 applies occurring after October 31 of such year,".

(d) TREATMENT OF CERTAIN PREVIOUSLY TAXED AMOUNTS.—Subsection (e) of section 959 is amended—

(1) by adding at the end thereof the following new sentence: "A similar rule shall apply in the case of amounts included in gross income under section 1293 (as in effect on January 1, 1993).", and

(2) by striking "AMOUNTS PREVIOUSLY TAXED UNDER SECTION 1248" in the subsection heading and inserting "CERTAIN PREVIOUSLY TAXED AMOUNTS".

SEC. 403. TECHNICAL AND CONFORMING AMENDMENTS.

(a) GENERAL RULE.—

(1) Paragraph (2) of section 171(c) is amended—

(A) by striking ", or by a foreign personal holding company, as defined in section 552", and

(B) by striking ", or foreign personal holding company".

(2) Section 312 is amended by striking subsection (j).

(3) Subsection (m) of section 312 is amended by striking ", a foreign investment company (within the meaning of section 1246(b)), or a foreign personal holding company (within the meaning of section 552)" and inserting "or a passive foreign corporation (as defined in section 1296)".

(4) Subsection (e) of section 443 is amended by striking paragraph (3) and by redesignating paragraphs (4) and (5) as paragraphs (3) and (4), respectively.

(5) Clause (ii) of section 465(c)(7)(B) is amended to read as follows:

"(ii) a passive foreign corporation with respect to which the stock ownership requirements of section 1292(a)(2)(B) are met, or".

(6) Subsection (b) of section 535 is amended by striking paragraph (9).

(7) Subsection (d) of section 535 is hereby repealed.

(8) Paragraph (1) of section 543(b) is amended by inserting "and" at the end of subparagraph (A), by striking ", and" at the end of subparagraph (B) and inserting a period, and by striking subparagraph (C).

(9) Section 545 is amended by striking subsections (b)(7) and (c).

(10) Paragraph (1) of section 562(b) is amended by striking "or a foreign personal holding company described in section 552".

(11) Section 563 is amended—

(A) by striking subsection (c),

(B) by redesignating subsection (d) as subsection (c), and

(C) by striking "subsection (a), (b), or (c)" in subsection (c) (as so redesignated) and inserting "subsection (a) or (b)".

(12) Paragraph (2) of section 751(d) is amended by striking "subsection (a) of section 1246 (relating to gain on foreign investment company stock)" and inserting "section 1291 (relating to stock in certain passive foreign corporations marked to market)".

(13) Subsection (b) of section 851 is amended by striking the sentence following paragraph (4)(B) which contains a reference to section 1293(a).

(14) Clause (ii) of section 864(b)(2)(A) is amended by striking "(other than" and all that follows down through "holding company)" and inserting "(other than a corporation which would be a personal holding company but for section 542(c)(5) and which is not United States controlled (as defined in section 1292(a)(2))".

(15) Subsection (d) of section 904 is amended by striking paragraphs (2)(A)(ii), (2)(E)(iii), and (3)(I).

(16)(A) Subparagraph (A) of section 904(g)(1) is amended to read as follows:

"(A) Any amount included in gross income under section 951(a) (relating to amounts included in gross income of United States shareholders)."

(B) The paragraph heading of paragraph (2) of section 904(g) is amended by striking "AND FOREIGN PERSONAL HOLDING OR PASSIVE FOREIGN INVESTMENT COMPANY".

(17) Section 951 is amended by striking subsections (c), (d), and (f), and by redesignating subsection (e) as subsection (c).

(18) Paragraph (3) of section 956A(c) is amended—

(A) by striking "1297(d)" in subparagraph (B) and inserting "1297(e)", and

(B) by striking "1297(e)" in subparagraph (C) and inserting "1297(f)".

(19) Paragraph (1) of section 986(c) is amended by striking "or 1293(c)".

(20) Paragraph (3) of section 989(b) is amended by striking ", 551(a), or 1293(a)".

(21) Paragraph (5) of section 1014(b) is hereby repealed.

(22) Subsection (a) of section 1016 is amended by striking paragraph (13) and by redesignating the following paragraphs accordingly.

(23) Paragraph (3) of section 1212(a) is amended—

(A) by striking subparagraph (A),

(B) by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively, and

(C) by amending subparagraph (D) to read as follows:

"(C) for which it is a passive foreign corporation."

(24) Section 1223 is amended by striking paragraph (10) and by redesignating the following paragraphs accordingly.

(25) Subsection (d) of section 1248 is amended by striking paragraphs (5) and (7).

(26)(A) Subsection (a) of section 6035 is amended by striking "foreign personal holding company (as defined in section 552)" and inserting "passive foreign corporation with respect to which the stock ownership requirements of section 1292(a)(2)(B) are met".

(B) The section heading for section 6035 is amended by striking "**FOREIGN PERSONAL HOLDING COMPANIES**" and inserting "**CLOSELY HELD PASSIVE FOREIGN CORPORATIONS**".

(C) The table of sections for subpart A of part III of subchapter A of chapter 61 is amended by striking "foreign personal holding companies" in the item relating to section 6035 and inserting "closely-held passive foreign corporations".

(27) Subparagraph (D) of section 6103(e)(1) is amended by striking clause (iv) and redesignating clauses (v) and (vi) as clauses (iv) and (v), respectively.

(28) Subparagraph (B) of section 6501(e)(1) is amended to read as follows:

"(B) CONSTRUCTIVE DIVIDENDS.—If the taxpayer omits from gross income an amount properly includible therein under section 951(a), the tax may be assessed, or a proceeding in court for the collection of such tax may be done without assessing, at any time within 6 years after the return was filed."

(29) Section 4947 and section 4948(c)(4) are each amended by striking "556(b)(2)," each place it appears.

(b) CLERICAL AMENDMENTS.—

(1) The table of parts for subchapter G of chapter 1 is amended by striking the item relating to part III.

(2) The table of sections for part IV of subchapter P of chapter 1 is amended by striking the items relating to sections 1246 and 1247.

(3) The table of parts for subchapter P of chapter 1 is amended by striking the item relating to part VI and inserting the following:

"Part VI. Treatment of passive foreign corporations."

SEC. 404. EFFECTIVE DATE.

(a) GENERAL RULE.—Except as otherwise provided in this section, the amendments made by this subtitle shall apply to—

(1) taxable years of United States persons beginning after December 31, 1993, and

(2) taxable years of foreign corporations ending with or within such taxable years of United States persons.

(b) DENIAL OF INSTALLMENT SALES TREATMENT.—The amendment made by section 402(b) shall apply to dispositions after December 31, 1993.

(c) BASIS RULE.—The amendments made by this subtitle shall not affect the determination of the basis of any stock acquired from a decedent in a taxable year beginning before January 1, 1994.

Subtitle B—Treatment of Controlled Foreign Corporations

SEC. 411. GAIN ON CERTAIN STOCK SALES BY CONTROLLED FOREIGN CORPORATIONS TREATED AS DIVIDENDS.

(a) GENERAL RULE.—Section 964 (relating to miscellaneous provisions) is amended by adding at the end thereof the following new subsection:

"(e) GAIN ON CERTAIN STOCK SALES BY CONTROLLED FOREIGN CORPORATIONS TREATED AS DIVIDENDS.—

"(1) IN GENERAL.—If a controlled foreign corporation sells or exchanges stock in any other foreign corporation, gain recognized on such sale or exchange shall be included in the gross income of such controlled foreign corporation as a dividend to the same extent that it would have been so included under section 1248(a) if such controlled foreign corporation were a United States person. For purposes of determining the amount which would have been so includible, the determination of whether such other foreign corporation was a controlled foreign corporation shall be made without regard to the preceding sentence.

"(2) SAME COUNTRY EXCEPTION NOT APPLICABLE.—Clause (i) of section 954(c)(3)(A) shall not apply to any amount treated as a dividend by reason of paragraph (1).

"(3) CLARIFICATION OF DEEMED SALES.—For purposes of this subsection, a controlled foreign corporation shall be treated as having sold or exchanged any stock if, under any provision of this subtitle, such controlled foreign corporation is treated as having gain from the sale or exchange of such stock."

(b) AMENDMENT OF SECTION 904(d).—Clause (i) of section 904(d)(2)(E) is amended by striking "and except as provided in regulations, the taxpayer was a United States shareholder in such corporation".

(c) EFFECTIVE DATES.—

(1) The amendment made by subsection (a) shall apply to gain recognized on transactions occurring after the date of the enactment of this Act.

(2) The amendment made by subsection (b) shall apply to distributions after the date of the enactment of this Act.

SEC. 412. MISCELLANEOUS MODIFICATIONS TO SUBPART F.

(a) SECTION 1248 GAIN TAKEN INTO ACCOUNT IN DETERMINING PRO RATA SHARE.—

(1) IN GENERAL.—Paragraph (2) of section 951(a) (defining pro rata share of subpart F income) is amended by adding at the end thereof the following new sentence: "For purposes of subparagraph (B), any gain included in the gross income of any person as a dividend under section 1248 shall be treated as a distribution received by such person with respect to the stock involved."

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to dispositions after the date of the enactment of this Act.

(b) BASIS ADJUSTMENTS IN STOCK HELD BY FOREIGN CORPORATION.—

(1) IN GENERAL.—Section 961 (relating to adjustments to basis of stock in controlled foreign corporations and of other property) is amended by adding at the end thereof the following new subsection:

"(c) BASIS ADJUSTMENTS IN STOCK HELD BY FOREIGN CORPORATION.—Under regulations prescribed by the Secretary, if a United States shareholder is treated under section 958(a)(2) as owning any stock in a controlled foreign corporation which is actually owned by another controlled foreign corporation, adjustments similar to the adjustments provided by subsections (a) and (b) shall be made to the basis of such stock in the hands of such other controlled foreign corporation, but only for the purposes of determining the amount included under section 951 in the gross income of such United States shareholder (or any other United States shareholder who acquires from any person any portion of the interest of such United States shareholder by reason of which such shareholder was treated as owning such stock, but only to the extent of such portion, and subject to such proof of identity of such interest as the Secretary may prescribe by regulations)."

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply for purposes of determining inclusions for taxable years of United States shareholders beginning after December 31, 1993.

(c) DETERMINATION OF PREVIOUSLY TAXED INCOME IN SECTION 304 DISTRIBUTIONS, ETC.—

(1) IN GENERAL.—Section 959 (relating to exclusion from gross income of previously taxed earnings and profits) is amended by adding at the end thereof the following new subsection:

"(g) ADJUSTMENTS FOR CERTAIN TRANSACTIONS.—If by reason of—

"(1) a transaction to which section 304 applies,

"(2) the structure of a United States shareholder's holdings in controlled foreign corporations, or

"(3) other circumstances,

there would be a multiple inclusion of any item in income (or an inclusion or exclusion without an appropriate basis adjustment) by reason of this subpart, the Secretary may prescribe regulations providing such modifications in the application of this subpart as may be necessary to eliminate such multiple inclusion or provide such basis adjustment, as the case may be."

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect on the date of the enactment of this Act.

(d) CLARIFICATION OF TREATMENT OF BRANCH TAX EXEMPTIONS OR REDUCTIONS.—

(1) IN GENERAL.—Subsection (b) of section 952 is amended by adding at the end thereof the following new sentence: "For purposes of this subsection, any exemption (or reduction) with respect to the tax imposed by section 884 shall not be taken into account.".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to taxable years beginning after December 31, 1986.

SEC. 413. INDIRECT FOREIGN TAX CREDIT ALLOWED FOR CERTAIN LOWER TIER COMPANIES.

(a) SECTION 902 CREDIT.—

(1) IN GENERAL.—Subsection (b) of section 902 (relating to deemed taxes increased in case of certain 2nd and 3rd tier foreign corporations) is amended to read as follows:

"(b) DEEMED TAXES INCREASED IN CASE OF CERTAIN LOWER TIER CORPORATIONS.—

"(1) IN GENERAL.—If—

"(A) any foreign corporation is a member of a qualified group, and

"(B) such foreign corporation owns 10 percent or more of the voting stock of another member of such group from which it receives dividends in any taxable year,

such foreign corporation shall be deemed to have paid the same proportion of such other member's post-1986 foreign income taxes as would be determined under subsection (a) if such foreign corporation were a domestic corporation.

"(2) QUALIFIED GROUP.—For purposes of paragraph (1), the term 'qualified group' means—

"(A) the foreign corporation described in subsection (a), and

"(B) any other foreign corporation if—

"(i) the domestic corporation owns at least 5 percent of the voting stock of such other foreign corporation indirectly through a chain of foreign corporations connected through stock ownership of at least 10 percent of their voting stock,

"(ii) the foreign corporation described in subsection (a) is the first tier corporation in such chain, and

"(iii) such other corporation is not below the sixth tier in such chain,

The term 'qualified group' shall not include any foreign corporation below the third tier in the chain referred to in clause (i) unless such foreign corporation is a controlled foreign corporation (as defined in section 957) and the domestic corporation is a United States shareholder (as defined in section 951(b)) in such foreign corporation. Paragraph (1) shall apply to those taxes paid by a member of the qualified group below the third tier only with respect to periods during which it was a controlled foreign corporation."

(2) CONFORMING AMENDMENTS.—

(A) Subparagraph (B) of section 902(c)(3) is amended by adding "or" at the end of clause (i) and by striking clauses (ii) and (iii) and inserting the following new clause:

"(ii) the requirements of subsection (b)(2) are met with respect to such foreign corporation."

(B) Subparagraph (B) of section 902(c)(4) is amended by striking "3rd foreign corporation" and inserting "sixth tier foreign corporation".

(C) The heading for paragraph (3) of section 902(c) is amended by striking "WHERE DOMESTIC CORPORATION ACQUIRES 10 PERCENT OF FOREIGN CORPORATION" and inserting "WHERE FOREIGN CORPORATION FIRST QUALIFIES".

(D) Paragraph (3) of section 902(c) is amended by striking "ownership" each place it appears.

(b) SECTION 960 CREDIT.—Paragraph (1) of section 960(a) (relating to special rules for foreign tax credits) is amended to read as follows:

"(1) DEEMED PAID CREDIT.—For purposes of subpart A of this part, if there is included under section 951(a) in the gross income of a domestic corporation any amount attributable to earnings and profits of a foreign corporation which is a member of a qualified group (as defined in section 902(b)) with respect to the domestic corporation, then, except to the extent provided in regulations, section 902 shall be applied as if the amount so included were a dividend paid by such foreign corporation (determined by applying section 902(c) in accordance with section 904(d)(3)(B)).".

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxes of foreign corporations for taxable years of such corporations beginning after the date of enactment of this Act.

(2) SPECIAL RULE.—In the case of any chain of foreign corporations described in clauses (i) and (ii) of section 902(b)(2)(B) of the Internal Revenue Code of 1986 (as amended by this section), no liquidation, reorganization, or similar transaction in a taxable year beginning after the date of the enactment of this Act shall have the effect of permitting taxes to be taken into account under section 902 of the Internal Revenue Code of 1986 which could not have been taken into account under such section but for such transaction.

Subtitle C—Other Provisions

SEC. 421. EXCHANGE RATE USED IN TRANSLATING FOREIGN TAXES.

(a) ACCRUED TAXES TRANSLATED BY USING AVERAGE RATE FOR YEAR TO WHICH TAXES RELATE.—

(1) IN GENERAL.—Subsection (a) of section 986 (relating to translation of foreign taxes) is amended to read as follows:

"(a) FOREIGN INCOME TAXES.—

"(1) TRANSLATION OF ACCRUED TAXES.—

"(A) IN GENERAL.—For purposes of determining the amount of the foreign tax credit, in the case of a taxpayer who takes foreign income taxes into account when accrued, the amount of any foreign income taxes (and any adjustment thereto) shall be translated into dollars by using the average exchange rate for the taxable year to which such taxes relate.

"(B) EXCEPTION FOR TAXES NOT PAID WITHIN FOLLOWING 2 YEARS.—

"(i) Subparagraph (A) shall not apply to any foreign income taxes paid after the date 2 years after the close of the taxable year to which such taxes relate.

"(ii) Subparagraph (A) shall not apply to taxes paid before the beginning of the taxable year to which such taxes relate.

"(C) EXCEPTION FOR INFLATIONARY CURRENCIES.—To the extent provided in regulations, subparagraph (A) shall not apply to any foreign income taxes the liability for which is denominated in any currency determined to be an inflationary currency under such regulations.

"(D) CROSS REFERENCE.—

"For adjustments where tax is not paid within 2 years, see section 905(c).

"(2) TRANSLATION OF TAXES TO WHICH PARAGRAPH (1) DOES NOT APPLY.—For purposes of determining the amount of the foreign tax credit, in the case of any foreign income taxes to which subparagraph (A) of paragraph (1) does not apply—

"(A) such taxes shall be translated into dollars using the exchange rates as of the time such taxes were paid to the foreign country or possession of the United States, and

"(B) any adjustment to the amount of such taxes shall be translated into dollars using—

"(i) except as provided in clause (ii), the exchange rate as of the time when such adjustment is paid to the foreign country or possession, or

"(ii) in the case of any refund or credit of foreign income taxes, using the exchange rate as of the time of the original payment of such foreign income taxes.

"(3) FOREIGN INCOME TAXES.—For purposes of this subsection, the term 'foreign income taxes' means any income, war profits, or excess profits taxes paid or accrued to any foreign country or to any possession of the United States."

(2) ADJUSTMENT WHEN NOT PAID WITHIN 2 YEARS AFTER YEAR TO WHICH TAXES RELATE.—Subsection (c) of section 905 is amended to read as follows:

"(c) ADJUSTMENTS TO ACCRUED TAXES.—

"(1) IN GENERAL.—If—

"(A) accrued taxes when paid differ from the amounts claimed as credits by the taxpayer,

"(B) accrued taxes are not paid before the date 2 years after the close of the taxable year to which such taxes relate, or

"(C) any tax paid is refunded in whole or in part,

the taxpayer shall notify the Secretary, who shall redetermine the amount of the tax for the year or years affected.

"(2) SPECIAL RULE FOR TAXES NOT PAID WITHIN 2 YEARS.—In making the redetermination under paragraph (1), no credit shall be allowed for accrued taxes not paid before the date referred to in subparagraph (B) of paragraph (1). Any such taxes if subsequently paid shall be taken into account for the taxable year in which paid and no redetermination under this section shall be made on account of such payment.

"(3) ADJUSTMENTS.—The amount of tax due on any redetermination under paragraph (1) (if any) shall be paid by the taxpayer on notice and demand by the Secretary, and the amount of tax overpaid (if any) shall be credited or refunded to the taxpayer in accordance with subchapter B of chapter 66 (section 6511 et seq.).

"(4) BOND REQUIREMENTS.—In the case of any tax accrued but not paid, the Secretary, as a condition precedent to the allowance of the credit provided in this subpart, may require the taxpayer to give a bond, with sureties satisfactory to and approved by the Secretary, in such sum as the Secretary may require, conditioned on the payment by the taxpayer of any amount of tax found due on any such redetermination. Any such bond shall contain such further conditions as the Secretary may require.

"(5) OTHER SPECIAL RULES.—In any redetermination under paragraph (1) by the Secretary of the amount of tax due from the taxpayer for the year or years affected by a refund, the amount of the taxes refunded for which credit has been allowed under this section shall be reduced by the amount of any tax described in section 901 imposed by the foreign country or possession of the United States with respect to such refund; but no credit under this subpart, or deduction under section 164, shall be allowed for any taxable year with respect to any such tax imposed on the refund. No interest shall be assessed or collected on any amount of tax due on any redetermination by the Secretary, resulting from a refund to the taxpayer, for any period before the receipt of such refund, except to the extent interest was paid by the foreign country or possession of the United States on such refund for such period."

(b) AUTHORITY TO USE AVERAGE RATES.—

(1) IN GENERAL.—Subsection (a) of section 986 (as amended by subsection (a)) is amended by redesignating paragraph (3) as paragraph (4) and inserting after paragraph (2) the following new paragraph:

"(3) AUTHORITY TO PERMIT USE OF AVERAGE RATES.—To the extent prescribed in regulations, the average exchange rate for the period (specified in such regulations) during which the taxes or adjustment is paid may be used instead of the exchange rate as of the time of such payment."

(2) DETERMINATION OF AVERAGE RATES.—Subsection (c) of section 989 is amended by striking "and" at the end of paragraph (4), by striking the period at the end of paragraph (5) and inserting ", and", and by adding at the end thereof the following new paragraph:

"(6) setting forth procedures for determining the average exchange rate for any period."

(3) CONFORMING AMENDMENTS.—Subsection (b) of section 989 is amended by striking "weighted" each place it appears.

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by subsections (a)(1) and (b) shall apply to taxes paid or accrued in taxable years beginning after December 31, 1992.

(2) SUBSECTION (a)(2).—The amendment made by subsection (a)(2) shall apply to taxes which relate to taxable years beginning after December 31, 1992.

SEC. 422. ELECTION TO USE SIMPLIFIED SECTION 904 LIMITATION FOR ALTERNATIVE MINIMUM TAX.

(a) GENERAL RULE.—Subsection (a) of section 59 (relating to alternative minimum tax foreign tax credit) is amended by adding at the end thereof the following new paragraph:

"(3) ELECTION TO USE SIMPLIFIED SECTION 904 LIMITATION.—

"(A) IN GENERAL.—In determining the alternative minimum tax foreign tax credit for any taxable year to which an election under this paragraph applies—

"(i) subparagraph (B) of paragraph (1) shall not apply, and

"(ii) the limitation of section 904 shall be based on the proportion which—

"(I) the taxpayer's taxable income (as determined for purposes of the regular tax) from sources without the United States (but not in excess of the taxpayer's entire alternative minimum taxable income), bears to

"(II) the taxpayer's entire alternative minimum taxable income for the taxable year.

"(B) ELECTION.—

"(i) IN GENERAL.—An election under this paragraph may be made only for the taxpayer's first taxable year which begins after December 31, 1993, and for which the taxpayer claims an alternative minimum tax foreign tax credit.

"(ii) ELECTION REVOCABLE ONLY WITH CONSENT.—An election under this paragraph, once made, shall apply to the taxable year for which made and all subsequent taxable years unless revoked with the consent of the Secretary."

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1993.

SEC. 423. MODIFICATION OF SECTION 1491.

(a) GENERAL RULE.—So much of chapter 5 (relating to tax on transfers to avoid income tax) as precedes section 1492 is amended to read as follows:

"CHAPTER 5—TREATMENT OF TRANSFERS TO AVOID INCOME TAX

"Sec. 1491. Recognition of gain.

"Sec. 1492. Exceptions.

"SEC. 1491. RECOGNITION OF GAIN.

"In the case of any transfer of property by a United States person to a foreign corporation as paid-in surplus or as a contribution to capital, to a foreign estate or trust, or to a foreign partnership, for purposes of this subtitle, such transfer shall be treated as a sale or exchange for an amount equal to the fair market value of the property transferred, and the transferor shall recognize as gain the excess of—

"(1) the fair market value of the property so transferred, over

"(2) the adjusted basis (for purposes of determining gain) of such property in the hands of the transferor."

(b) CONFORMING AMENDMENTS.—

(1) Section 1057 is hereby repealed.

(2) Section 1492 is amended to read as follows:

"SEC. 1492. EXCEPTIONS.

"The provisions of section 1491 shall not apply—

"(1) If the transferee is an organization exempt from income tax under part I of subchapter F of chapter 1 (other than an organization described in section 401(a)),

"(2) To a transfer described in section 367, or

"(3) To any other transfer, to the extent provided in regulations in accordance with principles similar to the principles of section 367 or otherwise consistent with the purpose of section 1491."

(3) Section 1494 is hereby repealed.

(4) The table of sections for part IV of subchapter O of chapter 1 is amended by striking the item relating to section 1057.

(5) The table of chapters for subtitle A is amended by striking "Tax on" in the item relating to chapter 5 and inserting "Treatment of".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to transfers after December 31, 1994.

SEC. 424. MODIFICATION OF SECTION 367(b).

(a) GENERAL RULE.—Paragraph (1) of section 367(b) is amended to read as follows:

"(1) IN GENERAL.—In the case of any transaction described in section 332, 351, 354, 355, 356, or 361 in which the status of a foreign corporation as a corporation is a general condition for nonrecognition by 1 or more of the parties to the transaction, income shall be required to be recognized to the extent provided in regulations prescribed by the Secretary which are necessary or appropriate to prevent the avoidance of Federal income taxes. This subsection shall not apply to a transaction in which the foreign corporation is not treated as a corporation under subsection (a)(1)."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to transfers after December 31, 1994.

TITLE V—OTHER INCOME TAX PROVISIONS

Subtitle A—Provisions Relating to Subchapter S Corporations

SEC. 501. AUTHORITY TO VALIDATE CERTAIN INVALID ELECTIONS.

(a) GENERAL RULE.—Subsection (f) of section 1362 (relating to inadvertent terminations) is amended to read as follows:

"(f) INADVERTENT INVALID ELECTIONS OR TERMINATIONS.—If—

"(1) an election under subsection (a) by any corporation—

"(A) was not effective for the taxable year for which made (determined without regard to subsection (b)(2)) by reason of a failure to meet the requirements of section 1361(b) or to obtain shareholder consents, or

"(B) was terminated under paragraph (2) or (3) of subsection (d),

"(2) the Secretary determines that the circumstances resulting in such ineffectiveness or termination were inadvertent,

"(3) no later than a reasonable period of time after discovery of the circumstances resulting in such ineffectiveness or termination, steps were taken—

"(A) so that the corporation is a small business corporation, or

"(B) to acquire the required shareholder consents, and

"(4) the corporation, and each person who was a shareholder in the corporation at any time during the period specified pursuant to this subsection, agrees to make such adjustments (consistent with the treatment of the corporation as an S corporation) as may be required by the Secretary with respect to such period,

then, notwithstanding the circumstances resulting in such ineffectiveness or termination, such corporation shall be treated as an S corporation during the period specified by the Secretary."

(b) LATE ELECTIONS.—Subsection (b) of section 1362 is amended by adding at the end thereof the following new paragraph:

"(5) AUTHORITY TO TREAT LATE ELECTIONS AS TIMELY.—If—

"(A) an election under subsection (a) is made for any taxable year (determined without regard to paragraph (3)) after the date prescribed by this subsection for making such election for such taxable year, and

"(B) the Secretary determines that there was reasonable cause for the failure to timely make such election,

the Secretary may treat such election as timely made for such taxable year (and paragraph (3) shall not apply)."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to elections for taxable years beginning after December 31, 1982.

SEC. 502. TREATMENT OF DISTRIBUTIONS DURING LOSS YEARS.

(a) ADJUSTMENTS FOR DISTRIBUTIONS TAKEN INTO ACCOUNT BEFORE LOSSES.—

(1) Subparagraph (A) of section 1366(d)(1) is amended by striking "paragraph (1)" and inserting "paragraphs (1) and (2)(A)".

(2) Subsection (d) of section 1368 is amended by adding at the end thereof the following new sentence:

"In the case of any distribution made during any taxable year, the adjusted basis of the stock shall be determined with regard to the adjustments provided in paragraph (1) of section 1367(a) for the taxable year."

(b) ACCUMULATED ADJUSTMENTS ACCOUNT.—Paragraph (1) of section 1368(e) (relating to accumulated adjustments account) is amended by adding at the end thereof the following new subparagraph:

"(C) NET LOSS FOR YEAR DISREGARDED.—

"(i) IN GENERAL.—In applying this section to distributions made during any taxable year, the amount in the accumulated adjustments account as of the close of such taxable year shall be determined without regard to any net negative adjustment for such taxable year.

"(ii) NET NEGATIVE ADJUSTMENT.—For purposes of clause (i), the term 'net negative adjustment' means, with respect to any taxable year, the excess (if any) of—

"(I) the reductions in the account for the taxable year (other than for distributions), over

"(II) the increases in such account for such taxable year."

(c) CONFORMING AMENDMENTS.—Subparagraph (A) of section 1368(e)(1) is amended—

(1) by striking "as provided in subparagraph (B)" and inserting "as otherwise provided in this paragraph", and

(2) by striking "section 1367(b)(2)(A)" and inserting "section 1367(a)(2)".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions in taxable years beginning after December 31, 1992.

SEC. 503. ELECTING SMALL BUSINESS TRUSTS.

(a) GENERAL RULE.—Subparagraph (A) of section 1361(c)(2) (relating to certain trusts permitted as shareholders) is amended by inserting after clause (iv) the following new clause:

"(v) An electing small business trust."

(b) CURRENT BENEFICIARIES TREATED AS SHAREHOLDERS.—Subparagraph (B) of section 1361(c)(2) is amended by adding at the end the following new clause:

"(v) In the case of a trust described in clause (v) of subparagraph (A), each potential current beneficiary of such trust shall be treated as a shareholder; except that, if for any period there is no potential current beneficiary of such trust, such trust shall be treated as the shareholder during such period."

(c) ELECTING SMALL BUSINESS TRUST DEFINED.—Section 1361 (defining S corporation) is amended by adding at the end the following new subsection:

"(e) ELECTING SMALL BUSINESS TRUST DEFINED.—

"(1) ELECTING SMALL BUSINESS TRUST.—For purposes of this section—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the term 'electing small business trust' means any trust if—

"(i) such trust does not have as a beneficiary any person other than (I) an individual, (II) an estate, or (III) an organization described in paragraph (2), (3), (4), or (5) of section 170(c) which holds a contingent interest and is not a potential current beneficiary,

"(ii) no interest in such trust was acquired by purchase, and

"(iii) an election under this subsection applies to such trust.

"(B) CERTAIN TRUSTS NOT ELIGIBLE.—The term 'electing small business trust' shall not include—

"(i) any qualified subchapter S trust (as defined in subsection (d)(3)) if an election under subsection (d)(2) applies to any corporation the stock of which is held by such trust, and

"(ii) any trust exempt from tax under this subtitle.

"(C) PURCHASE.—For purposes of subparagraph (A), the term 'purchase' means any acquisition if the basis of the property acquired is determined under section 1012.

"(2) POTENTIAL CURRENT BENEFICIARY.—For purposes of this section, the term 'potential current beneficiary' means, with respect to any period, any person who at any time during such period is entitled to, or at the discretion of any person may receive, a distribution from the principal or income of the trust. If a trust disposes of all of the stock which it holds in an S corporation, then, with respect to such corporation, the term 'potential current beneficiary' does not include any person who first met the requirements of the preceding sentence during the 60-day period ending on the date of such disposition.

"(3) ELECTION.—An election under this subsection shall be made by the trustee. Any such election shall apply to the taxable year of the trust for which made and all subsequent taxable years of such trust unless revoked with the consent of the Secretary.

"(4) CROSS REFERENCE.—

"For special treatment of electing small business trusts, see section 641(d)."

(d) TAXATION OF ELECTING SMALL BUSINESS TRUSTS.—Section 641 (relating to imposition of tax on trusts) is amended by adding at the end the following new subsection:

"(d) SPECIAL RULES FOR TAXATION OF ELECTING SMALL BUSINESS TRUSTS.—

"(1) IN GENERAL.—For purposes of this chapter—

"(A) the portion of any electing small business trust which consists of stock in 1 or more S corporations shall be treated as a separate trust, and

"(B) the amount of the tax imposed by this chapter on such separate trust shall be determined with the modifications of paragraph (2).

"(2) MODIFICATIONS.—For purposes of paragraph (1), the modifications of this paragraph are the following:

"(A) Except as provided in section 1(h), the amount of the tax imposed by section 1(e) shall be determined by using the highest rate of tax set forth in section 1(e).

"(B) The exemption amount under section 55(d) shall be zero.

"(C) The only items of income, loss, deduction, or credit to be taken into account are the following:

"(i) The items required to be taken into account under section 1366.

"(ii) Any gain or loss from the disposition of stock in an S corporation.

"(iii) To the extent provided in regulations, State or local income taxes or administrative expenses to the extent allocable to items described in clauses (i) and (ii).

No deduction or credit shall be allowed for any amount not described in this paragraph, and no item described in this paragraph shall be apportioned to any beneficiary.

"(D) No amount shall be allowed under paragraph (1) or (2) of section 1211(b).

"(3) TREATMENT OF REMAINDER OF TRUST AND DISTRIBUTIONS.—For purposes of determining—

"(A) the amount of the tax imposed by this chapter on the portion of any electing small business trust not treated as a separate trust under paragraph (1), and

"(B) the distributable net income of the entire trust,

the items referred to in paragraph (2)(C) shall be excluded. Except as provided in the preceding sentence, this subsection shall not affect the taxation of any distribution from the trust.

"(4) TREATMENT OF UNUSED DEDUCTIONS WHERE TERMINATION OF SEPARATE TRUST.—If a portion of an electing small business trust ceases to be treated as a separate trust under paragraph (1), any carryover or excess deduction of the separate trust which is referred to in section 642(h) shall be taken into account by the entire trust.

"(5) ELECTING SMALL BUSINESS TRUST.—For purposes of this subsection, the term 'electing small business trust' has the meaning given such term by section 1361(e)(1)."

(e) TECHNICAL AMENDMENT.—Paragraph (1) of section 1366(a) is amended by inserting ", or of a trust or estate which terminates," after "who dies".

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable

years beginning after the date of the enactment of this Act.

SEC. 504. OTHER MODIFICATIONS.

(a) TREATMENT OF S CORPORATIONS UNDER SUBCHAPTER C.—Subsection (a) of section 1371 (relating to application of subchapter C rules) is amended to read as follows:

"(a) APPLICATION OF SUBCHAPTER C RULES.—Except as otherwise provided in this title, and except to the extent inconsistent with this subchapter, subchapter C shall apply to an S corporation and its shareholders."

(b) S CORPORATIONS PERMITTED TO HOLD SUBSIDIARIES.—

(1) IN GENERAL.—Paragraph (2) of section 1361(b) (defining ineligible corporation) is amended by striking subparagraph (A) and by redesignating subparagraphs (B), (C), (D), and (E) as subparagraphs (A), (B), (C), and (D), respectively.

(2) CONFORMING AMENDMENTS.—

(A) Subsection (c) of section 1361 is amended by striking paragraph (6).

(B) Subsection (b) of section 1504 (defining includible corporation) is amended by adding at the end thereof the following new paragraph:

"(8) An S corporation."

(c) ELIMINATION OF PRE-1983 EARNINGS AND PROFITS.—

(1) IN GENERAL.—If—

(A) a corporation was an electing small business corporation under subchapter S of chapter 1 of the Internal Revenue Code of 1986 for any taxable year beginning before January 1, 1983, and

(B) such corporation is an S corporation under subchapter S of chapter 1 of such Code for its first taxable year beginning after December 31, 1992,

the amount of such corporation's accumulated earnings and profits (as of the beginning of such first taxable year) shall be reduced by an amount equal to the portion (if any) of such accumulated earnings and profits which were accumulated in any taxable year beginning before January 1, 1983, for which such corporation was an electing small business corporation under such subchapter S.

(2) CONFORMING AMENDMENTS.—

(A) Paragraph (3) of section 1362(d) is amended—

(i) by striking "SUBCHAPTER C" in the paragraph heading and inserting "ACCUMULATED",

(ii) by striking "subchapter C" in subparagraph (A)(i)(I) and inserting "accumulated", and

(iii) by striking subparagraph (B) and redesignating the following subparagraphs accordingly.

(B)(i) Subsection (a) of section 1375 is amended by striking "subchapter C" in paragraph (1) and inserting "accumulated".

(ii) Paragraph (3) of section 1375(b) is amended to read as follows:

"(3) PASSIVE INVESTMENT INCOME, ETC.—The terms 'passive investment income' and 'gross receipts' have the same respective meanings as when used in paragraph (3) of section 1362(d)."

(iii) The section heading for section 1375 is amended by striking "SUBCHAPTER C" and inserting "ACCUMULATED".

(iv) The table of sections for part III of subchapter S of chapter 1 is amended by striking "subchapter C" in the item relating to section 1375 and inserting "accumulated".

(C) Clause (i) of section 1042(c)(4)(A) is amended by striking "section 1362(d)(3)(D)" and inserting "section 1362(d)(3)(C)".

(d) ADJUSTMENTS TO BASIS OF INHERITED S STOCK TO REFLECT CERTAIN ITEMS OF INCOME.—Subsection (b) of section 1367 (relating to adjustments to basis of stock of shareholders, etc.) is amended by adding at the end thereof the following new paragraph:

"(4) ADJUSTMENTS IN CASE OF INHERITED STOCK.—

"(A) IN GENERAL.—If any person acquires stock in an S corporation by reason of the death of a decedent or by bequest, devise, or inheritance, section 691 shall be applied with respect to any item of income of the S corporation in the same manner as if the decedent had held directly his pro rata share of such item.

"(B) ADJUSTMENTS TO BASIS.—The basis determined under section 1014 of any stock in an S corporation shall be reduced by the portion of the value of the stock which is attributable to items constituting income in respect of the decedent."

(e) EFFECTIVE DATES.—

(1) SUBSECTIONS (a) AND (b).—The amendments made by subsections (a) and (b) shall take effect on the date of the enactment of this Act.

(2) SUBSECTION (c).—The amendments made by subsection (c) shall apply to taxable years beginning after December 31, 1992.

(3) SUBSECTION (d).—The amendment made by subsection (d) shall apply in the case of decedents dying after the date of the enactment of this Act.

Subtitle B—Accounting Provision

SEC. 511. MODIFICATIONS TO LOOK-BACK METHOD FOR LONG-TERM CONTRACTS.

(a) LOOK-BACK METHOD NOT TO APPLY IN CERTAIN CASES.—Subsection (b) of section 460 (relating to percentage of completion method) is amended by adding at the end thereof the following new paragraph:

"(6) ELECTION TO HAVE LOOK-BACK METHOD NOT APPLY IN DE MINIMIS CASES.—

"(A) AMOUNTS TAKEN INTO ACCOUNT AFTER COMPLETION OF CONTRACT.—Paragraph (1)(B) shall not apply with respect to any taxable year (beginning after the taxable year in which the contract is completed) if—

"(i) the cumulative taxable income (or loss) under the contract as of the close of such taxable year, is within

"(ii) 10 percent of the cumulative look-back taxable income (or loss) under the contract as of the close of the most recent taxable year to which paragraph (1)(B) applied (or would have applied but for subparagraph (B)).

"(B) DE MINIMIS DISCREPANCIES.—Paragraph (1)(B) shall not apply in any case to which it would otherwise apply if—

"(i) the cumulative taxable income (or loss) under the contract as of the close of each prior contract year, is within

"(ii) 10 percent of the cumulative look-back income (or loss) under the contract as of the close of such prior contract year.

"(C) DEFINITIONS.—For purposes of this paragraph—

"(i) CONTRACT YEAR.—The term 'contract year' means any taxable year for which income is taken into account under the contract.

"(ii) LOOK-BACK INCOME OR LOSS.—The look-back income (or loss) is the amount which would be the taxable income (or loss) under the contract if the allocation method set forth in paragraph (2)(A) were used in determining taxable income.

"(iii) DISCOUNTING NOT APPLICABLE.—The amounts taken into account after the completion of the contract shall be determined without regard to any discounting under the 2nd sentence of paragraph (2).

"(D) CONTRACTS TO WHICH PARAGRAPH APPLIES.—This paragraph shall only apply if the taxpayer makes an election under this subparagraph. Unless revoked with the consent of the Secretary, such an election shall apply to all long-term contracts completed during the taxable year for which election is made or during any subsequent taxable year."

(b) MODIFICATION OF INTEREST RATE.—

(1) IN GENERAL.—Subparagraph (C) of section 460(b)(2) is amended by striking "the overpayment rate established by section 6621" and inserting "the adjusted overpayment rate (as defined in paragraph (7))".

(2) ADJUSTED OVERPAYMENT RATE.—Subsection (b) of section 460 is amended by adding at the end thereof the following new paragraph:

"(7) ADJUSTED OVERPAYMENT RATE.—

"(A) IN GENERAL.—The adjusted overpayment rate for any interest accrual period is the overpayment rate in effect under section 6621 for the calendar quarter in which such interest accrual period begins.

"(B) INTEREST ACCRUAL PERIOD.—For purposes of subparagraph (A), the term 'interest accrual period' means the period—

"(i) beginning on the day after the return due date for any taxable year of the taxpayer, and

"(ii) ending on the return due date for the following taxable year.

For purposes of the preceding sentence, the term 'return due date' means the date prescribed for filing the return of the tax imposed by this chapter (determined without regard to extensions)."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to contracts completed in taxable years ending after the date of the enactment of this Act.

Subtitle C—Provisions Relating To Regulated Investment Companies

SEC. 521. REPEAL OF 30-PERCENT GROSS INCOME LIMITATION.

(a) GENERAL RULE.—Subsection (b) of section 851 (relating to limitations) is amended by striking paragraph (3), by adding "and" at the end of paragraph (2), and by redesignating paragraph (4) as paragraph (3).

(b) TECHNICAL AMENDMENTS.—

(1) The material following paragraph (3) of section 851 (as redesignated by subsection (a)) is amended—

(A) by striking out "paragraphs (2) and (3)" and inserting "paragraph (2)", and

(B) by striking out the last sentence thereof.

(2) Subsection (c) of section 851 is amended by striking "subsection (b)(4)" each place it appears (including the heading) and inserting "subsection (b)(3)".

(3) Subsection (d) of section 851 is amended by striking "subsections (b)(4)" and inserting "subsections (b)(3)".

(4) Paragraph (1) of section 851(e) is amended by striking "subsection (b)(4)" and inserting "subsection (b)(3)".

(5) Paragraph (4) of section 851(e) is amended by striking "subsections (b)(4)" and inserting "subsections (b)(3)".

(6) Section 851 is amended by striking subsection (g) and redesignating subsection (h) as subsection (g).

(7) Subsection (g) of section 851 (as redesignated by paragraph (6)) is amended by striking paragraph (3).

(8) Section 817(h)(2) is amended—

(A) by striking "851(b)(4)" in subparagraph (A) and inserting "851(b)(3)", and

(B) by striking "851(b)(4)(A)(i)" in subparagraph (B) and inserting "851(b)(3)(A)(i)".

(9) Section 1092(f)(2) is amended by striking "Except for purposes of section 851(b)(3), the" and inserting "The".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

SEC. 522. BASIS RULES FOR SHARES IN OPEN-END REGULATED INVESTMENT COMPANIES.

(a) ADDITIONAL REPORTING REQUIREMENT.—Section 6045 (relating to returns of brokers) is amended by adding at the end thereof the following new subsection:

"(f) ADDITIONAL INFORMATION REQUIRED WITH RESPECT TO OPEN-END REGULATED INVESTMENT COMPANIES.—

"(1) IN GENERAL.—If any person is required under subsection (a) to make a return regarding the gross proceeds from any disposition of stock in an open-end regulated investment company, such return shall include—

"(A) the basis of the stock disposed of (determined by reference to the average basis of all of the stock in the account from which the disposition was made immediately before the disposition), and

"(B) the portion of such basis and such gross proceeds attributable to stock held for more than 1 year and the portion not so attributable.

Determinations under subparagraph (B) shall be made on a first-in, first-out, basis and determinations of basis and holding period shall be made in such manner as the Secretary may prescribe.

"(2) OPEN-END REGULATED INVESTMENT COMPANY.—For purposes of this subsection, the term 'open-end regulated investment company' means any 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.

"(3) INFORMATION TRANSFERS.—To the extent provided in regulations, there shall be such exchanges of information between brokers as such regulations may require for purposes of enabling brokers to meet the requirements of this subsection.

"(4) APPLICATION OF SUBSECTION.—This subsection shall not apply with respect to stock in any account—

"(A) which was established before January 1, 1995, or

"(B) which includes any stock not acquired by purchase."

(b) BASIS FOR INCOME TAX PURPOSES.—Section 1012 of such Code is amended—

(1) by striking "The basis" and inserting "(a) GENERAL RULE.—The basis", and

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

"(b) SPECIAL RULES FOR STOCK IN OPEN-END REGULATED INVESTMENT COMPANIES.—

"(1) IN GENERAL.—In the case of any disposition of stock from a covered account—

"(A) the basis of such stock shall be determined by reference to the average basis of all of the stock in such account immediately before such disposition, and

"(B) the determination of which stock in such account is so disposed of shall be made on a first-in, first-out, basis.

"(2) COVERED ACCOUNT.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'covered account' means any account of stock in an open-end regulated investment company if section 6045(f) applies to such account.

"(B) ELECTION OUT.—The term 'covered account' shall not include any account if, on the taxpayer's return for his first taxable year in which a disposition from such account occurs, the taxpayer elects to have this subsection not apply to such account."

(c) COORDINATION WITH WASH SALE RULES.—Section 1091 is amended by adding at the end thereof the following new subsection:

"(f) SPECIAL RULES FOR CERTAIN ACCOUNTS IN OPEN-END REGULATED INVESTMENT COMPANIES.—

"(1) IN GENERAL.—In applying this section to a disposition during December of any calendar year of stock from a covered account, any acquisition of stock after January 15 of the following calendar year shall be disregarded if such acquisition is a result of a dividend reinvestment pursuant to a dividend reinvestment program established at the time such account was opened or, if later, at least 6 months before the date of such disposition.

"(2) DE MINIMIS EXCEPTION.—If

"(A) but for this paragraph, losses from dispositions during December of any calendar year of stock from a covered account would have been disallowed under this section by reason of acquisitions during January of the following calendar year, and

"(B) the amount of such losses which would have been so disallowed does not exceed $25,

nothing in this section shall disallow such losses.

"(3) COVERED ACCOUNT.—For purposes of this subsection, the term 'covered account' means any account of stock in an open-end regulated investment company if section 6045(f) applies to such account."

(d) MODIFICATION OF LOAD BASIS DEFERRAL RULE FOR CERTAIN ACQUISITIONS OCCURRING AFTER DECEMBER 31.—

(1) Paragraph (1) of section 852(f) is amended by striking "subparagraph (C)) shall not" and all that follows and inserting "subparagraph (C)) shall be recaptured as provided in paragraph (2). To the extent such charge is recaptured under paragraph (2), such charge shall be treated as incurred in connection with the acquisition referred to in subparagraph (C) (including for purposes of reapplying this paragraph)."

(2) Subsection (f) of section 852 is amended by redesignating paragraph (2) as paragraph (3) and by inserting after paragraph (1) the following new paragraph:

"(2) RECAPTURE.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), any load charge required by paragraph (1) to be recaptured shall not be taken into account in determining the amount of gain or loss on the disposition referred to in paragraph (1)(B).

"(B) SUBSEQUENT ACQUISITIONS OCCURRING AFTER DECEMBER 31.—If—

"(i) the acquisition referred to in paragraph (1)(A) occurs in a calendar year, and

"(ii) the subsequent acquisition referred to in paragraph (1)(C) occurs after December 31 of such calendar year,

subparagraph (A) shall not apply and the amount of the load charge required by paragraph (1) to be recaptured shall be included in gross income as short-term capital gain for the taxable year in which the subsequent acquisition referred to in paragraph (1)(C) occurs."

(e) TECHNICAL AMENDMENT.—Section 6724 of such Code is amended by adding at the end thereof the following new subsection:

"(f) SPECIAL RULE FOR CERTAIN REPORTS WITH RESPECT TO STOCK IN OPEN END REGULATED INVESTMENT COMPANIES.—For purposes of sections 6721(e)(2)(B) and 6722(c)(1)(B), the amount required to be reported under section 6045 shall be determined without regard to subsection (f) thereof."

(f) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to returns and statements required for calendar year 1995 and subsequent calendar years.

(2) SUBSECTIONS (b).—The amendments made by subsections (b), (c), and (d) shall apply to dispositions after December 31, 1994.

SEC. 523. NONRECOGNITION TREATMENT FOR CERTAIN TRANSFERS BY COMMON TRUST FUNDS TO REGULATED INVESTMENT COMPANIES.

(a) GENERAL RULE.—Section 584 (relating to common trust funds) is amended by redesignating subsection (h) as subsection (i) and by inserting after subsection (g) the following new subsection:

"(h) NONRECOGNITION TREATMENT FOR CERTAIN TRANSFERS TO REGULATED INVESTMENT COMPANIES.—

"(1) IN GENERAL.—If—

"(A) a common trust fund transfers substantially all of its assets to a regulated investment company in exchange solely for stock in such company, and

"(B) such stock is distributed by such common trust fund to participants in such common trust fund in exchange solely for their interests in such common trust fund,

no gain or loss shall be recognized by such common trust fund by reason of such transfer or distribution, and no gain or loss shall be recognized by any participant in such common trust fund by reason of such exchange.

"(2) BASIS RULES.—

"(A) REGULATED INVESTMENT COMPANY.—The basis of any asset received by a regulated investment company in a transfer referred to in paragraph (1)(A) shall be the same as it would be in the hands of the common trust fund.

"(B) PARTICIPANTS.—The basis of any stock in a regulated investment company which is received in an exchange referred to in paragraph (1)(B) shall be the same as that of the property exchanged.

"(3) TREATMENT OF ASSUMPTIONS OF LIABILITY.—

"(A) IN GENERAL.—In determining whether the transfer referred to in paragraph (1)(A) is in exchange solely for stock in the regulated investment company, the assumption by such company of a liability of the common trust fund, and the fact that any property transferred by the common trust fund is subject to a liability, shall be disregarded.

"(B) SPECIAL RULE WHERE ASSUMED LIABILITIES EXCEED BASIS.—

"(i) IN GENERAL.—If in any transfer referred to in paragraph (1)(A) the assumed liabilities exceed the aggregate adjusted bases (in the hands of the common trust fund) of the assets transferred to the regulated investment company—

"(I) notwithstanding paragraph (1), gain shall be recognized to the common trust fund on such transfer in an amount equal to such excess,

"(II) the basis of the assets received by the regulated investment company in such transfer shall be increased by the amount so recognized, and

"(III) any adjustment to the basis of a participant's interest in the common trust fund as a result of the gain so recognized shall be treated as occurring immediately before the exchange referred to in paragraph (1)(B).

"(ii) ASSUMED LIABILITIES.—For purposes of clause (i), the term 'assumed liabilities' means the aggregate of—

"(I) any liability of the common trust fund assumed by the regulated investment company in connection with the transfer referred to in paragraph (1)(A), and

"(II) any liability to which property so transferred is subject.

"(4) COMMON TRUST FUND MUST MEET DIVERSIFICATION RULES.—This subsection shall not apply to any common trust fund which would not meet the requirements of section 368(a)(2)(F)(ii) if it were a corporation. For purposes of the preceding sentence, Government securities shall not be treated as securities of an issuer in applying the 25-percent and 50-percent test and such securities shall not be excluded for purposes of determining total assets under clause (iv) of section 368(a)(2)(F)."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to transfers after the date of the enactment of this Act.

Subtitle D—Tax-Exempt Bond Provisions

SEC. 531. REPEAL OF $100,000 LIMITATION ON UNSPENT PROCEEDS UNDER 1-YEAR EXCEPTION FROM REBATE.

Subclause (I) of section 148(f)(4)(B)(ii) (relating to additional period for certain bonds) is amended by striking "the lesser of 5 percent of the proceeds of the issue or $100,000" and inserting "5 percent of the proceeds of the issue".

SEC. 532. EXCEPTION FROM REBATE FOR EARNINGS ON BONA FIDE DEBT SERVICE FUND UNDER CONSTRUCTION BOND RULES.

Subparagraph (C) of section 148(f)(4) is amended by adding at the end thereof the following new clause:

"(xvii) TREATMENT OF BONA FIDE DEBT SERVICE FUNDS.—If the spending requirements of clause (ii) are met with respect to the available construction proceeds of a construction issue, then paragraph (2) shall not apply to earnings on a bona fide debt service fund for such issue."

SEC. 533. REPEAL OF DEBT SERVICE-BASED LIMITATION ON INVESTMENT IN CERTAIN NONPURPOSE INVESTMENTS.

Subsection (d) of section 148 (relating to special rules for reasonably required reserve or replacement fund) is amended by striking paragraph (3).

SEC. 534. REPEAL OF EXPIRED PROVISIONS.

(a) Paragraph (2) of section 148(c) is amended by striking subparagraph (B) and by redesignating subparagraphs (C), (D), and (E) as subparagraph (B), (C), and (D), respectively.

(b) Paragraph (4) of section 148(f) is amended by striking subparagraph (E).

SEC. 535. CLARIFICATION OF INVESTMENT-TYPE PROPERTY.

Subparagraph (D) of section 148(b)(2) is amended to read as follows:

"(D) any investment-type property, or".

SEC. 536. EFFECTIVE DATES.

(a) IN GENERAL.—Except as provided in subsection (b), the amendments made by this subtitle shall apply to bonds issued after the date of the enactment of this Act.

(b) INVESTMENT-TYPE PROPERTY.—The amendment made by section 535 shall take effect as if included in the amendments made by section 1301 of the Tax Reform Act of 1986.

Subtitle E—Insurance Provisions

SEC. 541. TREATMENT OF CERTAIN INSURANCE CONTRACTS ON RETIRED LIVES.

(a) GENERAL RULE.—

(1) Paragraph (2) of section 817(d) (defining variable contract) is amended by striking "or" at the end of subparagraph (A), by striking "and" at the end of subparagraph (B) and inserting "or", and by inserting after subparagraph (B) the following new subparagraph:

"(C) provides for funding of insurance on retired lives as described in section 807(c)(6), and".

(2) Paragraph (3) of section 817(d) is amended by striking "or" at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting ", or", and by inserting after subparagraph (B) the following new subparagraph:

"(C) in the case of funds held under a contract described in paragraph (2)(C), the amounts paid in, or the amounts paid out, reflect the investment return and the market value of the segregated asset account."

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1992.

SEC. 542. TREATMENT OF MODIFIED GUARANTEED CONTRACTS.

(a) GENERAL RULE.—Subpart E of part I of subchapter L of chapter 1 (relating to definitions and special rules) is amended by inserting after section 817 the following new section:

"SEC. 817A. SPECIAL RULES FOR MODIFIED GUARANTEED CONTRACTS.

"(a) COMPUTATION OF RESERVES.—In the case of a modified guaranteed contract, clause (ii) of section 807(e)(1)(A) shall not apply.

"(b) SEGREGATED ASSETS UNDER MODIFIED GUARANTEED CONTRACTS MARKED TO MARKET.—

"(1) IN GENERAL.—In the case of any life insurance company, for purposes of this subtitle—

"(A) Any gain or loss with respect to a segregated asset shall be treated as ordinary income or loss, as the case may be.

"(B) If any segregated asset is held by such company as of the close of any taxable year—

"(i) such company shall recognize gain or loss as if such asset were sold for its fair market value on the last business day of such taxable year, and

"(ii) any such gain or loss shall be taken into account for such taxable year.

Proper adjustment shall be made in the amount of any gain or loss subsequently realized for gain or loss taken into account under the preceding sentence. The Secretary may provide by regulations for the application of this subparagraph at times other than the times provided in this subparagraph.

"(2) SEGREGATED ASSET.—For purposes of paragraph (1), the term 'segregated asset' means any asset held as part of a segregated account referred to in subsection (d)(1) under a modified guaranteed contract.

"(c) SPECIAL RULE IN COMPUTING LIFE INSURANCE RESERVES.—For purposes of applying section 816(b)(1)(A) to any modified guaranteed contract, an assumed rate of interest shall include a rate of interest determined, from time to time, with reference to a market rate of interest.

"(d) MODIFIED GUARANTEED CONTRACT DEFINED.—For purposes of this section, the term 'modified guaranteed contract' means a contract not described in section 817—

"(1) all or part of the amounts received under which are allocated to an account which, pursuant to State law or regulation, is segregated from the general asset accounts of the company and is valued from time to time with reference to market values,

"(2) which—

"(A) provides for the payment of annuities,

"(B) is a life insurance contract, or

"(C) is a pension plan contract which is not a life, accident, or health, property, casualty, or liability contract,

"(3) for which reserves are valued at market for annual statement purposes, and

"(4) which provides for a net surrender value or a policyholder's fund (as defined in section 807(e)(1)).

"(e) REGULATIONS.—The Secretary may prescribe regulations—

"(1) to provide for the treatment of market value adjustments under sections 72, 7702, 7702A, and 807(e)(1)(B),

"(2) to determine the interest rates applicable under sections 807(c)(3), 807(d)(2)(B), and 812 with respect to a modified guaranteed contract annually, in a manner appropriate for modified guaranteed contracts and, to the extent appropriate for such a contract, to modify or waive the applicability of section 811(d),

"(3) to provide rules to limit ordinary gain or loss treatment to assets constituting reserves for modified guaranteed contracts (and not other assets) of the company,

"(4) to provide appropriate treatment of transfers of assets to and from the segregated account, and

"(5) as may be necessary or appropriate to carry out the purposes of this section."

(b) CLERICAL AMENDMENT.—The table of sections for subpart E of part I of subchapter L of chapter 1 is amended by inserting after the item relating to section 817 the following new item:

"Sec. 817A. Special rules for modified guaranteed contracts."

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years beginning after December 31, 1992.

(2) TREATMENT OF NET ADJUSTMENTS.—In the case of any taxpayer required by the amendments made by this section to change its calculation of reserves to take into account market value adjustments and to mark segregated assets to market for any taxable year—

(A) such changes shall be treated as a change in method of accounting initiated by the taxpayer,

(B) such changes shall be treated as made with the consent of the Secretary, and

(C) the adjustments required by reason of section 481 of the Internal Revenue Code of 1986 shall be taken into account as ordinary income or loss by the taxpayer for the taxpayer's first taxable year beginning after December 31, 1992.

Subtitle F—Other Provisions

SEC. 551. CLOSING OF PARTNERSHIP TAXABLE YEAR WITH RESPECT TO DECEASED PARTNER, ETC.

(a) GENERAL RULE.—Subparagraph (A) of section 706(c)(2) (relating to disposition of entire interest) is amended to read as follows:

"(A) DISPOSITION OF ENTIRE INTEREST.—The taxable year of a partnership shall close with respect to a partner whose entire interest in the partnership terminates (whether by reason of death, liquidation, or otherwise)."

(b) CLERICAL AMENDMENT.—The paragraph heading for paragraph (2) of section 706(c) is amended to read as follows:

"(2) TREATMENT OF DISPOSITIONS.—".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to partnership taxable years beginning after December 31, 1993.

SEC. 552. MODIFICATION OF CREDIT FOR PRODUCING FUEL FROM A NONCONVENTIONAL SOURCE.

(a) IN GENERAL.—Subparagraph (A) of section 29(c)(2) (relating to gas from geopressured brine, etc.) is amended by adding at the end the following new sentence: "If the Federal Energy Regulatory Commis-

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sion ceases to make the determinations described in the preceding sentence, the Secretary shall make such determinations in accordance with section 503 of such Act."

(b) CONFORMING AMENDMENT.—Section 29(c)(2)(A) is amended by inserting "(as in effect before its repeal by the Natural Gas Wellhead Decontrol Act of 1989)" after "Natural Gas Policy Act of 1978".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1993.

TITLE VI—ESTATE AND GIFT TAX PROVISIONS

SEC. 601. CLARIFICATION OF WAIVER OF CERTAIN RIGHTS OF RECOVERY.

(a) AMENDMENT TO SECTION 2207A.—Paragraph (2) of section 2207A(a) (relating to right of recovery in the case of certain marital deduction property) is amended to read as follows:

"(2) DECEDENT MAY OTHERWISE DIRECT.—Paragraph (1) shall not apply with respect to any property to the extent that the decedent in his will (or a revocable trust) specifically indicates an intent to waive any right of recovery under this subchapter with respect to such property."

(b) AMENDMENT TO SECTION 2207B.—Paragraph (2) of section 2207B(a) (relating to right of recovery where decedent retained interest) is amended to read as follows:

"(2) DECEDENT MAY OTHERWISE DIRECT.—Paragraph (1) shall not apply with respect to any property to the extent that the decedent in his will (or a revocable trust) specifically indicates an intent to waive any right of recovery under this subchapter with respect to such property."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to the estates of decedents dying after the date of the enactment of this Act.

SEC. 602. ADJUSTMENTS FOR GIFTS WITHIN 3 YEARS OF DECEDENT'S DEATH.

(a) GENERAL RULE.—Section 2035 is amended to read as follows:

"SEC. 2035. ADJUSTMENTS FOR CERTAIN GIFTS MADE WITHIN 3 YEARS OF DECEDENT'S DEATH.

"(a) INCLUSION OF CERTAIN PROPERTY IN GROSS ESTATE.—If—

"(1) the decedent made a transfer (by trust or otherwise) of an interest in any property, or relinquished a power with respect to any property, during the 3-year period ending on the date of the decedent's death, and

"(2) the value of such property (or an interest therein) would have been included in the decedent's gross estate under section 2036, 2037, 2038, or 2042 if such transferred interest or relinquished power had been retained by the decedent on the date of his death,

the value of the gross estate shall include the value of any property (or interest therein) which would have been so included.

"(b) INCLUSION OF GIFT TAX ON GIFTS MADE DURING 3 YEARS BEFORE DECEDENT'S DEATH.—The amount of the gross estate (determined without regard to this subsection) shall be increased by the amount of any tax paid under chapter 12 by the decedent or his estate on any gift made by the decedent or his spouse during the 3-year period ending on the date of the decedent's death.

"(c) OTHER RULES RELATING TO TRANSFERS WITHIN 3 YEARS OF DEATH.—

"(1) IN GENERAL.—For purposes of—

"(A) section 303(b) (relating to distributions in redemption of stock to pay death taxes),

"(B) section 2032A (relating to special valuation of certain farms, etc., real property), and

"(C) subchapter C of chapter 64 (relating to lien for taxes),

the value of the gross estate shall include the value of all property to the extent of any interest therein of which the decedent has at any time made a transfer, by trust or otherwise, during the 3-year period ending on the date of the decedent's death.

"(2) COORDINATION WITH SECTION 6166.—An estate shall be treated as meeting the 35 percent of adjusted gross estate requirement of section 6166(a)(1) only if the estate meets such requirement both with and without the application of paragraph (1).

"(3) SMALL TRANSFERS.—Paragraph (1) shall not apply to any transfer (other than a transfer with respect to a life insurance policy) made during a calendar year to any donee if the decedent was not required by section 6019 (other than by reason of section 6019(a)(2)) to file any gift tax return for such year with respect to transfers to such donee.

"(d) EXCEPTION.—Subsection (a) shall not apply to any bona fide sale for an adequate and full consideration in money or money's worth.

"(e) TREATMENT OF CERTAIN TRANSFERS FROM REVOCABLE TRUSTS.—For purposes of this section and section 2038, any transfer from any portion of a trust with respect to which the decedent was the grantor during any period when the decedent held the power to revest in the decedent title to such portion shall be treated as a transfer made directly by the decedent."

(b) CLERICAL AMENDMENT.—The table of sections for part III of subchapter A of chapter 11 is amended by striking "gifts" in the item relating to section 2035 and inserting "certain gifts".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to the estates of decedents dying after the date of the enactment of this Act.

SEC. 603. CLARIFICATION OF QUALIFIED TERMINABLE INTEREST RULES.

(a) GENERAL RULE.—

(1) ESTATE TAX.—Subparagraph (B) of section 2056(b)(7) (defining qualified terminable interest property) is amended by adding at the end thereof the following new clause:

"(vi) TREATMENT OF CERTAIN INCOME DISTRIBUTIONS.—An income interest shall not fail to qualify as a qualified income interest for life solely because income for the period after the last distribution date and on or before the date of the surviving spouse's death is not required to be distributed to the surviving spouse or to the estate of the surviving spouse."

(2) GIFT TAX.—Paragraph (3) of section 2523(f) is amended by striking "and (iv)" and inserting "(iv), and (vi)".

(b) CLARIFICATION OF SUBSEQUENT INCLUSIONS.—Section 2044 is amended by adding at the end thereof the following new subsection:

"(d) CLARIFICATION OF INCLUSION OF CERTAIN INCOME.—The amount included in the gross estate under subsection (a) shall include the amount of any income from the property to which this section applies for the period after the last distribution date and on or before the date of the decedent's death if such income is not otherwise included in the decedent's gross estate."

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply with respect to the estates of decedents dying, and gifts made, after the date of the enactment of this Act.

(2) APPLICATION OF SECTION 2044 TO TRANSFERS BEFORE DATE OF ENACTMENT.—In the case of the estate of any decedent dying after the date of the enactment of this Act, if there was a transfer of property on or before such date—

(A) such property shall not be included in the gross estate of the decedent under section 2044 of the Internal Revenue Code of 1986 if no prior marital deduction was allowed with respect to such a transfer of such property to the decedent, but

(B) such property shall be so included if such a deduction was allowed.

SEC. 604. TRANSITIONAL RULE UNDER SECTION 2056A.

(a) GENERAL RULE.—In the case of any trust created under an instrument executed before the date of the enactment of the Revenue Reconciliation Act of 1990, such trust shall be treated as meeting the requirements of paragraph (1) of section 2056A(a) of the Internal Revenue Code of 1986 if the trust instrument requires that all trustees of the trust be individual citizens of the United States or domestic corporations.

(b) EFFECTIVE DATE.—The provisions of subsection (a) shall take effect as if included in the provisions of section 11702(g) of the Revenue Reconciliation Act of 1990.

SEC. 605. OPPORTUNITY TO CORRECT CERTAIN FAILURES UNDER SECTION 2032A.

(a) GENERAL RULE.—Paragraph (3) of section 2032A(d) (relating to modification of election and agreement to be permitted) is amended to read as follows:

"(3) MODIFICATION OF ELECTION AND AGREEMENT TO BE PERMITTED.—The Secretary shall prescribe procedures which provide that in any case in which the executor makes an election under paragraph (1) (and submits the agreement referred to in paragraph (2)) within the time prescribed therefor, but—

"(A) the notice of election, as filed, does not contain all required information, or

"(B) signatures of 1 or more persons required to enter into the agreement described in paragraph (2) are not included on the agreement as filed, or the agreement does not contain all required information,

the executor will have a reasonable period of time (not exceeding 90 days) after notification of such failures to provide such information or signatures."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to the estates of decedents dying after the date of the enactment of this Act.

TITLE VII—EXCISE TAX SIMPLIFICATION

Subtitle A—Provisions Related to Distilled Spirits, Wines, and Beer

SEC. 701. CREDIT OR REFUND FOR IMPORTED BOTTLED DISTILLED SPIRITS RETURNED TO DISTILLED SPIRITS PLANT.

(a) IN GENERAL.—Paragraph (1) of section 5008(c) (relating to distilled spirits returned to bonded premises) is amended by striking "withdrawn from bonded premises on payment or determination of tax" and inserting "on which tax has been determined or paid".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect at the beginning of the first calendar quarter beginning more than 180 days after the date of the enactment of this Act.

SEC. 702. AUTHORITY TO CANCEL OR CREDIT EXPORT BONDS WITHOUT SUBMISSION OF RECORDS.

(a) IN GENERAL.—Subsection (c) of section 5175 (relating to export bonds) is amended by striking "on the submission of" and all that follows and inserting "if there is such proof of exportation as the Secretary may by regulations require."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect at

the beginning of the first calendar quarter beginning more than 180 days after the date of the enactment of this Act.

SEC. 703. REPEAL OF REQUIRED MAINTENANCE OF RECORDS ON PREMISES OF DISTILLED SPIRITS PLANT.

(a) IN GENERAL.—Subsection (c) of section 5207 (relating to records and reports) is amended by striking "shall be kept on the premises where the operations covered by the record are carried on and".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect at the beginning of the first calendar quarter beginning more than 180 days after the date of the enactment of this Act.

SEC. 704. FERMENTED MATERIAL FROM ANY BREWERY MAY BE RECEIVED AT A DISTILLED SPIRITS PLANT.

(a) IN GENERAL.—Paragraph (2) of section 5222(b) (relating to production, receipt, removal, and use of distilling materials) is amended to read as follows:

"(2) beer conveyed without payment of tax from brewery premises, beer which has been lawfully removed from brewery premises upon determination of tax, or".

(b) CLARIFICATION OF AUTHORITY TO PERMIT REMOVAL OF BEER WITHOUT PAYMENT OF TAX FOR USE AS DISTILLING MATERIAL.—Section 5053 (relating to exemptions) is amended by redesignating subsection (f) as subsection (i) and by inserting after subsection (e) the following new subsection:

"(f) REMOVAL FOR USE AS DISTILLING MATERIAL.—Subject to such regulations as the Secretary may prescribe, beer may be removed from a brewery without payment of tax to any distilled spirits plant for use as distilling material."

(c) CLARIFICATION OF REFUND AND CREDIT OF TAX.—Section 5056 (relating to refund and credit of tax, or relief from liability) is amended—

(1) by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

"(c) BEER RECEIVED AT A DISTILLED SPIRITS PLANT.—Any tax paid by any brewer on beer produced in the United States may be refunded or credited to the brewer, without interest, or if the tax has not been paid, the brewer may be relieved of liability therefor, under regulations as the Secretary may prescribe, if such beer is received on the bonded premises of a distilled spirits plant pursuant to the provisions of section 5222(b)(2), for use in the production of distilled spirits.", and

(2) by striking "or rendering unmerchantable" in subsection (d) (as so redesignated) and inserting "rendering unmerchantable, or receipt on the bonded premises of a distilled spirits plant".

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect at the beginning of the first calendar quarter beginning more than 180 days after the date of the enactment of this Act.

SEC. 705. REPEAL OF REQUIREMENT FOR WHOLESALE DEALERS IN LIQUORS TO POST SIGN.

(a) IN GENERAL.—Section 5115 (relating to sign required on premises) is hereby repealed.

(b) CONFORMING AMENDMENTS.—

(1) Subsection (a) of section 5681 is amended by striking ", and every wholesale dealer in liquors," and by striking "section 5115(a) or".

(2) Subsection (c) of section 5681 is amended—

(A) by striking "or wholesale liquor establishment, on which no sign required by section 5115(a) or" and inserting "on which no sign required by", and

(B) by striking "or wholesale liquor establishment, or who" and inserting "or who".

(3) The table of sections for subpart D of part II of subchapter A of chapter 51 is amended by striking the item relating to section 5115.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 706. REFUND OF TAX TO WINE RETURNED TO BOND NOT LIMITED TO UNMERCHANTABLE WINE.

(a) IN GENERAL.—Subsection (a) of section 5044 (relating to refund of tax on unmerchantable wine) is amended by striking "as unmerchantable".

(b) CONFORMING AMENDMENTS.—

(1) Section 5361 is amended by striking "unmerchantable".

(2) The section heading for section 5044 is amended by striking "unmerchantable".

(3) The item relating to section 5044 in the table of sections for subpart C of part I of subchapter A of chapter 51 is amended by striking "unmerchantable".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect at the beginning of the first calendar quarter beginning more than 180 days after the date of the enactment of this Act.

SEC. 707. USE OF ADDITIONAL AMELIORATING MATERIAL IN CERTAIN WINES.

(a) IN GENERAL.—Subparagraph (D) of section 5384(b)(2) (relating to ameliorated fruit and berry wines) is amended by striking "loganberries, currants, or gooseberries," and inserting "any fruit or berry with a natural fixed acid of 20 parts per thousand or more (before any correction of such fruit or berry)".

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect at the beginning of the first calendar quarter beginning more than 180 days after the date of the enactment of this Act.

SEC. 708. DOMESTICALLY PRODUCED BEER MAY BE WITHDRAWN FREE OF TAX FOR USE OF FOREIGN EMBASSIES, LEGATIONS, ETC.

(a) IN GENERAL.—Section 5053 (relating to exemptions) is amended by inserting after subsection (f) the following new subsection:

"(g) REMOVALS FOR USE OF FOREIGN EMBASSIES, LEGATIONS, ETC.—

"(1) IN GENERAL.—Subject to such regulations as the Secretary may prescribe—

"(A) beer may be withdrawn from the brewery without payment of tax for transfer to any customs bonded warehouse for entry pending withdrawal therefrom as provided in subparagraph (B), and

"(B) beer entered into any customs bonded warehouse under subparagraph (A) may be withdrawn for consumption in the United States by, and for the official and family use of, such foreign governments, organizations, and individuals as are entitled to withdraw imported beer from such warehouses free of tax.

Beer transferred to any customs bonded warehouse under subparagraph (A) shall be entered, stored, and accounted for in such warehouse under such regulations and bonds as the Secretary may prescribe, and may be withdrawn therefrom by such governments, organizations, and individuals free of tax under the same conditions and procedures as imported beer.

"(2) OTHER RULES TO APPLY.—Rules similar to the rules of paragraphs (2) and (3) of section 5362(e) of such section shall apply for purposes of this subsection."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect at the beginning of the first calendar quarter beginning more than 180 days after the date of the enactment of this Act.

SEC. 709. BEER MAY BE WITHDRAWN FREE OF TAX FOR DESTRUCTION.

(a) IN GENERAL.—Section 5053 is amended by inserting after subsection (g) the following new subsection:

"(h) REMOVALS FOR DESTRUCTION.—Subject to such regulations as the Secretary may prescribe, beer may be removed from the brewery without payment of tax for destruction."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect at the beginning of the first calendar quarter beginning more than 180 days after the date of the enactment of this Act.

SEC. 710. AUTHORITY TO ALLOW DRAWBACK ON EXPORTED BEER WITHOUT SUBMISSION OF RECORDS.

(a) IN GENERAL.—The first sentence of section 5055 (relating to drawback of tax on beer) is amended by striking "found to have been paid" and all that follows and inserting "paid on such beer if there is such proof of exportation as the Secretary may by regulations require."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect at the beginning of the first calendar quarter beginning more than 180 days after the date of the enactment of this Act.

SEC. 711. TRANSFER TO BREWERY OF BEER IMPORTED IN BULK WITHOUT PAYMENT OF TAX.

(a) IN GENERAL.—Part II of subchapter G of chapter 51 is amended by adding at the end thereof the following new section:

"SEC. 5418. BEER IMPORTED IN BULK.

"Beer imported or brought into the United States in bulk containers may, under such regulations as the Secretary may prescribe, be withdrawn from customs custody and transferred in such bulk containers to the premises of a brewery without payment of the internal revenue tax imposed on such beer. The proprietor of a brewery to which such beer is transferred shall become liable for the tax on the beer withdrawn from customs custody under this section upon release of the beer from customs custody, and the importer, or the person bringing such beer into the United States, shall thereupon be relieved of the liability for such tax."

(b) CLERICAL AMENDMENT.—The table of sections for such part II is amended by adding at the end thereof the following new item:

"Sec. 5418. Beer imported in bulk."

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect at the beginning of the first calendar quarter beginning more than 180 days after the date of the enactment of this Act.

Subtitle B—Other Excise Tax Provisions

SEC. 721. AUTHORITY TO GRANT EXEMPTIONS FROM REGISTRATION REQUIREMENTS.

(a) IN GENERAL.—The first sentence of section 4222 (relating to registration) is amended to read as follows: "Except as provided in subsection (b), section 4221 shall not apply with respect to the sale of any article by or to any person who is required by the Secretary to be registered under this section and who is not so registered."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to sales after the 180th day after the date of the enactment of this Act.

SEC. 722. REPEAL OF EXPIRED PROVISIONS.

(a) PIGGY-BACK TRAILERS.—Section 4051 is amended by striking subsection (d) and by

redesignating subsection (e) as subsection (d).

(b) DEEP SEABED MINING.—

(1) Subchapter F of chapter 36 (relating to tax on removal of hard mineral resources from deep seabed) is hereby repealed.

(2) The table of subchapters for chapter 36 is amended by striking the item relating to subchapter F.

TITLE VIII—ADMINISTRATIVE PROVISIONS

Subtitle A—General Provisions

SEC. 801. USE OF REPRODUCTIONS OF RETURNS STORED IN DIGITAL IMAGE FORMAT.

(a) IN GENERAL.—Paragraph (2) of section 6103(p) (relating to procedure and recordkeeping) is amended by adding at the end thereof the following new subparagraph:

"(D) REPRODUCTION FROM DIGITAL IMAGES.—For purposes of this paragraph, the term 'reproduction' includes a reproduction from digital images."

(b) STUDY.—The Comptroller General of the United States shall conduct a study of available digital image technology for the purpose of determining the extent to which reproductions of documents stored using that technology accurately reflect the data on the original document and the appropriate period for retaining the original document. Not later than 1 year after the date of the enactment of this Act, a report on the results of such study shall be submitted to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate.

SEC. 802. REPEAL OF AUTHORITY TO DISCLOSE WHETHER PROSPECTIVE JUROR HAS BEEN AUDITED.

(a) IN GENERAL.—Subsection (h) of section 6103 (relating to disclosure to certain Federal officers and employees for purposes of tax administration, etc.) is amended by striking paragraph (5) and by redesignating paragraph (6) as paragraph (5).

(b) CONFORMING AMENDMENT.—Paragraph (4) of section 6103(p) is amended by striking "(h)(6)" each place it appears and inserting "(h)(5)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to judicial proceedings pending on, or commenced after, the date of the enactment of this Act.

SEC. 803. REPEAL OF SPECIAL AUDIT PROVISIONS FOR SUBCHAPTER S ITEMS.

(a) GENERAL RULE.—Subchapter D of chapter 63 (relating to tax treatment of subchapter S items) is hereby repealed.

(b) CONSISTENT TREATMENT REQUIRED.—Section 6037 (relating to return of S corporation) is amended by adding at the end thereof the following new subsection:

"(c) SHAREHOLDER'S RETURN MUST BE CONSISTENT WITH CORPORATE RETURN OR SECRETARY NOTIFIED OF INCONSISTENCY.—

"(1) IN GENERAL.—A shareholder of an S corporation shall, on such shareholder's return, treat a subchapter S item in a manner which is consistent with the treatment of such item on the corporate return.

"(2) NOTIFICATION OF INCONSISTENT TREATMENT.—

"(A) IN GENERAL.—In the case of any subchapter S item, if—

"(i)(I) the corporation has filed a return but the shareholder's treatment on his return is (or may be) inconsistent with the treatment of the item on the corporate return, or

"(II) the corporation has not filed a return, and

"(ii) the shareholder files with the Secretary a statement identifying the inconsistency,

paragraph (1) shall not apply to such item.

"(B) SHAREHOLDER RECEIVING INCORRECT INFORMATION.—A shareholder shall be treated as having complied with clause (ii) of subparagraph (A) with respect to a subchapter S item if the shareholder—

"(i) demonstrates to the satisfaction of the Secretary that the treatment of the subchapter S item on the shareholder's return is consistent with the treatment of the item on the schedule furnished to the shareholder by the corporation, and

"(ii) elects to have this paragraph apply with respect to that item.

"(3) EFFECT OF FAILURE TO NOTIFY.—In any case—

"(A) described in subparagraph (A)(i)(I) of paragraph (2), and

"(B) in which the shareholder does not comply with subparagraph (A)(ii) of paragraph (2),

any adjustment required to make the treatment of the items by such shareholder consistent with the treatment of the items on the corporate return shall be treated as arising out of mathematical or clerical errors and assessed according to section 6213(b)(1). Paragraph (2) of section 6213(b) shall not apply to any assessment referred to in the preceding sentence.

"(4) SUBCHAPTER S ITEM.—For purposes of this subsection, the term 'subchapter S item' means any item of an S corporation to the extent that regulations prescribed by the Secretary provide that, for purposes of this subtitle, such item is more appropriately determined at the corporation level than at the shareholder level.

"(5) ADDITION TO TAX FOR FAILURE TO COMPLY WITH SECTION.—

"For addition to tax in the case of a shareholder's negligence in connection with, or disregard of, the requirements of this section, see part II of subchapter A of chapter 68."

(c) CONFORMING AMENDMENTS.—

(1) Section 1366 is amended by striking subsection (g).

(2) Subsection (b) of section 6233 is amended to read as follows:

"(b) SIMILAR RULES IN CERTAIN CASES.—If a partnership return is filed for any taxable year but it is determined that there is no entity for such taxable year, to the extent provided in regulations, rules similar to the rules of subsection (a) shall apply."

(3) The table of subchapters for chapter 63 is amended by striking the item relating to subchapter D.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

SEC. 804. CLARIFICATION OF STATUTE OF LIMITATIONS.

(a) IN GENERAL.—Subsection (a) of section 6501 (relating to limitations on assessment and collection) is amended by adding at the end thereof the following new sentence: "For purposes of this chapter, the term 'return' means the return required to be filed by the taxpayer (and does not include a return of any person from whom the taxpayer has received an item of income, gain, loss, deduction, or credit)."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 805. CERTAIN NOTICES DISREGARDED UNDER PROVISION INCREASING INTEREST RATE ON LARGE CORPORATE UNDERPAYMENTS.

(a) GENERAL RULE.—Subparagraph (B) of section 6621(c)(2) (defining applicable date) is amended by adding at the end thereof the following new clause:

"(iii) EXCEPTION FOR LETTERS OR NOTICES INVOLVING SMALL AMOUNTS.—For purposes of this paragraph, any letter or notice shall be disregarded if the amount of the deficiency or proposed deficiency (or the assessment or proposed assessment) set forth in such letter or notice is not greater than $100,000 (determined by not taking into account any interest, penalties, or additions to tax)."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply for purposes of determining interest for periods after December 31, 1993.

Subtitle B—Tax Court Procedures

SEC. 811. OVERPAYMENT DETERMINATIONS OF TAX COURT.

(a) APPEAL OF ORDER.—Paragraph (2) of section 6512(b) (relating to jurisdiction to enforce) is amended by adding at the end the following new sentence: "An order of the Tax Court disposing of a motion under this paragraph shall be reviewable in the same manner as a decision of the Tax Court, but only with respect to the matters determined in such order."

(b) DENIAL OF JURISDICTION REGARDING CERTAIN CREDITS AND REDUCTIONS.—Subsection (b) of section 6512 (relating to overpayment determined by Tax Court) is amended by adding at the end the following new paragraph:

"(4) DENIAL OF JURISDICTION REGARDING CERTAIN CREDITS AND REDUCTIONS.—The Tax Court shall have no jurisdiction under this subsection to restrain or review any credit or reduction made by the Secretary under section 6402."

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 812. AWARDING OF ADMINISTRATIVE COSTS.

(a) RIGHT TO APPEAL TAX COURT DECISION.—Subsection (f) of section 7430 (relating to right of appeal) is amended by adding at the end the following new paragraph:

"(3) APPEAL OF TAX COURT DECISION.—An order of the Tax Court disposing of a petition under paragraph (2) shall be reviewable in the same manner as a decision of the Tax Court, but only with respect to the matters determined in such order."

(b) PERIOD FOR APPLYING TO IRS FOR COSTS.—Subsection (b) of section 7430 (relating to limitations) is amended by adding at the end the following new paragraph:

"(5) PERIOD FOR APPLYING TO IRS FOR ADMINISTRATIVE COSTS.—An award may be made under subsection (a) by the Internal Revenue Service for reasonable administrative costs only if the prevailing party files an application with the Internal Revenue Service for such costs before the 91st day after the date on which the final decision of the Internal Revenue Service as to the determination of the tax, interest, or penalty is mailed to such party."

(c) PERIOD FOR PETITIONING OF TAX COURT FOR REVIEW OF DENIAL OF COSTS.—Paragraph (2) of section 7430(f) (relating to right of appeal) is amended—

(1) by striking "appeal to" and inserting "the filing of a petition for review with", and

(2) by adding at the end the following new sentence: "If the Secretary sends by certified or registered mail a notice of such decision to the petitioner, no proceeding in the Tax Court may be initiated under this paragraph unless such petition is filed before the 91st day after the date of such mailing."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to civil ac-

tions or proceedings commenced after the date of the enactment of this Act.

SEC. 813. REDETERMINATION OF INTEREST PURSUANT TO MOTION.

(a) IN GENERAL.—Paragraph (3) of section 7481(c) (relating to jurisdiction over interest determinations) is amended by striking "petition" and inserting "motion".

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date of the enactment of this Act.

SEC. 814. APPLICATION OF NET WORTH REQUIREMENT FOR AWARDS OF LITIGATION COSTS.

(a) IN GENERAL.—Paragraph (4) of section 7430(c) (defining prevailing party) is amended by adding at the end thereof the following new subparagraph:

"(C) SPECIAL RULES FOR APPLYING NET WORTH REQUIREMENT.—In applying the requirements of section 2412(d)(2)(B) of title 28, United States Code, for purposes of subparagraph (A)(iii) of this paragraph—

"(i) the net worth limitation in clause (i) of such section shall apply to—

"(I) an estate but shall be determined as of the date of the decedent's death, and

"(II) a trust but shall be determined as of the last day of the taxable year involved in the proceeding, and

"(ii) individuals filing a joint return shall be treated as 1 individual for purposes of clause (i) of such section, except in the case of a spouse relieved of liability under section 6013(e)."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to proceedings commenced after the date of the enactment of this Act.

Subtitle C—Authority for Certain Cooperative Agreements

SEC. 821. COOPERATIVE AGREEMENTS WITH STATE TAX AUTHORITIES.

(a) GENERAL RULE.—Chapter 77 (relating to miscellaneous provisions) is amended by adding at the end thereof the following new section:

"SEC. 7524. COOPERATIVE AGREEMENTS WITH STATE TAX AUTHORITIES.

"(a) AUTHORIZATION OF AGREEMENTS.—The Secretary is hereby authorized to enter into cooperative agreements with State tax authorities for purposes of enhancing joint tax administration. Such agreements may provide for—

"(1) joint filing of Federal and State income tax returns,

"(2) single processing of such returns,

"(3) joint collection of taxes (other than Federal income taxes), and

"(4) such other provisions as may enhance joint tax administration.

"(b) SERVICES ON REIMBURSABLE BASIS.—Any agreement under subsection (a) may require reimbursement for services provided by either party to the agreement.

"(c) AVAILABILITY OF FUNDS.—Any funds appropriated for purposes of the administration of this title shall be available for purposes of carrying out the Secretary's responsibility under an agreement entered into under subsection (a). Any reimbursement received pursuant to such an agreement shall be credited to the amount so appropriated.

"(d) STATE TAX AUTHORITY.—For purposes of this section, the term 'State tax authority' means agency, body, or commission referred to in section 6103(d)(1)."

(b) CLERICAL AMENDMENT.—The table of sections for chapter 77 is amended by adding at the end thereof the following new item:

"Sec. 7524. Cooperative agreements with State tax authorities."

Subtitle D—Administrative Practice and Procedural Simplification

SEC. 831. NOTIFICATION OF REASONS FOR TERMINATION OR DENIAL OF INSTALLMENT AGREEMENTS.

(a) TERMINATIONS.—Subsection (b) of section 6159 (relating to extent to which agreements remain in effect) is amended by adding at the end thereof the following new paragraph:

"(5) NOTICE REQUIREMENTS.—The Secretary may not take any action under paragraph (2), (3), or (4) unless—

"(A) a notice of such action is provided to the taxpayer not later than the day 30 days before the date of such action, and

"(B) such notice includes an explanation why the Secretary intends to take such action.

The preceding sentence shall not apply in any case in which the Secretary believes that collection of any tax to which an agreement under this section relates is in jeopardy."

(b) DENIALS.—Section 6159 (relating to agreements for payment of tax liability in installments) is amended by adding at the end thereof the following new subsection:

"(c) NOTICE REQUIREMENTS FOR DENIALS.—The Secretary may not deny any request for an installment agreement under this section unless—

"(1) a notice of the proposed denial is provided to the taxpayer not later than the day 30 days before the date of such denial, and

"(2) such notice includes an explanation why the Secretary intends to deny such request.

The preceding sentence shall not apply in any case in which the Secretary believes that collection of any tax to which a request for an agreement under this section relates is in jeopardy."

(c) CONFORMING AMENDMENT.—Paragraph (3) of section 6159(b) is amended to read as follows:

"(3) SUBSEQUENT CHANGE IN FINANCIAL CONDITIONS.—If the Secretary makes a determination that the financial condition of a taxpayer with whom the Secretary has entered into an agreement under subsection (a) has significantly changed, the Secretary may alter, modify, or terminate such agreement."

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date 6 months after the date of the enactment of this Act.

SEC. 832. JOINT RETURN MAY BE MADE AFTER SEPARATE RETURNS WITHOUT FULL PAYMENT OF TAX.

(a) GENERAL RULE.—Paragraph (2) of section 6013(b) (relating to limitations on filing of joint return after filing separate returns) is amended by striking subparagraph (A) and redesignating the following subparagraphs accordingly.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 833. OFFERS-IN-COMPROMISE.

(a) GENERAL RULE.—Subsection (a) of section 7122 (relating to compromises) is amended by adding at the end thereof the following new sentence: "The Secretary may make such a compromise in any case where the Secretary determines that such compromise would be in the best interests of the United States.".

(b) REVIEW REQUIREMENTS.—Subsection (b) of section 7122 (relating to records) is amended by striking "$500." and inserting "$50,000. However, such compromise shall be subject to continuing quality review by the Secretary.".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 834. PRELIMINARY NOTICE REQUIREMENT.

(a) IN GENERAL.—Section 6672 (relating to failure to collect and pay over tax, or attempt to evade or defeat tax) is amended by redesignating subsection (b) as subsection (c) and by inserting after subsection (a) the following new subsection:

"(b) PRELIMINARY NOTICE REQUIREMENT.—

"(1) IN GENERAL.—No penalty shall be imposed under subsection (a) unless the Secretary notifies the taxpayer in writing by mail to an address as determined under section 6212(b) that the taxpayer shall be subject to an assessment of such penalty.

"(2) TIMING OF NOTICE.—The mailing of the notice described in paragraph (1) shall precede any notice and demand of any penalty under subsection (a) by at least 60 days.

"(3) STATUTE OF LIMITATIONS.—If a notice described in paragraph (1) with respect to any penalty is mailed before the expiration of the period provided by section 6501 for the assessment of such penalty (determined without regard to this paragraph), the period provided by such section for the assessment of such penalty shall not expire before the date 90 days after the date on which such notice was mailed.

"(4) EXCEPTION FOR JEOPARDY.—This subsection shall not apply if the Secretary finds that the collection of the penalty is in jeopardy."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to assessments made after June 30, 1995.

SEC. 835. PENALTIES UNDER SECTION 6672.

(a) PUBLIC INFORMATION REQUIREMENTS.—The Secretary of the Treasury or the Secretary's delegate (hereafter in this section referred to as the "Secretary") shall take such actions as may be appropriate to ensure that employees are aware of their responsibilities under the Federal tax depository system, the circumstances under which employees may be liable for the penalty imposed by section 6672 of the Internal Revenue Code of 1986, and the responsibility to promptly report to the Internal Revenue Service any failure referred to in subsection (a) of such section 6672. Such actions shall include—

(1) printing of a warning on deposit coupon booklets and the appropriate tax returns that certain employees may be liable for the penalty imposed by such section 6672, and

(2) the development of a special information packet.

(b) BOARD MEMBERS OF TAX-EXEMPT ORGANIZATIONS.—

(1) VOLUNTARY BOARD MEMBERS.—

(A) IN GENERAL.—The penalty under section 6672 of the Internal Revenue Code of 1986 shall not be imposed on unpaid, volunteer members of any board of trustees or directors of an organization referred to in section 501 of such Code to the extent such members are solely serving in an honorary capacity, do not participate in the day-to-day or financial operations of the organization, and do not have actual knowledge of the failure on which such penalty is imposed.

(B) APPLICATION OF PARAGRAPH.—This paragraph shall not apply if it results in no person being held liable for the penalty described in section 6672(a) of the Internal Revenue Code of 1986.

(2) DEVELOPMENT OF EXPLANATORY MATERIALS.—The Secretary shall develop materials explaining the circumstances under

which board members of tax-exempt organizations (including voluntary and honorary members) may be subject to penalty under section 6672 of such Code. Such materials shall be made available to tax-exempt organizations.

(3) IRS INSTRUCTIONS.—The Secretary shall clarify the instructions to Internal Revenue Service employees on the application of the penalty under section 6672 of such Code with regard to voluntary members of boards of trustees or directors of tax-exempt organizations.

(c) PROMPT NOTIFICATION.—To the maximum extent practicable, the Secretary shall notify all persons who have failed to make timely and complete deposit of any taxes described in section 6672 of the Internal Revenue Code of 1986 of such failure within 30 days after the return was filed reflecting such failure or after the date on which the Secretary is first aware of such failure. If the person failing to make the deposit is not an individual, the Secretary shall notify the entity subject to such deposit requirement and that entity shall notify, within 15 days of the notification by the Secretary, all officers, general partners, trustees, or other managers of the failure.

SEC. 836. REQUIRED CONTENT OF CERTAIN NOTICES.

(a) GENERAL RULE.—Subsection (a) of section 7522 (relating to content of tax due, deficiency, and other notices) is amended by striking "shall describe the basis for, and identify" and inserting "shall set forth the adjustments which are the basis for, and shall identify".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to notices sent after the date 6 months after the date of the enactment of this Act.

SEC. 837. REQUIRED NOTICE OF CERTAIN PAYMENTS.

If any payment is received by the Secretary of the Treasury or the Secretary's delegate (hereafter in the section referred to as the "Secretary") from any taxpayer and the Secretary cannot associate such payment with any outstanding tax liability of such taxpayer, the Secretary shall make reasonable efforts to notify the taxpayer of such inability within 60 days after the receipt of such payment.

SEC. 838. IMPROVED PROCEDURES FOR NOTIFYING SERVICE OF CHANGE OF ADDRESS OR NAME.

The Secretary of the Treasury shall provide improved procedures for taxpayers to notify the Secretary of changes in names and addresses. Not later than December 31, 1994, the Secretary shall institute procedures for timely updating all Internal Revenue Service records with change-of-address information provided to the Secretary by taxpayers.

SEC. 839. RIGHTS AND RESPONSIBILITIES OF DIVORCED INDIVIDUALS.

The Secretary of the Treasury shall include in the Internal Revenue Service publication entitled "Your Rights As A Taxpayer" a section on the rights and responsibilities of divorced individuals.

TITLE IX—FINANCING PROVISIONS

SEC. 901. CERTAIN AMOUNTS DERIVED FROM FOREIGN CORPORATIONS TREATED AS UNRELATED BUSINESS TAXABLE INCOME.

(a) GENERAL RULE.—Subsection (b) of section 512 (relating to modifications) is amended by adding at the end thereof the following new paragraph:

"(17) TREATMENT OF CERTAIN AMOUNTS DERIVED FROM FOREIGN CORPORATIONS.—

"(A) IN GENERAL.—Notwithstanding paragraph (1), any disqualified amount derived by an organization from a foreign corporation in which such organization is a 10-percent shareholder shall be included as an item of gross income derived from an unrelated trade or business. There shall be allowed all deductions directly connected with amounts included in gross income under the preceding sentence.

"(B) DISQUALIFIED AMOUNT.—For purposes of subparagraph (A), the term 'disqualified amount' means any of the following:

"(i) SUBPART F INCLUSION.—Any amount included in gross income under section 951(a)(1)(A) to the extent the amount so included is attributable to income which, if derived directly by the organization, would be treated as gross income from an unrelated trade or business.

"(ii) DIVIDENDS.—Any dividend paid out of the earnings and profits of any foreign corporation in proportion to the ratio of—

"(I) the portion of the earnings and profits attributable to income which, if derived directly by the organization, would be treated as gross income from an unrelated trade or business, to

"(II) the total amount of earnings and profits.

For purposes of the preceding sentence, earnings and profits accumulated in taxable years beginning before January 1, 1994, shall not be taken into account.

"(C) 10-PERCENT SHAREHOLDER.—The term '10-percent shareholder' means any organization who owns (within the meaning of section 958(a)), or is considered as owning by applying the rules of section 958(b), 10 percent or more of the combined voting power of all class of stock entitled to vote of the foreign corporation.

"(D) TREATMENT OF CERTAIN AMOUNTS AS DIVIDENDS.—The rules of section 904(d)(3)(G) shall apply for purposes of this paragraph.

"(E) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this paragraph, including regulations for the application of this paragraph in the case of income paid through 1 or more entities or between 2 or more chains of entities."

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to—

(1) dividends paid out of earnings and profits of foreign corporations for taxable years beginning after December 31, 1993, and

(2) amounts included in gross income under section 951(a)(1)(A) of the Internal Revenue Code of 1986 in respect of any such taxable year.

SEC. 902. SPECIAL RULES FOR RENTAL USE OF DWELLING FOR LESS THAN 15 DAYS PER YEAR.

(a) IN GENERAL.—Section 280A is amended by striking subsection (g) and inserting:

"(g) SPECIAL RULE FOR CERTAIN RENTAL USE.—Notwithstanding any other provision of this section or section 183, if the principal residence of the taxpayer is actually rented for less than 15 days during the taxable year for the purpose of providing accommodations to visitors to an event for which commercial rental accommodations in the community holding the event are not sufficient to reasonably provide more than one-half of the accommodations necessary (and the rental income received by the taxpayer for any visitor is not greater than a reasonable rental rate charged per individual guest by commercial rental accommodations), then—

"(1) no deduction otherwise allowable under this chapter because of the rental use of such dwelling unit shall be allowed, and

"(2) the income derived from such use for the taxable year shall not be included in the gross income of such taxpayer under section 61.

"(h) REGULATIONS.—The Secretary shall prescribe such regulations as may be appropriate to carry out the purposes of this section, including regulations providing such de minimis rules as the Secretary may deem appropriate."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1993.

SEC. 903. LOSS CARRYOVERS AND CARRYBACKS NOT EXCLUDED IN APPLYING TAXABLE INCOME LIMITATION ON CERTAIN RESERVE DEDUCTIONS.

(a) GENERAL RULE.—Subparagraph (D) of section 593(b)(2) (relating to computation of taxable income) is amended by adding at the end thereof the following new sentence:

"Except as providing in the preceding sentence, for purposes of this paragraph, taxable income shall be computed as provided in this chapter, including the application of any carryover or carryback."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to losses incurred in taxable years ending after December 31, 1993.

SEC. 904. EXTENSION OF WITHHOLDING TO CERTAIN GAMBLING WINNINGS.

(a) REPEAL OF EXEMPTION FOR BINGO AND KENO.—Paragraph (5) of section 3402(q) is amended to read as follows:

"(5) EXEMPTION FOR SLOT MACHINES.—The tax imposed by paragraph (1) shall not apply to winnings from a slot machine."

(b) THRESHOLD AMOUNT.—Paragraph (3) of section 3402(q) is amended—

(1) by striking "(B) and (C)" in subparagraph (A) and inserting "(B), (C), and (D)", and

(2) by adding at the end thereof the following new subparagraph:

"(D) BINGO AND KENO.—Proceeds of more than $10,000 from a wager placed in a bingo or keno game."

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1994.

TITLE X—TECHNICAL CORRECTIONS

Subtitle A—Revenue Provisions

SEC. 1001. AMENDMENTS RELATED TO REVENUE RECONCILIATION ACT OF 1990.

(a) AMENDMENTS RELATED TO SUBTITLE A.—

(1) Subparagraph (B) of section 59(j)(3) is amended by striking "section 1(i)(3)(B)" and inserting "section 1(g)(3)(B)".

(2) Clause (i) of section 151(d)(3)(C) is amended by striking "joint of a return" and inserting "joint return".

(3) Subsection (b) of section 1 (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1993) is amended by striking "$26,500" in the table contained therein and inserting "$26,050".

(b) AMENDMENTS RELATED TO SUBTITLE B.—

(1) Paragraph (1) of section 11212(e) of the Revenue Reconciliation Act of 1990 is amended by striking "Paragraph (1) of section 6724(d)" and inserting "Subparagraph (B) of section 6724(d)(1)".

(2)(A) Subparagraph (B) of section 4093(c)(2), as in effect before the amendments made by the Revenue Reconciliation Act of 1993, is amended by inserting before the period "unless such fuel is sold for exclusive use by a State or any political subdivision thereof".

(B) Paragraph (4) of section 6427(l), as in effect before the amendments made by the Revenue Reconciliation Act of 1993, is amended by inserting before the period "unless such fuel was used by a State or any political subdivision thereof".

(3) Paragraph (1) of section 6416(b) is amended by striking "chapter 32 or by section 4051" and inserting "chapter 31 or 32".

(4) Section 7012 is amended—

(A) by striking "production or importation of gasoline" in paragraph (3) and inserting "taxes on gasoline and diesel fuel", and

(B) by striking paragraph (4) and redesignating paragraphs (5) and (6) as paragraphs (4) and (5), respectively.

(5) Subsection (c) of section 5041 is amended by striking paragraph (6) and by inserting the following new paragraphs:

"(6) CREDIT FOR TRANSFEREE IN BOND.—If—

"(A) wine produced by any person would be eligible for any credit under paragraph (1) if removed by such person during the calendar year,

"(B) wine produced by such person is removed during such calendar year by any other person (hereafter in this paragraph referred to as the 'transferee') to whom such wine was transferred in bond and who is liable for the tax imposed by this section with respect to such wine, and

"(C) such producer holds title to such wine at the time of its removal and provides to the transferee such information as is necessary to properly determine the transferee's credit under this paragraph,

then, the transferee (and not the producer) shall be allowed the credit under paragraph (1) which would be allowed to the producer if the wine removed by the transferee had been removed by the producer on that date.

"(7) REGULATIONS.—The Secretary may prescribe such regulations as may be necessary to carry out the purposes of this subsection, including regulations—

"(A) to prevent the credit provided in this subsection from benefiting any person who produces more than 250,000 wine gallons during a calendar year, and

"(B) to assure proper reduction of such credit for persons producing more than 150,000 wine gallons of wine during a calendar year."

(6) Paragraph (3) of section 5061(b) is amended to read as follows:

"(3) section 5041(f),".

(7) Section 5354 is amended by inserting "(taking into account the appropriate amount of credit with respect to such wine under section 5041(c))" after "any one time".

(8) Effective on the date of the enactment of this Act, paragraph (7) of section 11202(i) of the Revenue Reconciliation Act of 1990 is amended by adding at the end thereof the following: "The Secretary may treat any person who bore the ultimate burden of the tax imposed by this subsection as the person to whom a credit or refund under such provisions may be allowed or made.".

(c) AMENDMENTS RELATED TO SUBTITLE C.—

(1) Paragraph (4) of section 56(g) is amended by redesignating subparagraphs (I) and (J) as subparagraphs (H) and (I), respectively.

(2) Subparagraph (B) of section 6724(d)(1) is amended—

(A) by striking "or" at the end of clause (xii), and

(B) by striking the period at the end of clause (xiii) and inserting ", or".

(3) Subsection (g) of section 6302 is amended by inserting ", 22," after "chapters 21".

(4) The earnings and profits of any insurance company to which section 11305(c)(3) of the Revenue Reconciliation Act of 1990 applies shall be determined without regard to any deduction allowed under such section; except that, for purposes of applying sections 56 and 902, and subpart F of part III of subchapter N of chapter 1 of the Internal Revenue Code of 1986, such deduction shall be taken into account.

(5) Subparagraph (D) of section 6038A(e)(4) is amended—

(A) by striking "any transaction to which the summons relates" and inserting "any affected taxable year", and

(B) by adding at the end thereof the following new sentence: "For purposes of this subparagraph, the term 'affected taxable year' means any taxable year if the determination of the amount of tax imposed for such taxable year is affected by the treatment of the transaction to which the summons relates.".

(6) Subparagraph (A) of section 6621(c)(2) is amended by adding at the end thereof the following new sentence: "The preceding sentence shall be applied without regard to any such letter or notice which is withdrawn by the Secretary.".

(7) Clause (i) of section 6621(c)(2)(B) is amended by striking "this subtitle" and inserting "this title".

(d) AMENDMENTS RELATED TO SUBTITLE D.—

(1) Notwithstanding section 11402(c) of the Revenue Reconciliation Act of 1990, the amendment made by section 11402(b)(1) of such Act shall apply to taxable years ending after December 31, 1989.

(2) Clause (ii) of section 143(m)(4)(C) is amended—

(A) by striking "any month of the 10-year period" and inserting "any year of the 4-year period",

(B) by striking "succeeding months" and inserting "succeeding years", and

(C) by striking "over the remainder of such period (or, if lesser, 5 years)" and inserting "to zero over the succeeding 5 years".

(e) AMENDMENTS RELATED TO SUBTITLE E.—

(1)(A) Clause (ii) of section 56(d)(1)(B) is amended to read as follows:

"(ii) appropriate adjustments in the application of section 172(b)(2) shall be made to take into account the limitation of subparagraph (A)."

(B) For purposes of applying sections 56(g)(1) and 56(g)(3) of the Internal Revenue Code of 1986 with respect to taxable years beginning in 1991 and 1992, the reference in such sections to the alternative tax net operating loss deduction shall be treated as including a reference to the deduction under section 56(h) of such Code as in effect before the amendments made by section 1915 of the Energy Policy Act of 1992.

(2) Clause (i) of section 613A(c)(3)(A) is amended by striking "the table contained in".

(3) Section 6501 is amended—

(A) by striking subsection (m) (relating to deficiency attributable to election under section 44B) and by redesignating subsections (n) and (o) as subsections (m) and (n), respectively, and

(B) by striking "section 40(f) or 51(j)" in subsection (m) (as redesignated by subparagraph (A)) and inserting "section 40(f), 43, or 51(j)".

(4) Subparagraph (C) of section 38(c)(2) (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990) is amended by inserting before the period at the end of the first sentence the following: "and without regard to the deduction under section 56(h)".

(5) The amendment made by section 1913(b)(2)(C)(i) of the Energy Policy Act of 1992 shall apply to taxable years beginning after December 31, 1990.

(f) AMENDMENTS RELATED TO SUBTITLE F.—

(1)(A) Section 2701(a)(3) is amended by adding at the end thereof the following new subparagraph:

"(C) VALUATION OF QUALIFIED PAYMENTS WHERE NO LIQUIDATION, ETC. RIGHTS.—In the case of an applicable retained interest which is described in subparagraph (B)(i) but not subparagraph (B)(ii), the value of the distribution right shall be determined without regard to this section."

(B) Section 2701(a)(3)(B) is amended by inserting "CERTAIN" before "QUALIFIED" in the heading thereof.

(C) Sections 2701 (d)(1) and (d)(4) are each amended by striking "subsection (a)(3)(B)" and inserting "subsection (a)(3) (B) or (C)".

(2) Clause (i) of section 2701(a)(4)(B) is amended by inserting "(or, to the extent provided in regulations, the rights as to either income or capital)" after "income and capital".

(3)(A) Section 2701(b)(2) is amended by adding at the end thereof the following new subparagraph:

"(C) APPLICABLE FAMILY MEMBER.—For purposes of this subsection, the term 'applicable family member' includes any lineal descendant of any parent of the transferor or the transferor's spouse."

(B) Section 2701(e)(3) is amended—

(i) by striking subparagraph (B), and

(ii) by striking so much of paragraph (3) as precedes "shall be treated as holding" and inserting:

"(3) ATTRIBUTION OF INDIRECT HOLDINGS AND TRANSFERS.—An individual".

(C) Section 2704(c)(3) is amended by striking "section 2701(e)(3)(A)" and inserting "section 2701(e)(3)".

(4) Clause (i) of section 2701(c)(1)(B) is amended to read as follows:

"(i) a right to distributions with respect to any interest which is junior to the rights of the transferred interest,".

(5)(A) Clause (i) of section 2701(c)(3)(C) is amended to read as follows:

"(i) IN GENERAL.—Payments under any interest held by a transferor which (without regard to this subparagraph) are qualified payments shall be treated as qualified payments unless the transferor elects not to treat such payments as qualified payments. Payments described in the preceding sentence which are held by an applicable family member shall be treated as qualified payments only if such member elects to treat such payments as qualified payments."

(B) The first sentence of section 2701(c)(3)(C)(ii) is amended to read as follows: "A transferor or applicable family member holding any distribution right which (without regard to this subparagraph) is not a qualified payment may elect to treat such right as a qualified payment, to be paid in the amounts and at the times specified in such election.".

(C) The time for making an election under the second sentence of section 2701(c)(3)(C)(i) of the Internal Revenue Code of 1986 (as amended by subparagraph (A)) shall not expire before the due date (including extensions) for filing the transferor's return of the tax imposed by section 2501 of such Code for the first calendar year ending after the date of enactment.

(6) Section 2701(d)(3)(A)(iii) is amended by striking "the period ending on the date of".

(7) Subclause (I) of section 2701(d)(3)(B)(ii) is amended by inserting "or the exclusion under section 2503(b)," after "section 2523,".

(8) Section 2701(e)(5) is amended—

(A) by striking "such contribution to capital or such redemption, recapitalization, or other change" in subparagraph (A) and inserting "such transaction", and

(B) by striking "the transfer" in subparagraph (B) and inserting "such transaction".

(9) Section 2701(d)(4) is amended by adding at the end thereof the following new subparagraph:

"(C) TRANSFER TO TRANSFERORS.—In the case of a taxable event described in paragraph (3)(A)(ii) involving a transfer of an applicable retained interest from an applicable family member to a transferor, this subsection shall continue to apply to the transferor during any period the transferor holds such interest."

(10) Section 2701(e)(6) is amended by inserting "or to reflect the application of subsection (d)" before the period at the end thereof.

(11)(A) Section 2702(a)(3)(A) is amended—

(i) by striking "to the extent" and inserting "if" in 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 at the end thereof the following new clause:

"(iii) to the extent that regulations provide that such transfer is not inconsistent with the purposes of this section."

(B)(i) Section 2702(a)(3) is amended by striking "incomplete transfer" each place it appears and inserting "incomplete gift".

(ii) The heading for section 2702(a)(3)(B) is amended by striking "INCOMPLETE TRANSFER" and inserting "INCOMPLETE GIFT".

(g) AMENDMENTS RELATED TO SUBTITLE G.—

(1)(A) Subsection (a) of section 1248 is amended—

(i) by striking ", or if a United States person receives a distribution from a foreign corporation which, under section 302 or 331, is treated as an exchange of stock" in paragraph (1), and

(ii) by adding at the end thereof the following new sentence: "For purposes of this section, a United States person shall be treated as having sold or exchanged any stock if, under any provision of this subtitle, such person is treated as realizing gain from the sale or exchange of such stock.".

(B) Paragraph (1) of section 1248(e) is amended by striking ", or receives a distribution from a domestic corporation which, under section 302 or 331, is treated as an exchange of stock".

(C) Subparagraph (B) of section 1248(f)(1) is amended by striking "or 361(c)(1)" and inserting "355(c)(1), or 361(c)(1)".

(D) Paragraph (1) of section 1248(i) is amended to read as follows:

"(1) IN GENERAL.—If any shareholder of a 10-percent corporate shareholder of a foreign corporation exchanges stock of the 10-percent corporate shareholder for stock of the foreign corporation, such 10-percent corporate shareholder shall recognize gain in the same manner as if the stock of the foreign corporation received in such exchange had been—

"(A) issued to the 10-percent corporate shareholder, and

"(B) then distributed by the 10-percent corporate shareholder to such shareholder in redemption or liquidation (whichever is appropriate).

The amount of gain recognized by such 10-percent corporate shareholder under the preceding sentence shall not exceed the amount treated as a dividend under this section."

(2) Section 897 is amended by striking subsection (f).

(3) Paragraph (13) of section 4975(d) is amended by striking "section 408(b)" and inserting "section 408(b)(12)".

(4) Clause (iii) of section 56(g)(4)(D) is amended by inserting ", but only with respect to taxable years beginning after December 31, 1989" before the period at the end thereof.

(5)(A) Paragraph (11) of section 11701(a) of the Revenue Reconciliation Act of 1990 (and the amendment made by such paragraph) are hereby repealed, and section 7108(r)(2) of the Revenue Reconciliation Act of 1989 shall be applied as if such paragraph (and amendment) had never been enacted.

(B) Subparagraph (A) shall not apply to any building if the owner of such building establishes to the satisfaction of the Secretary of the Treasury or his delegate that such owner reasonably relied on the amendment made by such paragraph (11).

(h) AMENDMENTS RELATED TO SUBTITLE H.—

(1)(A) Clause (vi) of section 168(e)(3)(B) is amended by striking "or" at the end of subclause (I), by striking the period at the end of subclause (II) and inserting ", or", and by adding at the end thereof the following new subclause:

"(III) is described in section 48(l)(3)(A)(ix) (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990)."

(B) Subparagraph (K) of section 168(g)(4) is amended by striking "section 48(a)(3)(A)(iii)" and inserting "section 48(l)(3)(A)(ix) (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990)".

(2) Clause (ii) of section 172(b)(1)(E) is amended by striking "subsection (m)" and inserting "subsection (h)".

(3) Sections 805(a)(4)(E), 832(b)(5)(C)(ii)(II), and 832(b)(5)(D)(ii)(II) are each amended by striking "243(b)(5)" and inserting "243(b)(2)".

(4) Subparagraph (A) of section 243(b)(3) is amended by inserting "of" after "In the case".

(5) The subsection heading for subsection (a) of section 280F is amended by striking "INVESTMENT TAX CREDIT AND".

(6) Clause (i) of section 1504(c)(2)(B) is amended by inserting "section" before "243(b)(2)".

(7) Paragraph (3) of section 341(f) is amended by striking "351, 361, 371(a), or 374(a)" and inserting "351, or 361".

(8) Paragraph (2) of section 243(b) is amended to read as follows:

"(2) AFFILIATED GROUP.—For purposes of this subsection:

"(A) IN GENERAL.—The term 'affiliated group' has the meaning given such term by section 1504(b), except that for such purposes sections 1504(b)(2), 1504(b)(4), and 1504(c) shall not apply.

"(B) GROUP MUST BE CONSISTENT IN FOREIGN TAX TREATMENT.—The requirements of paragraph (1)(A) shall not be treated as being met with respect to any dividend received by a corporation if, for any taxable year which includes the day on which such dividend is received—

"(i) 1 or more members of the affiliated group referred to in paragraph (1)(A) choose to any extent to take the benefits of section 901, and

"(ii) 1 or more other members of such group claim to any extent a deduction for taxes otherwise creditable under section 901."

(9) The amendment made by section 11813(b)(17) of the Revenue Reconciliation Act of 1990 shall be applied as if the material stricken by such amendment included the closing parenthesis after "section 48(a)(5)".

(10) Paragraph (1) of section 179(d) is amended—

(A) by striking "in a trade or business" and inserting "a trade or business", and

(B) by adding at the end thereof the following new sentence: "Such term shall not include any property described in section 50(b) and shall not include air conditioning or heating units and horses".

(11) Subparagraph (E) of section 50(a)(2) is amended by striking "section 48(a)(5)(A)" and inserting "section 48(a)(5)".

(12) The amendment made by section 11801(c)(9)(G)(ii) of the Revenue Reconciliation Act of 1990 shall be applied as if it struck "Section 422A(c)(2)" and inserted "Section 422(c)(2)".

(13) Subparagraph (B) of section 424(c)(3) is amended by striking "a qualified stock option, an incentive stock option, an option granted under an employee stock purchase plan, or a restricted stock option" and inserting "an incentive stock option or an option granted under an employee stock purchase plan".

(14) Subparagraph (E) of section 1367(a)(2) is amended by striking "section 613A(c)(13)(B)" and inserting "section 613A(c)(11)(B)".

(15) Subparagraph (B) of section 460(e)(6) is amended by striking "section 167(k)" and inserting "section 168(e)(2)(A)(ii)".

(16) Subparagraph (C) of section 172(h)(4) is amended by striking "subsection (b)(1)(M)" and inserting "subsection (b)(1)(E)".

(17) Section 6503 is amended—

(A) by redesignating the subsection relating to extension in case of certain summonses as subsection (j), and

(B) by redesignating the subsection relating to cross references as subsection (k).

(18) Paragraph (4) of section 1250(e) is hereby repealed.

(19) Subsection (c) of section 2104 is amended by striking "subparagraph (A), (C), or (D)" and inserting "subparagraph (A)".

(i) EFFECTIVE DATE.—Except as otherwise expressly provided—

(1) the amendments made by this section shall be treated as amendments to the Internal Revenue Code of 1986 as amended by the Revenue Reconciliation Act of 1993; and

(2) any amendment made by this section shall apply to periods before the date of the enactment of this section in the same manner as if it had been included in the provision of the Revenue Reconciliation Act of 1990 to which such amendment relates.

SEC. 1002. AMENDMENTS RELATED TO REVENUE RECONCILIATION ACT OF 1993.

(a) AMENDMENT RELATED TO SECTION 13114.—Paragraph (2) of section 1044(c) is amended to read as follows:

"(2) PURCHASE.—The taxpayer shall be considered to have purchased any property if, but for subsection (d), the unadjusted basis of such property would be its cost within the meaning of section 1012."

(b) AMENDMENTS RELATED TO SECTION 13142.—

(1) Subparagraph (B) of section 13142(b)(6) of the Revenue Reconciliation Act of 1993 is amended to read as follows:

"(B) FULL-TIME STUDENTS, WAIVER AUTHORITY, AND PROHIBITED DISCRIMINATION.—The amendments made by paragraphs (2), (3), and (4) shall take effect on the date of the enactment of this Act."

(2) Subparagraph (C) of section 13142(b)(6) of such Act is amended by striking "paragraph (2)" and inserting "paragraph (5)".

(c) AMENDMENT RELATED TO SECTION 13161.—

(1) IN GENERAL.—Subsection (e) of section 4001 (relating to inflation adjustment) is amended to read as follows:

"(e) INFLATION ADJUSTMENT.—

"(1) IN GENERAL.—In the case of any calendar year after 1993, the $30,000 amount in

subsection (a) and section 4003(a) shall be increased by an amount equal to—

"(A) $30,000, multiplied by

"(B) the cost-of-living adjustment under section 1(f)(3) for such calendar year, determined by substituting 'calendar year 1990' for 'calendar year 1992' in subparagraph (B) thereof.

"(2) ROUNDING.—If any amount as adjusted under paragraph (1) is not a multiple of $2,000, such amount shall be rounded to the next lowest multiple of $2,000."

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect on January 1, 1994.

(d) AMENDMENT RELATED TO SECTION 13201.—Clause (ii) of section 135(b)(2)(B) is amended by inserting before the period at the end thereof the following: ", determined by substituting 'calendar year 1989' for 'calendar year 1992' in subparagraph (B) thereof".

(e) AMENDMENTS RELATED TO SECTION 13203.—Subsection (a) of section 59 is amended—

(1) by striking "the amount determined under section 55(b)(1)(A)" in paragraph (1)(A) and (2)(A)(i) and inserting "the pre-credit tentative minimum tax",

(2) by striking "specified in section 55(b)(1)(A)" in paragraph (1)(C) and inserting "specified in subparagraph (A)(i) or (B)(i) of section 55(b)(1) (whichever applies)",

(3) by striking "which would be determined under section 55(b)(1)(A)" in paragraph (2)(A)(ii) and inserting "which would be the pre-credit tentative minimum tax", and

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

"(4) PRE-CREDIT TENTATIVE MINIMUM TAX.—For purposes of this subsection, the term 'pre-credit tentative minimum tax' means—

"(A) in the case of a taxpayer other than a corporation, the amount determined under the first sentence of section 55(b)(1)(A)(i), or

"(B) in the case of a corporation, the amount determined under section 55(b)(1)(B)(i)."

(f) AMENDMENT RELATED TO SECTION 13212.—Subparagraph (B) of section 401(a)(17) 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 under section 415(d), except that the base period for purposes of section 415(d)(1)(A) shall be the calendar quarter beginning October 1, 1993."

(g) AMENDMENT RELATED TO SECTION 13221.—Subparagraph (A) of section 7518(g)(6) is amended by striking "34 percent" and inserting "35 percent".

(h) AMENDMENTS RELATED TO SECTION 13222.—

(1) Subparagraph (B) of section 6033(e)(1) is amended by adding at the end thereof the following new clause:

"(iii) COORDINATION WITH SECTION 527(f).—This subsection shall not apply to any amount on which tax is imposed by reason of section 527(f).".

(2) Clause (i) of section 6033(e)(1)(B) is amended by striking "this subtitle" and inserting "section 501".

(i) AMENDMENT RELATED TO SECTION 13225.—Paragraph (3) of section 6655(g) is amended by striking all that follows "'3rd month'" in the sentence following subparagraph (C) and inserting ", subsection (e)(2)(A) shall be applied by substituting '2 months' for '3 months' in clause (i)(I), the election under clause (i) of subsection (e)(2)(C) may be made separately for each installment, and clause (ii) of subsection (e)(2)(C) shall not apply.".

(j) AMENDMENTS RELATED TO SECTION 13231.—

(1) Paragraph (1) of section 956A(b) is amended to read as follows:

"(1) the amount (not including a deficit) referred to in section 316(a)(1) to the extent such amount was accumulated in prior taxable years beginning after September 30, 1993, and".

(2) Subsection (f) of section 956A is amended by inserting before the period at the end thereof: "and regulations coordinating the provisions of subsections (c)(3)(A) and (d)".

(3)(A) Subparagraph (A) of section 1297(d)(2) is amended by striking "The adjusted basis of any asset" and inserting "The amount taken into account under section 1296(a)(2) with respect to any asset".

(B) The paragraph heading of paragraph (2) of section 1297(d) is amended to read as follows:

"(2) AMOUNT TAKEN INTO ACCOUNT.—".

(4) Subsection (e) of section 1297 is amended by inserting "For purposes of this part—" after the subsection heading.

(k) AMENDMENT RELATED TO SECTION 13241.—Subparagraph (B) of section 40(e)(1) is amended to read as follows:

"(B) for any period before January 1, 2001, during which the rates of tax under section 4081(a)(2)(A) are 4.3 cents per gallon."

(l) AMENDMENT RELATED TO SECTION 13261.—Clause (iii) of section 13261(g)(2)(A) of the Revenue Reconciliation Act of 1993 is amended by striking "by the taxpayer" and inserting "by the taxpayer or a related person".

(m) AMENDMENT RELATED TO SECTION 13301.—Subparagraph (B) of section 1397B(d)(5) is amended by striking "preceding".

(n) CLERICAL AMENDMENTS.—

(1) Subsection (d) of section 39 is amended—

(A) by striking "45" in the heading of paragraph (5) and inserting "45A", and

(B) by striking "45" in the heading of paragraph (6) and inserting "45B".

(2) Subparagraph (A) of section 108(d)(9) is amended by striking "paragraph (3)(B)" and inserting "paragraph (3)(C)".

(3) Subparagraph (C) of section 143(d)(2) is amended by striking the period at the end thereof and inserting a comma.

(4) Clause (ii) of section 163(j)(6)(E) is amended by striking "which is a" and inserting "which is".

(5) Subparagraph (A) of section 1017(b)(4) is amended by striking "subsection (b)(2)(D)" and inserting "subsection (b)(2)(E)".

(6) So much of section 1245(a)(3) as precedes subparagraph (A) thereof is amended to read as follows:

"(3) SECTION 1245 PROPERTY.—For purposes of this section, the term 'section 1245 property' means any property which is or has been property of a character subject to the allowance for depreciation provided in section 167 and is either—".

(7) Paragraph (2) of section 1394(e) is amended—

(A) by striking "(i)" and inserting "(A)", and

(B) by striking "(ii)" and inserting "(B)".

(8) Subsection (m) of section 6501 (as redesignated by section 1001) is amended by striking "or 51(j)" and inserting "45B, or 51(j)".

(9)(A) The section 6714 added by section 13242(b)(1) of the Revenue Reconciliation Act of 1993 is hereby redesignated as section 6715.

(B) The table of sections for part I of subchapter B of chapter 68 is amended by striking "6714" in the item added by such section 13242(b)(2) of such Act and inserting "6715".

(10) Paragraph (2) of section 9502(b) is amended by inserting "and before" after "1982,".

(11) Subsections (a)(2) and (a)(3) of section 13206 of the Revenue Reconciliation Act of 1993 are each amended by striking "this section" and inserting "this subsection".

(12) Paragraph (1) of section 13215(c) of the Revenue Reconciliation Act of 1993 is amended by striking "Public Law 92-21" and inserting "Public Law 98-21".

(13) Paragraph (2) of section 13311(e) of the Revenue Reconciliation Act of 1993 is amended by striking "section 1393(a)(3)" and inserting "section 1393(a)(2)".

(14) Subparagraph (B) of section 117(d)(2) is amended by striking "section 132(f)" and inserting "section 132(h)".

(o) EFFECTIVE DATE.—Any amendment made by this section shall take effect as if included in the provision of the Revenue Reconciliation Act of 1993 to which such amendment relates.

SEC. 1003. MISCELLANEOUS PROVISIONS.

(a) APPLICATION OF AMENDMENTS MADE BY TITLE XII OF OMNIBUS BUDGET RECONCILIATION ACT OF 1990.—Except as otherwise expressly provided, whenever in title XII of the Omnibus Budget Reconciliation Act of 1990 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) TREATMENT OF CERTAIN AMOUNTS UNDER HEDGE BOND RULES.—

(1) Clause (iii) of section 149(g)(3)(B) is amended to read as follows:

"(iii) AMOUNTS HELD PENDING REINVESTMENT OR REDEMPTION.—Amounts held for not more than 30 days pending reinvestment or bond redemption shall be treated as invested in bonds described in clause (i)."

(2) The amendment made by paragraph (1) shall take effect as if included in the amendments made by section 7651 of the Omnibus Budget Reconciliation Act of 1989.

(c) TREATMENT OF CERTAIN DISTRIBUTIONS UNDER SECTION 1445.—

(1) IN GENERAL.—Paragraph (3) of section 1445(e) is amended by adding at the end thereof the following new sentence: "Rules similar to the rules of the preceding provisions of this paragraph shall apply in the case of any distribution to which section 301 applies and which is not made out of the earnings and profits of such a domestic corporation."

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to distributions after the date of the enactment of this Act.

(d) TREATMENT OF CERTAIN CREDITS UNDER SECTION 469.—

(1) IN GENERAL.—Subparagraph (B) of section 469(c)(3) is amended by adding at the end thereof the following new sentence: "If the preceding sentence applies to the net income from any property for any taxable year, any credits allowable under subpart B (other than section 27(a)) or D of part IV of subchapter A for such taxable year which are attributable to such property shall be treated as credits not from a passive activity to the extent the amount of such credits does not exceed the regular tax liability of the taxpayer for the taxable year which is allocable to such net income."

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to taxable years beginning after December 31, 1986.

(e) TREATMENT OF DISPOSITIONS UNDER PASSIVE LOSS RULES.—

(1) IN GENERAL.—Subparagraph (A) of section 469(g)(1) is amended to read as follows:

"(A) IN GENERAL.—If all gain or loss realized on such disposition is recognized, the excess of—

"(i) any loss from such activity for such taxable year (determined after the application of subsection (b)), over

"(ii) any net income or gain for such taxable year from all other passive activities (determined after the application of subsection (b)),

shall be treated as a loss which is not from a passive activity."

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to taxable years beginning after December 31, 1986.

(f) MISCELLANEOUS AMENDMENTS TO FOREIGN PROVISIONS.—

(1) COORDINATION OF UNIFIED ESTATE TAX CREDIT WITH TREATIES.—Subparagraph (A) of section 2102(c)(3) is amended by adding at the end thereof the following new sentence: "For purposes of the preceding sentence, property shall not be treated as situated in the United States if such property is exempt from the tax imposed by this subchapter under any treaty obligation of the United States."

(2) TREATMENT OF CERTAIN INTEREST PAID TO RELATED PERSON.—

(A) IN GENERAL.—Subparagraph (B) of section 163(j)(1) is amended by inserting before the period at the end thereof the following: "(and clause (ii) of paragraph (2)(A) shall not apply for purposes of applying this subsection to the amount so treated)".

(B) EFFECTIVE DATE.—The amendment made by subparagraph (A) shall apply as if included in the amendments made by section 7210(a) of the Revenue Reconciliation Act of 1989.

(3) TREATMENT OF INTEREST ALLOCABLE TO EFFECTIVELY CONNECTED INCOME.—

(A) IN GENERAL.—

(i) Subparagraph (B) of section 884(f)(1) is amended by striking "to the extent" and all that follows down through "subparagraph (A)" and inserting "to the extent that the allocable interest exceeds the interest described in subparagraph (A)".

(ii) The second sentence of section 884(f)(1) is amended by striking "reasonably expected" and all that follows down through the period at the end thereof and inserting "reasonably expected to be allocable interest."

(iii) Paragraph (2) of section 884(f) is amended to read as follows:

"(2) ALLOCABLE INTEREST.—For purposes of this subsection, the term 'allocable interest' means any interest which is allocable to income which is effectively connected (or treated as effectively connected) with the conduct of a trade or business in the United States."

(B) EFFECTIVE DATE.—The amendments made by subparagraph (A) shall take effect as if included in the amendments made by section 1241(a) of the Tax Reform Act of 1986.

(4) CLARIFICATION OF SOURCE RULE.—

(A) IN GENERAL.—Paragraph (2) of section 865(b) is amended by striking "863(b)" and inserting "863".

(B) EFFECTIVE DATE.—The amendment made by subparagraph (A) shall take effect as if included in the amendments made by section 1211 of the Tax Reform Act of 1986.

(5) REPEAL OF OBSOLETE PROVISIONS.—

(A) Paragraph (1) of section 6038(a) is amended by striking ", and" at the end of subparagraph (E) and inserting a period, and by striking subparagraph (F).

(B) Subsection (b) of section 6038A is amended by adding "and" at the end of paragraph (2), by striking ", and" at the end of paragraph (3) and inserting a period, and by striking paragraph (4).

(g) TREATMENT OF ASSIGNMENT OF INTEREST IN CERTAIN BOND-FINANCED FACILITIES.—

(1) IN GENERAL.—Subparagraph (A) of section 1317(3) of the Tax Reform Act of 1986 is amended by adding at the end thereof the following new sentence: "A facility shall not fail to be treated as described in this subparagraph by reason of an assignment (or an agreement to an assignment) by the governmental unit on whose behalf the bonds are issued of any part of its interest in the property financed by such bonds to another governmental unit."

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect as if included in such section 1317 on the date of the enactment of the Tax Reform Act of 1986.

(h) CLARIFICATION OF TREATMENT OF MEDICARE ENTITLEMENT UNDER COBRA PROVISIONS.—

(1) IN GENERAL.—

(A) Subclause (V) of section 4980B(f)(2)(B)(i) is amended to read as follows:

"(V) MEDICARE ENTITLEMENT FOLLOWED BY QUALIFYING EVENT.—In the case of a qualifying event described in paragraph (3)(B) that occurs less than 18 months after the date the covered employee became entitled to benefits under title XVIII of the Social Security Act, the period of coverage for qualified beneficiaries other than the covered employee shall not terminate under this clause before the close of the 36-month period beginning on the date the covered employee became so entitled."

(B) Clause (v) of section 602(2)(A) of the Employee Retirement Income Security Act of 1974 is amended to read as follows:

"(v) MEDICARE ENTITLEMENT FOLLOWED BY QUALIFYING EVENT.—In the case of a qualifying event described in section 603(2) that occurs less than 18 months after the date the covered employee became entitled to benefits under title XVIII of the Social Security Act, the period of coverage for qualified beneficiaries other than the covered employee shall not terminate under this subparagraph before the close of the 36-month period beginning on the date the covered employee became so entitled."

(C) Clause (iv) of section 2202(2)(A) of the Public Health Service Act is amended to read as follows:

"(iv) MEDICARE ENTITLEMENT FOLLOWED BY QUALIFYING EVENT.—In the case of a qualifying event described in section 2203(2) that occurs less than 18 months after the date the covered employee became entitled to benefits under title XVIII of the Social Security Act, the period of coverage for qualified beneficiaries other than the covered employee shall not terminate under this subparagraph before the close of the 36-month period beginning on the date the covered employee became so entitled."

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to plan years beginning after December 31, 1989.

(i) TREATMENT OF CERTAIN REMIC INCLUSIONS.—

(1) IN GENERAL.—Subsection (a) of section 860E is amended by adding at the end thereof the following new paragraph:

"(6) COORDINATION WITH MINIMUM TAX.—For purposes of part VI of subchapter A of this chapter—

"(A) the reference in section 55(b)(2) to taxable income shall be treated as a reference to taxable income determined without regard to this subsection,

"(B) the alternative minimum taxable income of any holder of a residual interest in a REMIC for any taxable year shall in no event be less than the excess inclusion for such taxable year, and

"(C) any excess inclusion shall be disregarded for purposes of computing the alternative tax net operating loss deduction.

The preceding sentence shall not apply to any organization to which section 593 applies, except to the extent provided in regulations prescribed by the Secretary under paragraph (2)."

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect as if included in the amendments made by section 671 of the Tax Reform Act of 1986 unless the taxpayer elects to apply such amendment only to taxable years beginning after the date of the enactment of this Act.

(j) EXEMPTION FROM HARBOR MAINTENANCE TAX FOR CERTAIN PASSENGERS.—

(1) IN GENERAL.—Subparagraph (D) of section 4462(b)(1) (relating to special rule for Alaska, Hawaii, and possessions) is amended by inserting before the period the following: ", or passengers transported on United States flag vessels operating solely within the State waters of Alaska or Hawaii and adjacent international waters".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect as if included in the amendments made by section 1402(a) of the Harbor Maintenance Revenue Act of 1986.

(k) AMENDMENTS RELATED TO REVENUE PROVISIONS OF ENERGY POLICY ACT OF 1992.—

(1) Effective with respect to taxable years beginning after December 31, 1990, subclause (II) of section 53(d)(1)(B)(iv) is amended to read as follows:

"(II) the adjusted net minimum tax for any taxable year is the amount of the net minimum tax for such year increased in the manner provided in clause (iii)."

(2) Subsection (g) of section 179A is redesignated as subsection (f).

(l) TREATMENT OF QUALIFIED FOOTBALL COACHES PLAN.—

(1) IN GENERAL.—Section 1022 of title II of the Employee Retirement Income Security Act of 1974 is amended by adding at the end thereof the following new subsection:

"(i) QUALIFIED FOOTBALL COACHES PLAN.—For purposes of determining the qualified plan status of a qualified football coaches plan, section 3(37)(F) shall be treated as part of this title and a qualified football coaches plan shall be treated as a multiemployer collectively bargained plan for purposes of the Internal Revenue Code of 1986."

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to years beginning after the date of the enactment of Public Law 100-202.

(m) MISCELLANEOUS CLERICAL AMENDMENTS.—

(1) Subclause (II) of section 56(g)(4)(C)(ii) is amended by striking "of the subclause" and inserting "of subclause".

(2) Paragraph (2) of section 72(m) is amended by inserting "and" at the end of subparagraph (A), by striking subparagraph (B), and by redesignating subparagraph (C) as subparagraph (B).

(3) Paragraph (2) of section 86(b) is amended by striking "adusted" and inserting "adjusted".

(4)(A) The heading for section 112 is amended by striking "**COMBAT PAY**" and inserting "**COMBAT ZONE COMPENSATION**".

(B) The item relating to section 112 in the table of sections for part III of subchapter B

of chapter 1 is amended by striking "combat pay" and inserting "combat zone compensation".

(C) Paragraph (1) of section 3401(a) is amended by striking "combat pay" and inserting "combat zone compensation".

(5) Clause (i) of section 172(h)(3)(B) is amended by striking the comma at the end thereof and inserting a period.

(6) Clause (ii) of section 543(a)(2)(B) is amended by striking "section 563(c)" and inserting "section 563(d)".

(7) Paragraph (1) of section 958(a) is amended by striking "sections 955(b)(1)(A) and (B), 955(c)(2)(A)(ii), and 960(a)(1)" and inserting "section 960(a)(1)".

(8) Subsection (g) of section 642 is amended by striking "under 2621(a)(2)" and inserting "under section 2621(a)(2)".

(9) Section 1463 is amended by striking "this subsection" and inserting "this section".

(10) Subsection (k) of section 3306 is amended by inserting a period at the end thereof.

(11) The item relating to section 4472 in the table of sections for subchapter B of chapter 36 is amended by striking "and special rules".

(12) Paragraph (2) of section 4978(b) is amended by striking the period at the end of subparagraph (A) and inserting a comma, and by striking the period and quotation marks at the end of subparagraph (B) and inserting a comma.

(13) Paragraph (3) of section 5134(c) is amended by striking "section 6662(a)" and inserting "section 6665(a)".

(14) Paragraph (2) of section 5206(f) is amended by striking "section 5(e)" and inserting "section 105(e)".

(15) Paragraph (1) of section 6050B(c) is amended by striking "section 85(c)" and inserting "section 85(b)".

(16) Subsection (k) of section 6166 is amended by striking paragraph (6).

(17) Subsection (e) of section 6214 is amended to read as follows:

"(e) CROSS REFERENCE.—

"For provision giving Tax Court jurisdiction to order a refund of an overpayment and to award sanctions, see section 6512(b)(2)."

(18) The section heading for section 6043 is amended by striking the semicolon and inserting a comma.

(19) The item relating to section 6043 in the table of sections for subpart B of part III of subchapter A of chapter 61 is amended by striking the semicolon and inserting a comma.

(20) The table of sections for part I of subchapter A of chapter 68 is amended by striking the item relating to section 6662.

(21)(A) Section 7232 is amended—

(i) by striking "**LUBRICATING OIL**," in the heading, and

(ii) by striking "lubricating oil," in the text.

(B) The table of sections for part II of subchapter A of chapter 75 is amended by striking "lubricating oil," in the item relating to section 7232.

(22) Paragraph (1) of section 6701(a) of the Omnibus Budget Reconciliation Act of 1989 is amended by striking "subclause (IV)" and inserting "subclause (V)".

(23) Clause (ii) of section 7304(a)(2)(D) of such Act is amended by striking "subsection (c)(2)" and inserting "subsection (c)".

(24) Paragraph (1) of section 7646(b) of such Act is amended by striking "section 6050H(b)(1)" and inserting "section 6050H(b)(2)".

(25) Paragraph (10) of section 7721(c) of such Act is amended by striking "section 6662(b)(2)(C)(ii)" and inserting "section 6661(b)(2)(C)(ii)".

(26) Subparagraph (A) of section 7811(i)(3) of such Act is amended by inserting "the first place it appears" before "in clause (i)".

(27) Paragraph (10) of section 7841(d) of such Act is amended by striking "section 381(a)" and inserting "section 381(c)".

(28) Paragraph (2) of section 7861(c) of such Act is amended by inserting "the second place it appears" before "and inserting".

(29) Paragraph (1) of section 460(b) is amended by striking "the look-back method of paragraph (3)" and inserting "the look-back method of paragraph (2)".

(30) Subparagraph (C) of section 50(a)(2) is amended by striking "subsection (c)(4)" and inserting "subsection (d)(5)".

(31) Subparagraph (B) of section 172(h)(4) is amended by striking the material following the heading and preceding clause (i) and inserting "For purposes of subsection (b)(2)—".

(32) Subparagraph (A) of section 355(d)(7) is amended by inserting "section" before "267(b)".

(33) Subparagraph (C) of section 420(e)(1) is amended by striking "mean" and inserting "means".

(34) Paragraph (4) of section 537(b) is amended by striking "section 172(i)" and inserting "section 172(f)".

(35) Subparagraph (B) of section 613(e)(1) is amended by striking the comma at the end thereof and inserting a period.

(36) Paragraph (4) of section 856(a) is amended by striking "section 582(c)(5)" and inserting "section 582(c)(2)".

(37) Sections 904(f)(2)(B)(i) and 907(c)(4)(B)(iii) are each amended by inserting "(as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990)" after "section 172(h)".

(38) Subsection (b) of section 936 is amended by striking "subparagraphs (D)(ii)(I)" and inserting "subparagraphs (D)(ii)".

(39) Subsection (c) of section 2104 is amended by striking "subparagraph (A), (C), or (D) of section 861(a)(1)" and inserting "section 861(a)(1)(A)".

(40) Paragraph (1) of section 5002(b) is amended by striking "section 5041(c)" and inserting "section 5041(d)".

(41) Section 6038 is amended by redesignating the subsection relating to cross references as subsection (f).

(42) Clause (iv) of section 6103(e)(1)(A) is amended by striking all that follows "provisions of" and inserting "section 1(g) or 59(j);".

(43) The subsection (f) of section 6109 of the Internal Revenue Code of 1986 which was added by section 2201(d) of Public Law 101-624 is redesignated as subsection (g).

(44) Subsection (b) of section 7454 is amended by striking "section 4955(e)(2)" and inserting "section 4955(f)(2)".

(45) Subsection (d) of section 11231 of the Revenue Reconciliation Act of 1990 shall be applied as if "comma" appeared instead of "period" and as if the paragraph (9) proposed to be added ended with a comma.

(46) Paragraph (1) of section 11303(b) of the Revenue Reconciliation Act of 1990 shall be applied as if "paragraph" appeared instead of "subparagraph" in the material proposed to be stricken.

(47) Subsection (f) of section 11701 of the Revenue Reconciliation Act of 1990 is amended by inserting "(relating to definitions)" after "section 6038(e)".

(48) Subsection (i) of section 11701 of the Revenue Reconciliation Act of 1990 shall be applied as if "subsection" appeared instead of "section" in the material proposed to be stricken.

(49) Subparagraph (B) of section 11801(c)(2) of the Revenue Reconciliation Act of 1990 shall be applied as if "section 56(g)" appeared instead of "section 59(g)".

(50) Subparagraph (C) of section 11801(c)(8) of the Revenue Reconciliation Act of 1990 shall be applied as if "reorganizations" appeared instead of "reorganization" in the material proposed to be stricken.

(51) Subparagraph (H) of section 11801(c)(9) of the Revenue Reconciliation Act of 1990 shall be applied as if "section 1042(c)(1)(B)" appeared instead of "section 1042(c)(2)(B)".

(52) Subparagraph (F) of section 11801(c)(12) of the Revenue Reconciliation Act of 1990 shall be applied as if "and (3)" appeared instead of "and (E)".

(53) Subparagraph (A) of section 11801(c)(22) of the Revenue Reconciliation Act of 1990 shall be applied as if "chapters 21" appeared instead of "chapter 21" in the material proposed to be stricken.

(54) Paragraph (3) of section 11812(b) of the Revenue Reconciliation Act of 1990 shall be applied by not executing the amendment therein to the heading of section 42(d)(5)(B).

(55) Clause (i) of section 11813(b)(9)(A) of the Revenue Reconciliation Act of 1990 shall be applied as if a comma appeared after "(3)(A)(ix)" in the material proposed to be stricken.

(56) Subparagraph (F) of section 11813(b)(13) of the Revenue Reconciliation Act of 1990 shall be applied as if "tax" appeared after "investment" in the material proposed to be stricken.

(57) Paragraph (19) of section 11813(b) of the Revenue Reconciliation Act of 1990 shall be applied as if "Paragraph (20) of section 1016(a), as redesignated by section 11801," appeared instead of "Paragraph (21) of section 1016(a)".

(58) Paragraph (5) section 8002(a) of the Surface Transportation Revenue Act of 1991 shall be applied as if "4481(e)" appeared instead of "4481(c)".

(59) Section 7872 is amended—

(A) by striking "foregone" each place it appears in subsections (a) and (e)(2) and inserting "forgone", and

(B) by striking "FOREGONE" in the heading for subsection (e) and the heading for paragraph (2) of subsection (e) and inserting "FORGONE".

(60) Paragraph (7) of section 7611(h) is amended by striking "appropriate" and inserting "appropriate".

(61) The heading of paragraph (3) of section 419A(c) is amended by striking "SEVERENCE" and inserting "SEVERANCE".

(62) Clause (ii) of section 807(d)(3)(B) is amended by striking "Commissioners' " and inserting "Commissioners' ".

(63) Subparagraph (B) of section 1274A(c)(1) is amended by striking "instrument" and inserting "instrument".

(64) Subparagraph (B) of section 724(d)(3) by striking "Subparagraph" and inserting "Subparagraph".

(65) The last sentence of paragraph (2) of section 42(c) is amended by striking "of 1988".

(66) Paragraph (1) of section 9707(d) is amended by striking "diligence," and inserting "diligence".

(67) Subsection (c) of section 4977 is amended by striking "section 132(g)(2)" and inserting "section 132(h)".

(68) The last sentence of section 401(a)(20) is amended by striking "section 211" and inserting "section 521".

(69) Subparagraph (A) of section 402(g)(3) is amended by striking "subsection (a)(8)" and inserting "subsection (e)(3)".

(70) The last sentence of section 403(b)(10) is amended by striking "an direct" and inserting "a direct".

(71) Subparagraph (A) of section 4973(b)(1) is amended by striking "sections 402(c)" and inserting "section 402(c)".

(72) Paragraph (12) of section 3405(e) is amended by striking "(b)(3)" and inserting "(b)(2)".

(73) Paragraph (41) of section 521(b) of the Unemployment Compensation Amendments of 1992 shall be applied as if "section" appeared instead of "sections" in the material proposed to be stricken.

(74) Paragraph (27) of section 521(b) of the Unemployment Compensation Amendments of 1992 shall be applied as if "Section 691(c)(5)" appeared instead of "Section 691(c)".

(75) Paragraph (5) of section 860F(a) is amended by striking "paragraph (1)" and inserting "paragraph (2)".

Subtitle B—Income Security and Human Resource Amendments

PART I—AMENDMENTS RELATING TO OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE PROGRAM

SEC. 1011. TECHNICAL CORRECTIONS RELATED TO OASDI IN THE OMNIBUS BUDGET RECONCILIATION ACT OF 1990.

(a) AMENDMENTS RELATED TO PROVISIONS IN SECTION 5103(b) RELATING TO DISABLED WIDOWS.—Section 223(f)(2) of the Social Security Act (42 U.S.C. 423(f)(2)) is amended—

(1) in subparagraph (A), by striking "(in a case to which clause (ii)(II) does not apply)"; and

(2) by striking subparagraph (B)(ii) and inserting the following:

"(ii) the individual is now able to engage in substantial gainful activity; or".

(b) AMENDMENTS RELATED TO PROVISIONS IN SECTION 5105(d) RELATING TO REPRESENTATIVE PAYEES.—Section 5105(d)(1)(A) of the Omnibus Budget Reconciliation Act of 1990 (Public Law 101-508) is amended—

(1) by striking "Section 205(j)(5)" and inserting "Section 205(j)(6)"; and

(2) by redesignating the paragraph (5) as amended thereby as paragraph (6).

(c) AMENDMENTS RELATED TO PROVISIONS IN SECTION 5106 RELATING TO COORDINATION OF RULES UNDER TITLES II AND XVI GOVERNING FEES FOR REPRESENTATIVES OF CLAIMANTS WITH ENTITLEMENTS UNDER BOTH TITLES.—

(1) CALCULATION OF FEE OF CLAIMANT'S REPRESENTATIVE BASED ON AMOUNT OF PAST-DUE SUPPLEMENTAL SECURITY INCOME BENEFITS AFTER APPLICATION OF WINDFALL OFFSET PROVISION.—Section 1631(d)(2)(A)(i) of the Social Security Act (as amended by section 5106(a)(2) of the Omnibus Budget Reconciliation Act of 1990) (42 U.S.C. 1383(d)(2)(A)(i)) is amended to read as follows:

"(i) by substituting, in subparagraphs (A)(ii)(I) and (C)(i), the phrase '(as determined before any applicable reduction under section 1631(g), and reduced by the amount of any reduction in benefits under this title or title II made pursuant to section 1127(a))' for the parenthetical phrase contained therein; and".

(2) CALCULATION OF PAST-DUE BENEFITS FOR PURPOSES OF DETERMINING ATTORNEY FEES IN JUDICIAL PROCEEDINGS.—

(A) IN GENERAL.—Section 206(b)(1) of such Act (42 U.S.C. 406(b)(1)) is amended—

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

(ii) by adding at the end the following new subparagraph:

"(B) For purposes of this paragraph—

"(i) the term 'past-due benefits' excludes any benefits with respect to which payment has been continued pursuant to subsection (g) or (h) of section 223, and

"(ii) amounts of past-due benefits shall be taken into account to the extent provided under the rules applicable in cases before the Secretary.".

(B) PROTECTION FROM OFFSETTING SSI BENEFITS.—The last sentence of section 1127(a) of such Act (as added by section 5106(b) of the Omnibus Budget Reconciliation Act of 1990) (42 U.S.C. 1320a-6(a)) is amended by striking "section 206(a)(4)" and inserting "subsection (a)(4) or (b) of section 206".

(3) APPLICATION OF SINGLE DOLLAR AMOUNT CEILING TO CONCURRENT CLAIMS UNDER TITLES II AND XVI.—

(A) IN GENERAL.—Section 206(a)(2) of such Act (as amended by section 5106(a)(1) of the Omnibus Budget Reconciliation Act of 1990) (42 U.S.C. 406(a)(2)) is amended—

(i) by redesignating subparagraph (C) as subparagraph (D); and

(ii) by inserting after subparagraph (B) the following new subparagraph:

"(C) In any case involving—

"(i) an agreement described in subparagraph (A) with any person relating to both a claim of entitlement to past-due benefits under this title and a claim of entitlement to past-due benefits under title XVI, and

"(ii) a favorable determination made by the Secretary with respect to both such claims,

the Secretary may approve such agreement only if the total fee or fees specified in such agreement does not exceed, in the aggregate, the dollar amount in effect under subparagraph (A)(ii)(II).".

(B) CONFORMING AMENDMENT.—Section 206(a)(3)(A) of such Act (as amended by section 5106(a)(1) of the Omnibus Budget Reconciliation Act of 1990) (42 U.S.C. 406(a)(3)(A)) is amended by striking "paragraph (2)(C)" and inserting "paragraph (2)(D)".

(d) AMENDMENT RELATED TO PROVISIONS IN SECTION 5115 RELATING TO ADVANCE TAX TRANSFERS.—Section 201(a) of the Social Security Act (42 U.S.C. 401(a)) is amended in the last sentence by striking "and" the second place it appears.

(e) EFFECTIVE DATE.—Each amendment made by this section shall take effect as if included in the provisions of the Omnibus Budget Reconciliation Act of 1990 to which such amendment relates.

SEC. 1012. ELIMINATION OF ROUNDING DISTORTION IN THE CALCULATION OF THE OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE CONTRIBUTION AND BENEFIT BASE AND THE EARNINGS TEST EXEMPT AMOUNTS.

(a) ADJUSTMENT OF OASDI CONTRIBUTION AND BENEFIT BASE.—

(1) IN GENERAL.—Section 230(b) of the Social Security Act (42 U.S.C. 430(b)) is amended by striking paragraphs (1) and (2) and inserting the following:

"(1) $60,600, and

"(2) the ratio of (A) the deemed average total wages (as defined in section 209(k)(1)) for the calendar year before the calendar year in which the determination under subsection (a) is made to (B) the deemed average total wages (as so defined) for 1992,".

(2) CONFORMING AMENDMENT RELATING TO APPLICABLE PRIOR LAW.—Section 230(d) of such Act (42 U.S.C. 430(d)) is amended by striking "(except that" and all that follows through the end and inserting "(except that, for purposes of subsection (b) of such section 230 as so in effect, the reference to the contribution and benefit base in paragraph (1) of such subsection (b) shall be deemed a reference to an amount equal to $45,000, each reference in paragraph (2) of such subsection (b) to the average of the wages of all employees as reported to the Secretary of the Treasury shall be deemed a reference to the deemed average total wages (as defined in section 209(k)(1)), the reference to a preceding calendar year in paragraph (2)(A) of such subsection (b) shall be deemed a reference to the calendar year before the calendar year in which the determination under subsection (a) of such section 230 is made, and the reference to a calendar year in paragraph (2)(B) of such subsection (b) shall be deemed a reference to 1992).".

(3) ADJUSTMENT OF CONTRIBUTION AND BENEFIT BASE APPLICABLE IN DETERMINING YEARS OF COVERAGE FOR PURPOSES OF SPECIAL MINIMUM PRIMARY INSURANCE AMOUNT.—Section 215(a)(1)(C)(ii) of such Act is amended by striking "(except that" and all that follows through the end and inserting "(except that, for purposes of subsection (b) of such section 230 as so in effect, the reference to the contribution and benefit base in paragraph (1) of such subsection (b) shall be deemed a reference to an amount equal to $45,000, each reference in paragraph (2) of such subsection (b) to the average of the wages of all employees as reported to the Secretary of the Treasury shall be deemed a reference to the deemed average total wages (as defined in section 209(k)(1)), the reference to a preceding calendar year in paragraph (2)(A) of such subsection (b) shall be deemed a reference to the calendar year before the calendar year in which the determination under subsection (a) of such section 230 is made, and the reference to a calendar year in paragraph (2)(B) of such subsection (b) shall be deemed a reference to 1992).".

(b) ADJUSTMENT OF EARNINGS TEST EXEMPT AMOUNT.—Section 203(f)(8)(B)(ii) of the Social Security Act (42 U.S.C. 403(f)(8)(B)(ii)) is amended to read as follows:

"(ii) the product of the corresponding exempt amount which is in effect with respect to months in the taxable year ending after 1993 and before 1995, and the ratio of—

"(I) the deemed average total wages (as defined in section 209(k)(1)) for the calendar year before the calendar year in which the determination under subparagraph (A) is made, to

"(II) the deemed average total wages (as so defined) for 1992,

with such product, if not a multiple of $10, being rounded to the next higher multiple of $10 where such product is a multiple of $5 but not of $10 and to the nearest multiple of $10 in any other case.".

(c) EFFECTIVE DATES.—

(1) The amendments made by subsection (a) shall be effective with respect to the determination of the contribution and benefit base for years after 1994.

(2) The amendment made by subsection (b) shall be effective with respect to the determination of the exempt amounts applicable to any taxable year ending after 1994.

PART II—HUMAN RESOURCES PROVISIONS

SEC. 1016. CORRECTIONS RELATED TO THE INCOME SECURITY AND HUMAN RESOURCES PROVISIONS OF THE OMNIBUS BUDGET RECONCILIATION ACT OF 1990.

(a) AMENDMENT RELATED TO SECTION 5035(a)(2).—Section 5035(a)(2) of the Omnibus Budget Reconciliation Act of 1990 (Public Law 101-508) is amended by striking "a semicolon" and inserting " '; and' ".

(b) REPEAL OF PROVISION INADVERTENTLY INCLUDED.—Section 5057 of the Omnibus Budget Reconciliation Act of 1990 (Public Law 101-508), and the amendment made by such section, are hereby repealed, and section 1139(d) of the Social Security Act shall

be applied and administered as if such section 5057 had never been enacted.

(c) AMENDMENT RELATED TO SECTION 5105(d)(1)(B).—Section 5105(d)(1)(B) of the Omnibus Budget Reconciliation Act of 1990 (Public Law 101-508; 104 Stat. 1388-266) is amended to read as follows:

"(B) TITLE XVI.—Section 1631(a)(2)(F) (42 U.S.C. 1383(a)(2)(F)), as so redesignated by subsection (c)(2) of this section, is amended to read as follows:

"'(F) The Secretary shall include as a part of the annual report required under section 704 information with respect to the implementation of the preceding provisions of this paragraph, including—

"'(i) the number of cases in which the representative payee was changed;

"'(ii) the number of cases discovered where there has been a misuse of funds;

"'(iii) how any such cases were dealt with by the Secretary;

"'(iv) the final disposition of such cases (including any criminal penalties imposed); and

"'(v) such other information as the Secretary determines to be appropriate.'."

(d) AMENDMENT RELATED TO SECTION 5105(a)(1)(B).—The second paragraph of section 1631(a) of the Social Security Act (42 U.S.C. 1383(a)) is amended by striking "(A)(i) Payments" and inserting "(2)(A)(i) Payments".

(e) AMENDMENTS RELATED TO SECTION 5105(b).—Section 1631(a)(2)(C) of the Social Security Act (42 U.S.C. 1383(a)(2)(C)) is amended—

(1) by striking clause (ii);

(2) by redesignating clauses (iii), (iv), and (v) as clauses (ii), (iii), and (iv), respectively; and

(3) in clause (iv) (as so redesignated), by striking "(iii), and (iv)" and inserting "and (iii)".

(f) AMENDMENTS RELATED TO SECTION 5107(a)(2)(B).—Section 1631(c)(1)(B) of the Social Security Act (42 U.S.C. 1383(c)(1)(B)) is amended by striking "paragraph (1)" each place such term appears and inserting "subparagraph (A)".

(g) AMENDMENT RELATED TO SECTION 5109(a)(2).—Section 1631 of the Social Security Act (42 U.S.C. 1383) is amended by redesignating the subsection (n) added by section 5109(a)(2) of the Omnibus Budget Reconciliation Act of 1990, as subsection (o).

(h) AMENDMENTS RELATED TO SECTION 11115(b)(2).—Section 11115(b)(2) of the Omnibus Budget Reconciliation Act of 1990 (Public Law 101-508) is amended—

(1) in subparagraph (A), by striking "paragraph (8)" and inserting "paragraph (9)";

(2) in subparagraph (B), by striking "paragraph (9)" and inserting "paragraph (10)"; and

(3) in subparagraph (C), by redesignating the new paragraph added thereby as paragraph (11).

(i) EFFECTIVE DATE.—Each amendment made by this section shall take effect as if included in the provision of the Omnibus Budget Reconciliation Act of 1990 to which the amendment relates at the time such provision became law.

SEC. 1017. TECHNICAL CORRECTIONS RELATED TO THE HUMAN RESOURCE AND INCOME SECURITY PROVISIONS OF OMNIBUS BUDGET RECONCILIATION ACT OF 1989.

(a) AMENDMENT RELATING TO SECTION 8004(a).—Section 408(m)(2)(A) of the Social Security Act (42 U.S.C. 608(m)(2)(A)) is amended by striking "a fiscal" and inserting "the fiscal".

(b) AMENDMENT RELATING TO SECTION 8006(a).—Section 473(a)(6)(B) of such Act (42 U.S.C. 673(a)(6)(B)) is amended by striking "474(a)(3)(B)" and inserting "474(a)(3)(C)".

(c) AMENDMENT RELATING TO SECTION 8007(b)(3).—Subparagraph (D) of section 475(5) of such Act (42 U.S.C. 675(5)(D)) is amended by moving such subparagraph 2 ems to the right so that the left margin of such subparagraph is aligned with the left margin of subparagraph (C) of such section.

(d) EFFECTIVE DATE.—Each amendment made by this section shall take effect as if the amendment had been included in the provision of the Omnibus Budget Reconciliation Act of 1989 to which the amendment relates, at the time the provision became law.

SEC. 1018. ELIMINATION OF OBSOLETE PROVISIONS RELATING TO TREATMENT OF THE EARNED INCOME TAX CREDIT.

(a) TREATMENT OF EITC AS EARNED INCOME.—Section 1612(a)(1) of the Social Security Act (42 U.S.C. 1382a(a)(1)) is amended by striking subparagraph (C) and by redesignating subparagraphs (D) and (E) as subparagraphs (C) and (D), respectively.

(b) ADJUSTMENT OF BENEFITS DUE TO TREATMENT OF EITC AS EARNED INCOME.—Section 1631(b) of such Act (42 U.S.C. 1383(b)) is amended by striking paragraph (3) and by redesignating paragraphs (4) and (5) as paragraphs (3) and (4), respectively.

SEC. 1019. REDESIGNATION OF CERTAIN PROVISIONS.

Section 1631(e)(6) of the Social Security Act (42 U.S.C. 1383(e)(6)) is amended by redesignating subparagraphs (1) and (2) as subparagraphs (A) and (B), respectively.

Subtitle C—Tariff and Customs

SEC. 1021. TECHNICAL AMENDMENTS TO THE HARMONIZED TARIFF SCHEDULE OF THE UNITED STATES.

(a) IN GENERAL.—The Harmonized Tariff Schedule of the United States is amended as follows:

(1) TAPESTRY AND UPHOLSTERY FABRICS.—The article description for subheading 5112.19.20 is amended by striking "of a weight exceeding 300 g/m²".

(2) GLOVES.—

(A) Chapter 61 is amended by redesignating subheading 6116.10.45 as subheading 6116.10.48.

(B) Chapter 62 is amended by striking the superior text "Other:" that appears between subheadings 6216.00.46 and 6216.00.52.

(3) AGGLOMERATE STONE FLOOR AND WALL TILES.—The article description for subheading 6810.19.12 is amended to read as follows: "Of stone agglomerated with binders other than cement".

(4) 2,4-DIAMINOBENZENESULFONIC ACID.—The article description for heading 9902.30.43 is amended by striking "2921.51.50" and inserting "2921.59.50".

(5) MACHINES USED IN THE MANUFACTURE OF BICYCLE PARTS.—The article description for heading 9902.84.79 is amended by striking "8479.89.90" and inserting "8462.49.00, 8479.89.90 or 9031.80.00".

(6) COPYING MACHINES AND PARTS.—The article description for heading 9902.90.90 is amended by inserting "or 8473.40.40" after "8472.90.80".

(b) STAGED RATE REDUCTIONS FOR GLOVES.—Any staged reduction of a special rate of duty set forth in subheading 6116.10.45 of such Schedule that takes effect on or after October 1, 1990, by reason of section 10011(a)(2) of the Omnibus Budget Reconciliation Act of 1990 shall apply to the corresponding rate of duty in subheading 6116.10.48 (as redesignated by subsection (a)(2)(A)).

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by subsection (a) shall apply with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of the enactment of this Act.

(2) RETROACTIVE APPLICATION FOR CERTAIN LIQUIDATIONS AND RELIQUIDATIONS.—

(A) Notwithstanding section 514 of the Tariff Act of 1930 or any other provision of law, upon proper request filed with the appropriate customs officer on or before the 90th day after the date of the enactment of this Act, any entry—

(i) that was made after the applicable date and before the 15th day after such date of enactment; and

(ii) with respect to which there would have been a lesser or no duty if any amendment made by subsection (a) applied to such entry;

shall be liquidated or reliquidated as though such amendment applied to such entry.

(B) For purposes of this subsection, the term "applicable date" means—

(i) if such amendment is made by subsection (a)(3) or (a)(6), December 31, 1988; and

(ii) if such amendment is made by subsection (a)(1), (a)(2), (a)(4), (a)(5), September 30, 1990.

SEC. 1022. CLARIFICATION REGARDING THE APPLICATION OF CUSTOMS USER FEES.

(a) IN GENERAL.—Subparagraph (D) of section 13031(b)(8) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(b)(8)(D)) is amended—

(1) by striking "and" at the end of clause (iv);

(2) by striking the period at the end of clause (v) and inserting "; and"; and

(3) by inserting after clause (v) the following new clause:

"(vi) in the case of merchandise entered from a foreign trade zone (other than merchandise to which clause (v) applies), be applied only to the value of the privileged or nonprivileged foreign status merchandise under section 3 of the Act of June 18, 1934 (commonly known as the Foreign Trade Zones Act, 19 U.S.C. 81c)."

(b) EFFECTIVE DATE.—The amendments made by subsection (a) apply to—

(1) any entry made from a foreign trade zone on or after the 15th day after the date of the enactment of this Act; and

(2) any entry made from a foreign trade zone after November 30, 1986, and before such 15th day if the entry was not liquidated before such 15th day.

(c) APPLICATION OF FEES TO CERTAIN AGRICULTURAL PRODUCTS.—The amendment made by section 111(b)(2)(D)(iv) of the Customs and Trade Act of 1990 shall apply to—

(1) any entry made from a foreign trade zone on or after the 15th day after the date of the enactment of this Act; and

(2) any entry made from a foreign trade zone after November 30, 1986, and before such 15th day if the entry was not liquidated, *or if the liquidation has not become final*, before such 15th day.

SEC. 1023. TECHNICAL AMENDMENTS TO THE OMNIBUS TRADE AND COMPETITIVENESS ACT OF 1988.

(a) IN GENERAL.—Paragraph (2) of section 1102(a) of the Omnibus Trade and Competitiveness Act of 1988 (19 U.S.C. 2902(a)(2)) is amended—

(1) in subparagraph (A)—

(A) by striking "the date of enactment of this Act" and inserting "January 1, 1989"; and

(B) by striking "such date of enactment" and inserting "January 1, 1989"; and

(2) in subparagraph (B), by striking "such date of enactment" and inserting "January 1, 1989".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect January 1, 1989.

(c) CONSTRUCTION.—For purposes of applying the amendments made by subsection (a), the column 1-general rate of duty established by any amendment to the Harmonized Tariff Schedule of the United States that was enacted after January 1, 1989, shall, if—

(1) such amendment has, or is statutorily treated as having, an effective date of January 1, 1989; or

(2) application for liquidation or reliquidation at such rate with respect to entries made after December 31, 1988, and before the effective date of the amendment, is provided for;

be treated as the rate in effect on January 1, 1989.

SEC. 1024. TECHNICAL AMENDMENT TO THE CUSTOMS AND TRADE ACT OF 1990.

Subsection (b) of section 484H of the Customs and Trade Act of 1990 (19 U.S.C. 1553 note) is amended by striking ", or withdrawn from warehouse for consumption," and inserting "for transportation in bond".

SEC. 1025. TECHNICAL AMENDMENTS REGARDING CERTAIN BENEFICIARY COUNTRIES.

(a) CARIBBEAN BASIN ECONOMIC RECOVERY ACT.—Section 213(h)(1) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2703(h)(1)) is amended by adding at the end thereof the following flush sentence:

"The duty reductions provided for under this paragraph shall not apply to textile and apparel articles which are subject to textile agreements."

(b) ANDEAN TRADE PREFERENCE ACT.—Section 204(c)(1) of the Andean Trade Preference Act (19 U.S.C. 3203(c)(1)) is amended by adding at the end thereof the following flush sentence:

"The duty reductions provided for under this paragraph shall not apply to textile and apparel articles which are subject to textile agreements."

(c) EFFECTIVE DATE.—The amendments made by this section apply with respect to—

(1) articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of the enactment of this Act, and

(2) articles entered after December 31, 1991, and before such 15th day, which are not liquidated before such 15th day.

SEC. 1026. CLARIFICATION OF FEES FOR CERTAIN CUSTOMS SERVICES.

(a) IN GENERAL.—Section 13031(b)(9)(A) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(b)(9)(A)) is amended—

(1) by striking "centralized hub facility or" in clause (i); and

(2) in clause (ii)—

(A) by striking "facility—" and inserting "facility or centralized hub facility—",

(B) by striking "customs inspectional" in subclause (I), and

(C) by striking "at the facility" in subclause (I) and inserting "for the facility".

(b) DEFINITIONS.—Section 13031(b)(9)(B)(i) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(b)(9)(B)(i)) is amended—

(1) by striking ", as in effect on July 30, 1990", and

(2) by adding at the end thereof the following new sentence: "Nothing in this paragraph shall be construed as prohibiting the Secretary of the Treasury from processing merchandise that is informally entered or released at any centralized hub facility or express consignment carrier facility during the normal operating hours of the Customs Service, subject to reimbursement and payment under subparagraph (A).".

(c) CITATION.—Section 13031(b)(9)(B)(ii) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(b)(9)(B)(ii)) is amended by striking "section 236 of the Tariff and Trade Act of 1984" and inserting "section 236 of the Trade and Tariff Act of 1984".

SEC. 1027. CONFORMING AMENDMENT TO SECTION 337 OF THE TARIFF ACT OF 1930.

(a) IN GENERAL.—The second sentence of section 337(b)(3) of the Tariff Act of 1930 is amended by striking "section 303, 671, or 673" and inserting "section 303, 701, or 731".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect October 28, 1992.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Illinois [Mr. ROSTENKOWSKI] will be recognized for 20 minutes, and the gentleman from Texas [Mr. ARCHER] will be recognized for 20 minutes.

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

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

Mr. Speaker, I rise today in support of H.R. 3419, the Tax Simplification and Technical Corrections Act of 1993.

This bill is the culmination of over 4 years of legislative work, and simplifies over 100 different provisions of the tax law, including provisions relating to a wide variety of individual and corporate tax matters, pensions, mutual funds, international taxation, partnerships, and tax-exempt bonds.

In addition, it includes much-needed technical corrections to prior legislation, including the Budget Reconciliation Acts of 1990 and 1993, and other recently enacted legislation within the jurisdiction of the Committee on Ways and Means.

Passage of this bill is long overdue. Virtually all of the simplification provisions passed the House in the 102d Congress, and were included in H.R. 4210 and H.R. 11, the two major tax bills that were vetoed by President Bush. Similarly, most of the technical corrections have already been approved by this body, and were also included in H.R. 11.

The simplification provisions are the product of a major initiative to simplify the tax laws which I announced in February of 1990. I requested interested members of the public, tax professionals, government officials, and staff to develop tax simplification proposals that would make life easier for taxpayers, return preparers, tax administrators, and the courts, without undoing major policy objectives or increasing the deficit. In response, I received hundreds of proposals.

At my direction, these simplification proposals were thoroughly analyzed by the congressional tax-writing staffs in a bipartisan process with the cooperation of the Treasury Department and the Internal Revenue Service. In 1991 and again in 1993, I introduced bills reflecting their recommendations regarding these proposals. Subsequently, the Committee on Ways and Means and the Subcommittee on Select Revenue Measures held public hearings on these various bills.

Mr. Speaker, I want to assure my fellow Members and taxpayers that this bill is not intended or designed to make substantive changes in tax policy. Rather, the simplification provisions are intended to make the law work better, and the technical corrections are designed to correct drafting errors and inconsistencies with congressional intent. In sum, H.R. 3419 represents the responsible clean-up work that we are called upon to do as legislators.

Mr. Speaker, if this bill is approved today, it is my hope that the Senate will complete work on a similar package so that the technical corrections and simplification provisions may be enacted before the end of this Congress. However, I will stringently oppose any efforts to turn the bill into a Christmas tree decorated with special interest and Members amendments. Of course, I would not preclude consideration of amendments that are truly technical in nature, or further provisions constituting true simplification.

Moreover, if the Senate would like to consider alternative revenue-raising provisions to the four provisions included in this legislation, I would certainly consider such provisions in conference, provided they are reasonable in nature.

Further, because H.R. 3419 was reported by the committee in November 1993, I contemplate that various effective dates will have to be modified in conference to ensure that these revenue-raising provisions are prospective and that the bill remains revenue-neutral.

In the past I have stated that I do not expect this bill to be the final piece of tax simplification legislation.

Rather, this bill is an important first step in what for me is a continuing commitment to simplify the tax laws. Some have questioned whether there is any constituency for tax legislation that does not provide tax relief for specific industries or interest groups. I urge my colleagues to support this legislation as proof that there is a constituency for broad-based tax simplification and much-needed technical corrections.

Mr. Speaker, with respect to the revenue raising provisions in this legislation, it has come to my attention that certain tax-exempt organizations, including some pension funds and hospitals, have questioned aspects of the provision treating certain foreign corporation dividends and deemed income inclusions as unrelated business income. Let me reiterate that if the Sen-

ate amends the four revenue-raising provisions contained in H.R. 3419, and does so in a reasonable manner, then I will be willing to review such amendments in conference.

Also, Chairman DE LA GARZA of the House Committee on Agriculture, has brought to my attention that many farm organizations are concerned about a recent Technical Advice Memorandum [TAM] issued by the Internal Revenue Service. The TAM holds that dues paid by associate members of State farm organizations constitute unrelated taxable income to the farm organization if the associate members receive benefits such as insurance from membership and do not enjoy voting and office-holding rights equal to regular farm organization members. I plan to ask the Secretary of the Treasury for a prompt analysis of the impact of the TAM on farm organizations, as well as the basis for changing what I understand to be longstanding IRS practice in this area. In addition, I would hope that the committee could review this issue at the earliest appropriate opportunity.

□ 1320

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

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

Mr. Speaker, I rise in support of H.R. 3419, the Tax Simplification and Technical Corrections Act of 1993.

This bill is the product of a bipartisan initiative by members of the Ways and Means Committee to simplify provisions in the Tax Code. These simplification measures are fairly modest, and enacting them will not magically erase the overwhelming complexity in the Tax Code. Still, these small simplifications will make life around tax time a little easier for many taxpayers.

Chairman ROSTENKOWSKI has already described many of the provisions in this bill, so I won't go into a lot of detail. But, here are some of the taxpayers who would be helped by these simplification measures: investors in large partnerships who get intricate and almost unfathomable Schedules K-1 on April 15, preventing them from filing their tax return on time; individuals who would otherwise have to file complicated tax forms due to a small amount of passive losses or foreign tax credit; small businesses that operate as an S corporation; large businesses with international operations; people receiving pensions or expecting one day to receive one; and many others.

These provisions should result in a little more convenience, a little less paperwork or recordkeeping, and a little less legal or accounting fees.

The bill also corrects earlier technical drafting errors in prior tax, social security, human resources, and trade legislation.

H.R. 3419 contains four explicit financing provisions which raise a total of approximately $467 million over 5 years, the amount necessary to offset the tax simplification provisions. None of the offsets have generated opposition to the bill's passage in the House. To the extent that opposition develops to any of these financing provisions, I will do my utmost in conference to modify the controversial provision or to substitute a noncontroversial alternative.

Since H.R. 3419 was reported out of committee in 1993, many of the then-prospective effective dates have become retroactive, typically dating back to January 1, 1994. In his statement, Chairman ROSTENKOWSKI expressed his intent in conference to make all effective dates prospective, consistent with the bill as reported by the committee.

I want to state my own intent to make sure that the effective dates in the final legislation—particularly the financing provisions—are prospective. I will not support any final legislation if it contains what I considerable to be retroactive tax increases.

Mr. Speaker, this bill should not be reviewed as controversial. It is revenue-neutral. Most of its provisions have passed Congress twice, and many of the technical corrections have passed this House three times. I urge the adoption of H.R. 3419.

Mr. LANTOS. Mr. Speaker, I rise today in support of H.R. 3419, the Tax Simplification and Technical Corrections Act of 1993, which will simplify many tax provisions regarding individuals, pensions, partnerships, international operations of U.S. corporations, tax-exempt bonds, estates and gift taxes and will clarify tax-related provisions in the 1990 and 1993 deficit reduction laws. I support this bill with reservation, however, because it does not include changes to the foreign sales corporation [FSC] rules.

Mr. Speaker, I think we would all agree that tax simplification should, among other things, simplify the task of business and create economic incentives to create jobs. This bill is a good step in that direction. Unfortunately, this bill does not address the simplification of the foreign sales corporation [FSC] regulations which have singled out software for discriminatory treatment. And, as a result, the software industry, employing more than 65,000 Californians, will not see the benefits of tax simplification.

Over the past several months more than 100 Members of Congress, including 35 members of the California congressional delegation, have written Treasury Secretary Lloyd Bentsen expressing concern with the Treasury Department's temporary and proposed foreign sales corporation [FSC] regulations that deny exports of software accompanied by a right to reproduce the software from qualifying for the same tax benefits available to other U.S. exports. I would like to submit for the record a copy of the correspondence with Secretary Bentsen on this issue.

Congress enacted the FSC rules to assist U.S. exporters in competing with products made in other countries that have more favorable rules for taxing imports. However, due to a narrow IRS interpretation of the FSC rules, the export of computer software which is accompanied by the right to reproduce the software is barred from receiving this export incentive. The ability to license software, accompanied by the right to reproduce, is essential to the way the software industry does business. Denying FSC benefits to software sold through these and other distribution networks poses an impediment to the competitiveness of U.S. manufactured software.

Mr. Speaker, I was disappointed to learn last week that the Treasury Department decided not to change its regulation, although they have the statutory authority to do so. While it was not possible under House rules to include these changes in the House version of the tax simplification bill, it is my hope that when the Senate takes up its version that they will decide to add this measure and that the House will accept this addition in conference. In the meantime, I have written to Secretary Bentsen to urge him to reconsider his decision not to revise the temporary and proposed FSC regulations to eliminate their discriminatory treatment of software. It is my fervent hope that the Treasury Department will still amend these regulations to include software rather than forcing us to legislate this matter.

HOUSE OF REPRESENTATIVES,
Washington, DC, March 4, 1994.

Hon. LLOYD BENTSEN,
Secretary, U.S. Department of the Treasury, Washington, DC.

DEAR MR. SECRETARY: As Members of the California Congressional Delegation, we urge you to reexamine and revise the temporary and proposed Foreign Sales Corporation (FSC) Treasury regulations which unfairly restrict export benefits for the software industry.

California's economic climate has seen better days. We are very interested in improving these conditions by encouraging business expansion through private sector contributions to revitalize our state's economy. As you may be aware, the software industry represents a growing and dynamic economic force throughout California and our nation. American software products are highly sought after throughout the world and we want to continue American primacy in this major export.

The United States is currently the world leader in software development, employing approximately 400,000 people in highly skilled software development and servicing jobs. Currently, the largest percentage of independent software companies are headquartered in California, employing more than 65,000 Californians in software development. Future expansion of the industry and additional California jobs will arise as a direct result of the growth in software exports.

The software industry needs FSC benefits to remain competitive. Furthermore, FSC benefits encourage small and medium-sized software companies to enter the export market. If their exports are not given FSC benefits, we are concerned that high-paying software development jobs will leave California and begin moving to other countries. With California mired in a recession, we urge the Treasury Department to amend its regulation to help the California software industry grow, rather than retaining the current regulations that could lead to a contraction of the industry.

We request your prompt review of these provisions and a timely determination of

whether FSC benefits can be applied to the software industry. Supporting the Delegation's views are many Members of the House Ways and Means Committee, including Chairman Rostenkowski, who have requested your review, finding merit in the positions expressed by software manufacturers, many of whom are headquartered in California.

Congress enacted the FSC rules to assist U.S. exporters in competing with products made in other countries that have more favorable rules for taxing imports. However, due to a narrow IRS interpretation of the FSC rules, the export of computer software which is accompanied by the right to reproduce the software is barred from receiving this export incentive. The ability to license software, accompanied by the right to reproduce, is essential to the way the software industry does business. Examples include: the ability to sell products to foreign equipment manufacturers who load the software into their computers and market the combined product for sale in the local country; and the ability to translate the software into the local language and then reproduce it for sale in that country.

Denying FSC benefits to software sold through these and other distribution networks poses an impediment to the competitiveness of U.S. manufactured software. And Congress intended to remove this impediment from U.S. manufactured goods through the enactment of FSC provisions.

The Treasury Department's temporary and proposed regulations have been pending since 1987. Although we believe that the problem created for software exports can be most easily cured by amending the regulations, we are concerned that the Treasury Department has taken no action to finalize the regulation for over six years. We are therefore, requesting the Treasury Department to promptly review the temporary and proposed regulations that deny FSC benefits to exports of software and to issue new regulations which ensure that all software exports are eligible for this benefit.

Thank you for your consideration of this matter.

Sincerely,

Senator Dianne Feinstein, Congressman Tom Lantos, Congressman Don Edwards, Congressman Robert Matsui, Congressman Howard Berman, Congressman George Miller, Congressman Ron Packard, Congressman Vic Fazio, Congresswoman Nancy Pelosi, Congressman Al McCandless, Congressman Walter Tucker, Congressman John Doolittle, Congresswoman Anna Eshoo, Congressman Richard Lehman, Congressman Stephen Horn, Congresswoman Jane Harman, Congressman Ken Calvert, Congressman Carlos Moorhead, Senator Barbara Boxer, Congressman Wally Herger, Congressman Jerry Lewis, Congressman Julian Dixon, Congressman George Brown, Congressman Matthew Martinez, Congressman Ronald Dellums, Congressman David Dreier, Congressman Esteban Torres, Congressman Norman Mineta, Congressman Randy "Duke" Cunningham, Congressman Bill Baker, Congressman Richard Pombo, Congressman Sam Farr, Congresswoman Lynn Schenk, Congressman Robert Dornan, Congressman Elton Gallegly, Congressman Dan Hamburg.

DEPARTMENT OF THE TREASURY,
Washington, DC, May 6, 1994.

Hon. TOM LANTOS,
U.S. House of Representatives,
Washington, DC.

DEAR TOM: Thank you for your letter concerning the tax treatment of software licensing income earned by Foreign Sales Corporations (FSCs). Many members of the House and Senate have written to request that the Treasury revise its 1987 regulations to administratively extend FSC benefits to the license of software with the right of reproduction.

We have carefully considered the arguments made in support of this request and have concluded not to alter the regulations when they are finalized to extend FSC benefits to software licenses. There is no evidence that the Congress intended to provide FSC benefits to software licensed abroad. Indeed, what guidance exists in the legislative history of the enactment of the FSC rules in 1984 suggests that the FSC rules should parallel the DISC regulations they replaced. Accordingly, the 1987 temporary regulations with respect to software duplicated the interpretation in the DISC regulations.

Moreover, an administrative extension of the FSC benefits to software licensed with a right to reproduction would seem to run counter to the apparent purpose of the FSC rules, which limit tax benefits to the export of products "manufactured, produced, grown, or extracted in the United States." If FSC benefits were so extended, then some part of the processing of software products for sale in foreign markets that is now performed in the United States can be expected to be performed abroad. While a similar point might be made about licenses of films, records, and tapes, the decision to make an exception for those licenses was a legislative one. It would seem appropriate that a decision to expand the scope of the FSC rules to a new category as significant as software licenses (whether or not further processing is conducted by a related party) similarly should be a legislative decision.

The Treasury does not oppose a legislative proposal to extend FSC benefits to software licensed with a right of reproduction, assuming appropriate offsetting revenue measures can be identified. The differences between the license of films, tapes and records and the license of software are not great, and as the technology develops, the demarcation grows increasingly less distinct.

Thank you for your interest.

Sincerely,

LLOYD BENTSEN,
Secretary of the Treasury.

HOUSE OF REPRESENTATIVES,
Washington, DC, May 16, 1994.

Hon. LLOYD BENTSEN,
Secretary, U.S. Department of the Treasury,
Washington, DC.

DEAR MR. SECRETARY: I am writing in response to your May 6 letter regarding the application of the Foreign Sales Corporation (FSC) rules to software. I would like to specifically address some of the points raised in your letter and to once again urge you to reconsider your decision not to revise the temporary and proposed FSC regulations to eliminate their discriminatory treatment of software.

First, your letter states that the 1987 temoprary regulations with respect to software duplicated the interpretation in the DISC regulations, which they replaced. It is my understanding that the DISC regulations were silent as to software.

Second, your letter states that the decision to provide FSC benefits to the license of films, records, and tapes was a legislative one, and hence, the decision to expand it to the software industry should also be a legislative decision. But the statute provides FSC benefits to licenses of "films, records, tapes, and other similar property." Since there is little or no difference between the license of films, tapes and records and the license of software, I do not understand the decision not to change the temporary and proposed regulations, especially since your letter states that "the differences between the license of films, tapes and records and the license of software are not great and as the technology develops, the demarcation grows increasingly less distinct." Clearly, the legislative intent was not to limit the benefits to certain subject matter. I'm sure that you are aware that there are other cases in which the Treasury Department has specifically expanded the application of its regulations to industries that were not specifically mentioned in the statute.

Third, and most importantly, your letter states that if FSC benefits are extended to software licenses with a right of reproduction then "some part of the processing of software products for sale in foreign markets that is now performed in the United States can be expected to be performed abroad." As a member of Congress representing a congressional district that relies on software industry jobs, I can assure you that I would not be seeking a change in the FSC regulation if I believed it would result in a net job loss. Many software companies are already seriously considering or have started to move jobs overseas and I am fighting to keep those jobs in the US and in my district. The FSC benefits I seek for software would in fact provide incentive for software companies that currently develop their products overseas to move software development back to the United States.

I respectfully request that you review your decision not to eliminate the discrimination against software companies contained in the 1987 temporary and proposed regulation. I believe the 1987 regulations demonstrated a lack of understanding of the development and manufacturing of software. I am certain that this Administration is more enlightened, not only about software technology, but also about job creation. The issue of where software is developed in the future is very real for me and many of my colleagues from California.

Thank you for your consideration of this important issue.

Cordially,

TOM LANTOS,
Member of Congress.

Mr. RUSH. Mr. Speaker, I rise today to support H.R. 3419, the Tax Simplification and Technical Corrections Act. I salute Chairman ROSTENKOWSKI for this legislation, as it is yet another in the long line of bills which demonstrate the chairman's dedication to improving and simplifying our Nation's Tax Code. During his tenure with the House Ways and Means Committee, the chairman has worked tirelessly to improve and refine the code on behalf of the American people. I appreciate his willingness to work with me on a particular aspect of this bill, and I look forward to like cooperative efforts for many years to come.

This is an important simplification bill, and one of the reasons that this is true is that it contains a piece of legislation that I introduced last year, the Public Pension Simplification

Act. This bill, which was my first legislative effort as a Member of Congress, has 24 House cosponsors of both political parties. The intention of this provision is to secure the promised pension benefits of many loyal hard-working public employees across the country as well as in the State of Illinois, and in particular the city of Chicago, including the police officers, firefighters, and teachers of that great city.

The Public Pension Simplification Act contains several provisions that will enable all participants and their spouses or beneficiaries to receive the pension benefits they have been promised by their governmental employers in exchange for many years of dedicated, self-sacrificing service. Many of my colleagues and I know some of these individuals personally, through the police services that are delivered to our neighborhoods, the firefighters who respond with great speed and efficiency, the teachers who produce undeniable results so visible in the education of our sons, daughters, and grandchildren, and the many other services provided to us and our communities daily.

Our close contact with many of these individuals gives us firsthand knowledge of the stressful conditions under which many of them are required to work, as well as the level of excellence and scrutiny to which they are continuously held by the general public. Yet day after day, year after year, many of these employees continue to deliver to their communities, and to your families, their dedicated services. Mr. Speaker, providing a more secure retirement for these selfless workers is the goal of the legislation I am supporting today.

The provision will provide the following benefits for all State and local government pension plans:

First, exempt the benefits accrued or paid under the plans from the 100 percent of compensation limitation in section 415 of the Internal Revenue Code;

Second, permit the use of the definition of compensation, for purposes of the section 415 limitations, which include certain amounts employees elect to contribute under other benefits plans;

Third, exempt survivor and disability benefits from the section 415 limitation; and

Fourth, permit the use of excess benefit plans as allowed in the private sector.

Mr. Speaker, I believe that these simplification proposals are essential to the smooth management of qualified pension plans offered by State and local governments to their employees. As many of my colleagues are aware, many State and local government plans are subject to two sets of rules, which at times can produce conflicting and harsh results for both the plan sponsors and the participants in the plans.

At the Federal level, all State and local plans must meet certain qualifying requirements to receive and maintain qualified status. At the State level, many State and local government employers are constitutionally prohibited from making any reduction in the participants' promised benefits, as could be required under the Federal qualifying requirements. These two conflicting sets of rules sometimes result in the sponsors of these plans being placed in the very difficult situation of making an unrealistic choice of either:

First, reducing the promised benefit as required by the qualifying requirement and becoming exposed to possible legal suits by the plan participants; or

Second, complying with the State constitutional limitation and being exposed to plan disqualification by the IRS. Such actions might result in detrimental financial consequences to every employee who participates in the plan.

This provision is intended to enable State and local governments to provide pension benefits to their employees within both the Federal and State rules without encountering unintended conflict.

Mr. Speaker, this provision could provide added security for the pension benefits of approximately 17,000 firefighters, spouses, and beneficiaries, and approximately 32,000 police officers, spouses, and beneficiaries from the city of Chicago and surrounding areas. In addition, the promised pension benefits of approximately 486,000 public employees of the State of Illinois will be given an extra measure of security not currently present.

I am proud of this provision and I remain committed to providing an added element of certainty regarding the retirement benefits of so many of our State and local employees, their spouses, and beneficiaries. I would respectfully ask for my colleagues' support of H.R. 3419.

Mrs. KENNELLY. Mr. Speaker, I rise in strong support of H.R. 3419, the Tax Simplification and Technical Corrections Act. I am pleased that we finally have this bill before us today.

Despite our best efforts, we do make mistakes in drafting legislation. This bill corrects errors we have made in the past , as well as conforms various provisions in recently enacted tax and other legislation within the jurisdiction of the Committee on Ways and Means. These errors can have unintended consequences, and it is important that we show the American people that Congress can fix problems of this nature without getting bogged down in the politics.

This bill also contains a number of simplification provisions. I would like to focus on one in particular—the elimination of the special vesting rule for multi-employer pension plans. In 1986, I worked with Chairman ROSTENKOWSKI and we were able to reduce the vesting period—the minimum period an employee must work before becoming eligible for a pension—from 10 years to 5 years for most workers in America. However, multi-employer plans retained 10-year vesting.

This is something I have been working to change since 1986. It simply doesn't make sense that an employee enrolled in a multi-employer plan has to work twice as long in order to be entitled to a pension. It is about time we leveled the playing field. This provision has passed the House on several occasions only to die as larger tax vehicles were vetoed.

I urge my colleagues to support this important provision and the bill.

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

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

The SPEAKER pro tempore (Mr. MAZZOLI). The question is on the motion offered by the gentleman from Illinois [Mr. ROSTENKOWSKI] that the House suspend the rules and pass the bill, H.R. 3419, 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.

SOCIAL SECURITY ADMINISTRATIVE REFORM ACT OF 1994

Mr. ROSTENKOWSKI. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4277) to establish the Social Security Administration as an independent agency and to make other improvements in the old-age, survivors, and disability insurance program, as amended.

The Clerk read as follows:

H.R. 4277

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 "Social Security Administrative Reform Act of 1994".

(b) TABLE OF CONTENTS.—

Sec. 1. Short title and table of contents.
Sec. 2. Declaration of purposes.
TITLE I—ESTABLISHMENT OF THE SOCIAL SECURITY ADMINISTRATION AS AN INDEPENDENT AGENCY
Sec. 101. Establishment of the Social Security Administration as a separate, independent agency; responsibilities of the agency.
Sec. 102. Social Security Board, executive director, deputy director, beneficiary ombudsman; other officers.
Sec. 103. Personnel; budgetary matters; seal of office.
Sec. 104. Transfers to the new Social Security Administration.
Sec. 105. Transitional rules.
Sec. 106. Conforming amendments to Titles II and XVI of the Social Security Act.
Sec. 107. Other conforming amendments.
Sec. 108. Rules of construction.
Sec. 109. Effective dates.
TITLE II—IMPROVEMENTS TO THE OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE PROGRAM
Sec. 201. Restrictions on payment of benefits based on disability to substance abusers.
Sec. 202. Issuance of physical documents in the form of bonds, notes, or certificates to the social security trust funds.
Sec. 203. Explicit requirements for maintenance of telephone access to local offices of the Social Security Administration.
Sec. 204. Expansion of State option to exclude service of election officials or election workers from coverage.
Sec. 205. Use of social security numbers by States and local governments and Federal district courts for jury selection purposes.

Sec. 206. Authorization for all States to extend coverage to State and local policemen and firemen under existing coverage agreements.
Sec. 207. Limited exemption for Canadian ministers from certain self-employment tax liability.
Sec. 208. Exclusion of totalization benefits from the application of the windfall elimination provision.
Sec. 209. Exclusion of military reservists from application of the government pension offset and windfall elimination provisions.
Sec. 210. Repeal of the facility-of-payment provision.
Sec. 211. Maximum family benefits in guarantee cases.
Sec. 212. Authorization for disclosure by the Secretary of Health and Human Services of information for purposes of public or private epidemiological and similar research.
Sec. 213. Misuse of symbols, emblems, or names in reference to social security programs and agencies.
Sec. 214. Increased penalties for unauthorized disclosure of social security information.
Sec. 215. Increase in authorized period for extension of time to file annual earnings report.
Sec. 216. Extension of disability insurance program demonstration project authority.
Sec. 217. Cross-matching of social security account number information and employer identification number information maintained by the Department of Agriculture.
Sec. 218. Certain transfers to railroad retirement account made permanent.
Sec. 219. Authorization for use of social security account numbers by department of labor in administration of Federal workers' compensation laws.
Sec. 220. Coverage under FICA of Federal employees transferred temporarily to international organizations.
Sec. 221. Extension of the FICA tax exemption and certain tax rules to individuals who enter the United States under a visa issued under section 101 of the Immigration and Nationality Act.
Sec. 222. Study of rising costs of disability insurance benefits.
Sec. 223. Commission on childhood disability.
Sec. 224. Disregard deemed income and resources of ineligible spouse in determining continued eligibility under section 1619(b).
Sec. 225. Plans for achieving self-support not disapproved within 60 days to be deemed approved.
Sec. 226. Temporary authority to approve a limited number of plans for achieving self-support that include housing goals.
Sec. 227. Regulations regarding completion of plans for achieving self-support.
Sec. 228. Treatment of certain grant, scholarship, or fellowship income as earned income for SSI purposes.
Sec. 229. SSI eligibility for students temporarily abroad.
Sec. 230. Disregard of cost-of-living increases for continued eligibility for work incentives.
Sec. 231. Expansion of the authority of the Social Security Administration to prevent, detect, and terminate fraudulent claims for SSI benefits.
Sec. 232. Disability review required for SSI recipients who are 18 years of age.
Sec. 233. Continuing disability reviews.
Sec. 234. Technical and clerical amendments.

SEC. 2. DECLARATION OF PURPOSES.

The purposes of this Act are as follows:

(1) To establish the Social Security Administration as an independent agency, separate from the Department of Health and Human Services.

(2) To charge the Social Security Administration with administration of the old-age, survivors, and disability insurance program and supplemental security income program.

(3) To establish a Social Security board as head of the Social Security Administration and define the powers and duties of such Board.

(4) To establish an Executive Director of the Administration and define the powers and duties of the Executive Director.

(5) To provide for delegating major authorities to the Board and the Executive Director.

(6) To make other improvements in the old-age, survivors, and disability insurance program under title II of the Social Security Act.

TITLE I—ESTABLISHMENT OF THE SOCIAL SECURITY ADMINISTRATION AS AN INDEPENDENT AGENCY

SEC. 101. ESTABLISHMENT OF THE SOCIAL SECURITY ADMINISTRATION AS A SEPARATE, INDEPENDENT AGENCY; RESPONSIBILITIES OF THE AGENCY.

Section 701 of the Social Security Act (42 U.S.C. 901) is amended to read as follows:

"SOCIAL SECURITY ADMINISTRATION

"SEC. 701. There is hereby established, as an independent agency in the executive branch of the Government, a Social Security Administration. It shall be the duty of the Administration to administer the old-age, survivors, and disability insurance program under title II and the supplemental security income program under title XVI.".

SEC. 102. SOCIAL SECURITY BOARD, EXECUTIVE DIRECTOR, DEPUTY DIRECTOR, BENEFICIARY OMBUDSMAN; OTHER OFFICERS.

(a) IN GENERAL.—Section 702 of the Social Security Act (42 U.S.C. 902) is amended to read as follows:

"SOCIAL SECURITY BOARD; EXECUTIVE DIRECTOR; OTHER OFFICERS

"Social Security Board

"SEC. 702. (a)(1)(A) The Administration shall be governed by a Social Security Board. The Board shall be composed of three members appointed by the President, by and with the advice and consent of the Senate. The members shall be chosen on the basis of their integrity, impartiality, and good judgment, and shall be individuals who are, by reason of their education, experience, and attainments, exceptionally qualified to perform the duties of members of the Board.

"(B)(i) Except as provided in clauses (ii) and (iii), members of the Board shall be appointed for terms of six years. A member of the Board may be removed only pursuant to a finding by the President of neglect of duty or malfeasance in office. The President shall transmit any such finding to the Speaker of the House of Representatives and the majority leader of the Senate not later than five days after the date on which such finding is made.

"(ii) Of the members first appointed—

"(I) one shall be appointed for a term of 2 years,

"(II) one shall be appointed for a term of 4 years, and

"(III) one shall be appointed for a term of 6 years,

as designated by the President at the time of appointment. Such members shall be appointed after active consideration of recommendations made by the chairman of the Committee on Ways and Means of the House of Representatives and of recommendations made by the chairman of the Committee on Finance of the Senate.

"(iii) The President may not nominate an individual for appointment to a term of office as member of the Board before the commencement of the President's term of office in which the member's term of office commences. Any member appointed to a term of office after the commencement of such term may serve under such appointment only for the remainder of such term. A member may, at the request of the President, serve for not more than one year after the expiration of his or her term until his or her successor has taken office. A member of the Board may be appointed for additional terms.

"(C) Not more than two members of the Board shall be of the same political party.

"(D) A member of the Board may not, during his or her term as member, engage in any other business, vocation, profession, or employment. A member of the Board may continue as a member of the Board for not longer than the 30-day period beginning on the date such member first fails to meet the requirements of the preceding sentence.

"(E) Two members of the Board shall constitute a quorum, except that one member may hold hearings.

"(F) A member of the Board shall be designated by the President to serve as Chairperson of the Board for a term of 4 years.

"(G) The Board shall meet at the call of the Chairperson or two members of the Board.

"(2) Each member of the Board shall be compensated at the rate provided for level II of the Executive Schedule.

"(3) The Board shall—

"(A) govern by regulation the old-age, survivors, and disability insurance program under title II and the supplemental security income program under title XVI,

"(B) establish the Administration and oversee its efficient and effective operation,

"(C) establish policy and devise long-term plans to promote and maintain the effective implementation of programs referred to in subparagraph (A),

"(D) appoint an Executive Director of the Administration, as described in subsection (b), to act as the chief operating officer of the Administration responsible for administering the programs referred to in subparagraph (A),

"(E) constitute three of the members of the Board of Trustees of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund, with the Chairperson of the Social Security Board serving as Chairperson of such Board of Trustees,

"(F) prepare an annual budget for the Administration, which shall be submitted by the President to the Congress without revision, together with the President's annual budget for the Administration,

"(G) study and make recommendations to the Congress and the President as to the most effective methods of providing economic security through social insurance, supplemental security income, and related programs and as to legislation and matters of administrative policy concerning the programs referred to in subparagraph (A),

"(H) provide the Congress and the President with the ongoing actuarial and other analysis undertaken by the Administration with respect to the programs referred to in subparagraph (A) and any other information relating to such programs, and

"(I) conduct policy analysis and research relating to the programs referred to in subparagraph (A).

"(4)(A) The Board may prescribe such rules and regulations as the Board determines nec-

essary or appropriate to carry out the functions of the Administration. The regulations prescribed by the Board shall be subject to the rulemaking procedures established under section 553 of title 5, United States Code.

"(B) The Board may establish, alter, consolidate, or discontinue such organizational units or components within the Administration as the Board considers necessary or appropriate to carry out its functions, except that this subparagraph shall not apply with respect to any unit, component, or position provided for by this Act.

"(C) The Board may, with respect to the administration of the old-age, survivors, and disability insurance program under title II and the supplemental security income program under title XVI, assign duties, and delegate, or authorize successive redelegations of, authority to act and to render decisions, to such officers and employees as the Board may find necessary. Within the limitations of such delegations, redelegations, or assignments, all official acts and decisions of such officers and employees shall have the same force and effect as though performed or rendered by the Board.

"Executive Director

"(b)(1) There shall be in the Administration an Executive Director who shall be appointed by the Social Security Board.

"(2)(A) The Executive Director shall be appointed for a term of four years. An individual appointed to a term of office as Executive Director after the commencement of such term of office may serve under such appointment only for the remainder of such term. An individual may, at the request of the Chairperson of the Board, serve as Executive Director after the expiration of his or her term for not more than one year until his or her successor has taken office. An individual may be appointed as Executive Director for additional terms.

"(B) An individual may be removed from the office of Executive Director before completion of his or her term only for cause found by the Board.

"(3) The Executive Director shall be compensated at the rate provided for level II of the Executive Schedule.

"(4) The Executive Director shall—

"(A) constitute the chief operating officer of the Administration, responsible for administering, in accordance with applicable statutes and regulations, the old-age, survivors, and disability insurance program under title II and the supplemental security income program under title XVI,

"(B) maintain an efficient and effective operational structure for the Administration,

"(C) implement the long-term plans of the Board to promote and maintain the effective implementation of such programs,

"(D) report annually to the Board on program costs under titles II and XVI, make annual budgetary recommendations to the Board for the ongoing administrative costs of the Administration under this Act, and defend the recommendations before the Board,

"(E) advise the Board and the Congress on the effect on the administration of such programs of proposed legislative changes in such programs,

"(F) serve as Secretary of the Board of Trustees of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund,

"(G) report in December of each year to the Board for transmittal to the Congress concerning the administrative endeavors and accomplishments of the Administration, and

"(H) carry out such additional duties as are assigned by the Board from time to time.

Any reference to the Board in this Act or any other provision of law in connection with the exercise of a function of the Board which is delegated to the Executive Director pursuant to this section shall be considered a reference to the Executive Director.

"Deputy Director of Social Security

"(c)(1) There shall be in the Office of the Executive Director a Deputy Director, who shall be appointed by and serve at the pleasure of the Executive Director.

"(2) The Deputy Director shall be compensated at the rate provided for level III of the Executive Schedule.

"(3) The Deputy Director shall perform such duties and exercise such powers as the Executive Director shall from time to time assign or delegate. The Deputy Director shall be Acting Executive Director of the Administration during the absence or disability of the Executive Director and, unless the Board designates another officer of the Government as Acting Executive Director, in the event of a vacancy in the office of the Executive Director.

"General Counsel

"(d)(1) There shall be in the Administration a General Counsel, who shall be appointed by and serve at the pleasure of the Board. The General Counsel shall be the principal legal officer in the Administration.

"(2) The General Counsel shall be compensated at the rate provided for level IV of the Executive Schedule.

"Inspector General

"(e)(1) There shall be in the Administration an Office of the Inspector General. Such Office shall be headed by an Inspector General appointed in accordance with the Inspector General Act of 1978.

"(2) The Inspector General shall be compensated at the rate provided for level IV of the Executive Schedule.

"Beneficiary Ombudsman

"(f)(1) There shall be in the Administration an Office of the Beneficiary Ombudsman, to be headed by a Beneficiary Ombudsman appointed by the Board.

"(2)(A) The Beneficiary Ombudsman shall be appointed for a term of five years, except that the individual first appointed to the Office of Beneficiary Ombudsman shall be appointed for a term ending September 30, 2000. An individual appointed to a term of office as Beneficiary Ombudsman after the commencement of such term may serve under such appointment only for the remainder of such term. An individual may, at the request of the Chairperson of the Board, serve as Beneficiary Ombudsman after the expiration of his or her term for not more than one year until his or her successor has taken office. An individual may be appointed as Beneficiary Ombudsman for additional terms.

"(B) An individual may be removed from the office of Beneficiary Ombudsman before completion of his or her term only for cause found by the Board.

"(3) The Beneficiary Ombudsman shall be compensated at the rate provided for level V of the Executive Schedule.

"(4) The duties of the Beneficiary Ombudsman are as follows:

"(A) To represent within the Administration's decisionmaking process the interests and concerns of beneficiaries under the old-age, survivors, and disability insurance program under title II and the supplemental security income program under title XVI.

"(B) To review the Administration's policies and procedures for possible adverse effects on such beneficiaries.

"(C) To recommend within the Administration's decisionmaking process changes in policies which have caused problems for such beneficiaries.

"(D) To help resolve the problems under such programs of individual beneficiaries in unusual or difficult circumstances, as determined by the Administration.

"(E) To represent within the Administration's decisionmaking process the views of beneficiaries in the design of forms and the issuance of instructions.

"(5) The Board shall assure that the Office of the Beneficiary Ombudsman has staff sufficient to enable the Beneficiary Ombudsman to efficiently carry out his or her duties. Such staff shall be located in the regional offices, program centers, and central office of the Administration.

"(6) The annual report of the Board under section 704 shall include a description of the activities of the Beneficiary Ombudsman.

"Administrative Law Judge

"(g)(1) There shall be in the Administration an Office of the Chief Administrative Law Judge, who shall be appointed by the Board. The duty of the Chief Administrative Law Judge shall be to administer the affairs of the administrative law judges serving in the Administration in a manner so as to ensure that hearings and other business are conducted by the administrative law judges in accordance with applicable law and regulations.

"(2) The Chief Administrative Law Judge shall report directly to the Board.".

(b) CONFORMING AMENDMENTS RELATING TO COMPOSITION OF BOARD OF TRUSTEES OF OASDI TRUST FUNDS.—Section 201(c) of such Act (42 U.S.C. 401(c)) is amended—

(1) in the first sentence, by striking "shall be composed of" and all that follows down through "ex officio" and inserting the following: "shall be composed of the members of the Social Security Board, the Secretary of the Treasury, the Secretary of Health and Human Services, all ex officio";

(2) by inserting after the first sentence the following new sentence: "The Chairperson of the Social Security Board shall be the Chairperson of the Board of Trustees."; and

(3) by striking "Commissioner of Social Security" and inserting "Executive Director of the Social Security Administration".

(c) INTERIM AUTHORITY OF THE COMMISSIONER.—The President shall nominate for appointment the initial members of the Social Security Board not later than April 1, 1995. In the event that, as of October 1, 1995, all members of the Social Security Board have not entered upon office, until all members of the Board have entered upon office, the officer serving on October 1, 1995, as Commissioner of Social Security in the Department of Health and Human Services (or Acting Commissioner, if applicable), or such officer's successor, shall, while continuing to serve as Commissioner of Social Security (or Acting Commissioner) in such Department, serve as head of the Social Security Administration established under section 701 of the Social Security Act (as amended by this Act) and shall assume the powers and duties of such Board and of the Executive Director under such Act (as amended by this Act).

SEC. 103. PERSONNEL; BUDGETARY MATTERS; SEAL OF OFFICE.

Section 703 of the Social Security Act (42 U.S.C. 903) is amended to read as follows:

"ADMINISTRATIVE DUTIES OF THE SOCIAL SECURITY BOARD

"Personnel

"SEC. 703. (a)(1) The Social Security Board shall appoint such additional officers and employees as it considers necessary to carry out its functions. Except as otherwise provided in any other provision of law, such officers and employees shall be appointed, and their compensation shall be fixed, in accordance with title 5, United States Code.

"(2) The Board may procure the services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code.

"(3) The Director of the Office of Personnel Management shall authorize for the Administration a total number of Senior Executive Service positions which is greater than the number of such positions authorized in the Social Security Administration in the Department of Health and Human Services as of immediately before the date of the enactment of the Social Security Administrative Reform Act of 1994, to the extent that the greater number of such authorized positions is specified in the comprehensive workforce plan as established and revised by the Board under subsection (b)(1). The total number of such positions authorized for the Administration pursuant to such section 3133 shall not at any time be less than the number of such authorized positions as of immediately before such date.

"(4) In addition to the positions of the Administration in the Executive Schedule specified in section 702, the Administration is authorized six additional positions at level IV of the Executive Schedule and six additional positions at level V of the Executive Schedule.

"Budgetary Matters

"(b) Appropriations requests for staffing and personnel of the Administration shall be based upon a comprehensive workforce plan, which shall be established and revised from time to time by the Board.

"Seal of Office

"(c) The Board shall cause a seal of office to be made for the Administration of such design as the Board shall approve. Judicial notice shall be taken of such seal.".

SEC. 104. TRANSFERS TO THE NEW SOCIAL SECURITY ADMINISTRATION.

(a) FUNCTIONS.—There are transferred to the Social Security Administration all functions carried out by the Secretary of Health and Human Services with respect to the programs and activities the administration of which is vested in the Social Security Administration by reason of this Act and the amendments made thereby. The Social Security Board shall allocate such functions in accordance with sections 701, 702, and 703 of the Social Security Act (as amended by this Act).

(b) PERSONNEL, ASSETS, ETC.—(1) There are transferred from the Department of Health and Human Services to the Social Security Administration, for appropriate allocation by the Social Security Board in the Social Security Administration—

(A) the personnel (other than administrative law judges) employed in connection with the functions transferred by this Act and the amendments made thereby, as considered appropriate by the Board in consultation with the Secretary of Health and Human Services,

(B) such number of administrative law judges as are necessary to carry out the functions transferred by this Act and the amendments made thereby, as determined by the Board in consultation with the Secretary of Health and Human Services, and

(C) the assets, liabilities, contracts, property, records, and unexpended balance of appropriations, authorizations, allocations, and other funds employed, held, or used in connection with such functions, arising from such functions, or available, or to be made available, in connection with such functions.

(2) Unexpended funds transferred pursuant to this subsection shall be used only for the purposes for which the funds were originally authorized and appropriated.

(3) The Secretary of Health and Human Services shall terminate—

(A) six positions in the Department of Health and Human Services placed in level IV of the Executive Schedule (or equivalent positions) other than positions specifically required under section 5315 of title 5, United States Code, or any other provision of law, and

(B) six positions in such Department placed in level V of the Executive Schedule (or equivalent positions) other than positions specifically required under section 5316 of such title or any other provision of law.

(4) The transfer pursuant to this section of full-time personnel (except special Government employees) and part-time personnel holding permanent positions shall not cause any such employees to be separated or reduced in grade or compensation for 1 year after such transfer or October 1, 1995, whichever is later.

(c) ABOLISHMENT OF OFFICE OF COMMISSIONER IN THE DEPARTMENT OF HEALTH AND HUMAN SERVICES.—Effective upon the entry upon office of all initial members of the Social Security Board pursuant to section 702 of the Social Security Act (as amended by this Act), the position of Commissioner of Social Security in the Department of Health and Human Services is abolished.

SEC. 105. TRANSITIONAL RULES.

(a) INTERIM AUTHORITY FOR APPOINTMENT AND COMPENSATION.—At any time on or after the date of the enactment of this Act—

(1) any of the officers provided for in section 702 of the Social Security Act (as amended by this Act) may enter upon office, as provided in such section, and

(2) the Social Security Board, upon entry upon office of all of the members thereof, may prescribe regulations providing for the orderly transfer of proceedings before the Secretary of Health and Human Services to the Social Security Board.

Funds available to any official or component of the Department of Health and Human Services, functions of which are transferred to the Social Security Board or the Social Security Administration by this Act, may be used, with the approval of the Director of the Office of Management and Budget, to pay the compensation and expenses of any officer entering upon office pursuant to this section until such time as funds for that purpose are otherwise available.

(b) CONTINUATION OF ORDERS, DETERMINATIONS, RULES, REGULATIONS, ETC.—All orders, determinations, rules, regulations, permits, contracts, collective bargaining agreements, recognitions of labor organizations, certificates, licenses, and privileges—

(1) which have been issued, made, promulgated, granted, or allowed to become effective, in the exercise of functions (A) which were exercised by the Secretary of Health and Human Services (or his delegate), and (B) which relate to functions which, by reason of this Act, the amendments made thereby, and regulations prescribed thereunder, are vested in the Social Security Board, and

(2) which are in effect immediately before October 1, 1995,

shall (to the extent that they relate to functions described in paragraph (1)(B)) continue in effect according to their terms until modified, terminated, suspended, set aside, or repealed, in accordance with law, by such Board.

(c) CONTINUATION OF PROCEEDINGS.—The provisions of this Act (including the amendments made thereby) shall not affect any proceeding pending before the Secretary of Health and Human Services immediately before October 1, 1995, with respect to functions vested (by reason of this Act, the amendments made thereby, and regulations prescribed thereunder) in the Social Security Board, except that such proceedings, to the extent that they relate to such functions, shall continue before such Board. Orders shall be issued under any such proceeding, appeals taken therefrom, and payments shall be made pursuant to such orders, in like manner as if this Act had not been enacted, and orders issued in any such proceeding shall continue in effect until modified, terminated, superseded, or repealed by such Board, by a court of competent jurisdiction, or by operation of law.

(d) CONTINUATION OF SUITS.—Except as provided in this subsection—

(1) the provisions of this Act shall not affect suits commenced prior to October 1, 1995; and

(2) in all such suits proceedings shall be had, appeals taken, and judgments rendered, in the same manner and effect as if this Act had not been enacted. No cause of action, and no suit, action, or other proceeding commenced by or against any officer in his official capacity as an officer of the Department of Health and Human Services, shall abate by reason of the enactment of this Act. Causes of action, suits, actions, or other proceedings may be asserted by or against the United States and the Social Security Administration, or such official of such Administration as may be appropriate, and, in any litigation pending immediately before October 1, 1995, the court may at any time, on its own motion or that of a party, enter an order which will give effect to the provisions of this subsection (including, where appropriate, an order for substitution of parties).

(e) CONTINUATION OF PENALTIES.—This Act shall not have the effect of releasing or extinguishing any criminal prosecution, penalty, forfeiture, or liability incurred as a result of any function which (by reason of this Act), the amendments made thereby, and regulations prescribed thereunder) is vested in the Social Security Board.

(f) JUDICIAL REVIEW.—Orders and actions of the Social Security Board in the exercise of functions vested in such Board under this Act (and the amendments made thereby) shall be subject to judicial review to the same extent and in the same manner as if such orders had been made and such actions had been taken by the Secretary of Health and Human Services in the exercise of such functions immediately before October 1, 1995. Any statutory requirements relating to notice, hearings, action upon the record, or administrative review that apply to any function so vested in such Board shall continue to apply to the exercise of such function by such Board.

(g) EXERCISE OF FUNCTIONS.—In the exercise of the functions vested in the Social Security Board under this Act, the amendments made thereby, and regulations prescribed thereunder, such Board shall have the same authority as that vested in the Secretary of Health and Human Services with respect to the exercise of such functions immediately preceding the vesting of such functions in such Board, and actions of such Board shall have the same force and effect as when exercised by such Secretary.

(h) OPERATION OF TRANSITIONAL RULES IN THE EVENT OF INTERIM AUTHORITY IN THE COMMISSIONER.—For purposes of this section, in any case in which the powers and duties to be transferred to the Social Security Board are transferred to the Commissioner of Social Security (or acting Commissioner) in the Department of Health and Human Services for an interim period pursuant to section 102(c), the preceding provisions of this section shall apply with respect to the transfer of such powers and duties to and from such Commissioner (or acting Commissioner) pursuant to section 102(c) in the same manner and to the same extent as they would have applied to a direct transfer from the Secretary of Health and Human Services to the Social Security Board if all members of the Board had entered upon office.

SEC. 106. CONFORMING AMENDMENTS TO TITLES II AND XVI OF THE SOCIAL SECURITY ACT.

(a) IN GENERAL.—Title II of the Social Security Act (other than section 201, section 218(d), section 226, section 226A, and section 231(c)) and title XVI of such Act are each amended—

(1) by striking, wherever it appears therein, "Secretary of Health and Human Services" and inserting "Social Security Board";

(2) by striking, wherever it appears therein, "Department of Health and Human Services" and inserting "Social Security Administration";

(3) by striking, wherever it appears therein, "Department" (but only if it is not immediately succeeded by the words "of Health and Human Services", and only if it is used in reference to the Department of Health and Human Services) and inserting "Administration";

(4) by striking, wherever it appears therein, each of the following words (but, in the case of any such word only if such word refers to the Secretary of Health and Human Services): "Secretary", "Secretary's", "his", "him", and "he", and inserting (in the case of the word "Secretary") "Social Security Board", (in the case of the word "Secretary's") "Board's", (in the case of the word "his") "the Board's", (in the case of the word "him") "the Board", and (in the case of the word "he") "the Board"; and

(5) by striking, wherever it appears therein, "Internal Revenue Code of 1954" and inserting "Internal Revenue Code of 1986".

(b) AMENDMENTS TO SECTION 218.—Section 218(d) of such Act (42 U.S.C. 418(d)) is amended by striking "Secretary" each place it appears in paragraphs (3) and (7) and inserting "Social Security Board".

(c) AMENDMENTS TO SECTION 222.—Section 222(d) of such Act (42 U.S.C. 422(d)) is amended—

(1) in the last sentence of paragraph (1), by striking "Commissioner of Social Security" and inserting "Executive Director of the Social Security Administration"; and

(2) in the first sentence of paragraph (2), by striking "Commissioner of Social Security" and inserting "Executive Director of the Social Security Administration".

(d) AMENDMENT TO SECTION 231.—Section 231(c) of such Act (42 U.S.C. 431(c)) is amended by striking "Secretary determines" and inserting "Social Security Board and the Secretary jointly determine".

(e) AMENDMENT TO SECTION 1615.—Section 1615(d) of such Act (422 U.S.C. 1832d(d)) is amended by striking "Commissioner of Social Security" and inserting "Executive Director of the Social Security Administration".

SEC. 107. OTHER CONFORMING AMENDMENTS.

Title VII of the Social Security Act is amended—

(1) by striking section 704 (42 U.S.C. 904) and inserting the following new section:

"REPORTS

"SEC. 704. The Secretary and the Social Security Board shall make full reports to Congress, within 120 days after the beginning of each regular session, of the administration of the functions with which they are charged under this Act. In addition to the number of copies of such reports authorized by other law to be printed, there is hereby authorized to be printed not more than 5,000 copies of each such report for use by the Secretary and Social Security Board for distribution to Members of Congress and to State and other public or private agencies or organizations participating in or concerned with the programs provided for in this Act.";

(2) in section 709(b)(2) (42 U.S.C. 910(b)(2)), by striking "(as estimated by the Secretary)" and inserting ", as estimated by the Social Security Board or the Secretary (whichever administers the program involved),"; and

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

"DUTIES AND AUTHORITY OF SECRETARY

"SEC. 712. (a) The Secretary shall perform the duties imposed upon him by this Act and shall also have the duty of studying and making recommendations as to the most effective methods of providing economic security and as to legislation and matters of administrative policy concerning the programs administered by the Secretary and related subjects; except that nothing in this section shall be construed to require the Secretary to make studies or recommendations with respect to programs administered by the Social Security Administration.

"(b) The Secretary is authorized to appoint and fix the compensation of such officers and employees, and to make such expenditures, as may be necessary for carrying out the Secretary's functions under this Act. Appointments of attorneys and experts may be made without regard to the civil service laws.".

SEC. 108. RULES OF CONSTRUCTION.

(a) REFERENCES TO THE DEPARTMENT OF HEALTH AND HUMAN SERVICES.—Whenever any reference is made in any provision of law (other than this Act or a provision of law amended by this Act), regulation, rule, record, court order, or other document to the Department of Health and Human Services with respect to such Department's functions under the old-age, survivors, and disability insurance program under title II of the Social Security Act or the supplemental security income program under title XVI of such Act, such reference shall be considered a reference to the Social Security Administration.

(b) REFERENCES TO THE SECRETARY OF HEALTH AND HUMAN SERVICES.—Whenever any reference is made in any provision of law (other than this Act or a provision of law amended by this Act), regulation, rule, record, court order, or other document to the Secretary of Health and Human Services with respect to such Secretary's functions under such programs, such reference shall be considered a reference to the Social Security Board.

(c) REFERENCES TO OTHER OFFICERS AND EMPLOYEES.—Whenever any reference is made in any provision of law (other than this Act or a provision of law amended by this Act), regulation, rule, record, or document to any other officer or employee of the Department of Health and Human Services with respect to such officer's or employee's functions under such programs, such reference shall be considered a reference to the appropriate officer or employee of the Social Security Administration.

SEC. 109. EFFECTIVE DATES.

(a) IN GENERAL.—Sections 101, 102(a), 103, 104, 106, 107, and 108 of this Act (and the amendments made thereby) shall take effect October 1, 1995.

(b) EXCEPTIONS.—Section 102(b) of this Act shall take effect upon the entry upon office of all initial members of the Social Security Board. Sections 102(c) and 105 of this Act shall take effect on the date of the enactment of this Act.

(c) NEW SPENDING AUTHORITY.—Any new spending authority provided by this title shall be effective for any fiscal year only to such extent or in such amounts as are provided in advance in appropriation Acts.

TITLE II—IMPROVEMENTS TO THE OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE PROGRAM

SEC. 201. RESTRICTIONS ON PAYMENT OF BENEFITS BASED ON DISABILITY TO SUBSTANCE ABUSERS.

(a) AMENDMENTS RELATING TO BENEFITS BASED ON DISABILITY UNDER TITLE II OF THE SOCIAL SECURITY ACT.—

(1) REQUIRED PAYMENT OF BENEFITS TO REPRESENTATIVE PAYEES.—

(A) IN GENERAL.—Section 205(j)(1) of the Social Security Act (42 U.S.C. 405(j)(1)) is amended—

(i) by inserting after the first sentence the following new sentence: "In the case of an individual entitled to benefits based on disability, if alcoholism or drug addiction is a contributing factor material to the Secretary's determination that the individual is under a disability, certification of payment of such benefits to a representative payee shall be deemed to serve the interest of such individual under this title."; and

(ii) in the last sentence, by inserting ", if the interest of the individual under this title would be served thereby," after "alternative representative payee or".

(B) EFFECTIVE DATE.—The amendments made by subparagraph (A) shall apply with respect to benefits for months beginning after 180 days after the date of the enactment of this Act.

(C) STUDY REGARDING FEASIBILITY, COST, AND EQUITY OF REQUIRING REPRESENTATIVE PAYEES FOR ALL DISABILITY BENEFICIARIES SUFFERING FROM ALCOHOLISM OR DRUG ADDICTION.—

(i) STUDY.—As soon as practicable after the date of the enactment of this Act, the Secretary of Health and Human Services shall conduct a study of the representative payee program. In such study, the Secretary shall examine—

(I) the feasibility, cost, and equity of requiring representative payees for all individuals entitled to benefits based on disability under title II or XVI of the Social Security Act who suffer from alcoholism or drug addiction, irrespective of whether the alcoholism or drug addiction was material in any case to the Secretary's determination of disability,

(II) the feasibility of and appropriate timetable for providing benefits through non-cash means, including (but not limited to) vouchers, debit cards, and electronic benefits transfer systems,

(III) the extent to which child beneficiaries are afflicted by drug addition or alcoholism and ways of addressing such affliction, including the feasibility of requiring treatment, and

(IV) the extent to which children's representative payees are afflicted by drug addiction or alcoholism, and methods to identify children's representative payees afflicted by drug addition or alcoholism and to ensure that benefits continue to be provided to beneficiaries appropriately.

(ii) REPORT.—Not later than April 1, 1995, the Secretary shall transmit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report setting forth the findings of the Secretary based on such Study. Such report shall include such recommendations for administrative or legislative changes as the Secretary considers appropriate.

(2) INCREASED RELIANCE ON PROFESSIONAL REPRESENTATIVE PAYEES.—

(A) PREFERENCE REQUIRED FOR ORGANIZATIONAL REPRESENTATIVE PAYEES.—Section 205(j)(2)(C) of such Act (42 U.S.C. 405(j)(2)(C)) is amended by adding at the end the following new clause:

"(v) In the case of an individual entitled to benefits based on disability, if alcoholism or drug addiction is a contributing factor material to the Secretary's determination that the individual is under a disability, when selecting such individual's representative payee, preference shall be given to—

"(I) a community-based nonprofit social service agency licensed or bonded by the State,

"(II) a State or local government agency whose mission is to carry out income maintenance, social service, or health care-related activities, or

"(III) a State or local government agency with fiduciary responsibilities,

(or a designee of such an agency if the Secretary deems it appropriate), unless the Secretary determines that selection of such an agency would not be appropriate.".

(B) AVAILABILITY OF PUBLIC AGENCIES AND OTHER QUALIFIED ORGANIZATIONS TO SERVE AS REPRESENTATIVE PAYEES.—Section 205(j)(4) of such Act (42 U.S.C. 405(j)(4)) is amended—

(i) in subparagraph (A)—

(I) by striking "exceed the lesser of—" and inserting "exceed—"; and

(II) by striking clauses (i) and (ii) and inserting the following:

"(i) in any case in which an individual is entitled to benefits based on disability and alcoholism or drug addiction is a contributing factor material to the Secretary's determination that the individual is under a disability, 10 percent of the monthly benefit involved, or

"(ii) in any other case, the lesser of—

"(I) 10 percent of the monthly benefit involved, or

"(II) $25.00 per month.";

(ii) in subparagraph (B)—

(I) by inserting "State or local government agency whose mission is to carry out income maintenance, social service, or health care-related activities, any State or local government agency with fiduciary responsibilities, or any" after "means any";

(II) by striking "representative payee and which," and inserting "representative payee, if such agency,";

(III) by striking ", and" at the end of clause (ii) and inserting a period; and

(IV) by striking clause (iii); and

(iii) by striking subparagraph (D), effective July 1, 1994.

(C) DEFINITION.—Section 205(j) of such Act (42 U.S.C. 405(j)) is amended by adding at the end the following new paragraph:

"(7) For purposes of this subsection, the term 'benefit based on disability' of an individual means a disability insurance benefit of such individual under section 223 or a child's, widow's, or widower's insurance benefit of such individual under section 202 based on such individual's disability.".

(3) NONPAYMENT OR TERMINATION OF BENEFITS.—

(A) IN GENERAL.—Section 225 of such Act (42 U.S.C. 425) is amended—

(i) by striking the heading and inserting the following:

"ADDITIONAL RULES RELATING TO BENEFITS BASED ON DISABILITY

"Suspension of Benefits";

(ii) by inserting before subsection (b) the following new heading:

"Continued Payments During Rehabilitation Program";

and

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

"Nonpayment or Termination of Benefits Where Entitlement Involves Alcoholism or Drug Addiction

"(c)(1)(A) Notwithstanding any other provision of this title, in the case of any individual entitled to benefits based on disability, if alcoholism or drug addiction is a contributing factor material to the Secretary's determination that such individual is under a disability and such individual is determined by the Secretary not to be in compliance with the requirements of this subsection for a month, such benefits shall be suspended for a period commencing with such month and ending with the month preceding the first month, after the determination of noncompliance, in which such individual demonstrates that he or she has reestablished and maintained compliance with such requirements for the applicable period specified in paragraph (3).

"(B) For purposes of this subsection, in the case of an individual who is entitled to benefits based on disability for the first month ending after 180 days after the date of the enactment of the Social Security Administrative Reform Act of 1994, if such individual has a primary diagnosis of alcoholism or drug addiction, such alcoholism or drug addiction shall be treated as a contributing factor material to the Secretary's determination of disability.

"(2)(A) An individual described in paragraph (1) is in compliance with the requirements of this subsection for a month if such individual in such month undergoes any medical or psychological treatment that may be appropriate, for such individual's condition diagnosed as substance abuse or alcohol abuse and for the stage of such individual's rehabilitation, at an institution or facility approved for purposes of this subsection by the Secretary, and complies in such month with the terms, conditions, and requirements of such treatment and with requirements imposed by the Secretary under paragraph (6).

"(B) An individual described in paragraph (1) shall not be determined to be not in compliance with the requirements of this subsection for a month if access by such individual to such treatment is not reasonably available for that month, as determined under regulations of the Secretary.

"(3) The applicable period specified in this paragraph is—

"(A) 2 consecutive months, in the case of a first determination that an individual is not in compliance with the requirements of this subsection,

"(B) 3 consecutive months, in the case of the second such determination with respect to the individual, and

"(C) 6 consecutive months, in the case of the third or subsequent such determination with respect to the individual.

"(4) In any case in which an individual's benefit is suspended for a period of 12 consecutive months for failure to comply with treatment described in paragraph (2) of this subsection, the month following such period shall be deemed, for purposes of section 223(a)(1) or subsection (d)(1)(G)(i), (e)(1), or (f)(1) of section 202 (as applicable), as the termination month with respect to such entitlement.

"(5)(A) Subject to subparagraph (B), monthly insurance benefits under this title which would be payable to any individual (other than the disabled individual to whom benefits are not payable by reason of this subsection) on the basis of the wages and self-employment income of such disabled individual but for the provisions of paragraph (1) or (4), shall be payable as though such disabled individual were receiving such benefits which are not payable under this subsection (and, in the case of a disabled individual whose entitlement is terminated under paragraph (4), as though such disabled individual's entitlement were not terminated).

"(B) If the monthly insurance benefits of a disabled individual referred to in subparagraph (A) are not payable by reason of termination of entitlement under paragraph (4), monthly insurance benefits which are payable to any other individual on the basis of the wages and self-employment income of such disabled individual pursuant to subparagraph (A) shall not be payable for any month after 2 years after the last month of such entitlement.

"(6)(A) The Secretary shall provide for the monitoring and testing of all individuals who are receiving benefits under this title and who as a condition of payment of such benefits are required to be undergoing treatment and complying with the terms, conditions, and requirements thereof as described in paragraph (2)(A), in order to assure such compliance and to determine the extent to which the imposition of such requirements is contributing to the achievement of the purposes of this title. The Secretary shall annually submit to the Congress a full and complete report on the Secretary's activities under this paragraph. Each such annual report shall include the number and percentage of such individuals who did not receive regular drug testing during the year covered by the report.

"(B) The Secretary, in consultation with drug and alcohol treatment professionals, shall issue regulations—

"(i) defining appropriate treatment for alcoholics and drug addicts who are subject to required medical or psychological treatment under this subsection, and

"(ii) establishing guidelines to be used to review and evaluate their compliance, including measures of the progress of participants in such programs.

"(C)(i) For purposes of carrying out the requirements of subparagraphs (A) and (B), the Secretary shall establish in each State a referral and monitoring agency for such State.

"(ii) Each referral and monitoring agency for a State shall—

"(I) identify appropriate placements, for individuals residing in such State who are entitled to benefits based on disability and with respect to whom alcoholism or drug addiction is a contributing factor material to the Secretary's determination that they are under a disability, where they may obtain treatment described in paragraph (2)(A),

"(II) refer such individuals to such placements for such treatment, and

"(III) monitor compliance with the requirements of paragraph (2)(A) by individuals who are referred by the agency to such placements and promptly report failures to comply to the Secretary.

"(7) In the case of any individual who is entitled to a benefit based on disability for any month, if alcoholism or drug addiction is a contributing factor material to the Secretary's determination that the individual is under a disability, payment of any past-due monthly insurance benefits under this title to which such individual is entitled shall be made in any month only to the extent that the sum of—

"(A) the amount of such past-due benefit paid in such month, and

"(B) the amount of any benefit for the preceding month under such current entitlement which is payable in such month,

does not exceed 200 percent of the amount of such benefit for the preceding month.

"(8) In the case of any individual entitled to benefits based on disability, if alcoholism or drug addiction is a contributing factor material to the Secretary's determination that such individual is under a disability, the month following the 36-month period beginning with such individual's first month of entitlement shall be deemed, for purposes of section 223(a)(1) or subsection (d)(1)(G)(i), (e)(1), or (f)(1) of section 202 (as applicable), as the termination month with respect to such entitlement, and such individual shall be deemed not to be entitled to any past-due benefits under such entitlement remaining unpaid as of the end of such 36-month period. Such individual may not be entitled to benefits based on disability for any month after such 36-month period if, with respect to such entitlement, alcoholism or drug addition is a contributing factor material to the Secretary's determination that such individual is under a disability.

"(9) For purposes of this subsection, the term 'benefit based on disability' of an individual means a disability insurance benefit of such individual under section 223 or a child's, widow's, or widower's insurance benefit of such individual under section 202 based on the disability of such individual.".

(B) PRESERVATION OF MEDICARE BENEFITS.—Section 226 of such Act (42 U.S.C. 426) is amended by adding at the end the following:

"(i) For purposes of this section, each person whose benefit for any month is not payable by reason of paragraph (1) of section 225(c) (and is not terminated by reason of paragraph (4) or (8) of section 225(c)) shall be treated as entitled to such benefit for such month if such person would be entitled to such benefit for such month in the absence of such section.".paragraph (other than paragraphs (6)(C) and (8) of section 225(c) of the Social Security Act added by this paragraph) shall apply with respect to benefits based on disability (as defined in section 225(c)(9) of the Social Security Act, added by this section) of individuals becoming entitled to such benefits for months beginning after 180 days after the date of the enactment of this Act. Section 225(c)(6)(C) of the Social Security Act shall take effect 180 days after the date of the enactment of this Act. Section 225(c)(8) of the Social Security Act (added by this section) shall apply with respect to benefits for months ending after 180 days after the date of the enactment of this Act, and, for purposes of such section 225(c)(8), in the case of any individual entitled to benefits based on disability (as so defined) for the first month ending after 180 days after the date of the enactment of this Act, such month shall be treated as such individual's first month of entitlement to such benefits.

(4) IRRELEVANCE OF LEGALITY OF SERVICES PERFORMED IN DETERMINING SUBSTANTIAL GAINFUL ACTIVITY.—

(A) IN GENERAL.—Section 223(d)(4) of such Act (42 U.S.C. 423(d)(4)) is amended—

(i) by inserting "(A)" after "(4)"; and

(ii) by adding at the end the following new subparagraph:

"(B) In determining under subparagraph (A) when services performed or earnings derived from services demonstrate an individual's ability to engage in substantial gainful activity, the Secretary apply the criteria described in subparagraph (A) with respect to services performed by any individual without regard to the legality of such services.".

(B) EFFECTIVE DATE.—The amendments made by this paragraph shall take effect on the date of the enactment of this Act.

(b) AMENDMENTS RELATING TO SUPPLEMENTAL SECURITY INCOME BENEFITS UNDER TITLE XVI OF THE SOCIAL SECURITY ACT.—

(1) REQUIRED PAYMENT OF BENEFITS TO REPRESENTATIVE PAYEES.—

(A) IN GENERAL.—Section 1631(a)(2)(A) of the Social Security Act (42 U.S.C. 1383(a)(2)(A)) is amended—

(i) in clause (ii), by adding at the end the following: "In the case of an individual entitled to benefits under this title by reason of disability, if alcoholism or drug addiction is a contributing factor material to the Secretary's determination that the individual is disabled, the payment of such benefits to a representative payee shall be deemed to serve the interest of such individual under this title."; and

(ii) in clause (iii), by striking "to the individual or eligible spouse or to an alternative representative payee of the individual or eligible spouse" and inserting "to an alternative representative payee of the individual or eligible spouse or, if the interest of the individual under this title would be served thereby, to the individual or eligible spouse".

(B) CONFORMING AMENDMENT.—Section 1631(a)(2)(B)(viii)(II) of such Act (42 U.S.C. 1383(a)(2)(B)(viii)(II)) is amended by striking "15 years" and all that follows and inserting "of 15 years, or (if alcoholism or drug addition is a contributing factor material to the Secretary's determination that the individual is disabled) is entitled to benefits under this title by reason of disability.".

(C) EFFECTIVE DATE.—The amendments made by subparagraphs (A) and (B) shall apply with respect to benefits for months beginning after 180 days after the date of the enactment of this Act.

(2) INCREASED RELIANCE ON PROFESSIONAL REPRESENTATIVE PAYEES.—

(A) PREFERENCE REQUIRED FOR ORGANIZATIONAL REPRESENTATIVE PAYEES.—Section 1631(a)(2)(B) of such Act (42 U.S.C. 1383(a)(2)(B)) is amended—

(i) by redesignating clauses (vii) through (xii) as clauses (viii) through (xiii), respectively;

(ii) by inserting after clause (vi) the following:

"(vii) In the case of an individual entitled to benefits under this title by reason of disability, if alcoholism or drug addiction is a contributing factor material to the Secretary's determination that the individual is disabled, when selecting such individual's representative payee, preference shall be given to—

"(I) a community-based nonprofit social service agency licensed or bonded by the State;

"(II) a State or local government agency whose mission is to carry out income maintenance, social service, or health care-related activities; or

"(III) a State or local government agency with fiduciary responsibilities,

(or a designee of such an agency if the Secretary deems it appropriate), unless the Secretary determines that selection of such an agency would not be appropriate.";

(iii) in clause (viii) (as so redesignated), by striking "clause (viii)" and inserting "clause (ix)";

(iv) in clause (ix) (as so redesignated), by striking "(vii)" and inserting "(viii)";

(v) in clause (xiii) (as so redesignated)—

(I) by striking "(xi)" and inserting "(xii)"; and

(II) by striking "(x)" and inserting "(xi)".

(B) AVAILABILITY OF PUBLIC AGENCIES AND OTHER QUALIFIED ORGANIZATIONS TO SERVE AS REPRESENTATIVE PAYEES.—Section 1631(a)(2)(D) of such Act (42 U.S.C. 1383(a)(2)(D)) is amended—

(i) in clause (i)—

(I) by striking "exceed the lesser of—" and inserting "exceed—"; and

(II) by striking subclauses (I) and (II) and inserting the following:

"(I) in any case in which an individual is entitled to benefits under this title by reason of disability and alcoholism or drug addiction is a contributing factor material to the Secretary's determination that the individual is disabled, 10 percent of the monthly benefit involved, or

"(II) in any other case, the lesser of—

"(aa) 10 percent of the monthly benefit involved, or

"(bb) $25.00 per month.";

(ii) in clause (ii)—

(I) by inserting "State or local government agency whose mission is to carry out income maintenance, social service, or health care-related activities, any State or local government agency with fiduciary responsibilities, or any" after "means any";

(II) by inserting a comma after "service agency";

(III) by adding "and" at the end of subclause (I); and

(IV) in subclause (II)—

(aa) by adding "and" at the end of item (aa);

(bb) by striking "; and" at the end of item (bb) and inserting a period; and

(cc) by striking item (cc); and

(iii) by striking clause (iv), effective July 1, 1994.

(3) NONPAYMENT OR TERMINATION OF BENEFITS.—

(A) IN GENERAL.—Section 1611(e)(3) of such Act (42 U.S.C. 1382(e)(3)), is amended by redesignating subparagraph (B) as subparagraph (C) and by inserting after subparagraph (A) the following:

"(B)(i) Notwithstanding any other provision of this title, in the case of any individual entitled to benefits under this title solely by reason of disability, if alcoholism or drug addiction is a contributing factor material to the Secretary's determination that such individual is disabled and such individual is determined by the Secretary not to be in compliance with the requirements of this subparagraph for a month, such benefits shall be suspended for a period commencing with such month and ending with the month preceding the first month, after the determination of noncompliance, in which such individual demonstrates that he or she has reestablished and maintained compliance with such requirements for the applicable period specified in clause (iii).

"(ii)(I) An individual described in clause (i) is in compliance with the requirements of this subparagraph for a month if the individual in such month undergoes any medical or psychological treatment that may be appropriate, for the individual's condition diagnosed as substance abuse or alcohol abuse and for the stage of the individual's rehabilitation, at an institution or facility approved for purposes of this subparagraph by the Secretary, and complies in such month with the terms, conditions, and requirements of such treatment and with requirements imposed by the Secretary under subparagraph (C).

"(II) An individual described in clause (i) shall not be determined to be not in compliance with the requirements of this subparagraph for a month if access by such individual to such treatment is not reasonably available for the month, as determined under regulations of the Secretary.

"(iii) The applicable period specified in this clause is—

"(I) 2 consecutive months, in the case of a 1st determination that an individual is not in compliance with the requirements of this subparagraph;

"(II) 3 consecutive months, in the case of the 2nd such determination with respect to the individual; or

"(III) 6 consecutive months, in the case of the 3rd or subsequent such determination with respect to the individual.

"(iv) An individual shall not be an eligible individual for purposes of this title for the 12-month period that begins with the end of any period of 12 consecutive months for which the benefits of the individual under this title have been suspended by reason of this subparagraph.

"(v) In the case of any individual entitled to benefits under this title by reason of disability, if alcoholism or drug addiction is a contributing factor material to the Secretary's determination that such individual is disabled, such individual may not be entitled to such benefits by reason of disability (or any past-due benefits under such entitlement) for any month after the 36-month period beginning with such individual's first month of such entitlement, notwithstanding section 1619(a).

"(vi)(I) The Secretary shall not, in a month, pay to an individual described in clause (i) benefits under this title the payment of which is past due, in an amount that exceeds the amount of benefits under this title which are payable to the individual for the month and the payment of which is not past due.

"(II) As used in subclause (I) of this clause, the term 'benefits under this title' includes supplementary payments of the type described in section 1616(a) and payments pursuant to an agreement entered into under section 212(a) of Public Law 93-66.".

(B) REFERRAL, MONITORING, AND TREATMENT.—Section 1611(e)(3)(C) of such Act (42

U.S.C. 1382(e)(3)(C)), as so designated by the amendment made by subparagraph (A) of this paragraph, is amended—

(i) by adding at the end the following: "Each such annual report shall include the number and percentage of such individuals who did not receive regular drug testing during the year covered by the report.";

(ii) by inserting "(i)" after "(C)"; and

(iii) by adding after and below the end following:

"(ii) The Secretary, in consultation with drug and alcohol treatment professionals, shall issue regulations—

"(I) defining appropriate treatment for alcoholics and drug addicts who are subject to required medical or psychological treatment under this subparagraph; and

"(II) establishing guidelines to be used to review and evaluate their compliance, including measures of the progress of participants in such programs.

"(iii)(I) For purposes of carrying out the requirements of clauses (i) and (ii), the Secretary shall establish in each State a referral and monitoring agency for the State.

"(II) Each referral and monitoring agency for a State shall—

"(aa) identify appropriate placements, for individuals residing in the State who are entitled to benefits under this title by reason of disability and with respect to whom alcoholism or drug addiction is a contributing factor material to the Secretary's determination that they are disabled, where they may obtain treatment described in subparagraph (B)(ii)(I);

"(bb) refer such individuals to such placements for such treatment; and

"(cc) monitor compliance with the requirements of subparagraph (B) by individuals who are referred by the agency to such placements, and promptly report to the Secretary any failure to comply with such requirements.".

(C) PRESERVATION OF MEDICAID BENEFITS.—Section 1634 of such Act (42 U.S.C. 1383c) is amended by adding at the end the following:

"(e) Each person to whom benefits under this title by reason of disability are not payable for any month solely by reason of section 1611(e)(3)(B) shall be treated, for purposes of title XIX, as receiving benefits under this title for such month.".

(D) CONFORMING AMENDMENTS.—Section 1611(e)(3) of such Act (42 U.S.C. 1382(e)(3)), as amended by subparagraphs (A) and (B) of this paragraph, is amended—

(i) in subparagraph (A), by striking "(B)" and inserting "(C)"; and

(ii) in subparagraph (C), by inserting "or (B)" after "(A)".

(E) EFFECTIVE DATE.—

(i) IN GENERAL.—Except as provided in clauses (ii) and (iii), the amendments made by this paragraph shall apply with respect to benefits for months beginning after 180 days after the date of the enactment of this Act.

(ii) TIME LIMITATION ON BENEFITS.—Section 1611(e)(3)(B)(v) of the Social Security Act (as added by the amendment made by subparagraph (A) of this paragraph) shall apply with respect to benefits for months ending after 180 days after the date of the enactment of this Act, and, for purposes of such section, in the case of any individual entitled to benefits by reason of disability for the first month ending after 180 days after the date of the enactment of this Act, such month shall be treated as such individual's first month of entitlement to such benefits.

(iii) ESTABLISHMENT OF REFERRAL AND MONITORING AGENCIES.—Section 1611(e)(3)(C)(iii) of the Social Security Act (as added by the amendment made by subparagraph (B)(iii) of this paragraph) shall take effect 180 days after the date of the enactment of this Act.

(4) IRRELEVANCE OF LEGALITY OF SUBSTANTIAL GAINFUL ACTIVITY.—

(A) IN GENERAL.—Section 1614(a)(3)(D) of such Act (42 U.S.C. 1382c(a)(3)(D)) is amended by adding at the end the following: "The Secretary shall make determinations under this title with respect to substantial gainful activity, without regard to the legality of the activity.".

(B) EFFECTIVE DATE.—The amendment made by subparagraph (A) shall take effect on the date of the enactment of this Act.

(c) EFFECTIVE DATE.—The amendments made by the preceding provisions of this section shall apply to benefits payable for months beginning 180 or more days after the date of the enactment of this Act.

(d) DEMONSTRATION PROJECTS.—

(1) IN GENERAL.—The Secretary of Health and Human Services shall develop and carry out demonstration projects designed to explore innovative referral, monitoring, and treatment approaches with respect to—

(A) individuals who are entitled to disability insurance benefits or child's, widow's, or widower's insurance benefits based on disability under title II of the Social Security Act, and

(B) individuals who are eligible for supplemental security income benefits under title XVI of such Act based solely on disability,

in cases in which alcoholism or drug addiction is a contributing factor material to the Secretary's determination that individuals are under a disability.

(2) SCOPE.—The demonstration projects developed under paragraph (1) shall be of sufficient scope and shall be carried out on a wide enough scale to permit a thorough evaluation of the alternative approaches under consideration while giving assurance that the results derived from the projects will obtain generally in the operation of the programs involved without committing such programs to the adoption of any particular system either locally or nationally.

(3) FINAL REPORT.—The Secretary shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate no later than December 31, 1997, a final report on the demonstration projects carried out under this subsection, together with any related data and materials which the Secretary may consider appropriate. The authority under this section shall terminate upon the transmittal of such final report.

SEC. 202. ISSUANCE OF PHYSICAL DOCUMENTS IN THE FORM OF BONDS, NOTES, OR CERTIFICATES TO THE SOCIAL SECURITY TRUST FUNDS.

(a) REQUIREMENT THAT OBLIGATIONS ISSUED TO THE OASDI TRUST FUNDS BE EVIDENCED BY PAPER INSTRUMENTS IN THE FORM OF BONDS, NOTES, OR CERTIFICATES OF INDEBTEDNESS SETTING FORTH THEIR TERMS.—Section 201(d) of the Social Security Act (42 U.S.C. 401(d)) is amended by inserting after the fifth sentence the following new sentence: "Each obligation issued for purchase by the Trust Funds under this subsection shall be evidenced by a paper instrument in the form of a bond, note, or certificate of indebtedness issued by the Secretary of the Treasury setting forth the principal amount, date of maturity, and interest rate of the obligation, and stating on its face that the obligation shall be incontestable in the hands of the Trust Fund to which it is issued, that the obligation is supported by the full faith and credit of the United States, and that the United States is pledged to the payment of the obligation with respect to both principal and interest.".

(b) PAYMENT TO THE OASDI TRUST FUNDS FROM THE GENERAL FUND OF THE TREASURY OF INTEREST ON OBLIGATIONS, AND OF PROCEEDS FROM THE SALE OR REDEMPTION OF OBLIGATIONS, REQUIRED TO BE IN THE FORM OF CHECKS.—Section 201(f) of such Act (42 U.S.C. 401(f)) is amended by adding at the end the following new sentence: "Payment from the general fund of the the Treasury to either of the Trust Funds of any such interest or proceeds shall be in the form of paper checks drawn on such general fund to the order of such Trust Fund.".

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply with respect to obligations issued, and payments made, after 60 days after the date of the enactment of this Act.

(2) TREATMENT OF OUTSTANDING OBLIGATIONS.—Not later than 60 days after the date of the enactment of this Act, the Secretary of the Treasury shall issue to the Federal Old-Age and Survivors Insurance Trust Fund or the Federal Disability Insurance Trust Fund, as applicable, a paper instrument, in the form of a bond, note, or certificate of indebtedness, for each obligation which has been issued to the Trust Fund under section 201(d) of the Social Security Act and which is outstanding as of such date. Each such document shall set forth the principal amount, date of maturity, and interest rate of the obligation, and shall state on its face that the obligation shall be incontestable in the hands of the Trust Fund to which it was issued, that the obligation is supported by the full faith and credit of the United States, and that the United States is pledged to the payment of the obligation with respect to both principal and interest.

SEC. 203. EXPLICIT REQUIREMENTS FOR MAINTENANCE OF TELEPHONE ACCESS TO LOCAL OFFICES OF THE SOCIAL SECURITY ADMINISTRATION.

(a) MAINTENANCE OF SERVICE TO LOCAL OFFICES.—

(1) IN GENERAL.—Section 5110(a) of the Omnibus Budget Reconciliation Act of 1990 (104 Stat. 1388–272) is amended by adding at the end the following new sentence: "In carrying out the requirements of the preceding sentence, the Secretary shall reestablish and maintain in service at least the same number of telephone lines to each such local office as was in place as of such date, including telephone sets for connections to such lines.".

(2) EFFECTIVE DATE.—The Secretary of Health and Human Services shall ensure that the requirements of the amendment made by paragraph (1) are carried out no later than 90 days after the date of the enactment of this Act.

(3) GAO REPORT.—The Comptroller General of the United States shall make an independent determination of the number of telephone lines to each local office of the Social Security Administration which are in place as of 90 days after the enactment of this Act and shall report his findings to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate no later than 150 days after the date of the enactment of this Act.

(b) MAINTENANCE OF TOLL-FREE TELEPHONE NUMBER SERVICE.—The Secretary of Health and Human Services shall ensure that toll-free telephone service provided by the Social Security Administration is maintained at a level which is at least equal to that in effect on the date of the enactment of this Act.

SEC. 204. EXPANSION OF STATE OPTION TO EXCLUDE SERVICE OF ELECTION OFFICIALS OR ELECTION WORKERS FROM COVERAGE.

(a) LIMITATION ON MANDATORY COVERAGE OF STATE ELECTION OFFICIALS AND ELECTION WORKERS WITHOUT STATE RETIREMENT SYSTEM.—

(1) AMENDMENT TO SOCIAL SECURITY ACT.—Section 210(a)(7)(F)(iv) of the Social Security Act (42 U.S.C. 410(a)(7)(F)(iv)) (as amended by section 11332(a) of the Omnibus Budget Reconciliation Act of 1990) is amended by striking

"$100" and inserting "$1,000 with respect to service performed during 1995, and the adjusted amount determined under section 218(c)(8)(B) for any subsequent year with respect to service performed during such subsequent year".

(2) AMENDMENT TO FICA.—Section 3121(b)(7)(F)(iv) of the Internal Revenue Code of 1986 (as amended by section 11332(b) of the Omnibus Budget Reconciliation Act of 1990) is amended by striking "$100" and inserting "$1,000 with respect to service performed during 1995, and the adjusted amount determined under section 218(c)(8)(B) of the Social Security Act for any subsequent year with respect to service performed during such subsequent year".

(b) CONFORMING AMENDMENTS RELATING TO MEDICARE QUALIFIED GOVERNMENT EMPLOYMENT.—

(1) AMENDMENT TO SOCIAL SECURITY ACT.—Section 210(p)(2)(E) of the Social Security Act (42 U.S.C. 410(p)(2)(E)) is amended by striking "$100" and inserting "$1,000 with respect to service performed during 1995, and the adjusted amount determined under section 218(c)(8)(B) for any subsequent year with respect to service performed during such subsequent year".

(2) AMENDMENT TO FICA.—Section 3121(u)(2)(B)(ii)(V) of the Internal Revenue Code of 1986 is amended by striking "$100" and inserting "$1,000 with respect to service performed during 1995, and the adjusted amount determined under section 218(c)(8)(B) of the Social Security Act for any subsequent year with respect to service performed during such subsequent year".

(c) AUTHORITY FOR STATES TO MODIFY COVERAGE AGREEMENTS WITH RESPECT TO ELECTION OFFICIALS AND ELECTION WORKERS.—Section 218(c)(8) of the Social Security Act (42 U.S.C. 418(c)(8)) is amended—

(1) by striking "on or after January 1, 1968," and inserting "at any time";

(2) by striking "$100" and inserting "$1,000 with respect to service performed during 1995, and the adjusted amount determined under subparagraph (B) for any subsequent year with respect to service performed during such subsequent year"; and

(3) by striking the last sentence and inserting the following new sentence: "Any modification of an agreement pursuant to this paragraph shall be effective with respect to services performed in and after the calendar year in which the modification is mailed or delivered by other means to the Secretary.".

(d) INDEXATION OF EXEMPT AMOUNT.—Section 218(c)(8) of such Act (as amended by subsection (c)) is further amended—

(1) by inserting "(A)" after "(8)"; and

(2) by adding at the end the following new subparagraph:

"(B) For each year after 1995, the Secretary shall adjust the amount referred to in subparagraph (A) at the same time and in the same manner as is provided under section 215(a)(1)(B)(ii) with respect to the amounts referred to in section 215(a)(1)(B)(i), except that—

"(i) for purposes of this subparagraph, 1993 shall be substituted for the calendar year referred to in section 215(a)(1)(B)(ii)(II), and

"(ii) such amount as so adjusted, if not a multiple of $100, shall be rounded to the next higher multiple of $100 where such amount is a multiple of $50 and to the nearest multiple of $100 in any other case.

The Secretary shall determine and publish in the Federal Register each adjusted amount determined under this subparagraph not later than November 1 preceding the year for which the adjustment is made.".

(e) EFFECTIVE DATE.—The amendments made by subsections (a), (b), and (c) shall apply with respect to service performed on or after January 1, 1995.

SEC. 205. USE OF SOCIAL SECURITY NUMBERS BY STATES AND LOCAL GOVERNMENTS AND FEDERAL DISTRICT COURTS FOR JURY SELECTION PURPOSES.

(a) IN GENERAL.—Section 205(c)(2) of the Social Security Act (42 U.S.C. 405(c)(2)) is amended—

(1) in subparagraph (B)(i), by striking "(E)" in the matter preceding subclause (I) and inserting "(F)";

(2) by redesignating subparagraphs (E) and (F) as subparagraphs (F) and (G), respectively; and

(3) by inserting after subparagraph (D) the following:

"(E)(i) It is the policy of the United States that—

"(I) any State (or any political subdivision of a State) may utilize the social security account numbers issued by the Secretary for the additional purposes described in clause (ii) if such numbers have been collected and are otherwise utilized by such State (or political subdivision) in accordance with applicable law, and

"(II) any district court of the United States may use, for such additional purposes, any such social security account numbers which have been so collected and are so utilized by any State.

"(ii) The additional purposes described in this clause are the following:

"(I) Identifying duplicate names of individuals on master lists used for jury selection purposes.

"(II) Identifying on such master lists those individuals who are ineligible to serve on a jury by reason of their conviction of a felony.

"(iii) To the extent that any provision of Federal law enacted before the date of the enactment of this subparagraph is inconsistent with the policy set forth in clause (i), such provision shall, on and after that date, be null, void, and of no effect.

"(iv) For purposes of this subparagraph, the term 'State' has the meaning such term has in subparagraph (D).".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act.

SEC. 206. AUTHORIZATION FOR ALL STATES TO EXTEND COVERAGE TO STATE AND LOCAL POLICEMEN AND FIREMEN UNDER EXISTING COVERAGE AGREEMENTS.

(a) IN GENERAL.—Section 218(l) of the Social Security Act (42 U.S.C. 418(l)) is amended—

(1) in paragraph (1), by striking "(1)" after "(l)", and by striking "the State of" and all that follows through "prior to the date of enactment of this subsection" and inserting "a State entered into pursuant to this section"; and

(2) by striking paragraph (2).

(b) CONFORMING AMENDMENT.—Section 218(d)(8)(D) of such Act (42 U.S.C. 418(d)(8)(D)) is amended by striking "agreements with the States named in" and inserting "State agreements modified as provided in".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to modifications filed by States after the date of the enactment of this Act.

SEC. 207. LIMITED EXEMPTION FOR CANADIAN MINISTERS FROM CERTAIN SELF-EMPLOYMENT TAX LIABILITY.

(a) IN GENERAL.—Notwithstanding any other provision of law, if—

(1) an individual performed services described in section 1402(c)(4) of the Internal Revenue Code of 1986 which are subject to tax under section 1401 of such Code,

(2) such services were performed in Canada at a time when no agreement between the United States and Canada pursuant to section 233 of the Social Security Act was in effect, and

(3) such individual was required to pay contributions on the earnings from such services under the social insurance system of Canada,

then such individual may file a certificate under this section in such form and manner, and with such official, as may be prescribed in regulations issued under chapter 2 of such Code. Upon the filing of such certificate, notwithstanding any judgment which has been entered to the contrary, such individual shall be exempt from payment of such tax with respect to services described in paragraphs (1) and (2) and from any penalties or interest for failure to pay such tax or to file a self-employment tax return as required under section 6017 of such Code.

(b) PERIOD FOR FILING.—A certificate referred to in subsection (a) may be filed only during the 180-day period commencing with the date on which the regulations referred to in subsection (a) are issued.

(c) TAXABLE YEARS AFFECTED BY CERTIFICATE.—A certificate referred to in subsection (a) shall be effective for taxable years ending after December 31, 1978, and before January 1, 1985.

(d) RESTRICTION ON CREDITING OF EXEMPT SELF-EMPLOYMENT INCOME.—In any case in which an individual is exempt under this section from paying a tax imposed under section 1401 of the Internal Revenue Code of 1986, any income on which such tax would have been imposed but for such exemption shall not constitute self-employment income under section 211(b) of the Social Security Act (42 U.S.C. 411(b)), and, if such individual's primary insurance amount has been determined under section 215 of such Act (42 U.S.C. 415), notwithstanding section 215(f)(1) of such Act, the Secretary of Health and Human Services shall recompute such primary insurance amount so as to take into account the provisions of this subsection. The recomputation under this subsection shall be effective with respect to benefits for months following approval of the certificate of exemption.

SEC. 208. EXCLUSION OF TOTALIZATION BENEFITS FROM THE APPLICATION OF THE WINDFALL ELIMINATION PROVISION.

(a) IN GENERAL.—Section 215(a)(7) of the Social Security Act (42 U.S.C. 415(a)(7)) is amended—

(1) in subparagraph (A), by striking "but excluding" and all that follows through "1937" and inserting "but excluding (I) a payment under the Railroad Retirement Act of 1974 or 1937, and (II) a payment by a social security system of a foreign country based on an agreement concluded between the United States and such foreign country pursuant to section 233"; and

(2) in subparagraph (E), by inserting after "in the case of an individual" the following: "whose eligibility for old-age or disability insurance benefits is based on an agreement concluded pursuant to section 233 or an individual".

(b) CONFORMING AMENDMENT RELATING TO BENEFITS UNDER 1939 ACT.—Section 215(d)(3) of such Act (42 U.S.C. 415(d)(3)) is amended by striking "but excluding" and all that follows through "1937" and inserting "but excluding (I) a payment under the Railroad Retirement Act of 1974 or 1937, and (II) a payment by a social security system of a foreign country based on an agreement concluded between the United States and such foreign country pursuant to section 233".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply (notwithstanding section 215(f)(1) of the Social Security Act (42 U.S.C. 415(f)(1))) with respect to benefits payable for months after January 1995.

SEC. 209. EXCLUSION OF MILITARY RESERVISTS FROM APPLICATION OF THE GOVERNMENT PENSION OFFSET AND WINDFALL ELIMINATION PROVISIONS.

(a) EXCLUSION FROM GOVERNMENT PENSION OFFSET PROVISIONS.—Subsections (b)(4), (c)(2),

(e)(7), (f)(2), and (g)(4) of section 202 of the Social Security Act (42 U.S.C. 402 (b)(4), (c)(2), (e)(7), (f)(2), and (g)(4)) are each amended—

(1) in subparagraph (A)(ii), by striking "unless subparagraph (B) applies.";

(2) in subparagraph (A), by striking "The" in the matter following clause (ii) and inserting "unless subparagraph (B) applies. The"; and

(3) in subparagraph (B), by redesignating the existing matter as clause (ii), and by inserting before such clause (ii) (as so redesignated) the following:

"(B)(i) Subparagraph (A)(i) shall not apply with respect to monthly periodic benefits based wholly on service as a member of a uniformed service (as defined in section 210(m)).".

(b) EXCLUSION FROM WINDFALL ELIMINATION PROVISIONS.—Section 215(a)(7)(A) of such Act (as amended by section 210(a) of this Act) and section 215(d)(3) of such Act (as amended by section 210(b) of this Act) are each further amended—

(1) by striking "and" before "(II)"; and

(2) by striking "section 233" and inserting "section 233, and (III) a payment based wholly on service as a member of a uniformed service (as defined in section 210(m))".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply (notwithstanding section 215(f) of the Social Security Act) with respect to benefits payable for months after January 1995.

SEC. 210. REPEAL OF THE FACILITY-OF-PAYMENT PROVISION.

(a) REPEAL OF RULE PRECLUDING REDISTRIBUTION UNDER FAMILY MAXIMUM.—Section 203(i) of the Social Security Act (42 U.S.C. 403(i)) is repealed.

(b) COORDINATION UNDER FAMILY MAXIMUM OF REDUCTION IN BENEFICIARY'S AUXILIARY BENEFITS WITH SUSPENSION OF AUXILIARY BENEFITS OF OTHER BENEFICIARY UNDER EARNINGS TEST.—Section 203(a)(4) of such Act (42 U.S.C. 403(a)(4)) is amended by striking "section 222(b). Whenever" and inserting the following: "section 222(b). Notwithstanding the preceding sentence, any reduction under this subsection in the case of an individual who is entitled to a benefit under subsection (b), (c), (d), (e), (f), (g), or (h) of section 202 for any month on the basis of the same wages and self-employment income as another person—

"(A) who also is entitled to a benefit under subsection (b), (c), (d), (e), (f), (g), or (h) of section 202 for such month,

"(B) who does not live in the same household as such individual, and

"(C) whose benefit for such month is suspended (in whole or in part) pursuant to subsection (h)(3) of this section,

shall be made before the suspension under subsection (h)(3). Whenever".

(c) CONFORMING AMENDMENT APPLYING EARNINGS REPORTING REQUIREMENT DESPITE SUSPENSION OF BENEFITS.—The third sentence of section 203(h)(1)(A) of such Act (42 U.S.C. 403(h)(1)(A)) is amended by striking "Such report need not be made" and all that follows through "The Secretary may grant" and inserting the following: "Such report need not be made for any taxable year—

"(i) beginning with or after the month in which such individual attained age 70, or

"(ii) if benefit payments for all months (in such taxable year) in which such individual is under age 70 have been suspended under the provisions of the first sentence of paragraph (3) of this subsection, unless—

"(I) such individual is entitled to benefits under subsection (b), (c), (d), (e), (f), (g), or (h) of section 202,

"(II) such benefits are reduced under subsection (a) of this section for any month in such taxable year, and

"(III) in any such month there is another person who also is entitled to benefits under subsection (b), (c), (d), (e), (f), (g), or (h) of section 202 on the basis of the same wages and self-employment income and who does not live in the same household as such individual.

The Secretary may grant".

(d) CONFORMING AMENDMENT DELETING SPECIAL INCOME TAX TREATMENT OF BENEFITS NO LONGER REQUIRED BY REASON OF REPEAL.—Section 86(d)(1) of the Internal Revenue Code of 1986 (relating to income tax on social security benefits) is amended by striking the last sentence.

(e) EFFECTIVE DATES.—

(1) The amendments made by subsections (a), (b), and (c) shall apply with respect to benefits payable for months after December 1995.

(2) The amendment made by subsection (d) shall apply with respect to benefits received after December 31, 1995, in taxable years ending after such date.

SEC. 211. MAXIMUM FAMILY BENEFITS IN GUARANTEE CASES.

(a) IN GENERAL.—Section 203(a) of the Social Security Act (42 U.S.C. 403(a)) is amended by adding at the end the following new paragraph:

"(10)(A) Subject to subparagraphs (B) and (C)—

"(i) the total monthly benefits to which beneficiaries may be entitled under sections 202 and 223 for a month on the basis of the wages and self-employment income of an individual whose primary insurance amount is computed under section 215(a)(2)(B)(i) shall equal the total monthly benefits which were authorized by this section with respect to such individual's primary insurance amount for the last month of his prior entitlement to disability insurance benefits, increased for this purpose by the general benefit increases and other increases under section 215(i) that would have applied to such total monthly benefits had the individual remained entitled to disability insurance benefits until the month in which he became entitled to old-age insurance benefits or reentitled to disability insurance benefits or died, and

"(ii) the total monthly benefits to which beneficiaries may be entitled under sections 202 and 223 for a month on the basis of the wages and self-employment income of an individual whose primary insurance amount is computed under section 215(a)(2)(C) shall equal the total monthly benefits which were authorized by this section with respect to such individual's primary insurance amount for the last month of his prior entitlement to disability insurance benefits.

"(B) In any case in which—

"(i) the total monthly benefits with respect to such individual's primary insurance amount for the last month of his prior entitlement to disability insurance benefits was computed under paragraph (6), and

"(ii) the individual's primary insurance amount is computed under subparagraph (B)(i) or (C) of section 215(a)(2) by reason of the individual's entitlement to old-age insurance benefits or death,

the total monthly benefits shall equal the total monthly benefits that would have been authorized with respect to the primary insurance amount for the last month of his prior entitlement to disability insurance benefits if such total monthly benefits had been computed without regard to paragraph (6).

"(C) This paragraph shall apply before the application of paragraph (3)(A), and before the application of section 203(a)(1) of this Act as in effect in December 1978.".

(b) CONFORMING AMENDMENT.—Section 203(a)(8) of such Act (42 U.S.C. 403(a)(8)) is amended by striking "Subject to paragraph (7)," and inserting "Subject to paragraph (7) and except as otherwise provided in paragraph (10)(C),".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply for the purpose of determining the total monthly benefits to which beneficiaries may be entitled under sections 202 and 223 of the Social Security Act based on the wages and self-employment income of an individual who—

(1) becomes entitled to an old-age insurance benefit under section 202(a) of such Act,

(2) becomes reentitled to a disability insurance benefit under section 223 of such Act, or

(3) dies,

after January 1995.

SEC. 212. AUTHORIZATION FOR DISCLOSURE BY THE SECRETARY OF HEALTH AND HUMAN SERVICES OF INFORMATION FOR PURPOSES OF PUBLIC OR PRIVATE EPIDEMIOLOGICAL AND SIMILAR RESEARCH.

(a) IN GENERAL.—Section 1106 of the Social Security Act (42 U.S.C. 1306) is amended—

(1) by redesignating subsections (d) and (e) as subsections (e) and (f), respectively;

(2) in subsection (f) (as so redesignated), by striking "subsection (d)" and inserting "subsection (e)"; and

(3) by inserting after subsection (c) the following new subsection:

"(d) Notwithstanding any other provision of this section, in any case in which—

"(1) information regarding whether an individual is shown on the records of the Secretary as being alive or deceased is requested from the Secretary for purposes of epidemiological or similar research which the Secretary finds may reasonably be expected to contribute to a national health interest, and

"(2) the requester agrees to reimburse the Secretary for providing such information and to comply with limitations on safeguarding and rerelease or redisclosure of such information as may be specified by the Secretary,

the Secretary shall comply with such request, except to the extent that compliance with such request would constitute a violation of the terms of any contract entered into under section 205(r).".

(b) AVAILABILITY OF INFORMATION RETURNS REGARDING WAGES PAID EMPLOYEES.—Section 6103(l)(5) of the Internal Revenue Code of 1986 (relating to disclosure of returns and return information to the Department of Health and Human Services for purposes other than tax administration) is amended—

(1) by striking "for the purpose of" and inserting "for the purpose of—";

(2) by striking "carrying out, in accordance with an agreement" and inserting the following:

"(A) carrying out, in accordance with an agreement";

(3) by striking "program." and inserting "program; or"; and

(4) by adding at the end the following new subparagraph:

"(B) providing information regarding the mortality status of individuals for epidemiological and similar research in accordance with section 1106(d) of the Social Security Act.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to requests for information made after the date of the enactment of this Act.

SEC. 213. MISUSE OF SYMBOLS, EMBLEMS, OR NAMES IN REFERENCE TO SOCIAL SECURITY PROGRAMS AND AGENCIES.

(a) PROHIBITION OF UNAUTHORIZED REPRODUCTION, REPRINTING, OR DISTRIBUTION FOR FEE OF CERTAIN OFFICIAL PUBLICATIONS.—Section 1140(a) of the Social Security Act (42 U.S.C. 1320b-10(a)) is amended—

(1) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively;

(2) by inserting "(1)" after "(a)"; and

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

"(2) No person may, for a fee, reproduce, reprint, or distribute any item consisting of a form, application, or other publication of the Social Security Administration unless such person has obtained specific, written authorization for such activity in accordance with regulations which the Secretary shall prescribe.".

(b) ADDITION TO PROHIBITED WORDS, LETTERS, SYMBOLS, AND EMBLEMS.—Paragraph (1) of section 1140(a) of such Act (as redesignated by subsection (a)) is further amended—

(1) in subparagraph (A) (as redesignated), by striking "Administration', the letters 'SSA' or 'HCFA'," and inserting "Administration', 'Department of Health and Human Services', 'Health and Human Services', 'Supplemental Security Income Program', or 'Medicaid', the letters 'SSA', 'HCFA', 'DHHS', 'HHS', or 'SSI',"; and

(2) in subparagraph (B) (as redesignated), by striking "Social Security Administration" each place it appears and inserting "Social Security Administration, Health Care Financing Administration, or Department of Health and Human Services", and by striking "or of the Health Care Financing Administration".

(c) EXEMPTION FOR USE OF WORDS, LETTERS, SYMBOLS, AND EMBLEMS OF STATE AND LOCAL GOVERNMENT AGENCIES BY SUCH AGENCIES.—Paragraph (1) of section 1140(a) of such Act (as redesignated by subsection (a)) is further amended by adding at the end the following new sentence: "The preceding provisions of this subsection shall not apply with respect to the use by any agency or instrumentality of a State or political subdivision of a State of any words or letters which identify an agency or instrumentality of such State or of a political subdivision of such State or the use by any such agency or instrumentality of any symbol or emblem of an agency or instrumentality of such State or a political subdivision of such State.".

(d) INCLUSION OF REASONABLENESS STANDARD.—Section 1140(a)(1) of such Act (as amended by the preceding provisions of this section) is further amended, in the matter following subparagraph (B) (as redesignated), by striking "convey" and inserting "convey, or in a manner which reasonably could be interpreted or construed as conveying,".

(e) INEFFECTIVENESS OF DISCLAIMERS.—Subsection (a) of section 1140 of such Act (as amended by the preceding provisions of this section) is further amended by adding at the end the following new paragraph:

"(3) Any determination of whether the use of one or more words, letters, symbols, or emblems (or any combination or variation thereof) in connection with an item described in paragraph (1) or the reproduction, reprinting, or distribution of an item described in paragraph (2) is a violation of this subsection shall be made without regard to any inclusion in such item (or any so reproduced, reprinted, or distributed copy thereof) of a disclaimer of affiliation with the United States Government or any particular agency or instrumentality thereof.".

(f) VIOLATIONS WITH RESPECT TO INDIVIDUAL ITEMS.—Section 1140(b)(1) of such Act (42 U.S.C. 1320b–10(b)(1)) is amended by adding at the end the following new sentence: "In the case of any items referred to in subsection (a)(1) consisting of pieces of mail, each such piece of mail which contains one or more words, letters, symbols, or emblems in violation of subsection (a) shall represent a separate violation. In the case of any item referred to in subsection (a)(2), the reproduction, reprinting, or distribution of such item shall be treated as a separate violation with respect to each copy thereof so reproduced, reprinted, or distributed.".

(g) ELIMINATION OF CAP ON AGGREGATE LIABILITY AMOUNT.—

(1) REPEAL.—Paragraph (2) of section 1140(b) of such Act (42 U.S.C. 1320b–10(b)(2)) is repealed.

(2) CONFORMING AMENDMENTS.—Section 1140(b) of such Act is further amended—

(A) by striking "(1) Subject to paragraph (2), the" and inserting "The";

(B) by redesignating subparagraphs (A) and (B) as paragraphs (1) and (2), respectively; and

(C) in paragraph (1) (as redesignated), by striking "subparagraph (B)" and inserting "paragraph (2)".

(h) REMOVAL OF FORMAL DECLINATION REQUIREMENT.—Section 1140(c)(1) of such Act (42 U.S.C. 1320b–10(c)(1)) is amended by inserting "and the first sentence of subsection (c)" after "and (i)".

(i) PENALTIES RELATING TO SOCIAL SECURITY ADMINISTRATION DEPOSITED IN OASI TRUST FUND.—Section 1140(c)(2) of such Act (42 U.S.C. 1320b–10(c)(2)) is amended in the second sentence by striking "United States." and inserting "United States, except that, to the extent that such amounts are recovered under this section as penalties imposed for misuse of words, letters, symbols, or emblems relating to the Social Security Administration, such amounts shall be deposited into the Federal Old-Age and Survivor's Insurance Trust Fund.".

(j) ENFORCEMENT.—Section 1140 of such Act (42 U.S.C. 1320b–10) is amended by adding at the end the following new subsection:

"(d) The preceding provisions of this section shall be enforced through the Office of Inspector General of the Department of Health and Human Services.".

(k) ANNUAL REPORTS.—Section 1140 of such Act (as amended by the preceding provisions of this section) is further amended by adding at the end the following new subsection:

"(e) The Secretary shall include in the annual report submitted pursuant to section 704 a report on the operation of this section during the year covered by such annual report. Such report shall specify—

"(1) the number of complaints of violations of this section received by the Social Security Administration during the year,

"(2) the number of cases in which a notice of violation of this section was sent by the Social Security Administration during the year requesting that an individual cease activities in violation of this section,

"(3) the number of complaints of violations of this section referred by the Social Security Administration to the Inspector General in the Department of Health and Human Services during the year,

"(4) the number of investigations of violations of this section undertaken by the Inspector General during the year,

"(5) the number of cases in which a demand letter was sent during the year assessing a civil money penalty under this section,

"(6) the total amount of civil money penalties assessed under this section during the year,

"(7) the number of requests for hearings filed during the year pursuant to subsection (c)(1) of this section and section 1128A(c)(2),

"(8) the disposition during such year of hearings filed pursuant to sections 1140(c)(1) and 1128A(c)(2), and

"(9) the total amount of civil money penalties under this section deposited into the Federal Old-Age and Survivors Insurance Trust Fund during the year.".

(l) PROHIBITION OF MISUSE OF DEPARTMENT OF THE TREASURY NAMES, SYMBOLS, ETC.—

(1) GENERAL RULE.—Subchapter II of chapter 3 of title 31, United States Code, is amended by adding at the end thereof the following new section:

"§333. Prohibition of misuse of Department of the Treasury names, symbols, etc.

"(a) GENERAL RULE.—No person may use, in connection with, or as a part of, any advertisement, solicitation, business activity, or product, whether alone or with other words, letters, symbols, or emblems—

"(1) the words 'Department of the Treasury', or the name of any service, bureau, office, or other subdivision of the Department of the Treasury,

"(2) the titles 'Secretary of the Treasury' or 'Treasurer of the United States' or the title of any other officer or employee of the Department of the Treasury,

"(3) the abbreviations or initials of any entity referred to in paragraph (1),

"(4) the words 'United States Savings Bond' or the name of any other obligation issued by the Department of the Treasury,

"(5) any symbol or emblem of an entity referred to in paragraph (1) (including the design of any envelope or stationary used by such an entity), and

"(6) any colorable imitation of any such words, titles, abbreviations, initials, symbols, or emblems,

in a manner which could reasonably be interpreted or construed as conveying the false impression that such advertisement, solicitation, business activity, or product is in any manner approved, endorsed, sponsored, or authorized by, or associated with, the Department of the Treasury or any entity referred to in paragraph (1) or any officer or employee thereof.

"(b) TREATMENT OF DISCLAIMERS.—Any determination of whether a person has violated the provisions of subsection (a) shall be made without regard to any use of a disclaimer of affiliation with the United States Government or any particular agency or instrumentality thereof.

"(c) CIVIL PENALTY.—

"(1) IN GENERAL.—The Secretary of the Treasury may impose a civil penalty on any person who violates the provisions of subsection (a).

"(2) AMOUNT OF PENALTY.—The amount of the civil penalty imposed by paragraph (1) shall not exceed $5,000 for each use of any material in violation of subsection (a). If such use is in a broadcast or telecast, the preceding sentence shall be applied by substituting '$25,000' for '$5,000'.

"(3) TIME LIMITATIONS.—

"(A) ASSESSMENTS.—The Secretary of the Treasury may assess any civil penalty under paragraph (1) at any time before the end of the 3-year period beginning on the date of the violation with respect to which such penalty is imposed.

"(B) CIVIL ACTION.—The Secretary of the Treasury may commence a civil action to recover any penalty imposed under this subsection at any time before the end of the 2-year period beginning on the date on which such penalty was assessed.

"(4) COORDINATION WITH SUBSECTION (d).—No penalty may be assessed under this subsection with respect to any violation after a criminal proceeding with respect to such violation has been commenced under subsection (d).

"(d) CRIMINAL PENALTY.—

"(1) IN GENERAL.—If any person knowingly violates subsection (a), such person shall, upon conviction thereof, be fined not more than $10,000 for each such use or imprisoned not more than 1 year, or both. If such use is in a broadcast or telecast, the preceding sentence shall be applied by substituting '$50,000' for '$10,000'.

"(2) TIME LIMITATIONS.—No person may be prosecuted, tried, or punished under paragraph (1) for any violation of subsection (a) unless the indictment is found or the information instituted during the 3-year period beginning on the date of the violation.

"(3) COORDINATION WITH SUBSECTION (c).—No criminal proceeding may be commenced under this subsection with respect to any violation if a civil penalty has previously been assessed under subsection (c) with respect to such violation."

(2) CLERICAL AMENDMENT.—The analysis for chapter 3 of title 31, United States Code, is amended by adding after the item relating to section 332 the following new item:

"333. Prohibition of misuse of Department of the Treasury names, symbols, etc.".

(3) REPORT.—Not later than May 1, 1996, the Secretary of the Treasury shall submit a report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate on the implementation of the amendments made by this section. Such report shall include the number of cases in which the Secretary has notified persons of violations of section 333 of title 31, United States Code (as added by subsection (a)), the number of prosecutions commenced under such section, and the total amount of the penalties collected in such prosecutions.

(m) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to violations occurring after the date of the enactment of this Act.

SEC. 214. INCREASED PENALTIES FOR UNAUTHORIZED DISCLOSURE OF SOCIAL SECURITY INFORMATION.

(a) UNAUTHORIZED DISCLOSURE.—Section 1106(a) of the Social Security Act (42 U.S.C. 1306(a)) is amended—

(1) by striking "misdemeanor" and inserting "felony";

(2) by striking "$1,000" and inserting "$10,000 for each occurrence of a violation"; and

(3) by striking "one year" and inserting "5 years".

(b) UNAUTHORIZED DISCLOSURE BY FRAUD.—Section 1107(b) of such Act (42 U.S.C. 1307(b)) is amended—

(1) by inserting "social security account number," after "information as to the";

(2) by striking "misdemeanor" and inserting "felony";

(3) by striking "$1,000" and inserting "$10,000 for each occurrence of a violation"; and

(4) by striking "one year" and inserting "5 years".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to violations occurring on or after the date of the enactment of this Act.

SEC. 215. INCREASE IN AUTHORIZED PERIOD FOR EXTENSION OF TIME TO FILE ANNUAL EARNINGS REPORT.

(a) IN GENERAL.—Section 203(h)(1)(A) of the Social Security Act (42 U.S.C. 403(h)(1)(A)) is amended in the last sentence by striking "three months" and inserting "four months".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to reports of earnings for taxable years ending on or after December 31, 1994.

SEC. 216. EXTENSION OF DISABILITY INSURANCE PROGRAM DEMONSTRATION PROJECT AUTHORITY.

(a) IN GENERAL.—Section 505 of the Social Security Disability Amendments of 1980 (Public Law 96–265), as amended by section 12101 of the Consolidated Omnibus Budget Reconciliation Act of 1985 (Public Law 99–272), section 10103 of the Omnibus Budget Reconciliation Act of 1989 (Public Law 101–239), and section 5120 of the Omnibus Budget Reconciliation Act of 1990 (Public Law 101–508) is further amended—

(1) in paragraph (3) of subsection (a), by striking "June 10, 1993" and inserting "June 10, 1996";

(2) in paragraph (4) of subsection (a), by striking "1992" and inserting "1995"; and

(3) in subsection (c), by striking "October 1, 1993" and inserting "October 1, 1996".

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 217. CROSS-MATCHING OF SOCIAL SECURITY ACCOUNT NUMBER INFORMATION AND EMPLOYER IDENTIFICATION NUMBER INFORMATION MAINTAINED BY THE DEPARTMENT OF AGRICULTURE.

(a) SOCIAL SECURITY ACCOUNT NUMBER INFORMATION.—Clause (iii) of section 205(c)(2)(C) of the Social Security Act (42 U.S.C. 405(c)(2)(C)) (as added by section 1735(a)(3) of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 104 Stat. 3791)) is amended—

(1) by inserting "(I)" after "(iii)"; and

(2) by striking "The Secretary of Agriculture shall restrict" and all that follows and inserting the following:

"(II) The Secretary of Agriculture may share any information contained in any list referred to in subclause (I) with any other agency or instrumentality of the United States which otherwise has access to social security account numbers in accordance with this subsection or other applicable Federal law, except that the Secretary of Agriculture may share such information only to the extent that such Secretary determines such sharing would assist in verifying and matching such information against information maintained by such other agency or instrumentality. Any such information shared pursuant to this subclause may be used by such other agency or instrumentality only for the purpose of effective administration and enforcement of the Food Stamp Act of 1977 or for the purpose of investigation of violations of other Federal laws or enforcement of such laws.

"(III) The Secretary of Agriculture, and the head of any other agency or instrumentality referred to in this subclause, shall restrict, to the satisfaction of the Secretary of Health and Human Services, access to social security account numbers obtained pursuant to this clause only to officers and employees of the United States whose duties or responsibilities require access for the purposes described in subclause (II).

"(IV) The Secretary of Agriculture, and the head of any agency or instrumentality with which information is shared pursuant to clause (II), shall provide such other safeguards as the Secretary of Health and Human Services determines to be necessary or appropriate to protect the confidentiality of the social security account numbers.".

(b) EMPLOYER IDENTIFICATION NUMBER INFORMATION.—Subsection (f) of section 6109 of the Internal Revenue Code of 1986 (as added by section 1735(c) of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 104 Stat. 3792)) (relating to access to employer identification numbers by Secretary of Agriculture for purposes of Food Stamp Act of 1977) is amended—

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

"(2) SHARING OF INFORMATION AND SAFEGUARDS.—

"(A) SHARING OF INFORMATION.—The Secretary of Agriculture may share any information contained in any list referred to in paragraph (1) with any other agency or instrumentality of the United States which otherwise has access to employer identification numbers in accordance with this section or other applicable Federal law, except that the Secretary of Agriculture may share such information only to the extent that such Secretary determines such sharing would assist in verifying and matching such information against information maintained by such other agency or instrumentality. Any such information shared pursuant to this subparagraph may be used by such other agency or instrumentality only for the purpose of effective administration and enforcement of the Food Stamp Act of 1977 or for the purpose of investigation of violations of other Federal laws or enforcement of such laws.

"(B) SAFEGUARDS.—The Secretary of Agriculture, and the head of any other agency or instrumentality referred to in subparagraph (A), shall restrict, to the satisfaction of the Secretary of the Treasury, access to employer identification numbers obtained pursuant to this subsection only to officers and employees of the United States whose duties or responsibilities require access for the purposes described in subparagraph (A). The Secretary of Agriculture, and the head of any agency or instrumentality with which information is shared pursuant to subparagraph (A), shall provide such other safeguards as the Secretary of the Treasury determines to be necessary or appropriate to protect the confidentiality of the employer identification numbers.";

(2) in paragraph (3), by striking "by the Secretary of Agriculture pursuant to this subsection" and inserting "pursuant to this subsection by the Secretary of Agriculture or the head of any agency or instrumentality with which information is shared pursuant to paragraph (2)", and by striking "social security account numbers" and inserting "employer identification numbers"; and

(3) in paragraph (4), by striking "by the Secretary of Agriculture pursuant to this subsection" and inserting "pursuant to this subsection by the Secretary of Agriculture or any agency or instrumentality with which information is shared pursuant to paragraph (2)".

SEC. 218. CERTAIN TRANSFERS TO RAILROAD RETIREMENT ACCOUNT MADE PERMANENT.

Subsection (c)(1)(A) of section 224 of the Railroad Retirement Solvency Act of 1983 (relating to section 72(r) revenue increase transferred to certain railroad accounts) is amended by striking "with respect to benefits received before October 1, 1992".

SEC. 219. AUTHORIZATION FOR USE OF SOCIAL SECURITY ACCOUNT NUMBERS BY DEPARTMENT OF LABOR IN ADMINISTRATION OF FEDERAL WORKERS' COMPENSATION LAWS.

Section 205(c)(2)(C) of the Social Security Act (42 U.S.C. 405(c)(2)(C)) is amended by adding at the end the following new clause:

"(ix) In the administration of the provisions of chapter 81 of title 5, United States Code, and the Longshore and Harbor Workers' Compensation Act (33 U.S.C. 901 et seq.), the Secretary of Labor may require by regulation that any person filing a notice of injury or a claim for benefits under such provisions provide as part of such notice or claim such person's social security account number, subject to the requirements of this clause. No officer or employee of the Department of Labor shall have access to any such number for any purpose other than the establishment of a system of records necessary for the effective administration of such provisions. The Secretary of Labor shall restrict, to the satisfaction of the Secretary of Health and Human Services, access to social security account numbers obtained pursuant to this clause to officers and employees of the United States whose duties or responsibilities require access for the administration or enforcement of such provisions. The Secretary of Labor shall provide such other safeguards as the Secretary of Health and Human Services determines to be necessary or appropriate to protect the confidentiality of the social security account numbers.".

SEC. 220. COVERAGE UNDER FICA OF FEDERAL EMPLOYEES TRANSFERRED TEMPORARILY TO INTERNATIONAL ORGANIZATIONS.

(a) TREAMENT OF SERVICE IN THE EMPLOY OF INTERNATIONAL ORGANIZATIONS BY CERTAIN TRANSFERRED FEDERAL EMPLOYEES.—

(1) IN GENERAL.—Section 3121 of the Internal Revenue Code of 1986 (relating to definitions) is

amended by adding at the end the following new subsection:

"(y) SERVICE IN THE EMPLOY OF INTERNATIONAL ORGANIZATIONS BY CERTAIN TRANSFERRED FEDERAL EMPLOYEES.—

"(1) IN GENERAL.—For purposes of this chapter, service performed in the employ of an international organization by an individual pursuant to a transfer of such individual to such international organization pursuant to section 3582 of title 5, United States Code, shall constitute 'employment' if—

"(A) immediately before such transfer, such individual performed service with a Federal agency which constituted 'employment' under subsection (b) for purposes of the taxes imposed by sections 3101(a) and 3111(a), and

"(B) such individual would be entitled, upon separation from such international organization and proper application, to reemployment with such Federal agency under such section 3582.

"(2) DEFINITIONS.—For purposes of this subsection—

"(A) FEDERAL AGENCY.—The term 'Federal agency' means an agency, as defined in section 3581(1) of title 5, United States Code.

"(B) INTERNATIONAL ORGANIZATION.—The term 'international organization' has the meaning provided such term by section 3581(3) of title 5, United States Code."

(2) CONTRIBUTIONS BY FEDERAL AGENCY.—Section 3122 of such Code (relating to Federal service) is amended by inserting after the first sentence the following new sentence: "In the case of the taxes imposed by this chapter with respect to service performed in the employ of an international organization pursuant to a transfer to which the provisions of section 3121(y) are applicable, the determination of the amount of remuneration for such service, and the return and payment of the taxes imposed by this chapter, shall be made by the head of the Federal agency from which the transfer was made."

(3) COLLECTION OF EMPLOYEE CONTRIBUTIONS.—Section 3102 of such Code (relating to deduction of tax from wages) is amended by adding at the end the following new subsection:

"(e) SPECIAL RULE FOR CERTAIN TRANSFERRED FEDERAL EMPLOYEES.—In the case of any payments of wages for service performed in the employ of an international organization pursuant to a transfer to which the provisions of section 3121(y) are applicable—

"(1) subsection (a) shall not apply,

"(2) the head of the Federal agency from which the transfer was made shall separately include on the statement required under section 6051—

"(A) the amount determined to be the amount of the wages for such service, and

"(B) the amount of the tax imposed by section 3101 on such payments, and

"(3) the tax imposed by section 3101 on such payments shall be paid by the employee."

(4) EXCLUSION FROM TREATMENT AS TRADE OR BUSINESS.—Paragraph (2)(C) of section 1402(c) of such Code (defining trade or business) is amended by adding at the end the following: "except service which constitutes 'employment' under section 3121(y),".

(5) CONFORMING AMENDMENT.—Paragraph (15) of section 3121(b) of such Code is amended by inserting ", except service which constitutes 'employment' under subsection (y)" after "organization".

(b) AMENDMENTS TO THE SOCIAL SECURITY ACT.—

(1) IN GENERAL.—Section 210 of the Social Security Act (42 U.S.C. 410) is amended by adding at the end the following new subsection:

"SERVICE IN THE EMPLOY OF INTERNATIONAL ORGANIZATIONS BY CERTAIN TRANSFERRED FEDERAL EMPLOYEES

"(r)(1) For purposes of this title, service performed in the employ of an international organization by an individual pursuant to a transfer of such individual to such international organization pursuant to section 3582 of title 5, United States Code, shall constitute 'employment' if—

"(A) immediately before such transfer, such individual performed service with a Federal agency which constituted 'employment' as defined in subsection (a), and

"(B) such individual would be entitled, upon separation from such international organization and proper application, to reemployment with such Federal agency under such section 3582.

"(2) For purposes of this subsection:

"(A) The term 'Federal agency' means an agency, as defined in section 3581(1) of title 5, United States Code.

"(B) The term 'international organization' has the meaning provided such term by section 3581(3) of title 5, United States Code."

(2) EXCLUSION FROM TREATMENT AS TRADE OR BUSINESS.—Section 211(c)(2)(C) of such Act (42 U.S.C. 411(c)(2)(C)) is amended by inserting before the semicolon the following ", except service which constitutes 'employment' under section 210(r)".

(3) CONFORMING AMENDMENT.—Section 210(a)(15) of such Act (42 U.S.C. 410(a)(15)) is amended by inserting ", except service which constitutes 'employment' under subsection (r)" before the semicolon.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to service performed after the calendar quarter following the calendar quarter in which the date of the enactment of this Act occurs.

SEC. 221. EXTEND THE FICA TAX EXEMPTION AND CERTAIN TAX RULES TO INDIVIDUALS WHO ENTER THE UNITED STATES UNDER A VISA ISSUED UNDER SECTION 101 OF THE IMMIGRATION AND NATIONALITY ACT.

(a) AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1986.—

(1) The following provisions of the Internal Revenue Code of 1986 are each amended by striking "(J), or (M)" each place it appears and inserting "(J), (M), or (Q)":

(A) Section 871(c).

(B) Section 1441(b).

(C) Section 3121(b)(19).

(D) Section 3231(e)(1).

(E) Section 3306(c)(19).

(2) Paragraph (3) of section 872(b) of such Code is amended by striking "(F) or (J)" and inserting "(F), (J), or (Q)".

(3) Paragraph (5) of section 7701(b) of such Code is amended by striking "subparagraph (J)" in subparagraphs (C)(i) and (D)(i)(II) and inserting "subparagraph (J) or (Q)".

(b) AMENDMENT TO SOCIAL SECURITY ACT.—Paragraph (19) of section 210(a) of the Social Security Act is amended by striking "(J), or (M)" each place it appears and inserting "(J), (M), or (Q)".

(c) EFFECTIVE DATE.—The amendments made by this subsection shall take effect with the calendar quarter following the date of the enactment of this Act.

SEC. 222. STUDY OF RISING COSTS OF DISABILITY INSURANCE BENEFITS.

(a) IN GENERAL.—As soon as practicable after the date of the enactment of this Act, the Secretary of Health and Human Services shall conduct a comprehensive study of the reasons for rising costs payable from the Federal Disability Insurance Trust Fund.

(b) MATTERS TO BE INCLUDED IN STUDY.—In conducting the study under this section, the Secretary shall—

(1) determine the relative importance of the following factors in increasing the costs payable from the Trust Fund:

(A) increased numbers of applications for benefits;

(B) higher rates of benefit allowances; and

(C) decreased rates of benefit terminations; and

(2) identify, to the extent possible, underlying social, economic, demographic, programmatic, and other trends responsible for changes in disability benefit applications, allowances, and terminations.

(c) REPORT.—Not later than December 31, 1994, the Secretary shall transmit a report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate setting forth the results of the study conducted under this section, together with any recommendations for legislative changes which the Secretary determines appropriate.

SEC. 223. COMMISSION ON CHILDHOOD DISABILITY.

(a) ESTABLISHMENT OF COMMISSION.—The Secretary of Health and Human Services (in this section referred to as the "Secretary") shall appoint a Commission on the Evaluation of Disability in Children (in this section referred to as the "Commission").

(b) APPOINTMENT OF MEMBERS.—(1) The Secretary shall appoint not less than 9 but not more than 15 members to the Commission, including—

(A) recognized experts in the field of medicine, whose work involves—

(i) the evaluation and treatment of disability in children,

(ii) the study of congenital, genetic, or perinatal disorders in children, or

(iii) the measurement of developmental milestones and developmental deficits in children; and

(B) recognized experts in the fields of—

(i) psychology,

(ii) education and rehabilitation,

(iii) law,

(iv) the administration of disability programs,

(v) social insurance (including health insurance), and

(vi) other fields of expertise that the Secretary determines to be appropriate.

(2) Members shall be appointed by January 1, 1995, without regard to the provisions of title 5, United States Code, governing appointments to competitive service.

(3) Members appointed under this subsection shall serve for a term equivalent to the duration of the Commission.

(4) The Secretary shall designate a member of the Commission to serve as Chair of the Commission for a term equivalent to the duration of the Commission.

(c) ADMINISTRATIVE PROVISIONS.—(1) Service as a member of the Commission by an individual who is not otherwise a Federal employee shall not be considered service in an appointive or elective position in the Federal Government for the purposes of title 5, United States Code.

(2) Each member of the Commission who is not a full-time Federal employee shall be paid compensation at a rate equal to the daily equivalent of the rate of basic pay in effect for Level IV of the Executive Schedule for each day (including travel time) the member attends meetings or otherwise performs the duties of the Commission.

(3) While away from their homes or regular places of business on the business of the Commission, each member who is not a full-time Federal employee may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons employed intermittently in the Government service.

(d) ASSISTANCE TO COMMISSION.—The Commission may engage individuals skilled in medical and other aspects of childhood disability to provide such technical assistance as may be necessary to carry out the functions of the Commission. The Secretary shall make available to the Commission such secretarial, clerical, and other

assistance as the Commission may require to carry out the functions of the Commission.

(e) STUDY BY THE COMMISSION.—(1) The Commission shall conduct a study, in consultation with the National Academy of Sciences, of the effects of the definition of "disability" under title XVI of the Social Security Act (42 U.S.C. 1382 et seq.) in effect on the date of enactment of this Act, as such definition applies to determining whether a child under the age of 18 is eligible to receive benefits under such title, the appropriateness of such definition, and the advantages and disadvantages of using any alternative definition of disability in determining whether a child under age 18 is eligible to receive benefits under such title.

(2) The study described in paragraph (1) shall include issues of—

(A) whether the need by families for assistance in meeting high costs of medical care for children with serious physical or mental impairments, whether or not they are eligible for disability benefits under title XVI of the Social Security Act, might appropriately be met through expansion of Federal health assistance programs (including the program of medical assistance under title XIX of such Act);

(B) the feasibility of providing benefits to children through noncash means, including but not limited to vouchers, debit cards, and electronic benefit transfer systems;

(C) the extent to which the Social Security Administration can involve private organizations in an effort to increae the provision of social services, education, and vocational instruction with the aim of promoting independence and the ability to engage in substantial gainful activity;

(D) the feasibility of providing retroactive supplemental security income benefits pursuant to the decision in Sullivan v. Zebley, 110 S. Ct. 2658 (1990), on a prorated basis or by means of a packaged trust;

(E) methods to increase the extent to which benefits are used in the effort to assist the child achieve independence and engage in substantial gainful activity; and

(F) such other issues that the Secretary determines to be appropriate.

(f) REPORT.—Not later than November 30, 1995, the Commission shall prepare a report and submit such report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate which shall summarize the results of the study described in subsection (e) and include any recommendations that the Commission determines to be appropriate.

SEC. 224. DISREGARD DEEMED INCOME AND RESOURCES OF INELIGIBLE SPOUSE IN DETERMINING CONTINUED ELIGIBILITY UNDER SECTION 1619(b).

(a) IN GENERAL.—Section 1619(b)(2) of the Social Security Act (42 U.S.C. 1382h(b)(2)) is amended by adding at the end the following:

"(C)(i)(I) For purposes of paragraph (1), in determining the earnings of an individual whose spouse is not an eligible individual, there shall be disregarded the net income of the spouse to the extent such net income does not exceed an amount equal to twice the threshold amount determined for the individual.

"(II) As used in subclause (I), the term 'threshold amount' means, with respect to an individual—

"(aa) $85, plus twice the amount of benefits payable under this title (including federally administered State supplementary payments) to an individual who is living in his or her own household and who has no other income, plus the average amount expended per individual, under the State plan approved under title XIX by the State in which the individual resides, on individuals who are recipients of benefits under this title by reason of disability; or

"(bb) if the gross earnings of the individual exceeds the amount described in item (aa), the amount that would be sufficient to allow the individual to provide for himself or herself a reasonable equivalent of benefits and services described in paragraph (1)(D).

"(ii) For purposes of paragraph (1)(A), in determining the resources of an individual whose spouse is not an eligible individual, there shall be disregarded the resources of the spouse to the extent the amount of such resources does not exceed the community spouse resource allowance (as defined in section 1924(f)(2)) of the State in which the individual resides.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 1995.

SEC. 225. PLANS FOR ACHIEVING SELF-SUPPORT NOT DISAPPROVED WITHIN 60 DAYS TO BE DEEMED APPROVED.

(a) AMENDMENTS TO INCOME EXCLUSION RULES.—Section 1612(b)(4) of the Social Security Act (42 U.S.C. 1382a(b)(4)(A)) is amended in each of subparagraphs (A) and (B) by inserting "and, for purposes of this clause, a completed plan for achieving self-support which is not disapproved by the Board within 60 days after the date of submission shall be deemed to be approved by the Board until subsequently disapproved by the Board (with appropriate notification to the individual)," after "plan,".

(b) AMENDMENT TO RESOURCE EXCLUSION RULE.—Section 1613(a)(4) of such Act (42 U.S.C. 1382b(a)(4)) is amended by inserting ", and, for purposes of this paragraph, a completed plan for achieving self-support which is not disapproved by the Board within 60 days after the date of submission shall be deemed to be approved by the Board until 6 months after subsequently disapproved by the Board (with appropriate notification to the individual)" after "such plan".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1995.

SEC. 226. TEMPORARY AUTHORITY TO APPROVE A LIMITED NUMBER OF PLANS FOR ACHIEVING SELF-SUPPORT THAT INCLUDE HOUSING GOALS.

(a) IN GENERAL.—During the 42-month period that begins on January 1, 1995, the Board may, under title XVI of the Social Security Act, approve not more than 20 percent of the plans for achieving self-support that include a housing goal.

(b) REPORT.—Within 12 months after the end of the 5-year period that begins on January 1, 1995, the Board shall submit to the Congress a report on the activities under subsection (a).

SEC. 227. REGULATIONS REGARDING COMPLETION OF PLANS FOR ACHIEVING SELF-SUPPORT.

(a) IN GENERAL.—Section 1633 of the Social Security Act (42 U.S.C. 1383b) is amended by adding at the end the following:

"(d) The Board shall establish by regulation time limits and other criteria related to individuals' plans for achieving self-support, that take into account the difficulty of achieving self-support based on the needs of individuals and the goals of the plan.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on January 1, 1995.

SEC. 228. TREATMENT OF CERTAIN GRANT, SCHOLARSHIP, OR FELLOWSHIP INCOME AS EARNED INCOME FOR SSI PURPOSES.

(a) IN GENERAL.—Section 1612(a)(1) of the Social Security Act (42 U.S.C. 1382a(a)(1)) is amended—

(1) by striking "and" at the end of subparagraph (D); and

(2) by adding at the end the following:

"(F) any grant, scholarship, or fellowship.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to eligibility and benefit determinations for any month that begins after the 2nd month after the month in which this Act is enacted.

SEC. 229. SSI ELIGIBILITY FOR STUDENTS TEMPORARILY ABROAD.

(a) IN GENERAL.—Section 1611(f) of the Social Security Act (42 U.S.C. 1382(f)) is amended—

(1) by inserting "(1)" after "(f)"; and

(2) by adding after and below the end the following:

"(2) The first sentence of paragraph (1) shall not apply to any individual who—

"(A) was eligible to receive a benefit under this title for the month immediately preceding the first month during all of which the individual was outside the United States; and

"(B) demonstrates to the satisfaction of the Board that the absence of the individual from the United States is—

"(i) temporary; and

"(ii) for the purpose of conducting studies as part of an educational program that is designed to prepare the individual for gainful employment, and is sponsored by a school, college, or university in the United States.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on January 1, 1995.

SEC. 230. DISREGARD OF COST-OF-LIVING INCREASES FOR CONTINUED ELIGIBILITY FOR WORK INCENTIVES.

(a) IN GENERAL.—Section 1619(b)(1)(B) of the Social Security Act (42 U.S.C. 1382h(b)(1)(B)) is amended by inserting "and increases pursuant to section 215(i) in the level of monthly insurance benefits to which the individual is entitled under title II that occur while such individual is considered to be receiving supplemental security income benefits by reason of this subsection" after "earnings".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to eligibility determinations for months after December 1994.

SEC. 231. EXPANSION OF THE AUTHORITY OF THE SOCIAL SECURITY ADMINISTRATION TO PREVENT, DETECT, AND TERMINATE FRAUDULENT CLAIMS FOR SSI BENEFITS.

(a) PREVENTION OF FRAUD IN THE SSI PROGRAM BY TRANSLATORS OF FOREIGN LANGUAGES.—

(1) IN GENERAL.—Section 1631(e) of the Social Security Act (42 U.S.C. 1383(e)) is amended by inserting after paragraph (3) the following:

"(4) A translation into English by a third party of a statement made in a foreign language by an applicant for or recipient of benefits under this title shall not be regarded as reliable unless the third party, under penalty of perjury—

"(A) certifies that the translation is accurate; and

"(B) discloses the nature and scope of the relationship between the third party and the applicant or recipient, as the case may be.".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect on October 1, 1994.

(b) CIVIL MONETARY PENALTIES, ASSESSMENTS, AND EXCLUSIONS FOR TITLE XVI.—

(1) IN GENERAL.—Title XI of the Social Security Act (42 U.S.C. 1301–1320b–14) is amended by inserting after section 1128B the following:

"SEC. 1129. CIVIL MONETARY PENALTIES AND ASSESSMENTS FOR TITLE XVI.

"(a) Any person (including an organization, agency, or other entity) who makes, or causes to be made, a statement or representation of a material fact for use in determining any initial or continuing right to benefits or payments under title XVI that the person knows or should know is false or misleading or knows or should know

omits a material fact shall be subject to, in addition to any other penalties that may be prescribed by law, a civil money penalty of not more than $5,000 for each such statement or representation. Such person also shall be subject to an assessment, in lieu of damages sustained by the United States because of such statement or representation, of not more than twice the amount of benefits or payments paid as a result of such a statement or representation. In addition, the Board may make a determination in the same proceeding to exclude the person from participation in the programs under title XVIII and to direct the appropriate State agency to exclude the person from participation in any State health care program.

"(b)(1) The Board may initiate a proceeding to determine whether to impose a civil money penalty, assessment, or exclusion under subsection (a) only as authorized by the Attorney General pursuant to procedures agreed upon by the Board and the Attorney General. The Board may not initiate an action under this section with respect to any violation described in subsection (a) later than 6 years after the date the violation was committed. The Board may initiate an action under this section by serving notice of the action in any manner authorized by Rule 4 of the Federal Rules of Civil Procedure.

"(2) The Board shall not make a determination adverse to any person under this section until the person has been given written notice and an opportunity for the determination to be made on the record after a hearing at which the person is entitled to be represented by counsel, to present witnesses, and to cross-examine witnesses against the person.

"(3) In a proceeding under this section which—

"(A) is against a person who has been convicted (whether upon a verdict after trial or upon a plea of guilty or nolo contendere) of a Federal crime charging fraud or false statements; and

"(B) involves the same transaction as in the criminal action;

the person is estopped from denying the essential elements of the criminal offense.

"(4) The official conducting a hearing under this section may sanction a person, including any party or attorney, for failing to comply with an order or procedure, failing to defend an action, or other misconduct as would interfere with the speedy, orderly, or fair conduct of the hearing. Such sanction shall reasonably relate to the severity and nature of the failure or misconduct. Such sanction may include—

"(A) in the case of refusal to provide or permit discovery, drawing negative factual inference or treating such refusal as an admission by deeming the matter, or certain facts, to be established;

"(B) prohibiting a party from introducing certain evidence or otherwise supporting a particular claim or defense;

"(C) striking pleadings, in whole or in part;

"(D) staying the proceedings;

"(E) dismissal of the action;

"(F) entering a default judgment;

"(G) ordering the party or attorney to pay attorneys' fees and other costs caused by the failure or misconduct; and

"(H) refusing to consider any motion or other action which is not filed in a timely manner.

"(c) In determining the amount or scope of any penalty, assessment, or exclusion imposed pursuant to this section, the Board shall take into account—

"(1) the nature of the statements and representations referred to in subsection (a) and the circumstances under which they occurred;

"(2) the degree of culpability, history of prior offenses, and financial condition of the person committing the offense; and

"(3) such other matters as justice may require.

"(d)(1) Any person adversely affected by a determination of the Board under this section may obtain a review of such determination in the United States Court of Appeals for the circuit in which the person resides, or in which the statement or representation referred to in subsection (a) was made, by filing in such court (within 60 days following the date the person is notified of the Board's determination) a written petition requesting that the determination be modified or set aside. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Board, and thereupon the Board shall file in the court the record in the proceeding as provided in section 2112 of title 28, United States Code. Upon such filing, the court shall have jurisdiction of the proceeding and of the question determined therein, and shall have the power to make and enter upon the pleadings, testimony, and proceedings set forth in such record a decree affirming, modifying, remanding for further consideration, or setting aside, in whole or in part, the determination of the Board and enforcing the same to the extent that such order is affirmed or modified. No objection that has not been urged before the Board shall be considered by the court, unless the failure or neglect to urge such objection shall be excused because of extraordinary circumstances.

"(2) The findings of the Board with respect to questions of fact, if supported by substantial evidence on the record considered as a whole, shall be conclusive in the review described in paragraph (1). If any party shall apply to the court for leave to adduce additional evidence and shall show to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for the failure to adduce such evidence in the hearing before the Board, the court may order such additional evidence to be taken before the Board and to be made a part of the record. The Board may modify its findings as to the facts, or make new findings, by reason of additional evidence so taken and filed, and the Board shall file with the court such modified or new findings, which findings with respect to questions of fact, if supported by substantial evidence on the record considered as a whole shall be conclusive, and his recommendations, if any, for the modification or setting aside of his original order.

"(3) Upon the filing of the record with the Board's original or modified order, the jurisdiction of the court shall be exclusive and its judgment and decree shall be final, except that the same shall be subject to review by the Supreme Court of the United States, as provided in section 1254 of title 28, United States Code.

"(e)(1) Civil money penalties and assessments imposed under this section may be compromised by the Board and may be recovered—

"(A) in a civil action in the name of the United States brought in United States district court for the district where the statement or representation referred to in subsection (a) was made, or where the person resides, as determined by the Board;

"(B) by means of reduction in tax refunds to which the person is entitled, based on notice to the Secretary of the Treasury as permitted under section 3720A of title 31, United States Code;

"(C) by decrease of any payment under title XVI to which the person is entitled, notwithstanding section 207 of this Act, as made applicable to this title by reason of section 1631(d)(1);

"(D) by authorities provided under the Debt Collection Act of 1982, as amended, to the extent applicable to debts arising under the Social Security Act;

"(E) by deduction of the amount of such penalty or assessment, when finally determined, or the amount agreed upon in compromise, from any sum then or later owing by the United States to the person against whom the penalty or assessment has been assessed; or

"(F) by any combination of the foregoing.

"(f) A determination by the Board to impose a penalty, assessment, or exclusion under this section shall be final upon the expiration of the 60-day period referred to in subsection (d). Matters that were raised or that could have been raised in a hearing before the Board or in an appeal pursuant to subsection (d) may not be raised as a defense to a civil action by the United States to collect a penalty and assessment imposed under this section.

"(g) Whenever the Board's determination to impose a penalty, assessment, or exclusion under this section with respect to a medical provider or physician becomes final, the provisions of section 1128A(h) shall apply.

"(h) Whenever the Board has reason to believe that any person has engaged, is engaging, or is about to engage in any activity which makes the person subject to a civil monetary penalty under this section, the Board may bring an action in an appropriate district court of the United States (or, if applicable, a United States court of any territory) to enjoin such activity, or to enjoin the person from concealing, removing, encumbering, or disposing of assets which may be required in order to pay a civil monetary penalty and assessment if any such penalty were to be imposed or to seek other appropriate relief.

"(i)(1) The provisions of subsections (d) and (e) of section 205 shall apply with respect to this section to the same extent as they are applicable with respect to title II. The Board may delegate the authority granted by section 205(d) (as made applicable to this section) to the Inspector General of the Department of Health and Human Services for purposes of any investigation under this section.

"(2) The Board may delegate authority granted under this section to the Inspector General of the Social Security Administration.

"(j) For purposes of this section, the term 'State agency' shall have the same meaning as in section 1128A(i)(1).

"(k) A principal is liable for penalties, assessments, and exclusions under this section for the actions of the principal's agent acting within the scope of the agency.".

(2) CONFORMING AMENDMENTS.—Section 1128 of such Act (42 U.S.C. 1320a–7) is amended—

(A) in subsection (b)(7), by striking "or section 1128B" and inserting ", section 1128B, or section 1129";

(B) in subsection (b)(8)(B)(ii), by inserting "and section 1129" after "section 1128A";

(C) in subsection (c)(1), by striking "or under section 1128A" and inserting ", section 1128A, or section 1129";

(D) in subsection (c)(3)(A), by inserting "or section 1129" after "section 1128A";

(E) in subsection (d)(1), by striking "and section 1128A" and inserting ", section 1128A, and section 1129";

(F) in subsection (d)(2)(A), by striking "or section 1128A" and inserting ", section 1128A, or section 1129";

(G) in subsection (e)(1), by striking "or section 1128A" and inserting ", section 1128A, or section 1129";

(H) in subsection (f)(3), by inserting ", 1129," after "sections 1128A";

(I) in subsection (g)(1), by striking "or section 1128A" each place such term appears and inserting ", section 1128A, or section 1129";

(J) in subsection (g)(2)(A), by inserting "and section 1129(a)" after "section 1128A(a)"; and

(K) in subsection (h), by striking "1128A and 1128B" and inserting "1128A, 1128B, and 1129".

(c) SSI FRAUD CONSIDERED A FELONY.—

(1) IN GENERAL.—Section 1632(a) of the Social Security Act (42 U.S.C. 1383a(a)) is amended by

striking "shall" the 1st place such term appears and all that follows and inserting "shall be fined under title 18, United States Code, imprisoned not more than 5 years, or both.".

(2) CONFORMING AMENDMENT.—Section 1632(b) of such Act (42 U.S.C. 1383a(b)) is amended to read as follows:

"(b)(1) If a person or entity violates subsection (a) in the person's or entity's role as, or in applying to become, a payee under section 1631(a)(2) on behalf of another individual (other than the person's eligible spouse), and the violation includes a willful misuse of funds by the person or entity, the court may also require that full or partial restitution of funds be made to such other individual.

"(2) Any person or entity convicted of a violation of subsection (a) of this section or of section 208 may not be certified as a payee under section 1631(a)(2).".

(d) AUTHORITY TO REDETERMINE ELIGIBILITY IN DISABILITY CASES IF FRAUD IS INVOLVED, AND TO TERMINATE BENEFITS IF THERE IS INSUFFICIENT RELIABLE EVIDENCE OF DISABILITY.—

(1) IN GENERAL.—Section 1631(e) of the Social Security Act (42 U.S.C. 1383(e)) is amended by adding at the end the following:

"(6)(A) The Board shall immediately redetermine the eligibility of an individual for benefits under this title by reason of disability, disregarding any unreliable evidence of disability, if there is reason to believe that fraud was involved in the application of the individual for such benefits, unless a United States attorney, or equivalent State prosecutor, with jurisdiction over potential or actual related criminal cases, certifies, in writing, that there is a substantial risk that redetermining such eligibility would jeopardize the criminal prosecution of any person who is a subject of the investigation from which the information is derived.

"(B) If, after redetermining the eligibility of an individual for benefits under this title by reason of disability, the Board determines that there is insufficient reliable evidence of disability, the Board may terminate such eligibility.".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect on October 1, 1994, and shall apply to eligibility determinations made before, on, or after such date.

(e) AVAILABILITY OF RECIPIENT IDENTIFYING INFORMATION FROM THE INSPECTOR GENERAL, SOCIAL SECURITY ADMINISTRATION.—

(1) IN GENERAL.—Section 1631(e) of the Social Security Act (42 U.S.C. 1383(e)), as amended by subsection (d) of this section, is amended by adding at the end the following:

"(7) As soon as the Inspector General, Social Security Administration, has reason to believe that fraud was involved in the application of a recipient for benefits under this title, the Inspector General shall make available to the Board information identifying the recipient, unless a United States attorney, or equivalent State prosecutor, with jurisdiction over potential or actual related criminal cases, certifies, in writing, that there is a substantial risk that making the information so available or redetermining the eligibility of the recipient for such benefits would jeopardize the criminal prosecution of any person who is a subject of the investigation from which the information is derived.".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect on October 1, 1994.

(f) AUTHORITY TO USE AVAILABLE PREADMISSION IMMIGRANT AND REFUGEE MEDICAL INFORMATION.—

(1) IN GENERAL.—Section 1631(e) of the Social Security Act (42 U.S.C. 1383(e)), as amended by the preceding provisions of this Act, is amended by adding at the end the following:

"(8) The Board shall request the Immigration and Naturalization Service and the Centers for Disease Control to provide the Board with whatever medical information either such entity has with respect to any alien who has applied for benefits under this title to the extent that the information is relevant to any determination relating to such eligibility.".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect on October 1, 1994.

(g) ANNUAL REPORTS ON REVIEWS OF SSI CASES.—The Board shall annually submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report on the extent to which the Board has exercised its authority to review supplemental security income cases under title XVI of the Social Security Act, and the extent to which the cases reviewed were those that involved a high likelihood or probability of fraud.

SEC. 232. DISABILITY REVIEW REQUIRED FOR SSI RECIPIENTS WHO ARE 18 YEARS OF AGE.

(a) IN GENERAL.—Section 1614(a)(3)(G) of the Social Security Act (42 U.S.C. 1382c(a)(3)(G)) is amended—

(1) by inserting "(i)" after "(G)"; and

(2) by adding after and below the end the following:

"(ii)(I) During the 1-year period that begins on the date a recipient of benefits under this title by reason of disability attains 18 years of age, the applicable State agency or the Board (as may be appropriate) shall redetermine the eligibility of the recipient for such benefits by reason of disability, by applying the criteria used in determining eligibility for such benefits of applicants who have attained 18 years of age.

"(II) A review under subclause (I) of this clause shall be considered a substitute for a review required under clause (i).".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to individuals who attain 18 years of age in or after the 9th month after the month in which this Act is enacted.

SEC. 233. CONTINUING DISABILITY REVIEWS.

(a) IN GENERAL.—Section 1614(a)(3)(G) of such Act (42 U.S.C. 1382c(a)(3)(G)) is amended by inserting "221(i)," after "221(h),".

(b) EFFECTIVE DATE.—The amendment made by subsection (A) shall take effect on October 1, 1995.

SEC. 234. TECHNICAL AND CLERICAL AMENDMENTS.

(a) AMENDMENTS TO TITLE II OF THE SOCIAL SECURITY ACT.—

(1) Section 201(a) of the Social Security Act (42 U.S.C. 401(a)) is amended, in the matter following clause (4), by striking "and and" and inserting "and".

(2) Section 202(d)(8)(D)(ii) of such Act (42 U.S.C. 402(d)(8)(D)(ii)) is amended by adding a period at the end and by adjusting the left hand margination thereof so as to align with section 202(d)(8)(D)(i) of such Act.

(3) Section 202(q)(1)(A) of such Act (42 U.S.C. 402(q)(1)(A)) is amended by striking the dash at the end.

(4) Section 202(q)(9) of such Act (42 U.S.C. 402(q)(9)) is amended, in the matter preceding subparagraph (A), by striking "parargaph" and inserting "paragraph".

(5) Section 202(t)(4)(D) of such Act (42 U.S.C. 402(t)(4)(D)) is amended by inserting "if the" before "Secretary" the second and third places it appears.

(6) Clauses (i) and (ii) of section 203(f)(5)(C) of such Act (42 U.S.C. 403(f)(5)(C)) are amended by adjusting the left-hand margination thereof so as to align with clauses (i) and (ii) of section 203(f)(5)(B) of such Act.

(7) Paragraph (3)(A) and paragraph (3)(B) of section 205(b) of such Act (42 U.S.C. 405(b)) are amended by adjusting the left-hand margination thereof so as to align with the matter following section 205(b)(2)(C) of such Act.

(8) Section 205(c)(2)(B)(iii) of such Act (42 U.S.C. 405(c)(2)(B)(iii)) is amended by striking "non-public" and inserting "nonpublic".

(9) Section 205(c)(2)(C) of such Act (42 U.S.C. 405(c)(2)(C)) is amended—

(A) by striking the clause (vii) added by section 2201(c) of Public Law 101-624;

(B) by redesignating the clause (iii) added by section 2201(b)(3) of Public Law 101-624, clause (iv), clause (v), clause (vi), and the clause (vii) added by section 1735(b) of Public Law 101-624 as clause (iv), clause (v), clause (vi), clause (vii), and clause (viii), respectively;

(C) in clause (v) (as redesignated), by striking "subclause (I) of", and by striking "subclause (II) of clause (i)" and inserting "clause (ii)"; and

(D) in clause (viii)(IV) (as redesignated), by inserting "a social security account number or" before "a request for".

(10) The heading for section 205(j) of such Act (42 U.S.C. 405(j)) is amended to read as follows:

"Representative Payees".

(11) The heading for section 205(s) of such Act (42 U.S.C. 405(s)) is amended to read as follows:

"Notice Requirements".

(12) Section 208(c) of such Act (42 U.S.C. 408(c)) is amended by striking "subsection (g)" and inserting "subsection (a)(7)".

(13) Section 210(a)(5)(B)(i)(V) of such Act (42 U.S.C. 410(a)(5)(B)(i)(V)) is amended by striking "section 105(e)(2)" and inserting "section 104(e)(2)".

(14) Section 211(a) of such Act (42 U.S.C. 411(a)) is amended—

(A) in paragraph (13), by striking "and" at the end; and

(B) in paragraph (14), by striking the period and inserting "; and".

(15) Section 213(c) of such Act (42 U.S.C. 413(c)) is amended by striking "section" the first place it appears and inserting "sections".

(16) Section 215(a)(5)(B)(i) of such Act (42 U.S.C. 415(a)(5)(B)(i)) is amended by striking "subsection" the second place it appears and inserting "subsections".

(17) Section 215(f)(7) of such Act (42 U.S.C. 415(f)(7)) is amended by inserting a period after "1990".

(18) Subparagraph (F) of section 218(c)(6) of such Act (42 U.S.C. 418(c)(6)) is amended by adjusting the left-hand margination thereof so as to align with section 218(c)(6)(E) of such Act.

(19) Section 223(i) of such Act (42 U.S.C. 423(i)) is amended by adding at the beginning the following heading:

"Limitation on Payments to Prisoners".

(b) RELATED AMENDMENTS.—

(1) Section 603(b)(5)(A) of Public Law 101-649 (amending section 202(n)(1) of the Social Security Act) (104 Stat. 5085) is amended by inserting "under" before "paragraph (1)," and by striking "(17), or (18)" and inserting "(17), (18), or (19)", effective as if this paragraph were included in such section 603(b)(5)(A).

(2) Section 10208(b)(1) of Public Law 101-239 (amending section 230(b)(2)(A) of the Social Security Act) (103 Stat. 2477) is amended by striking "230(b)(2)(A)" and "430(b)(2)(A)" and inserting "230(b)(2)" and "430(b)(2)", respectively, effective as if this paragraph were included in such section 10208(b)(1).

(c) CONFORMING, CLERICAL AMENDMENTS UPDATING, WITHOUT SUBSTANTIVE CHANGE, REFERENCES IN TITLE II OF THE SOCIAL SECURITY ACT TO THE INTERNAL REVENUE CODE.—

(1)(A)(i) Section 201(g)(1) of such Act (42 U.S.C. 401(g)(1)) is amended—

(I) in subparagraph (A)(i), by striking "and subchapter E" and all that follows through "1954" and inserting "and chapters 2 and 21 of the Internal Revenue Code of 1986";

(II) in subparagraph (A)(ii), by striking "1954" and inserting "1986";

(III) in the matter in subparagraph (A) following clause (ii), by striking "subchapter E" and all that follows through "1954." and inserting "chapters 2 and 21 of the Internal Revenue Code of 1986.", and by striking "1954 other" and inserting "1986 other"; and

(IV) in subparagraph (B), by striking "1954" each place it appears and inserting "1986".

(ii) The amendments made by clause (i) shall apply only with respect to periods beginning on or after the date of the enactment of this Act.

(B)(i) Section 201(g)(2) of such Act (42 U.S.C. 401(g)(2)) is amended by striking "section 3101(a)" and all that follows through "1950." and inserting "section 3101(a) of the Internal Revenue Code of 1986 which are subject to refund under section 6413(c) of such Code with respect to wages (as defined in section 3121 of such Code).", and by striking "wages reported" and all that follows through "1954," and inserting "wages reported to the Secretary of the Treasury or his delegate pursuant to subtitle F of such Code,".

(ii) The amendments made by clause (i) shall apply only with respect to wages paid on or after January 1, 1995.

(C) Section 201(g)(4) of such Act (42 U.S.C. 401(g)(4)) is amended—

(i) by striking "The Board of Trustees shall prescribe before January 1, 1981, the method" and inserting "If at any time or times the Boards of Trustees of such Trust Funds deem such action advisable, they may modify the method prescribed by such Boards";

(ii) by striking "1954" and inserting "1986"; and

(iii) by striking the last sentence.

(2) Section 202(v) of such Act (42 U.S.C. 402(v)) is amended—

(A) in paragraph (1), by striking "1954" and inserting "1986"; and

(B) in paragraph (3)(A), by inserting "of the Internal Revenue Code of 1986" after "3127".

(3) Section 205(c)(5)(F)(i) of such Act (42 U.S.C. 405(c)(5)(F)(i)) is amended by inserting "or the Internal Revenue Code of 1986" after "1954".

(4)(A) Section 209(a)(4)(A) of such Act (42 U.S.C. 409(a)(4)(A)) is amended by inserting "or the Internal Revenue Code of 1986" after "Internal Revenue Code of 1954".

(B) Section 209(a) of such Act (42 U.S.C. 409(a)) is amended—

(i) in subparagraphs (C) and (E) of paragraph (4),

(ii) in paragraph (5)(A),

(iii) in subparagraphs (A) and (B) of paragraph (14),

(iv) in paragraph (15),

(v) in paragraph (16), and

(vi) in paragraph (17),

by striking "1954" each place it appears and inserting "1986".

(C) Subsections (b), (f), (g), (i)(1), and (j) of section 209 of such Act (42 U.S.C. 409) are amended by striking "1954" each place it appears and inserting "1986".

(5) Section 211(a)(15) of such Act (42 U.S.C. 411(a)(15)) is amended by inserting "of the Internal Revenue Code of 1986" after "section 162(m)".

(6) Title II of such Act is further amended—

(A) in subsections (f)(5)(B)(ii) and (k) of section 203 (42 U.S.C. 403),

(B) in section 205(c)(1)(D)(i) (42 U.S.C. 405(c)(1)(D)(i)),

(C) in the matter in section 210(a) (42 U.S.C. 410(a)) preceding paragraph (1) and in paragraphs (8), (9), and (10) of section 210(a),

(D) in subsections (p)(4) and (q) of section 210 (42 U.S.C. 410),

(E) in the matter in section 211(a) (42 U.S.C. 411(a)) preceding paragraph (1) and in paragraphs (3), (4), (6), (10), (11), and (12) and clauses (iii) and (iv) of section 211(a),

(F) in the matter in section 211(c) (42 U.S.C. 411(c)) preceding paragraph (1), in paragraphs (3) and (6) of section 211(c), and in the matter following paragraph (6) of section 211(c),

(G) in subsections (d), (e), and (h)(1)(B) of section 211 (42 U.S.C. 411),

(H) in section 216(j) (42 U.S.C. 416(j)),

(I) in section 218(e)(3) (42 U.S.C. 418(e)(3)),

(J) in section 229(b) (42 U.S.C. 429(b)),

(K) in section 230(c) (42 U.S.C. 430(c)), and

(L) in section 232 (42 U.S.C. 432),

by striking "1954" each place it appears and inserting "1986".

(d) RULES OF CONSTRUCTION.—

(1) The preceding provisions of this section shall be construed only as technical and clerical corrections and as reflecting the original intent of the provisions amended thereby.

(2) Any reference in title II of the Social Security Act to the Internal Revenue Code of 1986 shall be construed to include a reference to the Internal Revenue Code of 1954 to the extent necessary to carry out the provisions of paragraph (1).

(e) UTILIZATION OF NATIONAL AVERAGE WAGE INDEX FOR WAGE-BASED ADJUSTMENTS.—

(1) DEFINITION OF NATIONAL AVERAGE WAGE INDEX.—Section 209(k) of the Social Security Act (42 U.S.C. 409(k)) is amended—

(A) by redesignating paragraph (2) as paragraph (3);

(B) in paragraph (3) (as redesignated), by striking "paragraph (1)" and inserting "this subsection"; and

(C) by striking paragraph (1) and inserting the following new paragraphs:

"(k)(1) For purposes of sections 203(f)(8)(B)(ii), 213(d)(2)(B), 215(a)(1)(B)(ii), 215(a)(1)(C)(ii), 215(a)(1)(D), 215(b)(3)(A)(ii), 215(i)(1)(E), 215(i)(2)(C)(ii), 224(f)(2)(B), and 230(b)(2) (and 230(b)(2) as in effect immediately prior to the enactment of the Social Security Amendments of 1977), the term 'national average wage index' for any particular calendar year means, subject to regulations of the Secretary under paragraph (2), the average of the total wages for such particular calendar year.

"(2) The Secretary shall prescribe regulations under which the national average wage index for any calendar year shall be computed—

"(A) on the basis of amounts reported to the Secretary of the Treasury or his delegate for such year,

"(B) by disregarding the limitation on wages specified in subsection (a)(1),

"(C) with respect to calendar years after 1990, by incorporating deferred compensation amounts and factoring in for such years the rate of change from year to year in such amounts, in a manner consistent with the requirements of section 10208 of the Omnibus Budget Reconciliation Act of 1989, and

"(D) with respect to calendar years before 1978, in a manner consistent with the manner in which the average of the total wages for each of such calendar years was determined as provided by applicable law as in effect for such years.".

(2) CONFORMING AMENDMENTS.—

(A) Section 213(d)(2)(B) of such Act (42 U.S.C. 413(d)(2)(B)) is amended by striking "deemed average total wages" and inserting "national average wage index", and by striking "the average of the total wages" and all that follows and inserting "the national average wage index (as so defined) for 1976,".

(B) Section 215(a)(1)(B)(ii) of such Act (42 U.S.C. 415(a)(1)(B)(ii)) is amended—

(i) in subclause (I), by striking "deemed average total wages" and inserting "national average wage index"; and

(ii) in subclause (II), by striking "the average of the total wages" and all that follows and inserting "the national average wage index (as so defined) for 1977.".

(C) Section 215(a)(1)(C)(ii) of such Act (42 U.S.C. 415(a)(1)(C)(ii)) is amended by striking "deemed average total wages" and inserting "national average wage index".

(D) Section 215(a)(1)(D) of such Act (42 U.S.C. 415(a)(1)(D)) is amended—

(i) by striking "after 1978";

(ii) by striking "and the average of the total wages (as described in subparagraph (B)(ii)(I))" and inserting "and the national average wage index (as defined in section 209(k)(1))"; and

(iii) by striking the last sentence.

(E) Section 215(b)(3)(A)(ii) of such Act (42 U.S.C. 415(b)(3)(A)(ii)) is amended by striking "deemed average total wages" each place it appears and inserting "national average wage index".

(F) Section 215(i)(1) of such Act (42 U.S.C. 415(i)(1)) is amended—

(i) in subparagraph (E), by striking "SSA average wage index" and inserting "national average wage index (as defined in section 209(k)(1))"; and

(ii) by striking subparagraph (G) and redesignating subparagraph (H) as subparagraph (G).

(G) Section 215(i)(2)(C)(ii) of such Act (42 U.S.C. 415(i)(1)(C)(ii)) is amended to read as follows:

"(ii) The Secretary shall determine and promulgate the OASDI fund ratio for the current calendar year on or before November 1 of the current calendar year, based upon the most recent data then available. The Secretary shall include a statement of the fund ratio and the national average wage index (as defined in section 209(k)(1)) and a statement of the effect such ratio and the level of such index may have upon benefit increases under this subsection in any notification made under clause (i) and any determination published under subparagraph (D).".

(H) Section 224(f)(2) of such Act (42 U.S.C. 424a(f)(2)) is amended—

(i) in subparagraph (A), by adding "and" at the end;

(ii) by striking subparagraph (C); and

(iii) by striking subparagraph (B) and inserting the following:

"(B) the ratio of (i) the national average wage index (as defined in section 209(k)(1)) for the calendar year before the year in which such redetermination is made to (ii) the national average wage index (as so defined) for the calendar year before the year in which the reduction was first computed (but not counting any reduction made in benefits for a previous period of disability).".

(f) TECHNICAL CORRECTIONS RELATED TO OASDI IN THE OMNIBUS BUDGET RECONCILIATION ACT OF 1990.—

(1) AMENDMENTS RELATED TO PROVISIONS IN SECTION 5103(b) RELATING TO DISABLED WIDOWS.—Section 223(f)(2) of the Social Security Act (42 U.S.C. 423(f)(2)) is amended—

(A) in subparagraph (A), by striking "(in a case to which clause (ii)(II) does not apply)"; and

(B) by striking subparagraph (B)(ii) and inserting the following:

"(ii) the individual is now able to engage in substantial gainful activity; or".

(2) AMENDMENTS RELATED TO PROVISIONS IN SECTION 5105(d) RELATING TO REPRESENTATIVE PAYEES.—

(A) TITLE II AMENDMENTS.—Section 5105(d)(1)(A) of the Omnibus Budget Reconciliation Act of 1990 (Public Law 101-508) is amended—

(i) by striking "Section 205(j)(5)" and inserting "Section 205(j)(6)"; and

(ii) by redesignating the paragraph (5) as amended thereby as paragraph (6).

(B) TITLE XVI AMENDMENTS.—Section 1631(a)(2) of the Social Security Act (42 U.S.C. 1383(a)(2)) is amended—

(i) by redesignating subparagraphs (E) and (F) as subparagraphs (F) and (G), respectively; and

(ii) by inserting after subparagraph (D) the following:

"(E) RESTITUTION.—In cases where the negligent failure of the Secretary to investigate or monitor a representative payee results in misuse of benefits by the representative payee, the Secretary shall make payment to the beneficiary or the beneficiary's representative payee of an amount equal to such misused benefits. The Secretary shall make a good faith effort to obtain restitution from the terminated representative payee.".

(3) AMENDMENTS RELATED TO PROVISIONS IN SECTION 5106 RELATING TO COORDINATION OF RULES UNDER TITLES II AND XVI GOVERNING FEES FOR REPRESENTATIVES OF CLAIMANTS WITH ENTITLEMENTS UNDER BOTH TITLES.—

(A) CALCULATION OF FEE OF CLAIMANT'S REPRESENTATIVE BASED ON AMOUNT OF PAST-DUE SUPPLEMENTAL SECURITY INCOME BENEFITS AFTER APPLICATION OF WINDFALL OFFSET PROVISION.—Section 1631(d)(2)(A)(i) of the Social Security Act (as amended by section 5106(a)(2) of the Omnibus Budget Reconciliation Act of 1990) (42 U.S.C. 1383(d)(2)(A)(i)) is amended to read as follows:

"(i) by substituting, in subparagraphs (A)(ii)(I) and (C)(i), the phrase '(as determined before any applicable reduction under section 1631(g), and reduced by the amount of any reduction in benefits under this title or title II made pursuant to section 1127(a))' for the parenthetical phrase contained therein; and".

(B) CALCULATION OF PAST-DUE BENEFITS FOR PURPOSES OF DETERMINING ATTORNEY FEES IN JUDICIAL PROCEEDINGS.—

(i) IN GENERAL.—Section 206(b)(1) of such Act (42 U.S.C. 406(b)(1)) is amended—

(I) by inserting "(A)" after "(b)(1)"; and

(II) by adding at the end the following new subparagraph:

"(B) For purposes of this paragraph—

"(i) the term 'past-due benefits' excludes any benefits with respect to which payment has been continued pursuant to subsection (g) or (h) of section 223, and

"(ii) amounts of past-due benefits shall be taken into account to the extent provided under the rules applicable in cases before the Secretary.".

(ii) PROTECTION FROM OFFSETTING SSI BENEFITS.—The last sentence of section 1127(a) of such Act (as added by section 5106(b) of the Omnibus Budget Reconciliation Act of 1990) (42 U.S.C. 1320a-6(a)) is amended by striking "section 206(a)(4)" and inserting "subsection (a)(4) or (b) of section 206".

(4) APPLICATION OF SINGLE DOLLAR AMOUNT CEILING TO CONCURRENT CLAIMS UNDER TITLES II AND XVI.—

(A) IN GENERAL.—Section 206(a)(2) of such Act (as amended by section 5106(a)(1) of the Omnibus Budget Reconciliation Act of 1990) (42 U.S.C. 406(a)(2)) is amended—

(i) by redesignating subparagraph (C) as subparagraph (D); and

(ii) by inserting after subparagraph (B) the following new subparagraph:

"(C) In any case involving—

"(i) an agreement described in subparagraph (A) with any person relating to both a claim of entitlement to past-due benefits under this title and a claim of entitlement to past-due benefits under title XVI, and

"(ii) a favorable determination made by the Secretary with respect to both such claims,

the Secretary may approve such agreement only if the total fee or fees specified in such agreement does not exceed, in the aggregate, the dollar amount in effect under subparagraph (A)(ii)(II).".

(B) CONFORMING AMENDMENT.—Section 206(a)(3)(A) of such Act (as amended by section 5106(a)(1) of the Omnibus Budget Reconciliation Act of 1990) (42 U.S.C. 406(a)(3)(A)) is amended by striking "paragraph (2)(C)" and inserting "paragraph (2)(D)".

(5) EFFECTIVE DATE.—Each amendment made by this section shall take effect as if included in the provisions of the Omnibus Budget Reconciliation Act of 1990 to which such amendment relates.

(g) ELIMINATION OF ROUNDING DISTORTION IN THE CALCULATION OF THE OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE CONTRIBUTION AND BENEFIT BASE AND THE EARNINGS TEST EXEMPT AMOUNTS.—

(1) ADJUSTMENT OF OASDI CONTRIBUTION AND BENEFIT BASE.—

(A) IN GENERAL.—Section 230(b) of the Social Security Act (42 U.S.C. 430(b)) is amended by striking paragraphs (1) and (2) and inserting the following:

"(1) $60,600, and

"(2) the ratio of (A) the national average wage index (as defined in section 209(k)(1)) for the calendar year before the calendar year in which the determination under subsection (a) is made to (B) the national average wage index (as so defined) for 1992,".

(B) CONFORMING AMENDMENT RELATING TO APPLICABLE PRIOR LAW.—Section 230(d) of such Act (42 U.S.C. 430(d)) is amended by striking "(except that" and all that follows through the end and inserting "(except that, for purposes of subsection (b) of such section 230 as so in effect, the reference to the contribution and benefit base in paragraph (1) of such subsection (b) shall be deemed a reference to an amount equal to $45,000, each reference in paragraph (2) of such subsection (b) to the average of the wages of all employees as reported to the Secretary of the Treasury shall be deemed a reference to the national average wage index (as defined in section 209(k)(1)), the reference to a preceding calendar year in paragraph (2)(A) of such subsection (b) shall be deemed a reference to the calendar year before the calendar year in which the determination under subsection (a) of such section 230 is made, and the reference to a calendar year in paragraph (2)(B) of such subsection (b) shall be deemed a reference to 1992).".

(C) ADJUSTMENT OF CONTRIBUTION AND BENEFIT BASE APPLICABLE IN DETERMINING YEARS OF COVERAGE FOR PURPOSES OF SPECIAL MINIMUM PRIMARY INSURANCE AMOUNT.—Section 215(a)(1)(C)(ii) of such Act is amended by striking "(except that" and all that follows through the end and inserting "(except that, for purposes of subsection (b) of such section 230 as so in effect, the reference to the contribution and benefit base in paragraph (1) of such subsection (b) shall be deemed a reference to an amount equal to $45,000, each reference in paragraph (2) of such subsection (b) to the average of the wages of all employees as reported to the Secretary of the Treasury shall be deemed a reference to the national average wage index (as defined in section 209(k)(1)), the reference to a preceding calendar year in paragraph (2)(A) of such subsection (b) shall be deemed a reference to the calendar year before the calendar year in which the determination under subsection (a) of such section 230 is made, and the reference to a calendar year in paragraph (2)(B) of such subsection (b) shall be deemed a reference to 1992).".

(2) ADJUSTMENT OF EARNINGS TEST EXEMPT AMOUNT.—Section 203(f)(8)(B)(ii) of the Social Security Act (42 U.S.C. 403(f)(8)(B)(ii)) is amended to read as follows:

"(ii) the product of the corresponding exempt amount which is in effect with respect to months in the taxable year ending after 1993 and before 1995, and the ratio of—

"(I) the national average wage index (as defined in section 209(k)(1)) for the calendar year before the calendar year in which the determination under subparagraph (A) is made, to

"(II) the national average wage index (as so defined) for 1992,

with such product, if not a multiple of $10, being rounded to the next higher multiple of $10 where such product is a multiple of $5 but not of $10 and to the nearest multiple of $10 in any other case.".

(3) EFFECTIVE DATES.—

(A) The amendments made by subsection (a) shall be effective with respect to the determination of the contribution and benefit base for years after 1994.

(B) The amendment made by subsection (b) shall be effective with respect to the determination of the exempt amounts applicable to any taxable year ending after 1994.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Illinois [Mr. ROSTENKOWSKI] will be recognized for 20 minutes, and the gentleman from Texas [Mr. ARCHER] will be recognized for 20 minutes.

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

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

Mr. Speaker, the Committee on Ways and Means brings before the House today H.R. 4277, a bill making the Social Security Administration an independent agency and making other needed improvements in the Social Security and SSI programs.

First, the bill creates an independent Social Security Administration. This legislation has been a long time in coming. In the House, we have acted on this measure three times in the past. Recently, the Senate has also acted, approving an independent agency bill just 2 months ago.

This bill takes an important step toward restoring confidence in an agency which was decimated during the late 1980's. During the two previous administrations, the agency was starved of resources, and its staff was cut by over 20 percent. As a result of these actions, disability applications piled up and the quality of service to the public declined.

The Clinton administration has done an excellent job working to return the agency to world class service—but it has been an uphill battle. More remains to be done.

As an independent agency, SSA can focus on the goal of improving service; insulate itself from the political pressures under which it operated in the 1980's; and return to the stature it enjoyed in the past.

H.R. 4277 also reforms the payments of both Social Security and SSI disability benefits to drug addicts and alcoholics. The bill would place strict limitations on benefits to such individuals and would establish safeguards to ensure that benefits, when paid, are not used to support an addiction.

The legislation also would require that individuals participate in a drug treatment program as a condition of receiving benefits. Progressive sanctions—in the form of lost benefits—would be applied to those who do not comply. Moreover, a total 3-year limit would be placed on benefits to drug addicts and alcoholics.

The bill also addresses fraud and abuse issues in the SSI program by expanding the authority of SSA to prevent, detect, and terminate fraudulent claims for SSI benefits. As a method of prevention, SSA would be required to certify individuals who serve as third-party translators.

In addition, persons found guilty of committing fraud would be subject to civil money penalties and criminal felony sanctions. The legislation would also require SSA to review all disability cases involving fraud, using identification information from the inspector general and immigrant medical information from the Immigration and Naturalization Service.

Finally, the legislation includes a number of other improvements in the Social Security program: it increases the FICA exemption for election workers and makes permanent the transfer of certain revenues to the railroad retirement account.

Mr. Speaker, this legislation includes important changes which will increase public confidence in the Social Security and SSI programs. Moreover, it will reduce the unified deficit by $2.3 billion over the next 5 years. I urge my colleagues to give it their support.

□ 1330

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

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

Mr. Speaker, I sincerely hope that the action we are about to set into motion on this bill at long last results in final passage of legislation to make Social Security an independent agency. In my view, this legislation is long, long overdue.

Mr. Speaker, shoring up the Social Security System, has been one of my chief legislative priorities since I was elected to Congress. That is the reason I chose to become the ranking Republican on the Social Security Subcommittee when it was first created.

It is also the reason why I sponsored one of the first House bills creating an independent Social Security agency with my colleague from Austin, Mr. PICKLE, who served as the subcommittee's first chairman.

That bill was one of the three to have overwhelmingly been passed in the House over the last decade. As sometimes happens around here, however, the House and Senate were unable to get together on a final product.

This time, I strongly hope we in fact see the issue finally resolved. First, because freeing Social Security from the HHS bureaucracy is critical to its survival as a vital public service agency.

Making Social Security independent is not a panacea, but I believe that freeing Social Security from the layers of bureaucracy imposed upon it by its current structure within HHS will go a long way in making it less political and both more responsive and more accountable.

I believe that independence from HHS simply will allow Social Security to manage more of its own resources, and with better results.

Mr. Speaker, the 1983 Social Security Commission, on which I served, recommended a study to make Social Security an independent agency. That recommendation was included in the 1983 Social Security Amendments.

The study itself, which was headed up by former General Accounting Office Comptroller General Elmer Staats, recommended that an independent Social Security Administration be run by a single administrator, backed by an advisory board.

While I strongly support this bill, I would like to note that I would prefer the form of administrative leadership specified in the bill of the gentleman from Kentucky [Mr. BUNNING], the ranking Republican on the Social Security Subcommittee, whose efforts on this issue I commend. His bill would establish the same form of leadership as was endorsed by the experts on the Staats panel.

Mr. Speaker, the bill contains other provisions that are important to average Americans and that are also long overdue. Although I would have liked stronger provisions dealing with payments to drug addicts and alcoholics, I am confident that this is just the beginning, and I look forward to working with the leadership of the subcommittees and committee to take further action.

The laxness of the current program is an affront to hard-working American taxpayers and must be corrected.

Mr. Speaker, I join Chairman ROSTENKOWSKI, Subcommittee Chairman JACOBS and our Republican leader on Social Security, the gentleman from Kentucky, Mr. BUNNING, in strongly supporting this bill.

Mr. Speaker, I yield the balance of my time to the gentleman from Kentucky [Mr. BUNNING], and I ask unanimous consent that he be permitted to yield time to other Members.

The SPEAKER pro tempore (Mr. MAZZOLI). Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER pro tempore. The gentleman from Kentucky [Mr. BUNNING] will control the remainder of the time for the minority.

Mr. ROSTENKOWSKI. Mr. Speaker, I make the same unanimous-consent request that the gentleman from Texas [Mr. ARCHER] made on behalf of the gentleman from Indiana [Mr. JACOBS] the chairman of the Subcommittee on Social Security.

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

There was no objection.

The SPEAKER pro tempore. The gentleman from Indiana [Mr. JACOBS] will control the balance of the time on behalf of the majority.

Mr. JACOBS. Mr. Speaker, I thank the chairman of the Committee on Ways and Means, and I yield myself such time as I may consume.

Naming Members of Congress as receiving credit on legislation gets run into the ground, but I am going to do it now. This is the first time I have ever done it, but this is a special occasion.

This proposal has been before the Congress for more than a decade. It makes all the sense in the world. In essence, to put it in plain English, it allows the Social Security System to mind its own business without meddling for any reason, other than to perform its mission, into the affairs of anybody else.

The gentleman from Texas [Mr. PICKLE] and the gentleman from Texas [Mr. ARCHER] deserve credit. As a Hoosier, I hate to concentrate all the praise in that direction, but that is the way it came out. Both Mr. PICKLE and Mr. ARCHER have labored long and hard in this vineyard. Chairman ROSTENKOWSKI has been supportive at every turn in the past.

The gentleman from Kentucky [Mr. BUNNING] and the gentleman from New York [Mr. MOYNIHAN], chairman of the Senate Finance Committee, have worked unstintingly toward this end. And I might take this occasion—in fact, I think I will—to say that working with the gentleman from Kentucky [Mr. BUNNING] has been a real joy, particularly since we have managed to have the honor really of steering it into its final harbor.

I would have to say that in terms of the Record and for the sake of history we have had a series of Presidents who did not like this idea, and now we have a President who has endorsed the idea. So on behalf of everybody who believes it makes common sense, I express my gratitude to the President as well.

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

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

Mr. Speaker, the bill we are considering right now, H.R. 4277, is, without any question, the most substantial piece of Social Security legislation I have worked on since I became ranking Republican member of the Social Security Subcommittee in 1990.

This bill does quite a few things, but the heart and soul of this bill is independent agency status for the Social Security Administration. It is long overdue.

As my colleagues know, this body has approved independent agency legislation three times in the past. But this time is different because the Senate has approved similar legislation this year. And we are finally going to make independent agency status for the Social Security Administration a reality.

Before I comment further on the merits of the bill before us, I would also like to acknowledge the efforts of several of my colleagues, whose persistence and hard work on this issue are finally paying off.

First, the ranking Republican on the Ways and Means Committee, the gentleman from Texas [Mr. ARCHER], who served as the first ranking Republican on the Social Security Subcommittee, has been an unflagging supporter of making Social Security independent for over a decade.

The chairman of the Ways and Means Committee, Mr. ROSTENKOWSKI, is to be commended for his leadership in bringing this legislation to the floor.

The gentleman from Texas [Mr. PICKLE] deserves a great deal of credit for his early efforts to bring this important change about as the first chairman of the Social Security Subcommittee.

And finally, Mr. JACOBS of Indiana, the chairman of the Social Security Subcommittee with whom it has been my distinct pleasure to work closely since 1990, has done an outstanding job bringing this bill together.

I appreciate their leadership and wok on this issue.

Mr. Speaker, I have been convinced for some time that if Social Security is ever to operate efficiently, and give taxpaying Americans the service they deserve, it must be made independent of the Department of Health and Human Services.

Social Security touches the life of virtually every American citizen. It deserves more than being a sideshow in the basement of a huge bureaucracy like the Department of Health and Human Services.

In my opinion, making Social Security an independent agency would do more than anything else we could do to make Social Security more responsive and more efficient. Independence will also do a great deal to insulate the Social Security Program from political pressures and budgetary games.

If there were ever a question in my mind about the need for an independent agency, it would have been answered very forcefully by the recent developments regarding the decision of HHS appointees to use Social Security trust funds to pay employee bonuses instead of to process backlogged disability claims.

That outrageous incident when one high-level official received a $9,200 bonus after being with the agency less than 3 months, is proof enough for me that the folks who run Health and Human Services are not sufficiently sensitive to the special, near-sacred status of the Social Security trust funds.

Independent status will give us a chance to improve oversight and it will clarify and strengthen the lines of responsibility within the agency so that outrages like these will not be repeated.

While I strongly support making social Security independent of the Department of Health and Human Services, I would have preferred the form of administrative leadership structure specified in the bill I introduced in April of last year—a single Administrator supported by a seven-member part-time board instead of a three-member board as outlined in this bill.

However, I am confident that this matter of organizational structure will be thoroughly reviewed and reconsidered in conference and that a workable solution will emerge.

In any event, independent agency status for the Social Security Administration will do more to strengthen and protect the Social Security Program than anything else we could possibly do.

As I mentioned earlier, this bill contains quite a few other provisions. I will not mention them all. But I would like to comment on one other significant portion of the bill, the provisions which tighten up payment of benefits to drug addicts and alcoholics.

As it stands, many recipients of Social Security disability benefits are using their benefits to finance ongoing addictions. This is intolerable.

The purpose of Social Security disability is to provide financial assistance to the disabled until they can recover from that disability and return to productive lives. It is very difficult for anyone to recover from anything, if they carry the additional burden of drug or alcohol addiction.

We cannot allow this to continue. It is not fair to the taxpayers. It is not fair to the others who depend on the SSDI Program. And it is not even fair to the disabled addicts and alcoholics themselves.

This bill does require better monitoring of benefits to substance abusers, it does mandate participation in treatment programs, and it does terminate benefits to addicts after 36 months.

These are very positive and much needed improvements. I think we could and should do even more—and I hope that we will return to this issue in the near future—but this bill is a very good start at addressing this very serious problem.

This bill is not and should not be controversial. As has already been mentioned, the House has overwhelmingly passed legislation to make Social Security an independent agency three times in the past.

The provisions tightening up on benefits to addicts and alcoholics are pure common sense.

And the other provisions in this bill should all help improve the efficiency, the fairness, and the responsiveness of the Social Security Program.

Overall, it is a very good bill—a long-overdue bill—and it deserves the support of every Member of this body today.

I strongly urge my colleagues to vote for this landmark legislation.

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

□ 1340

Mr. JACOBS. Mr. Speaker, we should also give a great deal of credit to our friend and colleague, the gentleman from Wisconsin [Mr. KLECZKA], who offered the key amendment on drug addiction and alcoholic addition in the Committee on Ways and Means, a measure that was passed in no small measure because of the gentleman's unstinting work on the problem.

Mr. Speaker, I yield 2 minutes to the first chairman of the Subcommittee on Social Security, the gentleman from Texas [Mr. PICKLE].

Mr. PICKLE. Mr. Speaker, I thank the chairman for yielding.

Mr. Speaker, I rise today in support of H.R. 4277, the Social Security Administrative Reform Act of 1994. As I would hope all Members are aware, this legislation would establish the Social Security Administration as an independent agency, thereby helping to insulate this vital program from partisan political pressures. The House has overwhelmingly voted in favor of this provision in the past, and, earlier this year, the Senate, under the able leadership of Senator MOYNIHAN, recognized the merits of this approach.

In addition, this bill contains several important provisions which are the result of investigations by the Subcommittee on Oversight, including: Preventing fraud by middlemen in obtaining benefits through the Social Security and SSI disability insurance programs; requiring periodic continuing disability reviews for people receiving benefits under the SSI Disability Insurance Program—an amendment by Mr. HERGER; and prohibiting the misuse of symbols, emblems, or names related to the Social Security Administration, the Health Care Financing Administration, and the Treasury Department.

Each of these reforms will protect American taxpayers from currently widespread abuse in these programs which are so important to the general public welfare. They will prevent the payments of hundreds of millions of dollars of benefits to those who are not entitled to benefits. In addition, they will preserve public confidence in the ability of the Federal Government to properly administer these programs.

I am pleased to note that these reforms are the result of the bipartisan efforts of the Members of the Commit-

tee. I would particularly note the leadership of Chairman ANDY JACOBS and HAROLD FORD who have worked closely on these issues with AMO HOUGHTON, JIM BUNNING, RICK SANTORUM, and WALLY HERGER. I strongly urge that Members of both sides of the aisle come together in support of this important package of reforms.

Mr. BUNNING. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin [Mr. ROTH].

Mr. ROTH. Mr. Speaker, I thank my good friend from Kentucky for yielding.

Mr. Speaker, I support today's bill to reform our Social Security System. Under this bill, Social Security will become a separate agency, walled off from political mischief, to protect the hard-earned benefits of Social Security recipients. We will also impose some tough restrictions on drug addicts and alcoholics who abuse their benefits.

Today's bill, while it does not go as far as I would like it to, it will at least go in the right direction. I urge the Members of Congress to pass these reforms to protect our Social Security recipients' benefits and to guarantee Americans a secure retirement.

Mr. Speaker, as chairman of the House Republican Social Security Task Force, I support this Social Security Administrative Reform Act. Social Security is a trust between the American people and their Government. In recent years, that trust has eroded.

First, senior citizens are justifiably upset that political and budget battles have put their hard-earned Social Security benefits many times in jeopardy. Why, just last year the Clinton administration forced through this Congress a $26.5 billion Social Security tax on Social Security recipients.

The American people are outraged that drug addicts and alcoholics are spending their supplemental security income and Social Security disability insurance benefits on drugs and alcohol.

□ 1350

While the time for solutions is long overdue, today's House action will take us at least a step in the right direction. Today's bill will make Social Security an independent agency to protect Americans' retirement funds from political and budget battles. Every Social Security beneficiary, both current and future, must be assured that his and her benefits will be secure and that the program will be administered fairly and soundly.

By walling off Social Security as an independent agency, Congress will help to assure the American people that Social Security funds will be used for Social Security purposes only.

Today's bill also will tighten the rules for drug addicts and alcoholics who receive these benefits. As I testified before the subcommittee back in February, the American people are outraged that our Social Security has degenerated into a cash cow for addicts. This goes in the right direction in making those corrections.

Mr. JACOBS. Mr. Speaker, I yield 2 minutes to our hard-working colleague, the gentlewoman from Connecticut [Mrs. KENNELLY].

Mrs. KENNELLY. Mr. Speaker, in a world of few guarantees, one should stand out as inviolate—the promise of Social Security benefits.

We are considering a bill today that will help us make good on this promise of future security—a bill to make the Social Security Administration an independent agency.

This bill will put Social Security Administration above the fray. It will help ensure that policy is made with regard only to beneficiaries. It will help us keep our promises and our guarantees, and it will help the men and women who depend on these benefits.

Every time I am at home, I hear from seniors who are concerned about their benefits, who are worried that changes in Washington may affect them unnecessarily. This bill will help ensure that their benefits will be protected and will be there when they need them.

Mr. Speaker, I urge my colleagues to pass this bill. It is long overdue.

Mr. BUNNING. Mr. Speaker, I yield 2 minutes to the gentleman from Alabama [Mr. BACHUS].

Mr. BACHUS of Alabama. Mr. Speaker, I rise today in full support of H.R. 4277. I am cosponsor of that legislation, and I want to commend the gentleman from Indiana [Mr. JACOBS], the gentleman from Kentucky [Mr. BUNNING], the gentleman from Illinois [Mr. ROSTENKOWSKI], and the gentleman from Texas [Mr. ARCHER], and the gentleman from Texas [Mr. PICKLE] for their fine work.

We must protect our Social Security system from the political spending practices and gimmickry that we have seen in this Congress and from this administration. This protection is all the more mandatory in these days of $300 billion deficits. By making Social Security an independent agency this legislation will help insulate our Social Security funds from such mischief.

Americans deserve a return on their investment, an investment they believe they make when they contribute to Social Security out of every paycheck. Making Social Security an independent agency is an important step in assuring that they get that return. And finally, this legislation will go a great distance in helping ensure that Social Security is there for our seniors and every working American who invested in the system.

Mr. Speaker, I have stood on this floor on several occasions to warn of the impending insolvency of the Social Security Disability Trust Fund. Today the disability system is already in serious financial trouble. Unless we in Congress act now, the disability fund will be totally bankrupt by 1995. Last year alone, the Disability Trust Fund lost over $3 billion, and is expected to show a deficit of over $118 billion by the year 2002 unless this Congress takes action. The Clinton administration has requested that $16 billion be diverted from the Old Age and Survivors Insurance Trust Fund to shore up the Disability Trust Fund. Mr. Speaker, this is no solution.

Instead, we must have a top to bottom reform of the Social Security disability system. I see this legislation as a first step in that process. I commend the gentleman from Indiana [Mr. JACOBS] for offering it.

I am also very pleased that my amendment requiring the Department of Health and Human Services to Investigate the causes of the impending insolvency of the Disability Trust Fund, and make recommendations on how to correct them, has been included in this bill. I thank the gentleman from Texas [Mr. ARCHER] for offering the amendment in committee on my behalf.

The study, now required by this legislation, is to be completed by December 31. It will identify problems and offer solutions to make the Disability Trust Fund sound and solvent. We can not continue to throw money at this problem, but instead must use this study as a road map to make additional changes which will be necessary if we are to save the Disability Trust Fund.

There is no need for us to reach a crisis atmosphere before we act. There is every need for us to avoid a last-ditch effort in bailing out the Social Security System. I urge you, pass this important legislation now.

Mr. JACOBS. Mr. Speaker, I yield 3 minutes to the gentleman from Wisconsin [Mr. KLECZKA], a member on the committee who has worked the hardest on this addiction problem..

Mr. KLECZKA. Mr. Speaker, I rise in support of H.R. 4277 and urge my colleagues to do the same. I am particularly pleased to see that this bill addresses the Supplemental Security Income [SSI] Program, which is in dire need of reform.

In recent months, SSI has been the subject of widespread public outrage. Reports abound of alcoholics and drug addicts using taxpayer money to finance their habits and of parents encouraging children to misbehave in school so they can qualify for benefits.

Clearly, the system is not working and H.R. 4277 takes a much-needed step toward fixing it. Under current law, substance abusers whose addictions are serious enough to qualify as disabling can receive SSI if they are low income. These recipients are required to undergo treatment and receive benefits through a representative payee. How-

ever, a General Accounting Office study shows that the Social Security Administration [SSA], which runs the program, is not adequately tracking these individuals. It can confirm that only 9 percent of these substance abusers are in treatment. And, a full 84 percent are lost in the system.

Moreover, a recent Department of Health and Human Services Office of Inspector General study finds that few SSI recipients leave the program because of successful treatment. This study, which looked at 196 drug addicts and alcoholics, found only one case where a recipient left the rolls due to successful rehabilitation. In fact, the most common reason for termination of benefits is death. These statistics show a drastic need for change.

We must balance the need to assist substance abusers who genuinely want to help themselves with our responsibility to protect valuable taxpayer dollars from misuse. By providing addicts an opportunity to rehabilitate, the bill provides such a balance. Included in the bill is a provision I offered, in conjunction with Mr. BREWSTER of Oklahoma, which sets a lifetime limitation of 36 months on the amount of time a substance abuser can receive disability benefits. This provision sends a clear message that Federal assistance cannot last forever. And, it will save taxpayers approximately $940 million over 5 years in the process of strengthening the program.

When the bill is signed into law, drug addicts and alcoholics will find it far more difficult to abuse the system. They will not be permitted to use fellow addicts and bartenders as representative payees, or safekeepers of their Federal checks. Drug addicts will also find that they must remain in treatment and pass drug tests if they are to remain on the program. If they fail to comply with the treatment requirement, they will be suspended from the program until they demonstrate compliance. Each successive time they are suspended, they will have to demonstrate their compliance for a progressively longer period.

Another provision contained in the bill will look for ways to reduce fraud and abuse. It calls for a comprehensive study on the possibility of delivering benefits through the use of modern technology, such as debit cards, computer systems, and vouchers.

H.R. 4277 also calls for an examination of SSI benefit payments to children. A Childhood Disability Commission is established to examine the program; specifically, to consider whether the current system is the appropriate means of offering our assistance. The question is not whether we should provide benefits to disabled children, but what is the best way of doing so?

This bill also contains a provision I authored which mandates reviews of continuing disability for child recipients as they near adulthood. These reviews, rarely done now, will use the same eligibility criteria applied to adults, which evaluates whether the recipient is capable of earning substantial income.

This legislation is a strong step toward a new and improved SSI. While the intention of this program is noble in theory, it is failing miserably in practice. I am hopeful these provisions will protect valuable taxpayer dollars, while helping recipients become productive members of our society.

□ 1400

The SPEAKER pro tempore (Mr. MAZZOLI). The gentleman from Kentucky [Mr. BUNNING] has 4 minutes remaining, and the gentleman from Indiana [Mr. JACOBS] has 7 minutes.

Mr. BUNNING. Mr. Speaker, I yield 2 minutes to the gentleman from Florida [Mr. GOSS].

Mr. GOSS. Mr. Speaker, I thank my friend and distinguished colleague, the gentleman from the Commonwealth of Kentucky [Mr. BUNNING] for yielding me the time. I congratulate him and the gentleman from Indiana [Mr. JACOBS] for bringing this legislation forward.

Mr. Speaker, I am from Florida, and when we say the words "Social Security" in my district in Florida, we get a lot of attention immediately, because we have an awful lot of the Nation's seniors who have found the quality of life to be terrific, and are living in Florida, as we all know, and it is the place of choice for our retirees.

Ironically, as we bring this bill up today, today's Washington Post reports that more than two-thirds nearly a third of all Americans do not think Social Security will survive to pay them benefits. In other words, what they are saying is that they are going to outlive the Social Security system. Many of these or most of these, of course, are our younger workers. They feel they are just shoveling their hard-earned dollars into a bottomless pit.

Today, with H.R. 4277, we have a chance to implement one commonsense Social Security amendment to help restore a level of confidence in the system. We have all seen the reports of the abuses in the SSI and SSDI programs—how drug-pushers and bartenders are cashing Government-support checks to fund the addictions of beneficiaries.

"60 Minutes" did a piece a couple of weeks ago, as everybody knows, everybody in Congress knows that, I am sure, because if it is like my district, the phones keep ringing saying, "Why in the world do you let things like that happen? Does that really happen? Why don't you fix it?"

Today's bill in fact will crack down on this type of fraud. It will put firm limits on benefits to substance abusers. Seniors in my district who have seen their taxes go up this year and seen their Medicare get cut, and are seeing predictions of more of those cuts as we talk about health care reform, and are penalized for returning to work under the earnings-limitation test, need some good news. They are sick of the abuses they have been subjected to, and this is some good news for them.

Again, I think this is overdue good news. This should have been fixed a long time ago. At a time when the long-term solvency of the system is in doubt and we have just gotten new reports on that, showing that we have a larger problem than we had thought we did, taxpayers do not want to hear any more rhetoric about sacrifice. They want action. They want constructive change. They want to stop waste and they want to stop nonsense.

Today we get a start at doing all of those things. I urge support of this and congratulate the authors.

Mr. BUNNING. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. HERGER].

Mr. HERGER. Mr. Speaker, I rise in strong support of this legislation, which makes vitally needed reforms in the SSI disability and disability insurance programs.

For too long we have allowed our disability programs to endanger the lives of drug addicts and alcoholics by simply providing them cash to feed their habits.

Additionally, we have not taken steps to ensure that representative payees are responsible parties like treatment centers or Government agencies. As a result, one Denver liquor store owner was collecting $140,000 annually to run a tab for 40 alcoholics on our disability rolls.

This legislation makes vitally needed reforms to ensure that only responsible parties are named as representative payees for drug addicts or alcoholics. It also will end the practice of making huge lump sum payments to addicts. Finally, it imposes a lifetime limit of 36 months for disability benefits resulting from substance abuse. Treatment providers have told me this is critical to ensuring that addicts have an incentive for beating their habit and sticking with their rehabilitation programs.

Mr. Speaker, I urge the immediate adoption of this legislation.

Mr. JACOBS. Mr. Speaker, I yield 2 minutes to my eloquent colleague, the sheriff, the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Speaker, I support this bill. I believe its passage is critical for the following reason: A recent General Accounting Office investigation, IRS, found something that really startled me. It said that they could not tell where the revenue came from. All the money was in one big pot, Social Security taxes and general income taxes.

Furthermore, they said they were astounded by that, and the General Ac-

counting Office said the Internal Revenue Service system of bookkeeping and recordkeeping was "sloppy, sloppy."

I have had a lot of dealings with the IRS, Mr. Speaker, and the IRS is anything but sloppy. Let me give my little two cents' worth here. I do not believe what the IRS is telling us about the Social Security trust fund. Mr. Speaker, I think those moneys are commingled so they would, in fact, chase Congress on a wild goose chase.

I believe what the gentleman from Florida [Mr. GOSS] said is exactly correct. I would doubt if our grandchildren will see Social Security. I could be wrong. I believe the money coming in one door in Social Security is going out the other right now, and there is a wastebasket all filled up with IOU's. I want to know. In fact, I have a letter in there, and if the Committee on Ways and Means would do this Nation a favor, they would want to know if the Social Security trust fund is what they say it is.

I think we are being ripped off bigtime. I think there is a wastebasket all filled up with IOU's. The Members will not lose it, their kids will not lose it, but I think our grandchildren will never see Social Security. I want to know. Show me.

Mr. BUNNING. Mr. Speaker, to close the debate on our side, I yield 1 minute to the gentleman from New York [Mr. HOUGHTON] a member of the Subcommittee on Social Security of the Committee on Ways and Means.

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

Mr. Speaker, I think 4277, this bill, makes a lot of sense. I think it is going to pass and it is right. I say so for two reasons. First of all, it is entirely appropriate that this be a separate agency. Its time has come. There are a lot of questions in our own minds about the use of Social Security funds. I think this will tighten up the management, it will do exactly what we want it to do, everybody, not just us but everybody in the country.

Another thing, it gets at the so-called corruption and the middleman fraud scheme that we have been dealing with that the gentleman from Kentucky [Mr. BUNNING] mentioned on the Committee on Ways and Means. It is really not right to have people coming to this country, as we all did at one point and another, and be taken over by a slick middleman, and then bilk the system of thousands of dollars for him personally, take a cut out of this, and say it is right for Social Security. It is not right. I believe this bill goes a long way to correct that.

From the administration's standpoint, the monetary standpoint, the management of fraud, I think it is the right thing to do. I urge my colleagues to support it.

Mr. POMEROY. Mr. Speaker, I am pleased to support legislation making the Social Security Administration an independent agency.

Social Security is an important trust between Americans and their Government. It asks for a commitment from workers to contribute—and promises income assistance in retirement years. Yet the trust is too often threatened by Washington politics; leaving seniors—and all Americans—to question whether the Government will hold up its end of the promise.

Independent agency status will improve administration of Social Security by enabling the agency to attract and retain talented leadership. In the past 18 years, Social Security has had 12 different administrators, often with periods in between when there was no administrator. With independent status will come increased stature and stability for Social Security.

As we continue to struggle with the Federal budget, I am concerned about attempts to balance the budget on the backs of senior citizens and the disabled. Numerous seniors from North Dakota have contacted me about their fears of cuts to Social Security. By making Social Security independent, I believe we send a message to seniors that we recognize the importance of this program.

Many Americans in the work force today truly believe that Social Security will not be there for them in their retirement years. I want to make sure that Social Security is a viable program for generations to come. Independent status will bolster the public's confidence level in the agency and the programs it administers.

I look forward to seeing this legislation become law and a reality for all its supporters.

Mr. ORTON. Mr. Speaker, today I am pleased to vote in favor of H.R. 4277, a bill to create an independent Social Security Administration.

The Social Security system plays a critical role in providing economic security for millions of elderly Americans struggling to make ends meet on fixed incomes in an inflationary environment. It is not a government handout. It is a retirement plan in which individuals contribute over their working lifetime and receive benefits when they retire.

The program is financially self-sufficient. It is funded through FICA contributions, with an annual surplus of $50 billion and a trust fund that has built up to over $400 billion.

This self-funded, self-sufficient nature of the program distinguishes itself from most other Federal spending. As a result, it merits appropriate separate treatment.

For example, I am a strong advocate of balancing the Federal budget, of making the tough budget cutting choices. I have even drafted my own balanced-budget amendment. However, in recognition of the self-funding nature of Social Security, my balanced-budget proposal specifically exempts Social Security payments from automatic spending cuts in the event of a deficit.

This is consistent with other recent efforts we have taken to maintain Social Security against the relentless pressures of budget cutting. A few years back, we took the step of putting Social Security off-budget. We have also required annual reports by the Board of Trustees of the Social Security Trust Fund, to address the long-run actuarial future of the system.

Today, we are taking the further step of making the Social Security Administration an independent agency. Currently, the Social Security Commissioner reports directly to the Secretary of Health and Human Services. Today's legislative action would instead create an independent agency, with a full-time, 3-member board.

This heightened status is proper, given the weight and importance of the Social Security Administration. Therefore, I am pleased to support this legislation, and urge my colleagues to do the same.

Mr. MFUME. Mr. Speaker, I rise in support of H.R. 4277, which makes the Social Security Administration an independent agency.

The Social Security Administration is responsible for administering the Old-Age and Survivors Insurance program and Disability Insurance program—Social Security—and the Supplemental Security Income [SSI] program. The Social Security Administration is the ninth largest agency in the Government. The bill establishes the Social Security Administration [SSA] as an independent agency, effective October 1, 1995.

The bill gives SSA additional authority to prevent benefit fraud and increases the penalties against deceptive mass mailings that mimic official Social Security correspondence.

In my district of Baltimore, the employees of SSA have asked that I support this measure.

However, Mr. Speaker, my support comes with some reservations. Specifically, I am concerned that Congress' desire to improve and advance the productivity and services of the Social Security Administration, while well-intentioned may not be enough. In addition to passing this bill, Congress must give the Social Security Administration the necessary resources to successfully make the smoother transition to independent status.

Another concern I have stems from the fact that the bill restricts payment of Disability Insurance [DI] and Supplemental Security Income [SSI] for persons with drug and alcohol addictions. Under current law, SSI recipients who have substance abuse problems are required to be paid through a designated second party. Unfortunately, there have been cases in which the alleged supplier of the drug to the abuser was the representative payee.

In a provision I support, this bill requires that where possible, organizations, rather than family or friends, be named as representative payees for Disability Insurance and Supplemental Security Income recipients.

However, the bill requires that the Social Security establish agencies in all 50 States that would find treatment programs for DI and SSI beneficiaries who are substance abusers, monitor their participation in the treatment program, and periodically conduct drug tests to determine if substance abuse problems are continuing. Under the bill, people with substance abuse problems who are receiving Disability Insurance would be required to participate in treatment, if available, in order to receive benefits. Regardless of participation in the treatment program, DI and SSI benefits to substance abusers would be cut off after 3 years unless the individual qualifies for benefits for reason other than the substance abuse

problem. This will require the Social Security agency to become involved in a whole new activity; drug testing. I have a number of problems with this, but that discussion is better left for another time.

Mr. Speaker, it is my hope this bill will pass to allow the Social Security Administration to become an independent agency. It is my further hope that we recognize the need to give this new Agency adequate resources to improve and provide better service.

Mr. BORSKI. Mr. Speaker, I rise in strong support of H.R. 4277, the Social Security Administrative Reform Act.

A few weeks ago, the trustees of the Social Security trust fund reported that funds for paying benefits will run out in 2029, 7 years earlier than estimated last year. This report highlights the need for Congress to make some meaningful changes in the Social Security system.

Today, 9 out of 10 workers contribute payroll taxes to the Social Security trust fund with the promise that they will get benefit payments when they retire. It is our responsibility to the American work force to protect and strengthen the Social Security system to ensure that the Federal Government keeps this promise to both current recipient's and future beneficiaries.

H.R. 4277 is a step in this direction. In recent years, the Government agency that administers Social Security has been vulnerable to political and budgetary pressures. There have been numerous cutbacks in the administration of this program, despite the growing number of recipients. The result has been increased payment errors, unanswered phones and a backlog on processing applications.

This legislation would separate the Social Security Administration from the Department of Health and Human Services [HHS] and make it an independent agency governed by a Social Security Board. The Board would be independent and bipartisan, and its members would serve staggered 6-year terms.

I believe making Social Security an independent agency will free its operations from short-term political pressure and help restore public confidence in the Social Security system. I urge all my colleagues to support this legislation.

Mr. THOMAS of California. Mr. Speaker, I want to express my support for the new provisions in H.R. 4277. The bill will stop drug addicts and alcoholics from abusing the Social Security disability and Supplementary Security income programs.

This legislation is important to my district and to the country. People have been outraged to find that addicts who were supposed to be getting treatment to end their addiction were able to use taxpayer dollars to subsidize their habits. After reports of addicts being arrested with literally thousands of dollars of Social Security benefits in their possession began appearing in local newspapers, I met with government officials and others to seek new ways to prevent addicts from using Social Security benefits to feed their habits. I introduced a bill, H.R. 1712, in light of the suggestions I received and I am pleased to say that H.R. 4277 includes several of the important changes I recommended.

H.R. 4277 cracks down on addicts who skip treatment, following my proposal's suggestion that increasing penalties be used to discourage addicts from thinking they can keep using drugs when they are supposed to be in treatment seeking a cure. Addicts who get caught continuing to use drugs are subjected to penalties. The first time they're caught, they lose 2 months benefits; the second time, 3 months benefits. The third time they're caught, the suspension is even longer.

H.R. 4277 also expands the use of representative payees for addicts. I found that addicts often pick friends or family today to serve as the recipient of their benefits and then pressure these payees to give them the money without any controls. H.R. 4277 does two important things to change that.

Under the bill, State and local agencies can serve as representative payees. This means that agencies concerned about seeing addicts go through treatment will be able to control their funds. The bill also provides a model for resolving the unfunded mandates problem because it incorporates my amendment to allow State and local agencies to take up to 10 percent of an addict's benefit in order to pay for the cost of providing services.

Finally, I am pleased that the bill incorporates suggestions that we limit benefits to addicts to a maximum of 36 months because it sends a message that they have to seriously seek treatment while they are eligible.

Altogether, these provisions will save taxpayers billions of dollars. They are appropriate steps toward bringing addiction under control and I hope they can be enacted this year.

Mr. POSHARD. Mr. Speaker, I want to thank my Illinois colleague, Chairman ROSTENKOWSKI, and the members of the committee who have worked to bring this bill to the floor.

While there are a number of important changes being made in the administration of Social Security Programs, I would like to focus on reforms being implemented to restrict disability insurance and SSI disability payments to substance abusers.

This issue came to the forefront in my district not long ago when the Decatur Herald and Review newspaper published a series of articles outlining deficiencies in our Social Security system.

The bill we are approving today makes a number of important changes:

Paying DI benefits to a representative payee.

Having organizations, rather than family or friends serve as the representative payee.

Conditioning eligibility for DI benefits on participation in a treatment program.

Importantly, the bill also stops benefits to substance abusers after 36 months.

As I discussed these proposals with my colleagues, including the gentleman from Wisconsin, Congressman KLECZKA, I also sought the advice of the Honorable James A. Hendrian, who works through these cases on a daily basis in his courtroom.

The judge tells troubling stories about persons receiving benefits for disabilities which are the direct result of criminal activity.

Judge Hendrian also sees numerous cases where disabilities for which people are receiving benefits appear to be based on little if any factual evidence—other than the simple claim of disability.

Like so many other Government programs * * * our resources to assist and support legitimate claims are being sapped by those who abuse the system.

To quote Judge Hendrian:

> While I am sure that there are many deserving and needy people receiving benefits, there are far too many who are abusing the system. Meaningful reform, monitoring and limitation of benefits under certain circumstances is a start.

If people are disabled due to their alcohol and drug addiction they should receive treatment to recover and become productive citizens once again.

But we should not finance a long-term program of disability programs for people who are not willing to take responsibility for getting better.

I also thank the committee for its attention to the problem of school-age children who are receiving SSI benefits.

This is the headline from the Decatur Herald and Review.

"Teachers feel they fight losing battle with SSI. They say they encourage success, while parents encourage failure."

I realize that the Supreme Court ruling has made it easier for children to qualify for SSI.

But we have to look at further ways to restrict SSI eligibility * * * and the amendment included by the committee to require disabled children receiving SSI benefits to be reviewed for continuing disability by their 19th birthday is a start.

I've been an educator all my life. I've taught in the classroom and administered educational programs.

I don't want to take any action which would limit a child's opportunity to overcome adversity and realize his or her potential.

But if it is determined that some physical or mental condition qualifies a child for SSI payments * * * we should ensure that child is in an appropriate therapy program * * * is attending school * * * and the payments are going to a responsible party which can help see to it that those benefits are being used in the proper manner.

I know the committee has great concerns about this issue and I pledge my support for further action.

Again, I thank the people in Decatur who have helped bring attention to this problem, and my colleagues on the committee who are trying to do something about it.

The SPEAKER pro tempore. The time of the gentleman from Kentucky [Mr. BUNNING] has expired.

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

The SPEAKER pro tempore. All time has expired.

The question is on the motion offered by the gentleman from Illinois [Mr. ROSTENKOWSKI] that the House suspend the rules and pass the bill, H.R. 4277, as amended.

The question was taken.

Mr. JACOBS. 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. Pursuant to clause 5 of rule I, and the Chair's

prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

COMMUNICATION FROM THE ACTING DIRECTOR, NON-LEGISLATIVE AND FINANCIAL SERVICES OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Acting Director, Non-Legislative and Financial Services of the House of Representatives:

OFFICE OF THE DIRECTOR, NON-LEGISLATIVE AND FINANCIAL SERVICES, HOUSE OF REPRESENTATIVES,
Washington, DC, May 12, 1994.

Hon. THOMAS S. FOLEY,
Speaker, House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: This is to notify you formally pursuant to Rule L (50) of the Rules of the House that the Office of Finance has been served with a subpoena issued by the United States District Court for the District of Columbia.

After consultation with the General Counsel to the House, I have determined that compliance with the subpoena is consistent with the privileges and precedents of the House.

Sincerely,

RANDALL B. MEDLOCK,
Acting Director.

COMMUNICATION FROM THE ACTING DIRECTOR, NON-LEGISLATIVE AND FINANCIAL SERVICES OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Acting Director, Non-Legislative and Financial Services of the House of Representatives:

OFFICE OF THE DIRECTOR, NON-LEGISLATIVE AND FINANCIAL SERVICES, HOUSE OF REPRESENTATIVES,
Washington, DC, May 16, 1994.

Hon. THOMAS S. FOLEY,
Speaker, House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: This is to notify you formally pursuant to Rule L (50) of the Rules of the House that the Office of Finance has been served with a subpoena issued by the United States District Court for the District of Columbia.

After consultation with the General Counsel to the House, I have determined that compliance with the subpoena is consistent with the privileges and precedents of the House.

Sincerely,

RANDALL B. MEDLOCK,
Acting Director.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

OFFICE OF THE CLERK,
HOUSE OF REPRESENTATIVES,
Washington, DC, May 17, 1994.

Hon. THOMAS S. FOLEY,
The Speaker, House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5 of Rule III of the Rules of the U.S. House of Representatives, I have the honor to transmit two sealed envelopes received from the White House as follows:

(1) One sealed envelope received at 2:07 p.m. on Monday, May 16, 1994 and said to contain a message from the President wherein he transmits a 6-month periodic report on the National Emergency with respect to Iran.

(2) One sealed envelope received at 2:07 p.m. on Monday, May 16, 1994 and said to contain a message from the President whereby he transmits a report required under the Nuclear Non-Proliferation Act of 1978.

With great respect, I am

Sincerely yours,

DONNALD K. ANDERSON,
Clerk.

REPORT ON RECENT DEVELOPMENTS CONCERNING NATIONAL EMERGENCY WITH RESPECT TO IRAN—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, without objection, referred to the Committee on Foreign Affairs and ordered to be printed:

To the Congress of the United States:

I hereby report to the Congress on developments since the last Presidential report on November 10, 1993, concerning the national emergency with respect to Iran that was declared in Executive Order No. 12170 of November 14, 1979, and matters relating to Executive Order No. 12613 of October 29, 1987. This report is submitted pursuant to section 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(c), and section 505(c) of the International Security and Development Cooperation Act of 1985, 22 U.S.C. 2349aa-9(c) This report covers events through March 31, 1994. My last report, dated November 10, 1993, covered events through September 30, 1993.

1. There have been no amendments to the Iranian Transactions Regulations, 31 CFR Part 560, or to the Iranian Assets Control Regulations, 31 CFR Part 535, since the last report.

2. The Office of Foreign Assets Control (FAC) of the Department of the Treasury continues to process applications for import licenses under the Iranian Transactions Regulations. However, a substantial majority of such applications are determined to be ineligible for licensing and, consequently, are denied.

During the reporting period, the U.S. Customs Service has continued to effect numerous seizures of Iranian-origin merchandise, primarily carpets, for violation of the import prohibitions of the Iranian Transactions Regulations. The FAC and Customs Service investigations of these violations have resulted in forfeiture actions and the imposition of civil monetary penalties. Additional forfeiture and civil penalty actions are under review.

3. The Iran-United States Claims Tribunal (the "Tribunal"), established at The Hague pursuant to the Algiers Accords, continues to make progress in arbitrating the claims before it. Since my last report, the Tribunal has rendered 4 awards, bringing the total number to 551. Of this total, 371 have been awards in favor of American claimants. Two hundred twenty-three of these were awards on agreed terms, authorizing and approving payment of settlements negotiated by the parties, and 148 were decisions adjudicated on the merits. The Tribunal has issued 37 decisions dismissing claims on the merits and 84 decisions dismissing claims for jurisdictional reasons. Of the 59 remaining awards, 3 approved the withdrawal of cases and 56 were in favor of Iranian claimants. As of March 31, 1994, the Federal Reserve Bank of New York reported the value of awards to successful American claimants from the Security Account held by the NV Settlement Bank stood at $2,344,330,685.87.

The Security Account has fallen below the required balance of $500 million almost 50 times. Until October 1992, Iran periodically replenished the account, as required by the Algiers Accords. This was accomplished, first, by transfers from the separate account held by the NV Settlement Bank in which interest on the Security Account is deposited. The aggregate amount transferred from the Interest Account to the Security Account was $874,472,986.47. Iran then replenished the account with the proceeds from the sale of Iranian-origin oil imported into the United States, pursuant to transactions licensed on a case-by-case basis by FAC. Iran has not, however, replenished the account since the last oil sale deposit on October 8, 1992, although the balance fell below $500 million on November 5, 1992. As of March 31, 1994, the total amount in the Security Account was $212,049,484.05, the total amount in the Interest Account was $15,548,176.62.

The United States continues to pursue Case A/28, filed last year, to require Iran to meet its financial obligations under the Algiers Accords.

4. The Department of State continues to present other United States Government claims against Iran, in coordination with concerned government agencies, and to respond to claims brought against the United States by Iran. In November 1993, the United States filed its Consolidated Final Response in A/15(IV) and A/24, a claim brought by Iran for the alleged failure of the Unit-

ed States to terminate all litigation against Iran as required by the Algiers Accord. In December, the United States also filed its Statement of Defense in A/27, a claim brought by Iran for the alleged failure of the United States to enforce a Tribunal award in Iran's favor against a U.S. national. Because of this alleged failure, Iran requested that the United States Government be required to pay Iran for all the outstanding awards against U.S. nations in favor of Iran.

5. As reported in November 1992, José Maria Ruda, President of the Tribunal, tendered his resignation on October 2, 1992. On December 4, 1993, Professor Krysztof Skubiszewski was appointed Chairman of Chamber Two of the Tribunal, filling the vacancy left by Judge Ruda's departure. On February 16, 1994, Professor Skubiszewski also was appointed the President of the Tribunal. Before joining the tribunal Professor Skubiszewski served as Minister of Foreign Affairs in Poland from 1989 to 1993. He joined the "Solidarity" movement there in 1980, and served on several councils before becoming Minister of Foreign Affairs. In addition to his political experience, Professor Skubiszewski has had a long and distinguished academic career in the field of international law. He is currently on leave from the Institute of Law, Polish Academy of Sciences in Warsaw, and has lectured at universities throughout Europe. He is also the author of a number of international law publications. In announcing the appointment, the Tribunal's Appointing Authority, Charles M.J.A. Moons, emphasized Professor Skubiszewski's "extensive experience in the management of state affairs and the conduct of international relations," in addition to his "scholarly renown."

6. As anticipated by the May 13, 1990, agreement settling the claims of U.S. nationals for less than $250,000.00, the Foreign Claims Settlement Commission (FCSC) has continued its review of 3,112 claims. As of March 31, 1994, the FCSC has issued decisions in 2,538 claims, for total awards of more than $40 million. The FCSC expects to complete its adjudication of the remaining claims this year.

7. The situation reviewed above continues to implicate important diplomatic, financial, and legal interests of the United States and its nationals and presents an unusual challenge to the national security and foreign policy of the United States. The Iranian assets Control Regulations issued pursuant to Executive Order No. 12170 continue to play an important role in structuring our relationship with Iran and in enabling the United States to implement properly the Algiers Accords. Similarly, the Iranian Transactions Regulations issued pursuant to Executive Order No. 12613 continue to advance important objectives in combating international terrorism. I shall continue to exercise the powers at my disposal to deal with these problems and will continue to report periodically to the Congress on significant developments.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *May 14, 1994.*

REPORT ON ACTIVITIES OF U.S. GOVERNMENT DEPARTMENTS AND AGENCIES RELATING TO PREVENTION OF NUCLEAR PROLIFERATION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, without objection, referred to the Committee on Foreign Affairs and ordered to be printed.

To The Congress of the United States:

As required under section 601(a) of the Nuclear Non-Proliferation Act of 1978 (Public Law 95-242; 22 U.S.C. 3281(a)), I am transmitting a report on the activities of United States Government departments and agencies relating to the prevention of nuclear proliferation. It covers activities between January 1, 1993, and December 31, 1993.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *May 16, 1994.*

□ 1410

THE MONTANA WILDERNESS ACT OF 1994

The SPEAKER pro tempore (Mr. MAZZOLI). Pursuant to House Resolution 423 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 2473.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 2473) to designate certain national forest lands in the State of Montana as wilderness, to release other national forest lands in the State of Montana for multiple use management, and for other purposes, with Ms. WOOLSEY in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Thursday, May 12, 1994, 25 minutes remained in general debate.

The gentleman from Minnesota [Mr. VENTO] and the gentleman from Utah [Mr. HANSEN] each have 5 minutes remaining in debate, and the gentleman from Montana [Mr. WILLIAMS] and the gentleman from Colorado [Mr. ALLARD] each have 7½ minutes remaining in debate.

The Chair recognizes the gentleman from Minnesota [Mr. VENTO].

Mr. VENTO. Madam Chairman, I reserve the balance of my time.

Mr. HANSEN. Madam Chairman, I reserve the balance of my time.

Mr. WILLIAMS. Madam Chairman, I yield myself such time as I might consume.

Madam Chairman, I want to thank my colleagues for moving forward today on the legislation we reported from the Natural Resources Committee, from Agriculture and from Merchant Marine and Fisheries. I want to thank both Chairmen VENTO and MILLER, and the various chairs, for their responsible handling of my bill and for the work of both their staffs in crafting what I believe to be an exceptional piece of land law. This is always hard work with strong beliefs at play and this process has been handled professionally and graciously.

I am not certain I can say I am glad to be here. A Montana wilderness bill has been considered in every Congress since 1986 and to date with no resolution. I began this process with determination, impatience, frustration—but above all else determination and in spite of business as usual from the polarized extremes on this issue I am pleased that we are moving forward. I am also saddened at how long this has taken and how much of this renowned body's time we have consumed.

I began this process 16 years ago because I believe this consideration is important, our Federal land managers believe it is critical to future management of our forests, our resource dependent industries cry out for resolution and management certainty, our State and private game managers believe it is important if we want continued quality hunting without a lottery, and our local communities are demanding an end to the 16 years of disagreement and controversy.

The work of the committees and the always-heavy response from Montanans help mold a piece of legislation which, as I said when I presented it, is not etched in stone. We have asked for an open rule and even as we present this legislation today it is not a take-it-or-leave-it proposal like the Senate offered the House last session. I trust in the process and I have remained committed to open discussion and compromise and will continue to do so. I hope this legislation passes here today and we can only hope that the Senate shares our concern and will also let the process work.

With this bill I have introduced five pieces of legislation specifically addressing the remaining RARE II wilderness designation in Montana. This will be the 15th piece of legislation introduced by some member of the Montana delegation on this issue of roadless designations. If this bill is fortunate enough to move through today

it will be the sixth piece of legislation to enjoy passage in one or the other Chamber. One bill gained acceptance in both Chambers only to be vetoed by former President Reagan.

The statistics are impressive by any legislative standard. Fifteen pieces of legislation were introduced over as many years. The Montana wilderness bill has been the subject of 50 congressional hearings. We have heard 235 hours of direct testimony. We have 20 printed hearing records. We have testimony from hundreds of Montanans from organizations claiming, by the way, to represent double the State's entire population.

Since I began consideration of this issue, four Presidents have managed our national forests. All four have urged resolution of this issue as this region's highest priority for job protection. These were not casual partisan requests. They were bipartisan requests in response to direct testimony before several committees. "Settle RARE II or we will be unable to manage this Nation's resources in an appropriate way," has been the constant message sent to Congress by the Forest Service. This fact is somewhat surprising because, as I have said, after calling for its passage, President Reagan vetoed the Montana bill Congress presented to him in 1988. This remains the only sustained veto in the history of the Wilderness Act. I might add that these issues are among the chief examples of how destructive bickering gridlock can be.

We call Montana the "last best place," and as Montanans we are proud of the job we have done as the stewards of this Nation's natural resources. Montanans have always understood that some of the wild lands—wild lands that protect our game herds, give birth to our rivers, fuel our economies, and restore our souls—would need to be protected as wilderness. It was a Montana Senator that oversaw the beginnings of the 1964 Wilderness Act and Montana legislators have led the way in applying that law to the protection of our important wild land heritage. Their successes are the flagships of our national wilderness system—the Bob Marshall, the great Bear, the Selway/Bitterroot, the Absaroka/Beartooth. The understood the less grand or less well-known wild places as well, places like Welcome Creek, the Rattlesnake, the Pintlar, and the Scapegoat. This is a heritage of which all Americans can be proud.

There is no wilderness in this legislation that has not been advocated by local Montanans and Montana citizen groups. I have spent 14 years in the front rooms of the homes of too many Montanans to name and I have reviewed every comment submitted over that time by Montanans about my proposal for wilderness. This legislation reflects those efforts and those suggestions.

If you want to know the bill that has taken into account the snowmobile concerns of the West Yellowstone Chamber of Commerce—it is this one. If you want to know if a bill takes into account the proposal put forward by the Big Hole ranchers and the Beaverhead County Commissioners—this one does. If you are concerned that the Clearwater Monture still reflects the historic agreements between timber and conservationists—my bill does. If you support wilderness and mining in the Cabinet Mountains then you will want to know that the mining-wilderness agreements still stand on Scotchmen Peak—in my legislation they do. If you want to know if Montanas water rights are protected—this is your legislation. If you are concerned that Montana avoid the economic dislocation of the spotted owl controversy—my legislation will. There are many, many examples making this a very precise piece of legislation. I still believe that Montanans know what is best for the stewardship of the lands that surround them. I submit this legislation as a reassertion that Montanans can best determine management of our roadless lands.

Does this mean that everyone is in agreement? No. There are far too many opinions on this subject for everyone to completely agree. There are far too many paid dissenters to believe that legislation will not have its group of opposition. But if one strips away the dogmatic rhetoric and addresses specific concerns within the precedent carefully set and developed by this committee, then you arrive at something close to this legislation.

This legislation is very similar to the bill this House reported last Congress, but is not identical. This is an issue that continually evolves and this legislation addresses the new circumstances we have today. For example, the Bureau of Land Management has completed its wilderness inventory and because of peculiar management arrangements has recommended Forest Service lands for wilderness which were not inventoried by that agency in its wilderness review. Mount Jefferson is an example of this situation. Montanans have made a good case for the protection of species diversity, a goal not specifically addressed in the 1964 Wilderness Act. There are changes in this legislation that reflect my desire to meet these goals, areas like the Snowcrest range in southwestern Montana. There have been land consolidation efforts in Montana that have opened the opportunity to designate wilderness where just a few years ago checkerboard ownership would have stopped designation, the Crazy Mountains is an example of this situation. I have heard the logic of folks concerned about the Yaak drainage, I have reviewed the scientific work on grizzly recovery in the Yaak, and I have more than doubled my recommendations for that area. The Island ranges of eastern Montana have not shared the same scrutiny the wildplaces of the high mountains have, and I seek to set in place a series of wilderness and study lands that will help define wilderness in the East.

I want to note that this legislation also represents the essential completion of the Bob Marshall ecosystem. The last remaining area to receive a perfect WARS rating in the RARE II process—Deep Creek—is made wilderness, and the scenic Castle reef is protected. Long-fought-over wilderness additions like the Spotted Bear are, with new science, added to the Great Bear. The important involvement of the Blackfeet Tribe in the management of the Badger-Two Medicine is specifically laid out in this legislation. The skirts of the Swan Front are pulled down along that valley's important entrances to the Bob, and the important wildlife lands of the Monture are preserved. All these additions are added to the Bob under the name of the Arnold Bolle Additions. This past winter Arnie passed away, and there is no more fitting tribute to this great teacher and scientist than for these capstone additions to the Bob to place Arnie Bolle's name alongside the great Bob Marshall.

If the House will indulge me I would like to use this time to make a personal appeal to the various factions that struggle, along with me on this consideration.

To those folks who insist on having significantly more wilderness than is in this bill, I ask that you cast off the cries of apocalyptic doom and the false rhetoric of political correctness. Foot stomping and petulance are not a substitute for hard work and education. The 1964 Wilderness Act was not designed to be a hammer held over the heads of land managers and local communities; it was specifically designed to require that work be done to gain a political conscience and it demands of all of us to view conservation as a life pursuit and not a political pastime. You cannot protect our important wild lands by alienating local constituencies and we will not protect our great wild animals by using Federal land law as a tool to punish the folks who have lived with these lands for generations. One cannot save wilderness from the academic ivory tower, or the wine and cheese reception rooms. Do not give in to the voices of dispair that are asking that the legal gains we have made over the past decades be subverted because working in the political process is too slow or too hard. Please help me pass this legislation.

To those of you who fear wilderness as a conspiracy to rob you of an economic future, I ask that you reject the well-oiled propaganda of the extraction industries and realize that American business is capable of doing business in

the right way and it is the public's responsibility to ask of them that they not destroy our way of life or our national wild land resources in the name of profit. These industries are not as fragile as many would have you believe and they will not wilt and die because we ask them to be responsible in the preservation of our last wild places. These industries are much more likely, as Montana has clearly shown, to disappear because of corporate opportunism, Wall Street shenanigans, or lack of certainty in land planning than because we saved a bit of what was still wild and untouched at the end of the 20th century. You cannot reach the true multiple use of our lands by simply saying no to the growing understanding that there must be balance in this equation. We cannot save jobs by allowing the profit motive to cut every tree or darken every stream. They will not protect your communities or lifestyle from the corporate boardrooms. Please help me pass this legislation.

To my colleagues in the Senate, I ask that you do the job we have all been elected to do. I ask that you do not shirk your responsibility because it is an election year and compromise may upset your political constituency. I ask that you do not view compromise as capitulation but as the responsible act that fuels our democracy. This process does not need imperial naysayers who promise that they will say no to any proposal that does not grant a favored constituency 100 percent of what they want. What this process needs are teachers and arbiters who will help bring folks along the responsible path of balance. I believe that the vast majority of Montanans are demanding just that and will thank you for it. Please do not draw lines in the sand, but draw upon your sense of duty and help me pass this legislation.

I make this appeal from my heart: Do not continue the polarization that is tearing at Montana. Let us instead invite everyone to the table and as friends and neighbors let us work together to see that the future provides room for our hopes and dreams. It is not a public relations gimmick. Montana is a State that can do it right: good jobs, strong communities, clean places to hunt and fish, room to be lost in and room to grow up strong and proud, businesses that we can be proud of, and elk at our back door. We can only do this, however, if we do it together.

This is what this body is about today. This is not just another lands bill, this is our last chance this century to set Montana on a course of cooperation and hope. I believe that if we allow "no" to be our voice, then we will be dooming Montana to years of struggle, and loss of jobs and wilderness. If we do the right thing we will provide the way toward the Montana we all want it to be. The appropriate management of our Federal lands is not something that is solved by one piece of legislation or one action of Congress. Good stewardship requires vigilance and dedication. So please help me pass the legislation the committee has presented here today.

Madam Chairman, I reserve the balance of my time.

The CHAIRMAN. The Chair will remind Members that the rules of the House prohibit making reference to the Senate.

Mr. HANSEN. Madam Chairman, I yield 2 minutes to the gentleman from Wyoming [Mr. THOMAS].

Mr. THOMAS of Wyoming. Madam Chairman, I appreciate the gentleman yielding me this time.

Madam Chairman, I want to comment in general terms with respect to the Montana wilderness, of course, a neighbor of mine. It is my general impression that one who comes from the State ought to have a primary role in determining the shape of the wilderness that exists there.

Madam Chairman, I do want to talk about a couple of things, though, and one of them is water, reserved water rights, and it is my understanding the gentleman will have an amendment. I want to make it clear that the reservation of water rights is one of the difficulties that we encounter in each of these kinds of bills and it threatens the ability of States to administer the water that is set out for them in their constitution.

Madam Chairman, I am hopeful there will be in this bill a clear-cut statement on reserve water rights that does give to the States their rightful opportunity to do the management of the water.

Madam Chairman, I am also interested as a generic issue in the release language that goes in wilderness bills. The concept that is followed and should be followed in the future is that we set aside a portion of the wilderness for use, and I am in favor of that, but the remainder is to be released for multiple use and that is the deal and what we do.

Madam Chairman, I see an increasing dependency on the part of Members of Congress to come in, use the wilderness bill as a way of micromanaging the remaining lands, the multiple use lands, of saying they have to be managed in certain ways in terms of the timber management, they have to be managed in certain ways of road construction.

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Madam Chairman, I think that ought to be an inherent decision. Two of them that go: No. 1, there ought to be language that assures the States of the right to water. There ought to be language that assures that the release language is clear and that the released lands will be available for multiple use.

Mr. ALLARD. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, the bill we are considering today, H.R. 2473, the Montana Wilderness Act of 1994, falls short in many areas.

As with other portions of this bill, inadequacies should be pointed out as a matter of principle and precedent for other pending wilderness bills. In the agriculture Committee Congressman BOB SMITH offered an amendment that would have vastly improved the bill by offering hard release language. The Smith amendment would have clearly stated that multiple use on released lands would be allowed. This amendment narrowly failed in committee. While the Smith amendment will not be offered today, I think it is important that the imperfection of the release language be noted for the RECORD.

Mr. SMITH and other members of the House Agriculture Committee are not alone in recognizing that the current release language is imperfect. The Montana Stockgrowers Association has been advised by a Montana attorney that, "the release language is not strong enough to clarify that areas not designated as wilderness, or wilderness study areas and will be subject to multiple use principals. The language should be clear that any areas which are not included in the act shall be managed according to multiple use principles, and should contain strong language prohibiting the frivolous appeals which may be associated with various interpretations of existing forest service plans and the concept of multiple use." The Montana Farm Bureau is also unhappy with the release language, in a letter to the sponsor of the bill they state that, "Hard release language was lacking."

I wanted to point out the inadequacy of the release language to the Congressman from Montana and hope that either on the Senate side or in conference this section of the bill can be fixed.

Madam Chairman, I yield 2 minutes to the gentleman from Idaho [Mr. CRAPO].

Mr. CRAPO. Madam Chairman, I, too, would like to stand and raise a concern with regard to the language in the legislation dealing with federally reserved water rights.

Water has been an issue in many of our wilderness debates over the last few years, and one of the current concerns I have in a State that is now dealing with wilderness legislation is the precedent that may be set by this kind of legislation in terms of whether we adequately protect the States against further Federal control of water decisions.

As I understand it, originally the language in this act which had been resolved between many of the disputing parties had stated, in section 4(b)(2)(A), that nothing in the act would be construed as the creation, recognition, dis-

claimer, relinquishment, or reduction of any water rights held by the United States in the State of Montana on or before the enactment of this act. But that now, as I understand it, the words "creation and recognition" have been deleted from that phrase, leaving open the question now as to whether this act does in fact create or recognize Federal rights over water decisions in the States by the enactment of this legislation.

I have been made aware by many groups in Montana who are concerned about this and about the impact that this will have on water decisions, particularly about the impact that legislation of this type will have not only in Montana but in States like my own of Idaho or elsewhere.

We can protect wilderness lands. We can do what is necessary to preserve the great environmental heritage that we have in so many of the places in the West. But we do not need to take away State sovereignty over decisions involving water to do so.

I would encourage this House to reject this legislation so that we can continue to work out reasonable language on water that will enable us to assure that State sovereignty over water rights is maintained and that we do not allow precedent of enacting federally reserved water rights to go into place with this legislation.

Mr. VENTO. Madam Chairman, I yield myself 2 minutes.

Madam Chairman, H.R. 2473, the Montana Wilderness Act, as reported by the Committee on Natural Resources, addresses the controversy over 6 million acres of national forest roadless lands in Montana. The committee's bill is an important conservation measure that deserves the support of the House.

Most aspects of the Montana wilderness issue are of national importance and transcend that individual State. I have had hundreds of Minnesota constituents, as well as hundreds of others from around the country write, call, or otherwise contact me to express their concerns about Montana wilderness. Rarely has this type of response and interest occurred with regards to wilderness measures.

Congressman WILLIAMS, myself, and others have worked on an appropriate response to address the many concerns raised about the Montana wilderness issue—concerns that I voiced and concerns voiced by the people of Montana. The bill we bring before you today reflects these concerns and is the direct result of Congressman WILLIAMS' help and support. The improvements in the bill that the natural resources adopted were offered by Mr. WILLIAMS.

The Natural Resources Committee version of H.R. 2473 improves the bill over past Montana wilderness bills that we have brought to the floor. It places 500,000 more acres into protected status than the bill in the 102d Congress; it uses an updated version of the standard release language that we have used in past wilderness bills, a version that allows for judicial review; and it leaves wilderness study areas in protected status until Congress acts. As a result, this legislation would now designate 1.7 million acres of wilderness, 240,000 acres of special management areas and 376,000 acres of new wilderness study areas added to the 700,000 acres already in wilderness study status. The total protection is over three million acres. This is a sound bill and a good work product.

In all the controversy surrounding Montana wilderness, let's not forget why we must protect Montana's national forest wildlands. These lands include not only some of the Nation's most spectacular scenery, but also an irreplaceable wildlife and fish resource, including threatened and endangered species such as the wolf and grizzly bear. The wild places of Montana are truly a resource of national importance and a heritage that Montanans are justly proud to preserve.

It is important that we resolve the Montana roadless issue in this session of Congress. We already have spent a dozen years trying to find a resolution. In 1988, Congress was able to pass a Montana wilderness bill, only to have it vetoed by President Reagan. In the 102d Congress the bill passed both Houses only to finally fail in the last hours of the Congress because of a Senate filibuster unrelated to this issue. As the years go by, 6 million acres of unprotected national forest roadless lands are becoming increasingly vulnerable to development. Further delay could lead to specific rifle shot actions—at the very least, action that results in road construction, mining, and timber harvesting in the heart of Montana's most scenic wildlands—at the worst, an unprecedented action that the Forest Service may decide to just protect its own recommendations in the forest plans and the congressionally designated wilderness study areas and go ahead on its own and release 4.8 million acres to general forest management. It has the legal authority to do this. Thus, it would be irresponsible for us to stop the legislative process and leave these lands threatened. The only way to truly protect wilderness is to act and to pass wilderness bills. Abandoning the legislative process at this point would seriously harm public policy—not help protect wilderness.

I urge my colleagues to support this bill which is a significant addition to the National Wilderness Preservation System and protects some of the most spectacular wildlands in America.

Madam Chairman, I reserve the balance of my time.

Mr. WILLIAMS. Madam Chairman, I yield myself 1 minute, the remainder of my time.

Mr. HANSEN. Madam Chairman, I yield 3 minutes, the remainder of my time, to the gentleman from Montana [Mr. WILLIAMS].

The CHAIRMAN. The gentleman from Montana [Mr. WILLIAMS] is recognized for 4 minutes.

Mr. WILLIAMS. Madam Chairman, I want to respond to the gentlemen, both the gentleman from Colorado and the gentleman from Idaho.

The release language that some from other States would prefer would create a situation that their industries would like. It would turn Montana's timber into America's bargain basement, having cut their own and mismanaged their own lands. And I do not mean the gentlemen in this Chamber or the gentlewomen in this Chamber, but people in their States and the Forest Service and the industries in their States having mismanaged the timberland now look at the timberlands in Montana and salivate and they want to change the release language in a way that makes us their final bargain basement.

Yes, there are some Montana groups that would agree with that, but the bulk of Montanans do not agree with it. The release language we have in this bill is the same release language they had in their bills when they voted for them and passed them. The legislation offered by the gentleman from Colorado had the same release language I have in my bill which he objects to.

Madam Chairman, the gentleman from Utah [Mr. HANSEN] is very generous and kind to me both in committee and here on the floor, and I am very appreciative.

With regard to water, the Montana water users, made up of industry, farmers, and ranchers, have written a letter of support for the water language in my bill. They are supportive of the water language in my bill.

In order to assure that it protects Montana's State water rights, we gave it to the Montana attorney general and asked him to review it and rewrite it, if necessary. And he did that, both of those things, reviewed it, rewrote it. The committee accepted it, and it is the language in this bill. Montana's water rights are absolutely rock-solid protected under this bill.

I thank the gentleman for yielding this time to me.

Mr. ALLARD. Madam Chairman, I yield myself such time as I may consume in order to respond with this very quick comment: Those of us who come from States in the western part of the United States realize it is not a matter of industry versus the rest of the world.

We realize that what you do for one environment you may end up taking from another environment. For example, in Colorado, and I assume the same is true in Montana, we have communities, cities like the city of Greeley, Fort Collins, Loveland, who have put

in a lot of effort in developing parks and green areas in their communities. Now, the question is does the Federal Government use of the water for their use or do the cities who have bought and paid for that water and have a water right in their own communities, do they have priority for that water to maintain those green areas?

Many times that is what we are talking about when we are talking about preserving a water right. Those cities and those communities doing a lot to improve the environment also have a right to that water, and the Federal Government, in my view, should not have a right to preempt them and say that our needs are greater than what those local needs are. That is why I think it is so very important when we talk about water language that we recognize the proper balance. My understanding is that the gentleman from Montana is interested in changing a couple of words that I expressed in the past, and if the gentleman is willing to make those changes, of course I would go along with those changes.

Madam Chairman, I yield back the balance of my time.

Mr. VENTO. Madam Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the committee amendment in the nature of a substitute now printed in the bill is considered as an original bill for the purpose of amendment, and each section is considered as read.

The Clerk will designate section 1.

Mr. VENTO. Madam Chairman, I ask unanimous consent that the committee amendment in the nature of a substitute be printed in the RECORD and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The text of the committee amendment in the nature of a substitute is as follows:

H.R. 2473

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 referred to as "The Montana Wilderness Act of 1994".

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds that—

(1) Many areas of undeveloped National Forest System lands in the State of Montana possess outstanding natural characteristics which give them high value as wilderness and will, if properly preserved, contribute as an enduring resource of wild land for the benefit of the American people.

(2) The existing Department of Agriculture Land and Resource Management Plans for Forest System lands in the State of Montana have identified areas which, on the basis of their land form, ecosystem, associated wildlife, and location will help to fulfill the National Forest System's share of a quality National Wilderness Preservation System.

(3) The existing Department of Agriculture Land and Resource Management Plans for National Forest System lands in the State of Montana and the related congressional review of such lands have also identified areas that do not possess outstanding wilderness attributes or possess outstanding energy, mineral, timber, grazing, dispersed recreation, or other values. Such areas should not be designated as components of the National Wilderness Preservation System.

(4) Montanans and those interested in Montana's wildlands have been fully involved in the formulation of this wilderness proposal. That the wilderness designations recommended in this legislation have been developed with the support of Montana wilderness advocates and is therefore the product of years of negotiations.

(b) PURPOSES.—The purposes of this Act are to—

(1) designate certain National Forest System lands in the State of Montana as components of the National Wilderness Preservation System, in furtherance of the purposes of the Wilderness Act (16 U.S.C. 1131 et seq.), in order to preserve the wilderness character of the land and to protect watersheds and wildlife habitat, preserve scenic and historic resources, and promote scientific research, primitive recreation, solitude, and physical and mental challenge; and

(2) ensure that certain other National Forest System lands in the State of Montana will be made available for uses other than wilderness in accordance with applicable national forest laws, planning procedures and the provisions of this Act.

SEC. 3. WILDERNESS DESIGNATIONS.

(a) DESIGNATION.—In furtherance of the purposes of the Wilderness Act of 1964, the following lands in the State of Montana are designated as wilderness and, therefore, as components of the National Wilderness Preservation System:

(1) Certain lands in the Beaverhead, Bitterroot, and Deerlodge National Forests, which comprise approximately 31,600 acres, as generally depicted on a map entitled "Anaconda-Pintler Wilderness Additions—Proposed" (North Big Hole, Storm Lake, Upper East Fork), dated March 1994, and which are hereby incorporated in and shall be deemed to be a part of the Anaconda-Pintler Wilderness.

(2) Certain lands in the Beaverhead National Forest, which comprise approximately 33,000 acres, as generally depicted on a map entitled "Italian Peaks Wilderness—Proposed", dated March 1994, and which shall be known as the Italian Peaks Unit of the Howard Zahnizer Great Divide Wilderness.

(3) Certain lands in the Beaverhead National Forest, which comprise approximately 84,920 acres, as generally depicted on a map entitled "East Pioneer Wilderness—Proposed", dated March 1994, and which shall be known as the East Pioneer Wilderness.

(4) Certain lands in the Beaverhead National Forest, Montana, comprising approximately 40,000 acres, as generally depicted on a map entitled "West Big Hole Wilderness—Proposed", dated March 1994, and which shall be known as the West Big Hole Unit of the Howard Zahnizer Great Divide Wilderness.

(5) Certain lands in the Bitterroot, Deerlodge, and Lolo National Forests, which comprise approximately 76,600 acres, as generally depicted on a map entitled "Stony Mountain Wilderness—Proposed", dated March 1994, and which shall be known as the Stony Mountain Wilderness. The provisions of section 4 of this Act shall not apply to the portion of such lands within the drainage of the Burnt Fork.

(6) Certain lands in the Bitterroot and Lolo National Forests, which comprise approximately 55,500 acres, as generally depicted on maps entitled "Selway-Bitterroot Wilderness Additions—Proposed", dated March 1994, and which are hereby incorporated in and shall be deemed to be a part of the Selway-Bitterroot Wilderness.

(7) Certain lands in the Custer National Forest, which comprise approximately 13,700 acres, as generally depicted on a map entitled "Pryor Mountains Wilderness—Proposed", dated March 1994, and which shall be known as the Pryor Mountains Wilderness.

(8) Certain lands in the Custer National Forest, which comprise approximately 28,000 acres, as generally depicted on a map entitled "Custer Absaroka Beartooth Wilderness Additions—Proposed" (Burnt Mountain, Timberline Creek, Stateline, Line Creek Plateau, and Mystic Lake), dated March 1994, and which are hereby incorporated in and shall be deemed to be a part of the Absaroka Beartooth Wilderness.

(9) Certain lands in the Deerlodge and Helena National Forests, which comprise approximately 26,800 acres, as generally depicted on a map entitled "Blackfoot Meadow-Electric Peak Wilderness—Proposed", dated March 1994, and which shall be known as the Blackfoot Meadow Unit of the Howard Zahnizer Great Divide Wilderness.

(10) Certain lands in the Flathead and Kootenai National Forests, which comprise approximately 120,400 acres, as generally depicted on a map entitled "North Fork Wilderness—Proposed (Tuchuck, Thompson-Seton, and Mount Hefty)", dated March 1994, and which shall be known as the North Fork Wilderness.

(11) Certain lands in the Flathead, Helena, Lolo, and Lewis and Clark National Forests, which comprise approximately 261,440 acres, as generally depicted on maps entitled "Arnold Bolle Additions to the Bob Marshall Wilderness—Proposed" (Silver King-Falls Creek, Renshaw, Clearwater-Monture, Deep Creek, Teton High Peak, Volcano Reef, Slippery Bill, Limestone Cave, Choteau Mountain, and Crown Mountain, Lost Jack, Spotted Bear), dated March 1994, which shall be known as the Arnold Bolle-Bob Marshall Wilderness Additions and are incorporated in and shall be deemed to be a part of the Bob Marshall Wilderness.

(12) Certain lands in the Flathead National Forest, which comprise approximately 960 acres, as generally depicted on a map entitled "Mission Mountains Wilderness Additions—Proposed", dated March 1994, and which are hereby incorporated in and shall be deemed to be a part of the Mission Mountain Wilderness.

(13) Certain lands in the Flathead and Lolo National Forests, comprising approximately 175,500 acres, as generally depicted on maps entitled "Jewel Basin/Swan Wilderness—Proposed", dated March 1994. Those lands contiguous to the west slope of the Bob Marshall Wilderness referred to in this paragraph are hereby incorporated in and shall be deemed to be a part of the Bob Marshall Wilderness, while the remaining lands shall be known as the Swan Crest Wilderness, the boundaries of which are depicted on the map referenced in this paragraph.

(14) Certain lands in the Gallatin National Forest, which comprise approximately 14,440 acres, as generally depicted on a map entitled "Gallatin Absaroka Beartooth Wilderness Additions—Proposed" (Dexter Point, Tie Creek and Mt. Rae), dated March 1994, and which are hereby incorporated in and shall be deemed to be a part of the Absaroka Beartooth Wilderness.

(15) Certain lands in the Gallatin and Beaverhead National Forests, which comprise approximately 20,400 acres, as generally depicted on a map entitled "Lee Metcalf Cowboys Heaven Addition—Proposed", dated March 1994, and which are hereby incorporated in and shall be deemed to be a part of the Lee Metcalf Wilderness.

(16) Certain lands in the Gallatin National Forest, which comprise approximately 18,300

acres, as generally depicted on a map entitled "Earthquake Wilderness—Proposed", dated March 1994, and which shall be known as the Earthquake Unit of the Howard Zahnizer Great Divide Wilderness.

(17) Certain lands in the Helena National Forest, which comprise approximately 22,900 acres, as generally depicted on a map entitled "Camas Creek Wilderness—Proposed", dated March 1994, and which shall be known as the Camas Creek Wilderness.

(18) Certain lands in the Helena National Forest, which comprise approximately 15,000 acres, as generally depicted on a map entitled "Mount Baldy Wilderness—Proposed", dated March 1994, and which shall be known as the Mount Baldy Wilderness.

(19) Certain lands in the Helena National Forest, Montana, which comprise approximately 10,000 acres, as generally depicted on a map entitled "Gates of the Mountains Wilderness Additions—Proposed" (Big Log), dated March 1994, and which are hereby incorporated in and shall be deemed to be part of the Gates of the Mountain Wilderness.

(20) Certain lands in the Helena National Forest, which comprise approximately 10,700 acres, as generally depicted on a map entitled "Black Mountain Wilderness—Proposed", dated March 1994, and which shall be known as the Black Mountain Unit of the Howard Zahniser Great Divide Wilderness.

(21) Certain lands in the Kootenai National Forest, which comprise approximately 39,620 acres, as generally depicted on a map entitled "Cabinet Mountains Wilderness Additions—Proposed", dated March 1994, and which are hereby incorporated in and shall be deemed to be part of the Cabinet Mountains Wilderness.

(22) Certain lands in the Kaniksu and Kootenai National Forest, which comprise approximately 52,000 acres, as generally depicted on a map entitled "Scotchman Peaks Wilderness—Proposed", dated March 1994, which shall be known as the Scotchman Peaks Wilderness.

(23) Certain lands in the Kootenai National Forest which comprise approximately 42,000 acres, as generally depicted on a map entitled "Yaak Wilderness—Proposed" (Roderick Mountain, Grizzly Peak, Dark Mountain), dated March 1994, which shall be known as the Yaak Wilderness.

(24) Certain lands in the Kootenai and Lolo National Forests, which comprise approximately 17,900 acres, as generally depicted on a map entitled "Cataract Peak Wilderness—Proposed", dated March 1994, which shall be known as the Cataract Peak Wilderness.

(25) Certain lands in the Lolo National Forest, which comprise approximately 19,400 acres, as generally depicted on a map entitled "Cube Iron/Mount Silcox Wilderness—Proposed", dated March 1994, which shall be known as the Cube Iron/Mount Silcox Wilderness.

(26) Certain lands in the Lolo National Forest, which comprise approximately 94,700 acres, as generally depicted on a map entitled "Great Burn Wilderness—Proposed", dated March 1994, which shall be known as the Great Burn Wilderness.

(27) Certain lands in the Lolo National Forest, which comprise approximately 60,100 acres, as generally depicted on a map entitled "Quigg Peak Wilderness—Proposed", dated March 1994, which shall be known as the Quigg Peak Wilderness.

(28) Certain lands in the Kootenai National Forest, which comprise approximately 24,600 acres, as generally depicted on a map entitled "Trout Creek Wilderness—Proposed", dated March 1994, and which shall be known as the Trout Creek Wilderness.

(29) Certain lands in the Helena National Forest, which comprise approximately 21,700 acres, as generally depicted on a map entitled "Nevada Mountain Wilderness—Proposed", dated March 1994, and which shall be known as the Nevada Mountain Unit of the Howard Zahnizer Great Divide Wilderness.

(30) Certain lands in the Helena National Forest, which comprise approximately 56,100 acres, as generally depicted on a map entitled "Elkhorn Wilderness—Proposed", dated March 1994, and which shall be known as the Elkhorn Wilderness.

(31) Certain lands in the Gallatin National Forest, which comprise approximately 500 acres, as generally depicted on a map entitled "North Absaroka Wilderness Addition—Proposed (Republic Mountain)", dated March 1994, and which are hereby incorporated in and shall be deemed a part of the North Absaroka Wilderness.

(32) Certain lands in the Beaverhead National Forest, which comprises approximately 90,000 acres, as generally depicted on a map entitled "Snowcrest Wilderness—Proposed", dated March 1994 and shall be known as the Snowcrest Wilderness.

(33) Certain lands in the Beaverhead National Forest, which comprise approximately 4,700 acres, as generally depicted on a map entitled "Mount Jefferson Wilderness—Proposed", dated March 1994 and shall be known as the Mount Jefferson Unit of the Howard Zahnizer Great Divide Wilderness.

(34) Certain lands in the Deerlodge National Forest which comprise about 30,300 acres, as generally, depicted on a map entitled "Flint Creek Wilderness—Proposed", dated March 1994 and shall be known as the Flint Creek Wilderness.

(35) Certain lands in the Gallatin and Lewis and Clark National Forests, which comprise approximately 34,800 acres, as generally depicted on a map entitled "Crazy Mountain Wilderness—Proposed", dated March 1994 and shall be known as the Crazy Mountain Wilderness.

(36) Certain lands in the Beaverhead and Deerlodge National Forests, which comprise approximately 19,500 acres, as generally depicted on a map entitled "Tobacco Roots Wilderness—Proposed", dated March 1994, and shall be known as the Tobacco Roots Wilderness.

(b) MAPS AND DESCRIPTIONS.—(1) The Secretary of Agriculture (hereinafter referred to as the "Secretary") shall file the maps referred to in this section and legal descriptions of each wilderness area designated by this section with the Committee on Energy and Natural Resources of the United States Senate and the Committee on Natural Resources of the United States House of Representatives, and each such map and legal description shall have the same force and effect as if included in this Act.

(2) The Secretary may correct clerical and typographical errors in the maps and legal descriptions submitted pursuant to this section.

(3) Each map and legal description referred to in this section shall be on file and available for public inspection in the office of the Chief of the Forest Service, Washington, D.C. and at the office of the Regional Forester of the Northern Region.

(c) ADMINISTRATION.—Subject to valid existing rights, each wilderness area designated by this section shall be administered by the Secretary of Agriculture in accordance with the provisions of the Wilderness Act of 1964, except that, with respect to any area designated in this section, any reference to the effective date of the Wilderness Act shall be deemed to be a reference to the date of enactment of this Act.

(d) WILDERNESS AREA PERIMETERS.—Congress does not intend that the designation of wilderness areas in this section will lead to the creation of protective perimeters or buffer zones around such areas. The fact that nonwilderness activities or uses can be seen or heard from areas within a wilderness area shall not, of itself, preclude such activities or uses up to the boundary of the wilderness area.

(e) GRAZING.—The grazing of livestock, where established prior to the date of enactment of this Act, in wilderness areas designated in this section shall be administered in accordance with section 4(d)(4) of the Wilderness Act of 1964 and section 108 of an Act entitled "An Act to designate certain National Forest System Lands in the States of Colorado, South Dakota, Missouri, South Carolina, and Louisiana for inclusion in the National Wilderness Preservation System, and for other purposes" (94 Stat. 3271; 16 U.S.C. 1133 note).

(f) STATE FISH AND GAME AUTHORITY.—In accordance with section 4(d)(7) of the Wilderness Act of 1964, nothing in this Act shall be construed as affecting the jurisdiction or responsibilities of the State of Montana with respect to wildlife and fish in the national forests of Montana.

(g) HUNTING.—Nothing in this Act or the Wilderness Act of 1964 shall be construed to prohibit hunting within the wilderness areas designated in this section.

(h) COLLECTION DEVICES.—(1) Within the wilderness areas designated in this section, maintenance and replacement of essential hydrological, meteorological, or climatological collection devices and ancillary facilities are permitted, subject to such conditions as the Secretary deems desirable.

(2) Access to the devices and facilities described in paragraph (1) shall be by the least intrusive practicable means available as determined by the Secretary. Access, installation, and maintenance shall be compatible with the provisions of the Wilderness Act.

(i) FACA.—The provisions of the Federal Advisory Committee Act notwithstanding, the wilderness managing agencies are hereby authorized to use citizen advisory groups, task forces, and ad hoc committees among the public involvement techniques employed to assist the agencies in the development of wilderness management direction.

SEC. 4. WATER.

(a) FINDINGS, PURPOSES, AND DEFINITIONS.—(1) The Congress finds that—

(A) the lands designated as wilderness by this Act are located at the headwaters of the streams and rivers on those lands, with no actual or proposed water resource facilities located upstream from such lands and no opportunities for diversion, storage, or other uses of water occurring outside such lands that would adversely affect the wilderness values of such lands;

(B) the lands designated as wilderness by this Act are not suitable for use for development of new water resource facilities, or for the expansion of existing water resource facilities; and

(C) therefore, it is possible to provide for proper management and protection of the water-related wilderness values of such lands in ways different from those utilized in other legislation designating as wilderness lands not sharing the attributes of the lands designated as wilderness by this Act.

(2) The purpose of this section is to protect the water-related wilderness values of the lands designated as wilderness by this Act by means other than those based on a Federal reserved water right.

(3) As used in this section—

(A) the term "water resource facility" means irrigation and pumping facilities, reservoirs, water conservation works, aqueducts, canals, ditches, pipelines, wells, hydropower projects, and transmission and other ancillary facilities, and other water diversion, storage, and carriage structures; and

(B) the term "historic", used with reference to rates of flow, quantities of use, or timing or fre-

quency of use of water, means the pattern of actual average annual use or operation of a facility prior to the date of enactment of this Act.

(b) RESTRICTION ON CLAIMS AND CLARIFICATION OF EFFECT.—(1) Notwithstanding any other provision of law, no court or agency shall have any jurisdiction under any Act of Congress (including the "McCarran Amendment", 43 U.S.C. 666) to consider any claim on behalf of the United States asserted by the Secretary or by any other person to or for water or water rights in the State of Montana based on any construction of any portion of this Act, or the designation of any lands as wilderness by this Act, as constituting an express or implied reservation of water or water rights.

(2)(A) Nothing in this Act shall be construed as a disclaimer, relinquishment, or reduction of any water rights held or claimed by the United States in the State of Montana on or before the date of enactment of this Act.

(B) Nothing in this Act shall be construed as constituting an interpretation of any other Act or any designation made by or pursuant thereto.

(C) Nothing in this Act shall be construed as establishing a precedent with regard to any future wilderness designations.

(c) PROHIBITION OF NEW OR EXPANDED PROJECTS.—(1) Notwithstanding any other provision of law, on and after the date of enactment of this Act neither the President nor any other officer, employee, or agent of the United States shall fund, assist, authorize, or issue a license or permit for, or exempt from licensing or permitting—

(A) the development of any new water resource facility within the lands designated as wilderness or for wilderness study by this Act; or

(B) the enlargement of a water resource facility or the expansion of the historic rate of diversion, quantity of use, or timing or frequency of use of a water resource facility that is located within or that would adversely affect the wilderness values of lands designated as wilderness or for wilderness study by this Act.

(2) Except as provided in subsection (d) of this section, nothing in this Act shall be construed to affect or limit operation, maintenance, repair, modification, or replacement without enlargement of water resource facilities in existence on the date of enactment of this Act located within the boundaries of the lands designated as wilderness or for wilderness study by this Act.

(d) ACCESS AND OPERATION.—(1) Subject to the provisions of this subsection, the Secretary shall allow reasonable access to water resource facilities in existence on the date of enactment of this Act located within lands designated as wilderness or for wilderness study by this Act, including motorized access where necessary and customarily employed on routes existing as of the date of enactment of this Act.

(2) Subject to the provisions of this subsection, the Secretary, to the extent required for the continued exercise of any valid water rights associated with such facilities, shall allow the present diversion, carriage, and storage capacity of water resource facilities existing on the date of enactment of this Act located within lands designated as wilderness or for wilderness study by this Act, and access routes to such facilities existing and customarily employed as of such date, to be operated, maintained, repaired, and replaced as necessary to maintain the present function, design, and serviceable operation of such facilities and routes, so long as such activities have no greater adverse impacts on wilderness values than as of the date of enactment of this Act.

(3) Water resource facilities, and access routes serving such facilities, existing on the date of enactment of this Act shall be maintained and repaired when and to the extent necessary to prevent increased adverse impacts on wilderness values.

(4) There shall be no enlargement in the historic rate of diversion, quantity of use, or timing or frequency of use of water resource facilities existing on the date of enactment of this Act located within lands designated as wilderness or for wilderness study by this Act.

(e) MONITORING AND IMPLEMENTATION.—(1) The Secretary of Agriculture shall monitor the operation of and access to water resource facilities within the boundaries of the lands designated as wilderness and for wilderness study by this Act, and shall take all steps that the Secretary finds necessary or desirable in order to further the protection of the resources and values of such lands and to implement the provisions of this section, including, to the extent consistent with this Act, the utilization of any procedures available under Federal or State law, including laws of the State of Montana concerning either the utilization of water or the establishment, adjudication, and administration of water rights.

(2) In implementing subsection (d)(3), the Secretary may require the owners of water resource facilities or parties entitled to use access routes to perform necessary maintenance or repairs, and may require the relocation or removal of such facilities or such routes if such necessary maintenance or repairs are not performed or not feasible or such facilities or routes are no longer in use.

(f) APPLICATION TO OTHER AREAS.—Solely for purposes of implementation of subsections (c), (d), and (e) of this section, lands in Montana which as of the date of enactment of this Act are managed as wilderness study areas pursuant to Public Law 95-150 shall be deemed to have been designated for wilderness study by this Act, and such lands shall be managed pursuant to the provisions of such subsections in addition to other applicable provisions of law.

SEC. 5. SPECIAL MANAGEMENT AREAS.

(a) DESIGNATIONS.—For the purposes of conserving, protecting and enhancing the exceptional scenic, fish and wildlife, biological, educational and recreational values of certain National Forest System lands in the State of Montana, the following designations are made:

(1) The Mount Helena National Education and Recreation Area located in the Helena National Forest, comprising approximately 5,220 acres, as generally depicted on a map entitled "Mount Helena National Education and Recreation Area—Proposed", dated March 1994.

(2) The Hyalite National Education and Recreation Area located in the Gallatin National Forest, comprising approximately 18,900 acres, as generally depicted on a map entitled "Hyalite National Education and Recreation Area—Proposed", dated March 1994.

(3) The Northwest Peak National Recreation Area located in the Kaniksu and Kootenai National Forests, comprising approximately 16,700 acres, as generally depicted on a map entitled "Northwest Peak National Recreation and Scenic Area—Proposed", dated March 1994.

(4) The Buckhorn Ridge National Recreation Area located in the Kaniksu and Kootenai National Forests, comprising approximately 22,600 acres, as generally depicted on a map entitled "Buckhorn Ridge National Recreation Area—Proposed", dated March 1994.

(5) The West Big Hole National Recreation Area located in the Beaverhead National Forest, comprising approximately 90,000 acres, as generally depicted on a map entitled "West Big Hole National Recreation Area—Proposed", dated March 1994, and which shall be known as the West Big Hole National Recreation Area.

(6) The LeBeau Natural Area located on the Kootenai and Flathead National Forests comprising approximately 5,350 acres, as generally depicted on a map entitled "LeBeau Natural Area—Proposed", dated March 1994.

(7) The Ross Creek Cedars Natural Area located on the Kootenai National Forest comprising approximately 700 acres, as generally depicted on a map entitled "Ross Creek Cedars Natural Area—Proposed", dated March 1994.

(8) The McIntire Natural Area located on the Kootenai National Forest comprising approximately 75,000 acres, as generally depicted on a map entitled "McIntire Natural Area—Proposed", dated March 1994.

(b) MAPS AND BOUNDARY DESCRIPTIONS.—The Secretary shall file a map and boundary description for each area referred to in this section with the Committee on Energy and Natural Resources, United States Senate, and the Committee on Natural Resources, United States House of Representatives, and each such map and boundary description shall have the same force and effect as if included in this Act: Provided, That the Secretary may correct clerical and typographical errors in such maps and boundary descriptions. Each such map and boundary description shall be on file and available for public inspection in the office of the Chief of the Forest Service and the office of the Regional Forester of the Northern Region.

(c) MANAGEMENT.—(1) Except as otherwise may be provided in this subsection, the Secretary shall administer the areas designated in subsection (a) so as to achieve the purposes of their designation and in accordance with the laws and regulations applicable to the National Forest System.

(2) Subject to valid existing rights, all federally owned lands within the areas designated in subsection (a) are hereby withdrawn from all forms of entry, appropriation, and disposal under the mining and public land laws, and disposition under the geothermal and mineral leasing laws.

(3) Commercial timber harvesting is prohibited in the areas designated by this section with the following exceptions:

(A) Nothing in this Act shall preclude such measures which the Secretary, in his discretion, deems necessary in the event of fire, or infestation of insects or disease.

(B) Fuel wood, post and pole gathering may be permitted.

(C) Commercial timber harvesting may be permitted in the Hyalite National Recreation and Education Area, but must be compatible with the purposes of its designation.

(4) Where the Secretary determines that such use is compatible with the purposes for which an area is designated, the use of motorized equipment may be permitted in the areas subject to applicable law and applicable land and resource management plans.

(5) The grazing of livestock, where established prior to the date of enactment of this Act may be permitted to continue subject to applicable law and regulations of the Secretary.

(d) NATIONAL EDUCATION AND RECREATION AREAS AND NATURAL AREAS.—(1) The Secretary shall manage the Mount Helena and Hyalite National Education and Recreation Areas with a focus on education. All management activities shall be conducted in a manner that provides the public with an opportunity to become better informed about natural resource protection and management.

(2) The Secretary shall manage the LeBeau, McIntire and Ross Creek Cedars Natural Areas for the enhancement of biodiversity and scientific study. These forests' unique natural qualities are to be the focus of the area's management.

(e) LAND AND RESOURCE MANAGEMENT PLANS.—Those areas established pursuant to subsection (a) shall be administered as components of the national forests wherein they are

located. Land and resource management plans for the affected national forests prepared in accordance with the Forest and Rangeland Renewable Resources Planning Act, as amended by the National Forest Management Act, shall be amended to be consistent with the purposes for which the areas are designated. The provisions of the national forest land and resource management plan, relating to each area designated by this section, shall also be available to the public in a document separate from the rest of the forest plan.

SEC. 6. WILDERNESS STUDY AREAS.

(a) DESIGNATION.—The following areas are hereby designated as wilderness study areas and shall be managed in accordance with the provisions of this section:

(1) Certain lands on the Gallatin National Forest, comprising approximately 21,500 acres, as generally depicted on a map entitled "Sawtooth Mountain Wilderness Study Area—Proposed", dated September 1992.

(2) Certain lands in the Lolo National Forest which comprise approximately 22,000 acres, as generally depicted on a map entitled "Sheep Mountain Wilderness Study Area—Proposed", dated November 1991.

(3) Certain lands in the Lewis and Clark and Gallatin National Forests, which comprise approximately 111,700 acres, as generally depicted on a map entitled "Crazy Mountain Wilderness Study Area—Proposed", dated October 1992. The Forest Service shall complete a study of public and private land consolidation alternatives for this area which shall be submitted to the appropriate committees of Congress 2 years after the date of the enactment of this Act.

(4) Certain lands in the Gallatin National Forest, which comprise approximately 4,500 acres, as generally depicted on a map entitled "South Cottonwood Wilderness Study Area—Proposed," dated September, 1992, and shall be managed as part of the Gallatin Wilderness Study Area in accordance with Public Law 95-150.

(5) Certain lands in the Lewis and Clark National Forest which comprise approximately 100,000 acres, as generally depicted on a map entitled "Tenderfoot-Deep Creek Wilderness—Proposed", dated March 1994.

(b) REPORT.—When the forest plans are revised, the Secretary shall submit a report to the Committee on Energy and Natural Resources of the United States Senate and the Committee on Natural Resources of the United States House of Representatives containing recommendations as to whether the areas designated in subsection (a) should be added as components of the National Wilderness Preservation System.

(c) MANAGEMENT.—Subject to valid existing rights, the wilderness study areas designated in subsection (a) shall be managed to protect their suitability for inclusion in the National Wilderness Preservation System.

(d) MAPS.—The Secretary shall file a map and boundary description for each area referred to in this section with the Committee on Natural Resources, United States House of Representatives, and the Committee on Energy and Natural Resources, United States Senate, and each such map and boundary description shall have the same force and effect as if included in this Act: Provided, That correction of clerical and typographical errors in these maps may be made. Each map and boundary description shall be on file and available for public inspection in the office of the Chief of the Forest Service and the Regional Forester of the Northern Region.

SEC. 7. BADGER-TWO MEDICINE AREA.

(a) WITHDRAWAL.—(1) Subject to valid existing rights including rights held by the Blackfeet Nation under existing treaties and statute, all federally owned lands as depicted on a map entitled "Badger-Two Medicine Area", dated September 1991, comprising approximately 116,600 acres, are withdrawn from all forms of entry, appropriation, and disposal under the mining and public land laws and from disposition under the geothermal and mineral leasing laws. Until otherwise directed by Congress, the Secretary shall manage this area so as to protect its wilderness qualities.

(2) Nothing in this section shall preclude the gathering of timber by the Blackfeet Nation in exercise of and consistent with valid treaty rights within the Badger-Two Medicine Area.

(3)(A) With respect to oil and gas leases on Federal lands within the Badger-Two Medicine Area, no surface disturbance shall be permitted pursuant to such leases until Congress determines otherwise.

(B) Notwithstanding any other law, the term of any oil and gas lease subject to the limitations imposed by this section shall be extended for a period of time equal to the term that such limitation remains in effect.

(b) REVIEW.—The Secretary shall conduct a review of the area referred to in subsection (a) as to its availability for inclusion in the National Wilderness Preservation System and in accordance with the provisions of this subsection. Not later than 5 years after the date of enactment of this Act, the Secretary shall report to Congress. In conducting this review:

(1) The Secretary shall establish a committee composed of 2 representatives from the Blackfeet Nation, as well as one representative from the National Park Service, one representative from the Forest Service, and representatives of various concerned user groups, including proportional representation for environmental groups, industry groups and other interested parties. The Committee shall not exceed eleven members. The Blackfeet Tribal Business Council shall choose the 2 Tribal representatives. The Blackfeet Tribal Business Council shall conduct a public meeting to receive recommendations of the community regarding the selection of these members. The committee shall regularly advise the Secretary during the preparation of the report required in this subsection and submit its findings to Congress concurrently with those of the Secretary.

(2) Special consideration shall be given to the religious, wilderness and wildlife uses of the area, taking into account any treaties the United States has entered into with the Blackfeet Nation.

(3) In consultation with the committee, the Secretary shall establish a process to provide information to the Blackfeet Nation and interested public about options for future designation of the Badger-Two Medicine Area.

(c) RIGHTS.—Nothing in this section shall be construed to diminish, prejudice, add to, or otherwise affect the treaty rights of the Blackfeet Nation or the rights of the United States.

(d) MAP AND BOUNDARY DESCRIPTION.—(1) The Secretary shall file a map and boundary description of the area designated by this section with the Committee on Energy and Natural Resources, United States Senate and Committee on Natural Resources of the United States House of Representatives and such map and boundary description shall have the same force and effect as if included in this Act.

(2) The Secretary may correct clerical and typographical errors in the map and boundary description submitted pursuant to this section.

(3) The map and boundary description referred to in this section shall be on file and available for public inspection in the office of the Chief of the Forest Service and the office of the Regional Forester of the Northern Region.

SEC. 8. LANDS ADMINISTERED BY BUREAU OF LAND MANAGEMENT.

(a) FINDINGS.—The Congress has reviewed the suitability of a portion of the Axolotl Lakes Wilderness Study Area (MT-076-069, BLM Wilderness Study Number) as generally depicted on a map entitled "Released portion of Axolotl Lakes WSA", dated September 1992, for wilderness designation and finds that this portion has been sufficiently studied for wilderness pursuant to section 603 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1782).

(b) DIRECTION.—The area described in subsection (a) shall no longer be subject to the requirement of section 603(c) of the Federal Land Policy and Management Act of 1976 pertaining to management in a manner that does not impair suitability for preservation as wilderness.

(c) ADMINISTRATIVE JURISDICTION.—Those lands designated as wilderness pursuant to section 3(a) of this Act, which, as of the date of enactment of this Act, are administered by the Secretary of the Interior as public lands (as defined in the Federal Land Policy and Management Act of 1976), are hereby transferred to the jurisdiction of the Secretary of Agriculture, and shall be added to and managed as part of the National Forest System, and the boundaries of the adjacent National Forests are hereby modified to include such lands.

(d) LAND AND WATER CONSERVATION FUND.—For purposes of section 7 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 4601-9), the boundaries of affected National Forests, as modified by this section, shall be considered to be the boundaries of such National Forests as if they were the boundaries of the National Forests as of January 1, 1965. Money appropriated from the Land and Water Conservation Fund shall be available for the acquisition of lands, waters, and interests therein in furtherance of the purposes of this Act.

SEC. 9. MONTANA ECOSYSTEM AND ECONOMICS STUDY.

(a) DEFINITIONS.—For the purposes of this section:

(1) The term "ecosystem" means a dynamic complex of plant, animal and microorganism communities and their nonliving environment interacting as a functional unit.

(2) The term "Northern Rockies" means Federal lands and resources in the State of Montana.

(3) The term "Panel" means the independent scientific panel for the study of the Northern Rockies ecosystem established under subsection (b).

(b) INDEPENDENT SCIENTIFIC PANEL FOR THE STUDY OF THE NORTHERN ROCKIES ECOSYSTEM.—

(1) ESTABLISHMENT.—The President shall establish an independent scientific panel for the study of the Northern Rockies. The Panel shall conduct the study and submit the reports and recommendations required by subsection (c).

(2) MEMBERSHIP.—(A) The Panel established under this subsection shall be composed of 11 members, appointed by the President, from a list of candidates to be developed and submitted to the President by the National Academy of Sciences and lists from well-established professional societies with an interest in the environmental sciences.

(B) Each member of the Panel shall be a recognized expert in the field for which the member is considered for appointment and shall be free of economic conflict of interest with regard to the subject of this section. Each member also shall have research experience in the Northern Rockies region or otherwise be familiar with the issues and ecology of the region. As a whole, membership of the Panel shall represent an appropriately broad diversity of disciplines, and members shall have recognized experience in natural sciences, economics, and administrative policy.

(C) The list of candidates provided by the National Academy of Sciences shall consist of at

least twice as many nominees as positions available in each category specified in this section.

(D) The Panel shall work cooperatively with all relevant State and Federal agencies, university research stations and departments, and Indian tribes.

(E) The Panel may establish, at its discretion, such subregional review teams and working groups as it deems necessary to complete its tasks in a timely and professional manner.

(3) PAY AND EXPENSES.—(A) Except as provided in subparagraph (B), members of the Panel established under this subsection shall each be paid at a rate not to exceed, and consistent with, the rate paid to employees of the United States performing similar duties and with similar qualifications for each day (including travel time) during which they are engaged in the actual performance of duties vested in the Panel. While away from their homes or regular places of business in the performance of services for the Panel, members of the Panel shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in Government service are allowed expenses under section 5703 of title 5, United States Code.

(B) Other than reimbursement of expenses pursuant to subparagraph (A), members of the Panel who are full-time officers or employees of the United States shall receive no additional pay, allowances, or benefits by reason of their service on the Panel.

(4) CHAIRPERSON.—The Chairperson of the Panel shall be appointed by the President.

(5) AGENCY ASSISTANCE.—Upon request of the Panel, the head of any Federal agency shall provide facilities, equipment, personnel, and other types of support to the Panel to assist the Panel in carrying out its duties under this Act.

(6) TERMINATION.—The Panel shall terminate 30 days after the submission of the final report under subsection (c).

(c) STUDY OF ECOSYSTEMS MANAGEMENT OF THE NORTHERN ROCKIES.—

(1) STUDY.—(A) The Panel shall define the boundaries of, and map, the ecosystems of the Northern Rockies, including any corridors the Panel deems necessary to connect isolated ecosystems. In making the determination of ecosystem boundaries, the Panel shall consider—

(i) restoration and maintenance of natural biological diversity;

(ii) productivity on a long-term, sustainable basis of essential natural ecological elements, functions, and successional processes;

(iii) preservation of the integrity of genetic stocks of native communities of plants and animals, with an emphasis on areas of high species richness and endemism;

(iv) restoration or maintenance or protection of high water quality instream flows and watersheds (or riparian areas) sufficient to protect fish and wildlife;

(v) maintaining biological connectivity between and among physiographic provinces; and

(vi) maintenance of long-term, sustainable outputs of economically valuable natural resources.

(B)(i) The Panel shall define the essential management purpose and biological function and desired condition of the ecosystems defined under subparagraph (A). In conjunction with carrying out subparagraph (A), the Panel shall assess the ecological status and trends, including, where appropriate, levels of risks associated with applicable management alternatives of water quality, riparian areas, and fisheries; uncommon, rare, threatened, and endangered species; rangelands; soils; and late successional old growth forest.

(ii) The Panel shall analyze the timber quantity, quality, and growth on the existing timber base as well as the success of reforestation in the region to date, probable rates of reforestation success in the future, and their effect on timber supply and related issues.

(C) The Panel shall gather and display in a useful form biological data from each of the ecosystems defined under subparagraph (A).

(D) The Panel shall identify gaps in important research areas and contract for or otherwise obtain research necessary in the short term to accomplish the duties of the Panel under this section.

(E) The Panel shall analyze Federal land ownership patterns and associated Federal land management mandates and practices within the ecosystems identified in subparagraph (A) and identify those mandates and practices which are inconsistent or incompatible with ecosystem management levels of risk identified under subparagraph (B).

(F) The Panel shall identify opportunities to encourage sustainable economic use of the natural resources of the ecosystems identified by the Panel and the sustainable economic outputs identified in subparagraph (A)(vi), in a manner consistent with the goals and purposes of those ecosystems. Special emphasis shall be placed on the identification of opportunities for the maintenance and growth of small businesses and the establishment of new small businesses consistent with the goals and purposes of those ecosystems. In making these recommendations, the Panel should consider opportunities to improve environmental conditions that could permit an expansion of the sustainable contribution of commodity and noncommodity uses and outputs of natural resources, including but not limited to each of the following:

(i) Increasing desirable natural vegetative growth through reforestation with native species, thinning and other timber stand modifications, prescribed burning, and seeding or planting native grasses, forbs, and shrubs.

(ii) Improving the quality of other biological resources (such as species diversity and animal populations) through habitat restoration, extended timber rotations, alternative timber harvesting and bidding systems, and different standards and methods for road construction, maintenance, closure, and eradication.

(iii) Enhancing the quality of non-biological resources (such as recreation trails and developments, watersheds and streams), through site restoration and rehabilitation, demand management (such as user regulation and enforcement, marketing to shift timing and location of uses) and investment in recreational use.

(2) RECOMMENDATIONS.—The Panel shall submit recommendations on each of the following:

(A) Specific, implementable steps for management of the ecosystems defined under paragraph (1)(A), including removal of inconsistent or incompatible mandates and practices identified under paragraph (1)(E).

(B) Ways to better monitor the resources within the ecosystems.

(C) Ways to create or improve direct cooperation between scientists both within and without the Federal Government and Federal land managers.

(D) Methods, including incentives by which State and private landowners might cooperatively manage their lands in a manner compatible with Federal lands located within the ecosystems.

(E) Other institutional or legislative changes the Panel determines will promote sound ecosystem management.

(3) REPORTS.—(A) Not later than 6 months after the date of enactment of this Act, the Panel shall submit an interim report to the President and the Congress. The report shall discuss the progress of the Panel in carrying out this section and shall include—

(i) a description of any ecosystems defined and mapped under paragraph (1)(A) and (B);

(ii) summaries of the biological data gathered to date under paragraph (1)(C); and

(iii) the additional research obtained under paragraph (1)(D).

(B) Not later than 30 months after the date of enactment of this Act, the Panel shall submit a final report to the President and the Congress which contains a description of its activities under this section and includes the findings, analyses, and recommendations made under this section.

(C) The reports submitted to the Congress under this paragraph shall be submitted to the Committee on Natural Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate.

SEC. 10. MISCELLANEOUS PROVISIONS.

(a) REDESIGNATION.—(1) Those lands comprising the Rattlesnake National Recreation Area and Wilderness, as designated in Public Law 96–476 are hereby redesignated as the "Rattlesnake National Education and Recreation Area and Wilderness".

(2) Those lands comprising 200 acres, as generally depicted on a map entitled "West Pioneers Study Deletion—Proposed", are hereby released from study under Public Law 95–150.

(b) WITHDRAWAL.—(1) Those lands comprising approximately 27,000 acres, as generally depicted on a map entitled "Gibson Reservoir Mineral Withdrawal Area—Proposed", dated October 1992, are hereby withdrawn from all forms of entry, appropriation and disposal under the mining and public land laws, and disposition under the geothermal and mineral leasing laws.

(2) The Secretary shall file a map and boundary description of the area designated by this subsection with the committees identified in this subsection and such map and boundary description shall have the same force and effect as if included in this Act.

(3) The Secretary may correct clerical and typographical errors in the map and boundary description submitted pursuant to this subsection.

(4) The map and boundary description referred to in this subsection shall be on file and available for public inspection in the office of the Chief of the Forest Service and the office of the Regional Forester of the Northern Region.

(c) ACREAGES.—All acreages cited in this Act are approximate and in the event of discrepancies between cited acreage and the lands depicted on referenced maps, the maps shall control.

(d) ACCESS.—It is the policy of Congress that the Forest Service affirm or acquire and maintain reasonable public access to National Forest System lands in the State of Montana.

(e) SCAPEGOAT AND GREAT BEAR WILDERNESS NAMES.—In order to consolidate existing contiguous wilderness areas, those lands comprising the Great Bear Wilderness Area designated by Public Law 95–946 and any amendments thereto and the Scapegoat Wilderness Area designated by Public Law 92–395 and any amendments thereto are hereby incorporated in and deemed to be a part of the Bob Marshall Wilderness. The designations of the Great Bear Wilderness and Scapegoat Wilderness shall refer to units within the Bob Marshall Wilderness.

SEC. 11. WILDERNESS REVIEW.

(a) FINDINGS.—The Congress finds that—

(1) the Department of Agriculture has studied the suitability of roadless areas for inclusion in the National Wilderness Preservation System; and

(2) the Congress has made its own review and examination of National Forest System roadless areas in the State of Montana and the environmental impacts associated with nonwilderness management of such areas.

(b) RELEASE.—Those National Forest System lands in the State of Montana which were not designated as wilderness, special management,

national recreation, or wilderness study areas by this Act and Public Law 95–150 shall be managed for multiple use in accordance with land and resource management plans developed pursuant to section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended by the National Forest Management Act of 1976, and other applicable law, and those areas need not be managed for the purpose of protecting their suitability for wilderness designation prior to or during revision of land and resource management plans.

(c) PLAN REVISIONS.—In the event that revised land management plans in the State of Montana are implemented pursuant to section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended by the National Forest Management Act of 1976, and other applicable law, areas not recommended for wilderness designation, need not be managed for the purpose of protecting their suitability for wilderness designation prior to or during revision of such plans, and areas recommended for wilderness designation shall be managed for the purpose of protecting their suitability for wilderness designation.

(d) FURTHER REVIEW.—Unless expressly authorized by Congress, the Department of Agriculture shall not conduct any further statewide roadless area review and evaluation of National Forest System lands in the State of Montana for the purpose of determining their suitability for inclusion in the National Wilderness Preservation System.

(e) PREVIOUS PLANS.—Except as specifically provided in section 3, 5, 6, and 7 of this Act and in Public Law 95–150, with respect to the National Forest System lands in the State of Montana which were reviewed by the Department of Agriculture under Public Law 94–557, the unit plans that were in effect prior to completion of RARE II, the 1978 Forest Plan for the Beaverhead National Forest, that such reviews shall be deemed an adequate consideration of the suitability of such lands for inclusion in the National Wilderness Preservation System, and the Department of Agriculture shall not be required to review the wilderness option prior to the revision of the land and resource management plans.

(f) REVISIONS.—As used in this section, and as provided in section 6 of the Forest and Rangeland Renewable Resources Planning Act, as amended by the National Foreign Management Act, the term "revision" shall not include an amendment to a land and resource management plan.

(g) SIZE.—The provisions of this section shall apply to those National Forest System roadless lands in the State of Montana which are less than 5,000 acres in size.

SEC. 12. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as are necessary to carry out this Act.

AMENDMENTS OFFERED BY REPRESENTATIVE VENTO

Mr. VENTO. Madam Chairman, I offer a series of amendments, and I ask unanimous consent that they be considered as read and considered en bloc. They are identified as amendments 1 through 8.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The text of the amendments is as follows:

Amendments offered by Mr. VENTO: On page 2, line 16, delete all of paragraph (3) and replace with a new paragraph as follows:

"(3) review and evaluation of roadless and undeveloped lands in the National Forest system in Montana have also identified those areas which should be specially managed, deserve further study, or which should be available for multiple uses other than wilderness, subject to the Forest Service's land management planning process and the provisions of this Act.".

On page 10, line 14, delete the word "Dark" and replace with "Pink".

On page 16, line 3, strike "FACA.—The provisions of the Federal Advisory Committee Act not withstanding" and replace with "CITIZEN INVOLVEMENT—".

On page 25, line 14, add after the word "Area" "and the McIntire Natural Area".

On page 26, after line 13, add a new paragraph as follows:

"(3) The Secretary shall manage the McIntire Natural Area with the goal of managing the Area to develop and test new management approaches that achieve ecological health. Management activities should be focused on improving water quality, riparian area condition, and stream channel stability.

The emphasis will be on testing and evaluating ecosystem management approaches. Timber harvest activities that minimize soil effects and impacts to residual vegetation may be allowed. Silvicultural prescriptions will emphasize structural and vegetative diversity within stands, as distinguished from even-age management prescriptions as a usual treatment. Development of late-successional forests will be emphasized on portions of the Natural Area.".

On page 28, line 6, delete "100,000" and replace with "94,000".

On page 45, line 12, strike "and" and replace with "or".

On page 47, line 6 after the word "section" add "also".

Mr. VENTO. Madam Chairman, I thank my colleagues and the Chair for their indulgence. These amendments have been discussed with the minority. They are mostly technical amendments. No. 1 replaces the finding dealing with lands available for multiple uses with boilerplate language used in previous wilderness bills.

Amendment No. 2 changes the name of a portion of the Yaak wilderness designate by the bill from "Dark Mountain" to "Pink Mountain." There is no Dark Mountain.

Amendment No. 3 deletes the exception for the Federal Advisory Committee Act for citizens groups that will provide advice on wilderness management issues.

Amendment No. 4 clarifies that timber harvesting in the McIntire natural area must be compatible with the purposes of the designation.

Amendment No. 5 provides management direction for the McIntire natural area.

Amendment No. 6 deletes the tenderfoot experimental forest from the Tenderfoot-Deep Creek wilderness study area.

Finally, amendments No. 7 and 8 are simply technical corrections in the bill. There is no substantive change with respect to them.

Madam Chairman, I yield to the gentleman from Utah.

Mr. HANSEN. I thank the gentleman for yielding.

Madam Chairman, the minority has reviewed these amendments and has no objection to them and accepts them.

Mr. VENTO. Madam Chairman, I yield to the gentleman from Montana, the sponsor of the measure.

Mr. WILLIAMS. I too thank the gentleman and rise in support of the gentleman's en bloc amendments. I want to say specifically with regard to amendment No. 4 in this series that the chairman and I have worked together to ensure that my intention with regard to the purposes of an area called the McIntire natural area are clear. The amendment provides absolute assurance that harvest is allowable but that it be done in a small and environmentally sound manner. This area is critical to the survival, for example, the survival of the grizzly bear. We want harvests to continue, but we want it done in a manner that is in keeping with the environmental standards that the area is required to meet. That was not as clear in my original legislation as I wanted it to be. The gentleman's amendment No. 4 clarifies it, and I appreciate the gentleman working with me on this.

Mr. VENTO. Madam Chairman, I urge support of this noncontroversial series of amendments.

The CHAIRMAN. If there are no further requests for time, the question is on the amendments offered by the gentleman from Minnesota [Mr. VENTO].

The amendments were agreed to.

AMENDMENT OFFERED BY MR. TRAFICANT

Mr. TRAFICANT. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TRAFICANT: At the end of the bill add the following new section:

SEC. . COMPLIANCE WITH BUY AMERICAN ACT.

None of the funds made available in this Act may be expended in violation of sections 2 through 4 of the Act of March 3, 1933 (41 U.S.C. 10a–10c, popularly known as the "Buy American Act"), which are applicable to those funds.

Mr. TRAFICANT (during the reading). Madam Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. TRAFICANT. Madam Chairman, this is a very simple amendment, Congress. While there is still some semblance of a Buy American Act, this would call for compliance with the Buy American Act. Since we still have a Constitution that talks about sovereignty of the American people and the Government of our country, this would in fact force compliance with the Buy American Act.

Mr. VENTO. Madam Chairman, will the gentleman yield?

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

Mr. VENTO. I thank the gentleman for yielding.

Madam Chairman, I have consulted with my principal consultant on Buy America, my mother, and she told me to accept the Traficant amendment.

Mr. TRAFICANT. Madam Chairman, the gentleman's mother is showing good judgment.

Madam Chairman, I yield to the distinguished ranking member.

Mr. HANSEN. I thank the gentleman for yielding. Madam Chairman, I think this is a good amendment, I support it, we have no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. TRAFICANT].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. WILLIAMS

Mr. WILLIAMS. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WILLIAMS: On page 18, line 7, strike subsection (2)(A) and insert:

"(2)(A) Nothing in this Act shall be construed as a creation, recognition, disclaimer, relinquishment, or reduction of any water rights of the United States in the State of Montana existing before the date of enactment of this Act."

Mr. WILLIAMS. Madam Chairman, this amendment would conform the Montana water rights language in the bill to the language that this body passed in the Colorado wilderness bill. The amendment changes neither the meaning nor the intent of the water rights section at all, but simply adds back to the language as originally drafted.

As my colleagues know, water rights law is a delicate business, and frankly in our haste to draft clearer, more concise language, we strayed a bit from the Colorado formula.

□ 1440

Several groups in Montana were not entirely comfortable about the new language, and, although no one really claimed that the language was not substantive, I want everyone to be comfortable with this water rights language because in Montana, as in so many other States, water rights is critically important, and so I am offering this language which restores a few words that were in the original Colorado language, and, in my judgment, this neither adds nor detracts from the water rights security that I had in the original language. It says the same thing, it achieves the same goal, but in a slightly different way and with language which adds a higher comfort level to some of the water users groups in Montana who deserve as high a comfort level on this issue as we can provide them.

Mr. VENTO. Madam Chairman, will the gentleman yield?

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

Mr. VENTO. Madam Chairman, I rise in support of the amendment of the gentleman from Montana.

As the gentleman has explained, this amendment would revise the part of section 4 of the bill that is intended to explain the effect—or, rather, lack of effect—that the bill would have on any Federal water rights already in existence in Montana.

The effect of the amendment would be to make this part of the bill exactly the same as the corresponding provisions in the Colorado Wilderness Act of 1993.

Frankly, in my opinion the version of the bill reported by the Committee on Natural Resources already achieves what would be achieved by the Williams amendment—that is, it makes clear that the bill will have absolutely no effect on such existing Federal water rights.

The pertinent part of the 1993 Colorado Wilderness Act, which Mr. WILLIAMS would place into this bill, says that the act is not a recognition or denial of any existing water rights, which is clear and perhaps helpful.

But the Colorado provisions also say that they are not to be read as "A creation * * * of any water rights of the United States * * * existing before the date of enactment."

As it did last year, this seems to me to be what our former distinguished colleague, Chairman Mo Udall, once referred to as "redundant reassurance of the self-evident." Nothing seems more unnecessary as to say that a wilderness bill does not create something that has already been created. The word "create" bothers me any way. It always seems more appropriate to say "designate."

My experience with bills like the Colorado wilderness bill has prepared me for some strange things, but so far I have not heard even a Colorado water lawyer claim that existing water rights could or would be created again, retroactively. Still, in my opinion the Colorado language, however odd, has no effect, and so I joined our committee and the House in accepting it, even though in my opinion, it does not reflect the kind of care that we should exercise in fashioning legislation on such an important matter.

I had hoped to improve on that record when we dealt with Montana, but evidently there is some impression that something more substantive was involved when the bill was revised in our committee. That impression has prompted the gentleman from Montana to seek to restore the Colorado language. The House accepted that language for Colorado, and I view that language as every bit as good today, in reference to the "Big Sky" State. Apparently the comfort of Members of Congress must come before clarification—learning to live with such creative thinking also is our plight.

Therefore, Madam Chairman, I urge the House to adopt the amendment, in order to lay to rest the Colorado creation anxiety that has been expressed about this part of the bill.

Mr. ALLARD. Madam Chairman, will the gentleman yield?

Mr. WILLIAMS. I yield to the gentleman from Colorado.

Mr. ALLARD. Madam Chairman, I thank the gentleman from Montana [Mr. WILLIAMS] for having yielded to me, and I rise in support of his amendment. In fact, I was prepared to offer this very same amendment myself, if the gentleman from Montana had not. I think it is essential to establish some balance in this argument on Federal reserve water rights, and now, with the gentleman from Montana's amendment, we have restored that balance where we say that not only do we not relinquish or reduce any Federal reserve water right that may be already there, but we are also saying there will not be a creation or a recognition of a new Federal reserve water right, and I think that brings things into balance.

I say to my colleagues, "It's a very important issue if you're talking about fairness and applying the Federal reserve water right, and I strongly support the gentleman's amendment."

Mr. WILLIAMS. Madam Chairman, I thank the gentleman from Colorado [Mr. ALLARD] for supporting the amendment.

I have, as the gentleman knows, believed that we have had ironclad protection for States' water rights in the bill, but, as I say, if we can raise the comfort level, even though I do not think we are changing the policy of the water rights, then I am all for raising the comfort level, and we do want to go the extra step to be sure that we protect water out our way.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Montana [Mr. WILLIAMS].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. HOCHBRUECKNER

Mr. HOCHBRUECKNER. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOCHBRUECKNER:

Section 2 is amended—

(1) by redesignating paragraphs (2), (3), and (4) of subsection (a) as paragraphs (3), (4), and (5) respectively and inserting after paragraph (1) of subsection (a), the following:

"(2) Preserving areas in their natural roadless condition is a vital component of protecting the biodiversity of lands in Montana and securing and maintaining habitat for threatened and endangered species."

(2) by inserting after the words "character of the land" in subsection (b)(1), the words "and the health and diversity of native populations of fish, wildlife and plants".

Section 9 (c)(3)(C) is amended by inserting after the words "the Committee on Natural Resources" the words "and the Committee on Merchant Marine and Fisheries".

Mr. HOCHBRUECKNER (during the reading). Madam Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. HOCHBRUECKNER. Madam Chairman, today I rise on behalf of myself, the gentleman from Massachusetts [Mr. STUDDS], the gentleman from New York [Mr. MANTON], the gentlewoman from Washington [Mrs. UNSOELD], and the gentlewoman from Oregon [Ms. FURSE] to offer an amendment to the Montana Wilderness Act of 1994. The Committee on Merchant Marine and Fisheries was granted a 24-hour sequential referral of H.R. 2473; however, due to the limited duration of the referral, we were unable to consider this bill in committee. The amendment which we are offering pertains to sections 2 and 9 of the bill. In section 2, the findings and purposes section, the amendment is intended to highlight the importance of protecting Montana's biodiversity and preserving areas in their natural roadless state. In addition, the amendment will ensure that the Committee on Merchant Marine and Fisheries is informed of the progress of the panel conducting the ecosystem and economic study of the northern Rockies area within the State of Montana under section 9.

The language being proposed has been discussed with Congressman WILLIAMS' office and it is our understanding that he supports the amendment. The amendment does not change any wilderness designation or other substantive provision of the bill.

Madam Chairman, the Committee of Merchant Marine and Fisheries has jurisdiction over the conservation of fish and wildlife. The Rockie Mountains ecosystem contains many species, like the grizzly bear and the gray wolf, which require large expanses of relatively undisturbed habitat to thrive. This is why the wilderness, special management areas, and ecosystem study established in this bill are so crucial to fish and wildlife conservation. Furthermore, it is important to ensure sound management of the remaining roadless areas in Montana and we think this bill provides this opportunity. While more than 3 million acres of roadless lands are released to multiple use management, the bill makes clear that management activities must be in full compliance with the National Environmental Policy Act and other fish and wildlife conservation laws. In past administrations, we may have been concerned that releasing these lands would be a predicate to disaster. However, the current administration is committed to environmental protection at the ecosystem level.

Madam Chairman, we commend the gentleman from Montana on his efforts to protect these lands and urge Members to vote "yes" on the amendment.

Mr. VENTO. Madam Chairman, will the gentleman yield?

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

Mr. VENTO. Madam Chairman, I have no objection to the amendment offered by the gentleman from New York [Mr. HOCHBRUECKNER]. I commend the gentlemen, the gentleman from Massachusetts [Mr. STUDDS] and the gentleman from New York [Mr. HOCHBRUECKNER], for their work on this amendment and urge support for it.

Mr. HANSEN. Madam Chairman, will the gentleman yield?

Mr. HOCHBRUECKNER. I yield to the gentleman from Utah.

Mr. HANSEN. Madam Chairman, the minority has looked at the gentleman's amendment. We have no objection to it, think it adds to the bill, and we would accept it on this side.

Mr. WILLIAMS. Madam Chairman, will the gentleman yield?

Mr. HOCHBRUECKNER. I yield to the gentleman from Montana.

Mr. WILLIAMS. Madam Chairman, I particularly appreciate the gentleman coming to me early and working with us on this amendment, and I appreciate his committee's review of the legislation. I am pleased to have the committee review the economic environmental study when it is completed, and I appreciate the gentleman's amendment, but I am particularly appreciative of the early warning that he gave us with regard to the amendment and the work that his staff and our staff did together.

Mr. HOCHBRUECKNER. Madam Chairman, I thank the gentleman from Montana [Mr. WILLIAMS] for his kind remarks and his support along with the support of other Members on both sides of the aisle.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. HOCHBRUECKNER].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. DELAY

Mr. DELAY. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DELAY:

On page 34, line 8, strike Section 9 in its entirety.

Mr. DELAY. Madam Chairman, I did not intend to get involved in today's debate involving this bill which the gentleman from Montana has worked on for years. I defer to him regarding the boundaries and acreages of wilderness in his State. However, I am concerned about the costly and politically correct study this bill authorizes and the precedent it creates for future wilderness bills involving other States.

My amendment would strike section 9 from the bill. This section, which is nine pages long, would establish an independent scientific panel for the study of the northern Rockies—a panel of 11 scientists appointed by the President from a list developed by the National Academy of Sciences. Each panel member is required to be free of economic conflict of interest. Moreover, this panel is given authority to establish such regional review teams and working groups as it deems necessary to complete its tasks in a timely and professional manner.

The panel is given the herculean task of defining the boundaries of the ecosystems of the northern Rockies including any corridors it feels are needed to connect isolated ecosystems. Since two-thirds of Montana is privately owned, numerous acres of private lands will unavoidably be within the ecosystem boundaries.

Furthermore, the panel is required to study virtually everything that swims, crawls, flies, or has roots in Montana. It also is charged with studying such trendy and politically correct concepts as biological diversity, isolated ecosystems, biological connectivity, ecosystem management, and sustainable outputs.

Then, 30 months after enactment, the panel is required to complete its report on these subjects and include recommendations for improving management of the northern Rockies ecosystem.

I am greatly confused as to why we are authorizing this study in the first place. Did we not create a new agency last fall with a $163-million budget called the National Biological Survey which is supposed to do similar research as this scientific panel?

Let me state the functions of the Biological Survey according to section 3 of H.R. 1845, which the House passed last October.

(A) conduct research on biological resources, including plants, fish, wildlife, and their habitat.

(B) monitor methods by which ecosystems are managed.

(C) collect and analyze data and information to determine and inventory the distribution, abundance, health and status and trends of biological resources.

Why are we being asked to create yet another new scientific study which CBO estimates will cost taxpayers $8 million, when only 6 months ago we established the National Biological Survey. Just imagine if every other large State asks for a study like this. The cost would be staggering.

Aside from the National Biological Survey and its $163 million budget, which will likely be increased 9 percent next year, we have many other Federal agencies with talented and well-trained scientists. Why can we not trust scientists with agencies like the Forest Service, U.S. Fish and Wildlife Service, Bureau of Land Management, Bureau of Indian Affairs, Bonneville Power Administration, National Park Service, National Marine Fisheries Service and others to collect this data if it is so urgently needed? Why must we spend $8 million of money we do not have for something we do not need?

If I was more cynical, I might think this was a full employment program for scientists aligned with preservation groups. After all, they coined many of the terms in section 9 like ecosystem management and biological connectivity. Perhaps, if I read the bill closer I might even find the trendy term "biocentrism."

Montana resident and syndicated columnist Alston Chase writes:

Biocentrism holds that all living things have equal rights. Humans don't enjoy special status. This derives from the idea that nature consists of interacting parts that operate as ecosystems. Since everything is connected to everything else, every creature is equally important.

Continuing he says:

Unfortunately, the idea is bogus. While there are many reasons to protect land, water and wildlife, saving ecosystems isn't one of them. Ecosystems are mathematical tools used to analyze energy feedback loops. You can't draw them on maps. There is no evidence that, left undisturbed, they reach equilibrium. Also, not every creature is equally important. The disappearance of spotted owls would be an aesthetic calamity, but would no more jeopardize humanity than extinction of Irish elk 10,000 years ago put an end to life on the Emerald Isle.

Finally, Alston Chase says:

These policies are the Prozac of environmentalism. They mean nothing but make us feel good. By calling "old growth" an ecosystem, it implies that mature trees are a biologically distinct category—which is an absurdity, like saying that as people become aged they become different species.

Mr. Speaker, let us not spend $8 million to conduct a politically correct study of the northern Rockies ecosystem. If there are gaps in existing data, why does Congress not trust the thousands of scientists in Federal agencies such as the newly created National Biological Survey and private entities to go out and collect it. Support the DeLay amendment.

□ 1450

Mr. VENTO. Madam Chairman, I rise in opposition to the amendment.

Madam Chairman, I oppose this amendment. This is an amendment that would prevent us from moving forward with the comprehensive scientific study of the northern Rockies ecosystem in Montana.

The Biological Survey functions out of the Department of Interior. Such agreements as may exist between it and the Department of Agriculture, which I think would be desirable, are not covered under the Biological Survey per se. So it is a misunderstanding that the gentleman from Texas [Mr. DELAY] has personified in terms of the statement that he has made.

I think that the Forest Service has a good range of scientists. They need the direction that this particular format and this study provides. I am pleased that the philosopher that he quoted has such views with regard to the scientific information. Apparently, in his view, all we need to do is have his philosophy. We do not need to study anything. But that is really what has gotten us to where we are today.

The fact of the matter is, I would point out, that we have taken billions of dollars out of Montana and out of the West in terms of resources, and we have designated millions and millions of acres of land. The fact is we need a better knowledge base to deal with that. We need to deal with what the economics are in the State of Montana.

That is why my colleague wants this amendment. He wants the information so that we can go forward on a rational basis. To invest back in the State of Montana and in the West is what the goal is that has to be done here. But we cannot do it based on hunches and philosophy, no matter how bright or intelligent the words are.

We found repeatedly in our efforts to deal with this problem that we are changing the policies because we have such a lack of information day in and day out, within just months. And it is not a single species based kind of issue. It is multi-species based.

It is the entire ecosystem, which, after all, an ecosystem is simply a cognitive construct that we have to use as a way of thinking about very diverse topics like these ecosystems, which are made up with these fauna and flora that are very diverse.

So that is not the argument here. It is an argument of putting this in place, authorizing this, trying to get the information that is necessary so that we can make better decisions with regard to these lands.

We do not have enough information very often to be making the types of decisions that are needed. I always thought if everyone had the right information, we would make the right decisions. But indeed there is a place for politics to come into this. There is a place where we have to bring that to bear. That is why we reserved the right to make these decisions.

But I think this would be a real mistake to walk away. Here we are classifying 6 million acres of land. The gentleman has a modest amendment for a study here, and maybe he will get the money for it. Maybe he will not.

But I think the point is, it is pointing the Forest Service in the direction they wanted to go. They want to deal with this on an ecosystem basis. The fact is the Forest Service lines, the lines for the national forest, have run across State lines for many, many years. They recognized early on that state lines were inappropriate in terms of the management units that they were charged with managing.

This study, of course, goes a long way forward. It tries to put it on an objective basis, engaging the National Academy of Sciences, engaging the other departments and agencies of the Federal Government that have similar reform bills, and to try to come forward with a sound policy so we can make decisions on efficient and wildlife preservation, threatened and endangered species, oil and gas and mining rights. We do not have all the information. We need to provide some direction to the administration.

If you think it is all right for them just to go ahead and do what they wanted to do in the National Biological Survey, that is fine. But I think there is some wisdom in this body. I think the House and the Senate, working together and operating and functioning on the basis of the gentleman's proposal here, should be given that chance.

So therefore, I would ask that we reject the DeLay amendment today and move forward on the proactive policies of the gentleman from Montana.

□ 1500

Mr. DELAY. Madam Chairman, will the gentleman yield?

Mr. VENTO. I yield to the gentleman from Texas.

Mr. DELAY. Madam Chairman, the gentleman says that we need this study independently. But in answer to the question, will this study partially duplicate what is contained in the forest plans, the Forest Service has said that the proposed study that I am trying to eliminate would partially duplicate the forest plans in a number of ways. And it lists the ways: inventory of timber, age of resources, identifying trends and alternatives.

It is already going to be done, paid for by the Forest Service.

Mr. VENTO. Madam Chairman, I think that it is not being done. This has been the answer from the Forest Service for a long time of anything that we had recommended. The truth is that if it is redundant, the thing is, it is based on using existing information but putting it together in a different way. That has not been the past. The corridors the gentleman criticized and some of the other aspects are at the very cutting edge of new science and land use management. I would urge rejection of the amendment for that reason.

Mr. MILLER of California. Madam Chairman, I move to strike the requisite number of words.

Madam Chairman, I rise in opposition to the amendment. I would hope that we would reject the amendment by the gentleman from Texas. I think it shows a misunderstanding of what has been taking place in this region of our country.

When we talk about ecosystem management in the case of the Northern Rockies, we are really talking about building on a community of work that goes far beyond the belief that we are going to simply classify the flora and the fauna and habitat and wildlife.

These communities, I mean communities, talking about little cities and

towns where people work, are interested in having this so that they can have a road map on how they are going to continue to provide the economic activity for those communities and these impacted areas. This is, in fact, one of the few areas of our country where when we talk about ecosystem management and where it has been talked about in long term, maybe even coined in this area of the country, the fact is they brought in the communities, because as we move to multiple use of these public lands, the people from the West say that they are always foreign, especially my colleagues on the other side of the aisle.

We need to know what uses are available, what inventories are available, what economic activity can be sustained when it comes to the pressures between mining, between oil and gas, and tourism, and timber inventories and trying to keep that industry alive, as we change our understandings and concepts of these regions.

In fact, if Members go out and they visit with people from the Greater Yellowstone Coalition and from other organizations out there, they would understand that this is being driven by communities that have had the good fortune to have some of the highest growth rates in our Nation over the last several years because of the attractiveness of this region.

They also understand that there is going to be a limit to the size of the timber industry, to the extractive industries. They are trying to develop new industries, whether it is tourism or other such activities, but they need to know what is going to be available to them, what is going to be off limits because of special characteristics, however defined in an ecosystem map, and what is not going to be available to them.

This is an economic tool. This is not politically correct. This is not cute. This is a very serious economic tool to prevent the kinds of problems that we have run into in so many regions of this country where we have sort of gone down one road until the policy is bankrupt, until the thing is so far gone that we lose the options.

What these communities, what the citizens of this region have been talking about, asking for, participating in is ecosystem management so that they can make those determinations. To believe that this kind of study is simply for the purposes of a narrow point of view within the environmental movement or within the Forest Service, the National Biological Survey, this is a tool to be used by local governments, to be used by local planning organizations, to be used by citizens in those areas so that they can hold on to the best that they can have and still provide the economic wherewithal for their communities. That is the genesis of this effort in the Northern Rockies.

Mr. DELAY. Madam Chairman, will the gentleman yield?

Mr. MILLER of California. I yield to the gentleman from Texas.

Mr. DELAY. Madam Chairman, the gentleman made a very eloquent statement about why the purpose of this particular section. That is, for local communities to have all this information. But if that is the case, why did the gentleman and the committee take out of the original bill this phrase, under the purposes of this study, "to assure the disruptions to communities and local economies are minimized through the sustainable use of natural resources in the State of Montana"?

If that is the concern of the gentleman, why did he take it out of the bill?

Mr. MILLER of California. Madam Chairman, that is the tool that ecosystem management brings to us. In our State, in California, we have had analysis of habitats and other areas. We are now able to start to be able to tell builders and local boards of supervisors and city governments where they can go without peril and where there is a problem, where we can achieve joint mitigation to offset problems. And so we cannot do that unless we have the kind of information that is available to us in these studies.

Mr. DELAY. Madam Chairman, if the gentleman will continue to yield, would the gentleman answer my question?

Mr. MILLER of California. Madam Chairman, I am answering the gentleman's question. This is one of the tools to be used for that purpose. That is not the purpose. This is a tool to develop and to bring together that information so we can make those kinds of judgments. That is not this study. This study is about the inventory of those qualities.

Mr. DELAY. Madam Chairman, the gentleman just made an eloquent speech about the purpose of this study.

Mr. MILLER of California. Madam Chairman, do not reject this tool because Members think it is something that it is not, because they do not understand the history of what has taken place in this region among the citizens and the communities who are trying to develop their economic well-being.

Mr. HANSEN. Madam Chairman, I move to strike the requisite number of words.

Madam Chairman, as we listen to the debate on this particular amendment, this study mandate in title IX, which CBO estimates will cost $8 million, is a very expensive precedent. We do it for Montana. How about Idaho, Oregon, Alaska, Utah, and any other Western State that has public land? And needless to say, this would be an extremely and enormous cost to the people of America.

I applaud many of the things in this bill and appreciate our friends from Montana coming up with a good piece of legislation. But this part of it really bothers me, and I think the gentleman from Texas has done an excellent job in taking this out.

Mr. Babbitt, the Secretary of the Interior, when we did the biological survey, made this statement. He said, "The mission of the National Biological Survey is to inventory all of the biological resources of the country."

That means, as he pointed out, everything that flies, that swims, that crawls. It did not limit it to the Forest Service or take our BLM but everything is involved.

As we sit in our offices and we get all of these letters from people around the United States, they are saying, save money, avoid redundancy.

The Endangered Species Act, for example, one of the main reasons that is going to be changed is under the listing process. Because under the listing process, all we look at is the biological features. We do not look at the economy of the area.

In particular instance, here we are going to throw it out again, go down that same path and get us in trouble like we have on the Endangered Species Act.

I cannot understand, and I ask my colleagues wherever they may be to take into consideration, if they want to save money, if they want to improve the Montana Wilderness bill, this is the best amendment to do it under. Why the redundancy? Why up here do we constantly say we have to have 100, 200, 300 scientists to analyze the same thing we are looking at.

I think the gentleman from Texas got into the area that we do not even define the words. Every time we have had the Chief of the Forest Service, for the last times in front of the committee, I have asked him to define ecosystem. So far I do not have a definition. All of these other terms that we have looked at, please define them. They are indefinable terms. It is not like a contract that in the back we have a definition of terms that we can turn to and say, this means the following. We are going into indefinable things.

I do not think this is necessary. Number one, if we want to save money, here is a good amendment to vote for. Number two, if we want to improve the Montana Wilderness bill, here is an excellent amendment.

I think we should get on with this and vote for the amendment of the gentleman from Texas which is an excellent amendment and well-thought-out.

Mr. WILLIAMS. Madam Chairman, I move to strike the requisite number of words.

I am reminded of that statement, "No good deed shall go unpunished."

I came up with the idea for this study because industry and timber industry workers in Montana asked me to find a

way to determine the carrying capacity of the land in order to be certain that Montana's natural resources extractive industries would have a stable future. That is how this study got in the bill.

Does it make sense to do it? Well, consider the spotted owl problem. That crisis, that catastrophe out there, our neighbors to the West of Montana, does not have a thing to do with the spotted owl. It has to do with folly, folly, the folly of the timber industry and the Federal Government, primarily the Forest Service, which would conspire to cut 90 percent of the old growth timber in the Pacific Northwest and then leave the workers, the small businesses, the Main Street merchants with one argument, one debate left.

□ 1510

Do we cut out all the rest or do we put out the foreclosure and bankruptcy signs? Do we go on unemployment?

Out our way in Montana, and I would add in Idaho, we still have an opportunity to avoid that kind of folly. However, to do so, we have to understand for tomorrow better than we do for today what the carrying capacity of the land is. This does not have anything to do with these push-button inflammatory words like "biocentrism" and "ecoanalysis." That is not what we are trying to determine here. We are trying to simply say how much extraction of the remaining natural resources can go on and still allow the place to carry its weight environmentally. That is what this study is all about.

Mr. Speaker, I do not want to spend $8 million on this study. I do not want to spend half of that on this study. CBO is simply wrong. In my view, CBO was looking at the study we should be having, which is a five State study. All of the Northern Rockies should be studied for this purpose. However, we are only studying Montana in this bill.

If CBO thinks it is going to cost $8 million for this study in just the Federal land in Montana, then the folks down at CBO have their bow ties caught in their computers. It is not going to cost $8 million to study this, or anywhere near $8 million to study it. I do not support that kind of an expenditure.

Mr. DELAY. Madam Chairman, will the gentleman yield?

Mr. WILLIAMS. I am glad to yield to the gentleman from Texas.

Mr. DELAY. Madam Chairman, I appreciate the gentleman yielding to me.

Madam Chairman, the CBO made this estimate based upon ongoing studies like the Sierra Nevada study that is spending $7.5 million to do such a study.

Mr. WILLIAMS. I want to make clear I am not for an $8 million study. What we have in mind here would not cost $8 million or even any significant portion of $8 million.

Mr. DELAY. If the gentleman will continue yielding, if he does not want to spend $8 million, why does he not just, in the bill, instruct the National Biological Survey to do this survey.

Mr. WILLIAMS. Reclaiming my time, Madam Chairman, the National Biological Survey is reviewing something entirely different than what I am trying to achieve here. I would not be satisfied that the information we are going to receive from the National Biological Survey will be appropriate to what industry, industries' workers, and environmentals and conservationists in Montana are trying to achieve in this study. It is two different studies entirely.

I say to my colleagues, Madam Chairman, we ought to do this study throughout the Northern Rockies. This bill reserves the boundaries of the study within Montana, but it is important to the people of Montana and to the people of the United States to understand what the carrying capacity of the natural resources in their land and the carrying capacity of that land base really is.

Although we have an awful lot of information, most of it gleaned from the Forest Service planning process, that information is not entirely appropriate to giving us those answers. In Montana, we want to avoid what has happened to our friends to the West in this crisis known as the spotted owl. Every State in the Northern Rockies wants to avoid that. The best way to avoid that, in my judgment, is to do this study, which I believe can be done for a fraction of the cost that the green eye shade folks down at CBO have claimed.

The CHAIRMAN. The time of the gentleman from Montana [Mr. WILLIAMS] has expired.

(On request of Mr. DELAY and by unanimous consent, Mr. WILLIAMS was allowed to proceed for 1 additional minute.)

Mr. DELAY. Will the gentleman yield?

Mr. WILLIAMS. I yield to the gentleman from Texas.

Mr. DELAY. Madam Chairman, I appreciate the gentleman yielding to me.

I understand what the gentleman is trying to do, Madam Chairman. I do not agree that it is different, that the National Biological Survey is different than what he is asking for. I would just cite for the gentleman, who says that people from Montana want this, a letter to me from John Hossack from Eureka, MT, who is retired from the Forest Service after 35 years of service.

He says:

Implementing section 9 requirements over the top of agency direction will result in chaos, commonly known as "analysis paralysis." Congressionally and presidentially imposed results will not be the same as those of the managing agency and public participation disregarded in favor of a select handpicked committee of scientists. . . ."

Mr. WILLIAMS. Madam Chairman, reclaiming my time, that retired gentleman from the Forest Service is speaking for himself. The agency that he used to work for, the Forest Service, supports this study.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. DELAY].

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

RECORDED VOTE

Mr. DELAY. Madam Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 182, noes 244, not voting 12, as follows:

[Roll No. 172]

AYES—182

Allard	Goodling	Moorhead
Archer	Goss	Myers
Armey	Grams	Nussle
Bachus (AL)	Greenwood	Oxley
Baker (CA)	Gunderson	Packard
Baker (LA)	Hall (TX)	Parker
Ballenger	Hancock	Paxon
Barcia	Hansen	Penny
Barrett (NE)	Harman	Peterson (MN)
Bartlett	Hastert	Petri
Barton	Hayes	Pickle
Bateman	Hefley	Pombo
Bentley	Herger	Portman
Bereuter	Hobson	Pryce (OH)
Bilirakis	Hoekstra	Quillen
Bliley	Hoke	Quinn
Boehner	Horn	Ramstad
Bonilla	Houghton	Regula
Browder	Huffington	Reynolds
Bunning	Hunter	Ridge
Burton	Hutchinson	Roberts
Buyer	Hutto	Rogers
Callahan	Hyde	Rohrabacher
Calvert	Inglis	Roth
Camp	Inhofe	Royce
Canady	Istook	Santorum
Castle	Jacobs	Sarpalius
Clement	Johnson, Sam	Schaefer
Clinger	Kasich	Schenk
Coble	Kim	Schiff
Collins (GA)	King	Sensenbrenner
Combest	Kingston	Shaw
Condit	Klug	Shuster
Cooper	Knollenberg	Skeen
Cox	Kolbe	Skelton
Cramer	Kyl	Smith (MI)
Crane	Lambert	Smith (NJ)
Crapo	Laughlin	Smith (TX)
Cunningham	Lazio	Solomon
Danner	Leach	Spence
Deal	Levy	Stearns
DeLay	Lewis (CA)	Stenholm
Diaz-Balart	Lewis (FL)	Stump
Dickey	Lightfoot	Sundquist
Doolittle	Linder	Talent
Dornan	Livingston	Tanner
Dreier	Lloyd	Tauzin
Duncan	Lucas	Taylor (MS)
Dunn	Manzullo	Taylor (NC)
Edwards (TX)	McCandless	Thomas (CA)
Emerson	McCollum	Thomas (WY)
Everett	McCrery	Upton
Ewing	McDade	Valentine
Fawell	McHugh	Vucanovich
Fields (TX)	McInnis	Walker
Fowler	McKeon	Weldon
Gallegly	McMillan	Wolf
Gekas	Mica	Young (AK)
Geren	Michel	Young (FL)
Gingrich	Miller (FL)	Zeliff
Goodlatte	Montgomery	

NOES—244

Abercrombie	Baesler	Bilbray
Ackerman	Barca	Bishop
Andrews (ME)	Barrett (WI)	Blackwell
Andrews (NJ)	Becerra	Blute
Andrews (TX)	Beilenson	Boehlert
Applegate	Berman	Bonior
Bacchus (FL)	Bevill	Borski

Boucher
Brewster
Brooks
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Byrne
Cantwell
Cardin
Carr
Chapman
Clay
Clayton
Clyburn
Coleman
Collins (IL)
Collins (MI)
Conyers
Coppersmith
Costello
Coyne
Darden
de Lugo (VI)
DeFazio
DeLauro
Dellums
Derrick
Deutsch
Dicks
Dingell
Dixon
Dooley
Durbin
Edwards (CA)
Ehlers
Engel
Eshoo
Evans
Faleomavaega (AS)
Farr
Fazio
Fields (LA)
Filner
Fingerhut
Fish
Flake
Foglietta
Ford (MI)
Frank (MA)
Franks (CT)
Franks (NJ)
Frost
Furse
Gallo
Gejdenson
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Glickman
Gonzalez
Gordon
Green
Gutierrez
Hall (OH)
Hamburg
Hamilton
Hastings
Hefner
Hilliard
Hinchey
Hoagland
Hochbrueckner
Holden
Hoyer
Hughes
Inslee
Jefferson
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Klein
Klink
Kopetski
Kreidler
LaFalce
Lancaster
Lantos
LaRocco
Lehman
Levin
Lewis (GA)
Lipinski
Long
Lowey
Machtley
Maloney
Mann
Manton
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCloskey
McCurdy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Meyers
Mfume
Miller (CA)
Mineta
Minge
Mink
Moakley
Molinari
Mollohan
Moran
Morella
Murphy
Murtha
Nadler
Neal (MA)
Norton (DC)
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Pickett
Pomeroy
Porter
Poshard
Price (NC)
Rahall
Rangel
Ravenel
Reed
Richardson
Roemer
Ros-Lehtinen
Rose
Rostenkowski
Roukema
Rowland
Roybal-Allard
Rush
Sabo
Sanders
Sangmeister
Sawyer
Saxton
Schroeder
Schumer
Scott
Serrano
Sharp
Shays
Shepherd
Sisisky
Skaggs
Slattery
Slaughter
Smith (IA)
Snowe
Spratt
Stark
Stokes
Strickland
Studds
Stupak
Swett
Swift
Synar
Tejeda
Thompson
Thornton
Thurman
Torkildsen
Torres
Towns
Traficant
Underwood (GU)
Unsoeld
Velazquez
Vento
Visclosky
Volkmer
Walsh
Waters
Watt
Waxman
Wheat
Williams
Wilson
Wise
Woolsey
Wyden
Wynn
Yates
Zimmer

NOT VOTING—12

Barlow
de la Garza
English
Ford (TN)
Grandy
Neal (NC)
Romero-Barcelo (PR)
Smith (OR)
Torricelli
Tucker
Washington
Whitten

□ 1537

The Clerk announced the following pair:

On this vote:

Mr. Smith of Oregon for, with Mr. Tucker against.

Mr. FOGLIETTA and Mr. MOAKLEY changed their vote from "aye" to "no."

Messrs. KIM, LEWIS of California, SPENCE, EDWARDS of Texas, Mrs. LLOYD, and Ms. SCHENK changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. TAYLOR OF NORTH CAROLINA

Mr. TAYLOR of North Carolina. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TAYLOR of North Carolina: At the end of section 9 (page 42, after line 21), insert the following new subsection:

(d) PANEL ACTIVITIES ON PRIVATE AND OTHER NON-FEDERAL LANDS.—

(1) COMPLIANCE WITH STATE LAWS.—The Panel shall comply with applicable State and tribal government laws, including laws relating to private property rights and privacy.

(2) CONSENT AND NOTICE REQUIREMENTS.—

(A) IN GENERAL.—The Panel shall not enter non-Federal real property for the purpose of collecting information regarding the property, unless the owner of the property has—

(i) consented in writing to that entry;

(ii) after providing that consent, been provided notice of that entry; and

(iii) been notified that any raw data collected from the property must be made available at no cost, if requested by the land owner.

(B) LIMITATION.—Subparagraph (A) does not prohibit entry of property for the purpose of obtaining consent or providing notice as required by that subparagraph.

(3) REPORT TO CONGRESS.—On January 1, 1996, the Panel shall submit a report to the Congress. The report shall identify all activities of the Panel on non-Federal lands and shall certify compliance with paragraph (2)(A).

(4) POLICY ON ACCESS TO PRIVATE AND NON-FEDERAL LANDS.—Within 6 months after the date of the enactment of this Act, the Panel shall develop and submit to the Congress a policy for employees and agents of the Panel to follow in order to help ensure compliance with paragraph (2)(A).

(5) PANEL DEFINED.—In this subsection, the term "Panel" includes any person that is an officer, employee, or agent of the Panel, including any such person acting pursuant to a contract or cooperative agreement with or any grant from the Panel.

Mr. TAYLOR of North Carolina (during the reading). Madam Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. TAYLOR of North Carolina. Madam Chairman, I do not mind the confusion, because most environmental legislation we take up here no one knows much what is going on anyway.

□ 1540

I offer this amendment today in order to protect the most basic of our private property rights, the right to keep Government bureaucrats or their agents from snooping on your land and then taking actions that could significantly devalue and regulate that land without ever letting the landowner know they are there or getting that landowner's permission at all.

Most people think their land is an extension of their castle, that people do not have the right to come on it without their permission. The Constitution, they feel, gives them that protection and provides a way for the Government to enter their land after going through judicial channels if it becomes necessary.

Now, last year, when this House debated H.R. 1845, the national biological survey bill, I offered an amendment that would require first of all that Federal agencies must comply with all State trespass and privacy laws when coming upon property. But employees or agents of the survey must get written permission before entry onto private lands and then let the landowner, when possible, actually go with them at the time they go upon the property and that the Government provide the landowner with a copy of the raw data collected from their survey, if permission is given, and they would provide that at no charge.

Now, the House overwhelmingly endorsed my amendment, 325 to 94. I am offering today that same amendment.

The legislation we have before us today contains a minibiological survey called the Northern Rockies Ecoscientific Panel. Now, while I concede that much of the panel's work will be done on public land, unfortunately a portion of the work and some of the mandates require that it be done on private land. The mandate that all biological diversity be studied, that the conductivity and management be studied, and that watersheds that could impact Federal lands be studied——

Mr. VENTO. Madam Chairman, will the gentleman yield?

Mr. TAYLOR of North Carolina. I yield to the gentleman from Minnesota.

Mr. VENTO. I thank the gentleman for yielding.

Madam Chairman, I have examined the amendment. I think that much of it complies with Montana law. Most of the requirements in terms of private property I have yet to see documented, but the problem with regard to Federal agencies wandering on people's land without permission, recognized in the will of the House and biological survey and the gentleman's amendment—I had not been aware of the gentleman's amendment, I might say, until about a half-hour ago—but I am willing to accept the amendment at this point if there is not going to be a recorded vote on it.

Mr. WILLIAMS. Madam Chairman, will the gentleman yield?

Mr. TAYLOR of North Carolina. I yield to the gentleman from Montana.

Mr. WILLIAMS. I thank the gentleman for yielding.

Madam Chairman, we did not think to put the gentleman's language in this

bill in committee because the bill says this. "The term Northern Rockies means Federal land." That is in Montana. The Committee Report says, "The committee notes that for the purposes of this section, the term Northern Rockies refers only to Federal lands."

So inasmuch as private land was not involved in the economic and ecosystem study, we did not think to add the language which the gentleman is adding now. But I have no objection to it. I think it secures the privacy of the private land.

Mr. TAYLOR of North Carolina. I thank both gentlemen for their statements, and I hope that this amendment will be added and that there will be no further debate.

Mr. HANSEN. Madam Chairman, will the gentleman yield?

Mr. TAYLOR of North Carolina. I yield to the gentleman from Utah.

Mr. HANSEN. I thank the gentleman for yielding.

Madam Chairman, I think as we look at this particular piece of legislation and what was passed before in the biological survey, this is one thing the body could see the importance of, taking care of private land.

If anything is sacred in America, it should be that. To think that these highhanded people could come on, using the good-neighbor policy that we had in the 1980's and pushing people around, I think the gentleman is right on. This is an excellent amendment and probably should be included in every piece of legislation that we do dealing with private and public ground. I commend the gentleman for his amendment and support it completely.

The CHAIRMAN. There being no further debate, the question is on the agreement offered by the gentleman from North Carolina [Mr. TAYLOR].

The amendment was agreed to.

Mr. WILLIAMS. Madam Chairman, I move to strike the last word, and I will request that the chairman of the subcommittee, the gentleman from Minnesota [Mr. VENTO], enter into a colloquy with me.

Madam Chairman, I would like to seek a clarification from my colleague Chairman VENTO. As the chairman knows, we are very fortunate in Montana to have some of the most skillful wilderness outfitters and guides in the Nation, including many individuals like Smoke Elser and CB Rich who have contributed immensely to wilderness ethic, management, and stewardship.

In drafting this legislation, I sought to recognize the fact that these businesses provide services allowing visitors from Montana and across the Nation to utilize and enjoy many roadless national forest lands including lands designated by this bill.

Many of these outfitters approached me about some statutory language that makes clear that outfitting is wholly consistent with the 1964 Wilderness Act. I was reluctant to do that because it was my understanding that, in fact, this was true and I did not want to imply with this bill that somehow this was not true.

Madam Chairman, am I correct in my assumption that this legislation does not affect the current law regarding outfitters in wilderness and am I correct that this legislation does not affect the traditional role outfitters have always played in the use of our national wilderness areas.

Mr. VENTO. Madam Chairman, will the gentleman yield?

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

Mr. VENTO. Madam Chairman, the gentleman from Montana is correct in his statement and observations regarding outfitting in wilderness and its compatibility with the provisions of the 1964 Wilderness Act. This act does not modify that basic policy.

Mr. WILLIAMS. Madam Chairman, I thank the chairman for that assurance.

AMENDMENT OFFERED BY MR. BRYANT

Mr. BRYANT. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BRYANT:

At the end of the bill, add the following:

SEC. 13. PROHIBITION ON EVEN-AGE MANAGEMENT.

(a) CONSERVATION OF NATIVE BIODIVERSITY.—The Secretary shall conserve native biodiversity to the extent possible in each stand that is released to multiple use under section 11(b) that is managed or operated for timber purposes, throughout each forested area, and shall provide for the conservation or restoration of native biodiversity except during the extraction stage of authorized mineral development or during authorized construction projects.

(b) RESTRICTION ON USE OF CERTAIN LOGGING PRACTICES.—(1) In each stand that is released to multiple use under section 11(b) and that is managed or operated for timber purposes throughout each forested area, the forest plan shall prohibit any even-age logging and any even-age management after one year after the date of enactment of this Act.

(2) On each site already under even-age management, the Secretary shall (A) prescribe a shift to selection management within one year, or (B) cease managing for timber purposes and actively restore the native biodiversity, or permit each site to regain its native biodiversity.

(3) For the purposes of this section:

(A) The term "native biodiversity" means the full range of variety and variability within and among living organisms and the ecological complexes in which they would have occurred in the absence of significant human impact, and encompasses diversity, within a species (genetic), within a community of species (within-community), between communities of species (between-communities), within a total area such as a watershed (total area), along a plane from ground to sky (vertical), and along the plane of the earth-surface (horizontal). Vertical and horizontal diversity apply to all the other aspects of diversity.

(B) The terms "conserve" and "conservation" refer to protective measures for maintaining existing native biological diversity and active measures for restoring diversity through management efforts, in order to protect, restore, and enhance as much of the variety of species and communities as possible in abundances and distributions that provide for their continued existence and normal functioning, including the viability of populations throughout their natural geographic distributions.

(C) The term "within-community diversity" means the distinctive assemblages of species and ecological processes that occur in different physical settings of the biosphere and distinct parts of the world.

(D) The term "genetic diversity" means the differences in genetic composition within and among populations of a given species.

(E) The term "species diversity" means the richness and variety of native species in a particular location of the world.

(F) The term "group selection" means a form of selection management that emphasizes the periodic removal of trees, including mature, undesirable, and cull trees in small groups, where they occur that way, with a result of (i) creating openings not to exceed in width in any direction the height of the tallest tree standing within 10 feet of the edge of the group cut, and (ii) maintaining different age groups in a given stand. In no event will more than 30 percent of a stand be felled within 30 years.

(G) The term "stand" means a forest community with enough identity by location, topography, or dominant species to be managed as a unit, not to exceed 100 acres.

(H) The term "clearcutting" means the logging of the commercial trees in a patch or stand in a short period of time.

(I) The term "even-age management" means the growing of commercial timber so that all trees in a patch or stand are generally within 10 years of the same age. Except for designated leave trees, or clumps of trees, the patch or stand is logged, completely in any acre within a period of 30 years, by clearcutting, salvage logging, seed-tree cutting or shelterwood cutting, or any system other than selection management.

(J) The term "salvage logging" means the felling or further damaging, within any 30-year period, of a greater basal area than 30 square feet per acre of dead, damaged, or other trees, or any combination of such trees.

(K) The term "seed-tree cut" means a logging operation that leaves one or more seed trees, generally 6 to 10 per acre.

(L) The term "selection management" means the application of logging and other actions needed to maintain continuous high forest cover where such cover naturally occurs, recurring natural regeneration of all native species on the site, and the orderly growth and development of trees through a range of diameter or age classes to provide a sustained yield of forest products. Cutting methods that develop and maintain selection stands are individual-tree and group selection. A goal of selection is improvement of quality by continuously harvesting trees less likely to contribute to the long-range health of the stand.

(M) The term "shelterwood cut" means an even-aged silvicultural regeneration method under which a minority of the mature stand is retained as a seed source or protection during the regeneration period. The standing mature trees, usually 10 to 20 per acre, are later removed in one or more cuttings.

(N) The term "timber purposes" shall include the use, sale, lease, or distribution of trees, or the felling of trees or portions of

trees except to create land space for a structure or other use.

(4) On lands released under section 11(b), no roads shall be constructed or reconstructed in any roadless area, as defined in the second United States Department of Agriculture forest Service Roadless Area Review and Evaluation (RARE II, 1978) or in a land and resource management plan subject to this section.

Mr. BRYANT (during the reading). Madam Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BRYANT. Madam Chairman and Members, many of you have cosponsored over the last several years a strong attempt to move in the direction of a new and more reasonable management of our publicly owned lands with regard to harvesting of forests. It is a proposal to prohibit clearcutting as a method of harvesting, H.R. 1164.

The amendment before the House that I am laying out today is simply the application of this bill to the Montana wilderness bill. I want to start by saying that this amendment does not deal with whether to harvest timber on public lands, but with how to harvest timber. It does not deal with private lands in any way whatsoever. It does not prohibit harvesting.

What it does do is recognize the Department of Agriculture is conducting even-age management, which is a fancy word for clearcutting, on the vast majority of the 57 million acres of available commercial timberland in our national forests as well as on other federally owned forests.

□ 1550

There is a picture out in the hall of what it looks like in Texas. I say to my colleagues, depending on what State you are from, we can find a picture to show you what it looks like where you live.

No person in this country, scientist or otherwise, can look at these pictures and in any fashion whatsoever justify this as a method of caring for the lands which my colleagues, and I, and every other citizen in this country, own. The fact of the matter is that logging plantations end up replacing biological diversity in our native forests with this method of harvesting. It eliminates habitat for forest wildlife, and it destroys recreational opportunities.

It is not as though there is no other alternative. There are many other alternatives. Under the environmentally-preferable selection management system harvesters mark individual trees scattered throughout an area and cut them for sale or culling, leaving an ever-improving stand to regenerate new trees naturally in openings that are created by the cuts. This system is used by private foresters from coast to coast for economic reasons and to maintain a healthy natural forest. We ought to use that system on our public lands as well.

Madam Chairman, this amendment would say that with regard to the 4,000,000 acres that are going to be released by the bill pending before us today sponsored by the gentleman from Montana [Mr. WILLIAMS] that we will not permit clearcutting as a method of harvesting wood out of those lands. The environmental evils of clear-cutting are well known.

Soil losses several times worse than under selection management, sedimentation of streams, devastation of native biodiversity, drastic impairment of recreational values, increase of susceptibility to insect diseases, and on, and on, and on.

And the Forest Service has so much as admitted this when, in 1992, they issued a directive to reduce clearcutting by 70 percent. Unfortunately that directive has not been followed in spirit, and we are here today to try to see to it that beginning with this bill and all bills that will come after it we are going to say to the Forest Service, "No more clearcutting. You're going to have to use selection management and reasonable methods of harvesting, but no more clearcutting." What remains of our vanishing forest biodiversity is mainly in our Federal forest, and most of that is in the remaining 30 percent of our Federal commercial timberland, not turned into even-aged fields.

Madam Chairman, I support the bill that the gentleman from Montana [Mr. WILLIAMS] has brought to us today. It is a good bill, but it is important to note that part of this bill says that 4,000,000 acres, which are subject to forest plans that were ruled illegal by the courts, those plans will now be legal under the provisions of this bill, if they are going to be made legal, and if this 4,000,000 acres is going to be harvested, then it will not be harvested by this method of harvesting. Instead it will have to be harvested by a reasonable method of harvesting that puts the preservation of native biodiversity first.

It also says they are not going to allow the construction, we are not going to allow the construction, of any more new roads in the designated wilderness areas. There are already 34,000 miles of roads in the 10 national forests in Montana. We do not need more roads. There are enough roads already. The roads surround many of the wilderness areas already, permitting access and permitting harvesting.

Madam Chairman, I strongly urge the Members to take a careful look at this. I say, "Let's begin a step towards a prudent way of dealing with our publicly owned lands. This doesn't affect private lands; you can do what you want to there. It doesn't say, 'No harvesting,' but it says, 'From now on we're going to use selection management as a means of harvesting, not clearcutting.' "

Madam Chairman, this amendment is supported by the Sierra Club, the Audubon Society, by the Friends of the Earth, by the Montana Wilderness Association, by the Save America's Forests Coalition, and I could go on, and on, and on and on.

Madam Chairman, my colleagues may ask why there is any mention of roads whatsoever. It is because the building of roads on our national forest lands has proven to be the principal reason why we have found over and over, and the CBO recently found, that with regard to harvests in the northern Rockies expenditures in the timber activities——

The CHAIRMAN. The time of the gentleman from Texas [Mr. BRYANT] has expired.

(On request of Mr. VENTO and by unanimous consent, Mr. BRYANT was allowed to proceed for 2 additional minutes.)

Mr. BRYANT. If we continue to allow the building of roads in these areas, Madam Chairman, we are going to continue to see a system whereby the rape of the land is substituted for the care of the land, a system whereby we spend more to get the timber out than we earn, in fact three times more in the northern Rockies to get the timber out than we are in the selling of the timber. It should not be permitted, and I strongly urge my colleagues to vote for the amendment. It simply says:

From now on we are not going to allow clear-cutting as a means of harvesting in the 4,000,000 acres that are now going to be subject to plans for harvesting that were ruled illegal and will be made illegal by the passage of this bill.

Mr. VENTO. Madam Chairman, will the gentleman yield?

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

Mr. VENTO. Madam Chairman, I appreciate the gentleman's work in this effort. He has been a real champion, a real good environmentalist in terms of working with public policy.

I want to point out to the gentleman, first of all, the amount of land released here is a little over—about 3 million, depending on how it is classified, but it is closer to 3 million at that point, and on the amendment that he has offered I have just a question:

Has a series of policies in it? Has all these definitions?

And I realize, if I have the right copy of the amendment, and I want to make certain of that, that it has all the definitions—is that the copy of the gentleman's amendment?

Mr. BRYANT. Yes, it is.

Mr. VENTO. I was wondering if the gentleman could explain how the amendment is applicable to the—to what is in the amendment because the

bill has a different set of amendments as regards the study specifically. But I am not certain that I am connecting.

I understand the gentleman's overall bill. As the gentleman knows, we heard that bill in committee, but I do not understand the relationship of the amendments and the definitions in this to his overall policy thrust.

Mr. BRYANT. Madam Chairman, the purpose is to require that the Forest Service place native biodiversity at the top of the list of its priorities in managing these lands. Native biodiversity is defined as one of the definitions which the gentleman has referred to there.

Mr. VENTO. Yes, it has a lot of definitions. It has the biodiversity, the conserve and conservation. It is the series of amendments, and I think I have the right amendment; do I not?

Mr. BRYANT. Yes, the gentleman does.

Mr. VENTO. There is four pages of amendments along with the one policy statement, and I was trying to connect the policy statement to those amendments.

The CHAIRMAN. The time of the gentleman from Texas [Mr. BRYANT] has expired.

Mr. VENTO. Madam Chairman, I rise in opposition to the amendment offered by the gentleman from Texas [Mr. BRYANT].

Madam Chairman, it would ban all clearcutting and all road building on the Montana national forest lands released by this bill to management by the forest plans currently in effect. Certainly I agree that clearcutting has been abused and that timber management practices in the Forest Service need to be reformed. This is a necessary and worthwhile goal. To further this goal I held a hearing on H.R. 1164, Mr. BRYANT's bill to ban clearcuts nationwide and held 2 days of hearings in February on reforming the Forest Service.

The Montana Wilderness bill, However, is not the appropriate vehicle to try to reform the Forest Service timber management program. The purpose of this bill is to designate wilderness, wilderness study areas and special management areas such as national recreation areas. Its scope does not include the timber management program. Attaching this provision to the wilderness bill would do more damage than good. It would cause the following problems:

First, a clearcut ban is very controversial. Attaching one to this bill will make it very difficult to enact the bill into law. The three million acres of national forest roadless lands protected by this bill would continue to be vulnerable to development.

Second, the amendment is not based on good science and is unworkable from a silviculatural and forestry standpoint. Although the amount of clearcutting needs to be drastically cut back, there are some instances when small, environmentally sound clearcuts are the only scientifically correct alternative. Some species such as lodgepole pine will only regenerate in clearings with ample sunlight. Insect and disease outbreaks sometimes can be controlled only with clearcutting. Clearcuts can be necessary for salvaging fire damaged trees after a forest fire. The Bryant amendment does not allow for any of these types of situations. It is a total ban with no exceptions.

Third, the administration already has announced in a new policy that clearcuts can be used only as a last resort. It is too early to tell if the policy is working. We need to give it a chance and to monitor its effectiveness.

Fourth, this amendment would hurt the very cause it is trying to promote. By focusing just on Montana's released roadless lands, it deals with the clearcutting problem in piecemeal and inconsistent fashion. Timber management in Montana would end up being handled differently than it is in the rest of the country. Furthermore, timber management within Montana would also be inconsistent. Clearcuts would be banned on the released roadless lands, but would continue to be allowed on the rest of Montana's 10 million acres of National Forest lands. The clearcutting issue is a national issue and needs to be dealt with nationally, not locally. This amendment would have the effect of unintended consequences and put more pressure on other lands not in the measure.

Fifth, this amendment further has serious technical flaws in the sense that it has four (4) pages of its five (5) that refer to definitions that are not in the operating language of the amendment a map with no destination is a serious problem.

Sixth, this is piecemeal micro management that would be static, we have only begun to adequately understand these complex forest ecosystems. And while it pursues a legitimate concern the means and scope are simply a disservice and inappropriate policy path.

For these reasons I hope that my colleagues will vote no on the Byrant amendment.

□ 1600

You would affect the other lands even more dramatically. So it is for this reason, of course, and for my problems with the definitions, that seem to be a map of nowhere, that I would suggest to my colleague that the amendment, while well intended, has a rather than unusual and adverse effect on this instance. Even if the policy were one that we could work on, I think there is a lot of merit to it, and I commend the gentleman for his hard work. But I must ask my colleagues to oppose the amendment at this time.

Mr. HANSEN. Madam Chairman, I move to strike the last word.

Madam Chairman, in 1934 a forester by the name of C. J. Buck wrote a letter to Forest Service supervisors telling them to use no more clearcutting, favoring a shift to partial cutting and concepts of studying trees. This lasted for 20 years. So we have tried this experiment for 20 years to see if we could get away from clearcutting.

Then the Forest Service reversed their position and said no, we cannot continue that way. And the question you may ask yourself is why did they reverse their 20 year position on clearcutting? Because the Forest Service felt that they had lost a very valuable tool, a tool for wildlife management, a tool for handling lumber.

Now if you go out to the West, where a lot of us live, you see these great big green carpets of pine trees. A lot of people say well, we should never touch them. I have environmentalists say to me all the time, never touch those. Leave them just as they are, so they look like a green carpet. No clearcutting, no cutting, do nothing in the forest, not even spraying the trees for the pine beetle.

It costs about $8 a tree to take care of the pine beetle. The best way to do it is by cutting it out, and you get rid of the infestation, and you also take care of some lumber problems in the area.

But if you do not cut them, what do you get? What you get is the same system we have seen since the beginning, since man was here. Eventually the tree dies, and then you have got all of these toothpicks sticking up in an area. Then you have got a 100 percent chance that in August sometime you will have a thunderstorm, and you got another 100 percent chance you will have a fire.

Then that beautiful green spot that the environmentalists always talk about is a devastated ugly mess, and you have a 100 percent chance you will have a torrent of water come down in September and it will take Mother Nature 130 years to bring it back. We could have stopped all that with a little management tool of the Forest Service known as clearcutting.

For those of us who hunt, and I know that is a bad word around here sometimes, for those of us who hunt elk and moose in those areas, where do you find them? You find them in the meadows that are created by clearcutting. When you talk about wildlife management, where do elk calve. They have their calves in those meadows. Where could you see turkeys come in? In those meadows.

We can all come up with horror stories, like we see up here. Sure, you see those for a while. I would like to see that picture 3 years after that. Mother Nature has a way of reclaiming herself.

I can hardly believe we would take away a tool that the Forest Service

uses in clearcutting. It is not done abstractly. It is not done to help some man out. It is done because they need that tool for wildlife management and they need that tool for those other areas.

Mr. BRYANT. Madam Chairman, will the gentleman yield?

Mr. HANSEN. I yield to the gentleman from Texas.

Mr BRYANT. Madam Chairman, if the Forest Service still covers this method of harvesting timber, why did they decide 2 years ago to order all of their employees to cease clearcutting in 70 percent of the areas it was being used, if they view it as such a practical means of harvesting?

Mr. HANSEN. Madam Chairman, reclaiming my time, I think it is very interesting they have ordered it in some places. In fact, the percentage of clearcutting has gone down. I do not disagree with the gentleman. Possibly in years past, in the early thirties and forties, it was used indiscriminately.

Right now, as you look at the information they have, it is down to a very small percent. But I may ask the gentleman, why do you want to take away this tool that they use so well? These people who are trained at these public land colleges and understand it, who can stop this infestation of pine beetles, who can do things for wildlife, who can even help the lumber industry out.

Mr. BRYANT. Madam Chairman, if the gentleman will yield further, I would be happy to respond to that. The response is very simple. It is public land. Even private foresters are moving away from clearcutting. Why would we want on land owned by you and me and our neighbors to strip the land bare, down to the flat muddy soil, and cause all of the negative impacts of clearcutting to take place on land we own, when we could do otherwise? We own it. Why should we not handle it in such a way that the public would want us to handle it?

Mr. HANSEN. Madam Chairman, reclaiming my time, I would ask the gentleman, where did you get that picture? Is that a 1932 picture? How old is that picture?

Mr. BRYANT. I will get that answer for you in the next 5 minutes. But what is the difference? What difference does it make how old it is?

Mr. HANSEN. It makes a lot of difference. They do not clearcut as much as they used to in the past. They cut it back.

Mr. BRYANT. Madam Chairman, there is no empirical evidence for that.

Mr. HANSEN. Madam Chairman, reclaiming my time, the gentleman talks about people in the private sector doing it. I do not see much of that in the private sector, as much as I have, but they still do it. I have seen it down in Idaho and Wyoming and Colorado and in areas where I live. It is still done in places where it is necessary.

I cannot understand why the gentleman wants to put handcuffs on the Forest Service, when we have these professionals, we spend all this money training them, we put them out there, they come to us and recommend it. Why would we want to put handcuffs on them?

I oppose the gentleman's amendment. I know the intent is good, but I cannot see why we would want to strangle the Forest Service this way.

Mr. FARR of California. Madam Chairman, I move to strike the requisite number of words.

Madam Chairman, I would again like to comment and inquire as to the intent of the release language of this bill. Is it meaningless as some claim or it is meaningful?

It is my understanding that the roadless areas being released in this bill would be managed under current forest management plans. The problem, we all know, is that there is uncertainty about the validity of current forest plans. These plans were developed during the mid-1980's and in large part mirror the objectives of the logging industry.

Several forest supervisors in Montana, including John Mumma and Orvill Daniels, have stated that full implementation of current forest management plans would require the violation of Federal environmental laws including the Endangered Species Act, the Clean Water Act and the National Forest Management Act. The 9th Circuit Court of Appeals ruled last year that the Flathead National Forest plan in Montana is illegal and that its logging levels are "arbitrary and capricious".

I would like to thank Chairman VENTO for our colloquy last week during which he said that wilderness designation of the released roadless areas would be considered only when the forest plans are revised.

It is clear that these forest plans need revision and I believe that many of these plans will be up for review within the next 2 years.

It is my understanding that the Forest Service is considering a move away from comprehensive revision toward an incremental amendment process. Under this scenario I would like the assurance that wilderness suitability of the released lands will not in any way be hampered by this new policy process.

Mr. PORTER. Madam Chairman, I move to strike the requisite number of words.

Madam Chairman, I rise in support of the amendment offered by my distinguished colleague, the gentleman from Texas [Mr. BRYANT]. This amendment will ensure that the lands released for development by the Montana Wilderness Act will be managed in an environmentally sustainable manner.

Madam Chairman, this amendment prohibits clearcutting in the lands not designated as wilderness by this legislation. Clearcutting irrevocably destroys the natural characteristics of our forests, is the most costly logging technique, and produces inferior timber at a lower volume.

This amendment allows logging, but only the type of logging that does not destroy the forests in the process. This type of logging is selection management. It allows trees to be cut from the forest while permitting the forest, and the animal and plant communities that live in it, to continue to flourish. Furthermore, selection logging produces the highest quality saw timber, and over time produces far more lumber and jobs than clearcutting.

This amendment also prohibits construction of roads in roadless areas of the released lands. As the Forest Service moves toward ecosystem management, these roadless areas need to be protected from development. These areas serve as important reservoirs of biological diversity, which is ultimately the most important resource in the national forests.

While there are enough environmental reasons to oppose roadbuilding in these roadless areas, the economics of this situation also can help justify protecting these pristine areas from logging and other development. There is a good reason why these areas have remained roadless—most of the roadless areas are extremely remote, mountainous, and generally not well-suited to timber harvesting.

The cost of harvesting and removing timber from these areas is tremendous, and because of the difficulty of constructing good roads on steep slopes, timber sales in roadless areas almost always lose money.

Madam Chairman, I urge my colleagues to vote in favor of the Bryant amendment. We cannot continue to support policies that destroy the environment and waste taxpayers' dollars. We cannot continue to pass on these environmental and economic deficits to our children.

□ 1610

Mrs. MALONEY. Madam Chairman, I move to strike the requisite number of words.

Madam Chairman, I rise in support of the amendment offered by my colleague, the gentleman from Texas [Mr. BRYANT].

It is a tragic irony that all American taxpayers are asked by our Government to pay for the destruction of national forests that are our common heritage.

The logging that takes place in these forests not only costs Americans money, but significantly and irrevocably damages these pristine lands that enhance everyone's life—from Manhattan, NY to Manhattan, MT.

The benefit of this taxpayer subsidized logging goes only to a few mul-

tinational corporations who fire their local workers as soon as every possible tree has been harvested.

It is just plain wrong, Mr. Chairman.

These untouched forests are the last refuge of much of the wildlife in the continental United States: grizzly bear, bald eagles, wolves, all depend upon the forests that will soon be opened to the timber industry.

The only economic incentive that there is to log these beautiful forests is provided by the American taxpayer, who will spend millions of dollars to build the roads and manage the land for the benefit of these few corporations.

And this is a significant subsidy: The Congressional Budget Office, in a report issued in March, found that expenditures were greater than receipts in these forests by a 3 to 1 ratio on average over the past 10 years.

I find it a sad state of affairs that while this body must consider a cut of $1 billion dollars to housing for low-income senior citizens, we are planning to spend tens, if not hundreds, of millions of dollars to pay for the destruction of our forests.

Most Americans would be amazed to learn that there are 8 times more miles of roads in our national forests than there are in the entire Interstate Highway System. There are 34 thousand miles of logging roads in the 10 national forests in Montana alone.

In fact, the Forest Service itself testified, at a hearing on—the Northern Rockies Ecosystem Protection Act—that even where replanting takes place in the National Forests, it does not come remotely close to replacing the diversity of life that existed before the logging took place.

As one colleague said, our magnificent old growth and diverse forests are being replaced by nothing more than glorified Christmas tree farms.

These roadless forests in Montana, high on the slopes of the northern Rockies, are acknowledged by all scientific experts to be unsuitable for even the limited replanting that takes place in other parts of the Nation.

The residents of Montana are truly blessed to live in a State with as much untouched wilderness as is currently there.

But it is an indisputable fact that all Americans have a stake and interest in what happens to our national forests, both for ourselves and our children.

If we cannot completely protect this small remaining percentage of our forests from the chain saws, the least that we can do is to prevent American taxpayers from having to pay the bill for forest destruction.

But if we can eliminate this entitlement program for huge timber companies, I wouldn't be surprised to see their interest in logging these lands dwindle.

End this wasteful handout.

Vote for the Bryant amendment.

Mr. MEEHAN. Madam Chairman, I support the Bryant amendment, not only to protect Montana's forests from destruction, but to prevent loggers from forcing American taxpayers to subsidize a handout for the timber industry.

Not only would this important amendment protect this precious wilderness from the devastation of logging and roadbuilding at no cost, it would save taxpayers millions of dollars in wasteful below-cost timber sales.

We have heard a lot of talk about the cost of protecting the environment. This amendment is about the cost of not protecting the environment.

Over the past 10 years, the American taxpayers have lost $5.6 billion as a result of logging on public lands. Without this amendment, taxpayers will have to foot the bill to build more roads to pristine wilderness areas at a cost of hundreds of thousands of dollars per mile. With the deficit threatening our Nation's economic strength, this kind of abuse of our natural resources cannot be tolerated. These lands belong to the American people.

This amendment represents the last, but chance to save these ecosystems so the public can continue to enjoy them and timber interests cannot exploit them.

Preserving this land costs nothing, but destroying it would cost millions.

Mr. THOMAS of Wyoming. Madam Chairman, I move to strike the requisite number of words.

Madam Chairman, I rise in opposition to the amendment. I do not rise in favor, necessarily, of clearcutting. I think there are very good reasons why we have reduced clearcutting.

We have reduced it in the forests where I live. I am very much impressed with what the Forest Service is doing in terms of forest management. But I just want to make a couple of points.

One is, I am amazed that our colleagues who stand and act as if it does not take any management to manage a forest. As a matter of fact, it does, if we are to have a healthy forest.

The alternative to that, of course, is to have an insect-ridden forest where the trees dies and then it burns. I have been through some of that.

That is not a healthy way to manage a forest. We need to have tools in the hands of professional forest managers.

Clearcutting is used less frequently. I favor that. Clearcutting does have application from time to time, if we like to have elk and deer and wildlife with a place to graze.

The idea of saying flatly that there will be no clearcutting and put that in the hands, put that as an anchor around our management people does not seem to me to make at all a bit of sense.

I think we ought to pursue the notion that there is selective cutting, and we are doing that. We have to have healthy forests, however. They do need some management, and this is not a tool that would be helpful in management.

I oppose the amendment.

Mr. LAROCCO. Madam Chairman, I move to strike the requisite number of words.

I rise in opposition to this amendment.

First of all, I do not think that this amendment has any place in this wilderness bill. I admire the gentleman from Texas in bringing this issue to our attention, but I think it has no place in this bill.

First of all, when we are talking about biodiversity and clearcutting, what we are really talking about is the great issue of forest health. I think this Congress is poised to deal with the issue of forest health. As a matter of fact, I have a bill that has had two hearings on it that deals with forest health.

We have scientific consensus now that in the inland west that there are severe problems that deal with forest health. But I do not think that this amendment gets to that.

I think, first of all, what it does do is singles out Montana and eradicates clearcutting in that State. I think that is inappropriate.

I have in my hands a letter from the Deputy Secretary of the Department of Agriculture, Mr. Richard Rominger. He opposes this amendment, because he points out in the letter to the gentleman from Montana [Mr. WILLIAMS] that the Forest Service has already curtailed clearcutting, about one-third. He says that this amendment would severely curtail their use of even-aged management of timber stands and that it would be inappropriate to take this action right now.

Mr. VENTO. Madam Chairman, will the gentleman yield?

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

Mr. VENTO. Madam Chairman, I would just point out that this does not affect clearcutting throughout the State of Montana and not on nonwilderness lands. It only affects something like 3 million acres that are released in this bill. So we have another 10 million acres that would not be affected.

It would provide actually two different policies in Montana itself. And of course, a different policy than we have in all the other surrounding States.

Mr. LAROCCO. Madam Chairman, I thank the gentleman from Minnesota for clearing that up.

My point was that it applies only to the State of Montana. But, of course, as the gentleman just pointed out, not to all of the lands that would be released.

I think that we need to deal with forest health issues in this Congress, but I do not think that this is the place to do it, on the floor of the House on a Montana wilderness bill.

I hope in the near future to be bringing to the floor of the House an Idaho

wilderness bill. At that time I think it would be inappropriate to deal with this clear-cutting biodiversity issue then, because the purpose of that bill will be to deal with the allocation of wilderness and then to look at what we will be setting aside for the forest plans.

The Forest Service administratively is already dealing with this issue. At hearing after hearing, the Forest Service has come before us and stated that they are already looking at the clear-cutting policies.

This issue goes back to the 1970's. In the early 1970's, then Senator Frank Church looked at the clear-cutting issue. What has been practiced up until this time are known as the Church clear-cutting guidelines, to try and fit it into the landscape.

We cannot deny the abuses. The gentleman from Texas is right in bringing this to our attention. But I would say that we should reject this amendment. It has no place on this floor at this time.

It is a good debate that we should have in committee. I think we should debate it in the context of forest health. That is really so important to us in the inland west.

I might say to my colleagues that what is going on in the inland west is that we are facing catastrophic fires over the next 15 to 30 years. We must pay attention, because it is a pay now or pay later attitude and situation that confronts us.

I oppose the Bryant amendment. I support the position that my chairman, the gentleman from Minnesota [Mr. VENTO] has taken on this issue.

I think we should reject this amendment today, get on with voting on this amendment and heed the words from the administration and say that they are already dealing with this and instead of dealing with it in a legislative fashion, we should try and deal with it in an administrative fashion first and not single out the State of Montana. I hope we reject the Bryant amendment.

□ 1620

Ms. ESHOO. Madam Chairman, I move to strike the requisite number of words.

Madam Chairman, I rise in support of the Bryant amendment to H.R. 2473.

Although this legislation protects many forests in Montana as wilderness areas, it also releases nearly 4 million acres of unprotected forests areas to forest plans that promote clearcutting and waste our tax dollars.

This is bad ecological policy and bad economic policy.

Poor forest management disrupts our most valuable ecosystems by causing soil erosion and permanent loss of fisheries, birds, mammals, plants, and timber.

Furthermore, the CBO estimates that the Federal Timber Program's expenditures were greater than receipts by a 3-to-2 margin in the northern Rockies.

The main reason for below-cost timber and the expensive roads built with taxpayer dollars to provide access to cheap timber.

Madam Chairman, our national forests have eight times more miles of roads than the U.S. Interstate Highway System.

Our tax dollars should be spent to build and repair highways, not to wreak havoc on our precious ecosystems.

The Bryant amendment would prohibit all forms of even-age forest management, or clearcutting, and prohibit the construction of roads in roadless areas.

Madam Chairman, we have the opportunity to not only protect irreplaceable wilderness areas, but protect taxpayer dollars. I urge my colleagues to support the Bryant amendment.

Mr. BRYANT. Madam Chairman, will the gentlewoman yield?

Ms. ESHOO. I yield to the gentleman from Texas.

Mr. BRYANT. I thank the gentlewoman for yielding to me.

Madam Chairman, I would simply like to make a couple of points in response to some of the points made on this side. First of all, in response to the gentleman's request for information, this picture was taken 3 years ago. It does not matter when it was taken. The fact of the matter is it represents a system of forest management that is absolutely reprehensible.

The gentleman from Minnesota [Mr. VENTO] has a compromise bill to defend, and I understand that, but I do not believe in his heart he thinks that this is a good way to manage the forests. I do not think Members do, either. The fact of the matter is that many have local timber companies that want to keep on doing this. Everybody knows this is a bad idea. No one would manage their own lands that way. Why would the Members let our lands be managed that way?

Selection management is a good enough manner of doing it, an economical means of doing it. What the Members are asking us to do is subsidize people. The fact of the matter is they are spending three times more getting this timber out of these mountainous areas then we are earning, at the present time when they continue to build all of these roads that will be prohibited by my amendment.

Members ask why we are dealing with Montana only. That is because there is a Montana-only bill on the floor today. If there was a bill on the floor today that related to all the national forests, we would offer this amendment to the bill, but we cannot get that bill to the floor. Why? Because those timber companies are up here all the time saying: "Don't get in our way. Let us continue to strip the land bare, to take everything, every living thing off of it, and leave it that way for years to come."

Then watch Members stand up over here and say that this is the way to care for the land, that this is going to bring elk back to the land; "We are concerned about the health of the forests." How healthy does that forest look right there? I say it looks pretty sick. Our method of managing the forests is pretty sick, as well.

Madam Chairman, this amendment is a step in the right direction. It says with regard to this one forest area that is now before us today, we are not going to let it go on anymore. We are going to prohibit clearcutting. We are going to insist that the Forest Service begin to utilize means that make sense, that protect native biodiversity and manage our lands like we would manage them if we owned them ourselves.

Mr. VENTO Madam Chairman, will the gentlewoman yield?

Ms. ESHOO. I yield to the gentleman from Minnesota.

Mr. VENTO. Madam Chairman, I thank the gentlewoman for yielding time to me.

Madam Chairman, I appreciate my colleague's passion, but I have to look at the consequences of this. It affects 3 million acres in Montana. The gentleman will have two sets of forestlands that are managed differently. Naturally all of us oppose that.

I think the point here, and I appreciate the gentlewoman from California yielding to me, is that the Forest Service has announced and is pursuing a new policy under former Forest Chief Dale Robertson and currently under Jack Ward Thomas, the new Forest Chief, I think those policies are going to yield some positive results and eliminate a lot of these types of problems.

Madam Chairman, I articulated a number of instances in which even-aged management, or clearcutting, actually can be useful in terms of fires, in terms of insect control, in terms of certain types of species, like lodgepole. I have pointed that out, and I would hope that, while I think there have been real problems in the past that our colleague has pointed out, that we ought to try to work with the new Forest Chief and try to accomplish this.

I think this is sort of a symbolic effort, in all respects, and I appreciate the problems my friend and I have had in terms of trying to limit roads in certain areas, certainly, but I do think at this particular point we ought to go along and not kill a bill that designates 3 million acres of wilderness.

The fact of the matter is we have to look at what the net effect of putting this amendment on this bill is. This is a tough bill to pass through the Senate. It is a tough bill to pass through

the Senate. If the gentleman thinks he is going to pass a bill for five States, he is going to pass a bill by forcing it on this, he has a locomotive that does not have much pull here. We have to convince two Senators over there that they have to accept this bill.

I think it is important we move on, provide the protection, and the gentleman has made his point with regard to this, but I do not think it is worth killing the Montana wilderness bill over this particular issue. I am asking Members to kill the Bryant amendment for that reason. I want the Bryant amendment killed so we can save the Montana wilderness.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. BRYANT].

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

RECORDED VOTE

Mr. BRYANT. Madam Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 142, noes 283, not voting 13, as follows:

[Roll No. 173]

AYES—142

Abercrombie
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Bacchus (FL)
Baesler
Barca
Barrett (WI)
Becerra
Beilenson
Berman
Blute
Boehlert
Brown (OH)
Bryant
Cardin
Carr
Clayton
Clyburn
Coleman
Collins (MI)
Costello
Coyne
DeLauro
Dellums
Deutsch
Diaz-Balart
Durbin
Edwards (CA)
Ehlers
Engel
Eshoo
Evans
Farr
Fawell
Filner
Fingerhut
Foglietta
Frank (MA)
Franks (CT)
Franks (NJ)
Frost
Furse
Gallo
Gejdenson
Gilchrest
Glickman
Gonzalez
Green
Greenwood
Gutierrez
Hamburg
Hilliard
Hinchey
Horn
Jacobs
Jefferson
Johnson (CT)
Johnson, E.B.
Johnston
Kennedy
Kleczka
Klein
Klug
LaFalce
Lancaster
Lantos
Lazio
Lewis (GA)
Lowey
Machtley
Maloney
Mann
Margolies-Mezvinsky
Markey
McCloskey
McKinney
McMillan
McNulty
Meehan
Menendez
Meyers
Miller (FL)
Mineta
Moakley
Moran
Nadler
Neal (MA)
Norton (DC)
Olver
Pallone
Payne (NJ)
Pelosi
Petri
Porter
Poshard
Reed
Reynolds
Richardson
Ros-Lehtinen
Roth
Roukema
Roybal-Allard
Rush
Sanders
Sangmeister
Sawyer
Saxton
Schenk
Schroeder
Schumer
Sensenbrenner
Serrano
Sharp
Shays
Shepherd
Slattery
Slaughter
Smith (NJ)
Stark
Studds
Synar
Thompson
Thornton
Torkildsen
Torres
Torricelli
Valentine
Velazquez
Walsh
Waters
Watt
Waxman
Weldon
Wheat
Williams
Wilson
Woolsey
Wynn
Yates
Young (FL)
Zimmer

NOES—283

Ackerman
Allard
Applegate
Archer
Armey
Bachus (AL)
Baker (CA)
Baker (LA)
Ballenger
Barcia
Barrett (NE)
Bartlett
Barton
Bateman
Bentley
Bereuter
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Boehner
Bonilla
Bonior
Borski
Boucher
Brewster
Brooks
Browder
Brown (CA)
Brown (FL)
Bunning
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cantwell
Castle
Chapman
Clay
Clement
Clinger
Coble
Collins (GA)
Collins (IL)
Combest
Condit
Conyers
Cooper
Coppersmith
Cox
Cramer
Crane
Crapo
Cunningham
Danner
Darden
de Lugo (VI)
Deal
DeFazio
DeLay
Derrick
Dickey
Dicks
Dingell
Dixon
Dooley
Doolittle
Dornan
Dreier
Duncan
Dunn
Edwards (TX)
English
Everett
Ewing
Faleomavaega (AS)
Fazio
Fields (LA)
Fields (TX)
Fish
Flake
Ford (MI)
Fowler
Gallegly
Gekas
Gephardt
Geren
Gibbons
Gillmor
Gilman
Gingrich
Goodlatte
Goodling
Gordon
Goss
Grams
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings
Hayes
Hefley
Hefner
Herger
Hoagland
Hobson
Hochbrueckner
Hoekstra
Hoke
Holden
Houghton
Hoyer
Huffington
Hughes
Hunter
Hutchinson
Hutto
Hyde
Inglis
Inhofe
Inslee
Istook
Johnson (GA)
Johnson (SD)
Johnson, Sam
Kanjorski
Kaptur
Kasich
Kennelly
Kildee
Kim
King
Kingston
Klink
Knollenberg
Kolbe
Kopetski
Kreidler
Kyl
Lambert
LaRocco
Laughlin
Leach
Lehman
Levin
Levy
Lewis (CA)
Lewis (FL)
Lightfoot
Linder
Lipinski
Livingston
Lloyd
Long
Lucas
Manton
Manzullo
Martinez
Matsui
Mazzoli
McCandless
McCrery
McCurdy
McDade
McDermott
McHale
McHugh
McInnis
McKeon
Meek
Mfume
Mica
Michel
Miller (CA)
Minge
Mink
Molinari
Mollohan
Montgomery
Moorhead
Morella
Murphy
Murtha
Myers
Nussle
Oberstar
Obey
Ortiz
Orton
Owens
Oxley
Packard
Parker
Pastor
Paxon
Payne (VA)
Penny
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Pombo
Pomeroy
Portman
Price (NC)
Pryce (OH)
Quillen
Quinn
Rahall
Ramstad
Rangel
Ravenel
Regula
Ridge
Roberts
Roemer
Rogers
Rohrabacher
Romero-Barcelo (PR)
Rose
Rostenkowski
Rowland
Royce
Sabo
Santorum
Sarpalius
Schaefer
Schiff
Scott
Shaw
Shuster
Sisisky
Skaggs
Skeen
Skelton
Smith (IA)
Smith (MI)
Smith (TX)
Snowe
Solomon
Spence
Spratt
Stearns
Stenholm
Stokes
Strickland
Stump
Stupak
Sundquist
Swett
Swift
Talent
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas (CA)
Thomas (WY)
Thurman
Towns
Traficant
Underwood (GU)
Unsoeld
Upton
Vento
Visclosky
Volkmer
Vucanovich
Walker
Wise
Wolf
Wyden
Young (AK)
Zeliff

NOT VOTING—13

Barlow
Blackwell
Byrne
de la Garza
Emerson
Ford (TN)
Grandy
McCollum
Neal (NC)
Smith (OR)
Tucker
Washington
Whitten

□ 1648

Messrs. QUILLEN, EVERETT, McDADE, COX, and KREIDLER, Ms. CANTWELL, Ms. LAMBERT, and Mr. TOWNS changed their vote from "aye" to "no."

Ms. McKINNEY and Messrs. SERRANO, McCLOSKEY, EDWARDS of California, COLEMAN, BARCA of Wisconsin, SYNAR, and MOAKLEY changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Ms. ENGLISH of Arizona. Mr. Chairman, I was unavoidably absent during rollcall vote 173. Had I been present, I would have voted nay.

□ 1650

The CHAIRMAN. There being no further amendments, the question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the committee rises.

Accordingly, the committee rose; and the Speaker pro tempore [Mr. McDERMOTT] having assumed the chair, Ms. WOOLSEY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2473) to designate certain national forest lands in the State of Montana as wilderness, to release other national forest lands in the State of Montana for multiple use management, and for other purposes, pursuant to House Resolution 423, reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. HANSEN. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 308, noes 111, not voting 14, as follows:

[Roll No. 174]

AYES—308

Abercrombie
Ackerman
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Applegate
Bacchus (FL)
Baesler
Barca
Barcia
Barrett (WI)
Becerra
Beilenson
Bentley
Berman
Bevill
Bilbray
Bilirakis
Bishop
Blackwell
Boehlert
Bonior
Borski
Boucher
Brewster
Brooks
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Camp
Canady
Cantwell
Cardin
Carr
Castle
Chapman
Clay
Clayton
Clement
Clinger
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Conyers
Cooper
Coppersmith
Costello
Coyne
Cramer
Cunningham
Danner
Darden
Deal
DeFazio
DeLauro
Dellums
Derrick
Deutsch
Diaz-Balart
Dicks
Dingell
Dixon
Dooley
Durbin
Edwards (CA)
Edwards (TX)
Ehlers
Engel
English
Eshoo
Evans
Ewing
Farr
Fawell
Fazio
Fields (LA)
Filner
Fingerhut
Fish
Flake
Foglietta
Ford (MI)
Fowler
Frank (MA)
Franks (CT)
Franks (NJ)
Frost
Furse
Gallo
Gejdenson
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Gordon
Goss
Green
Greenwood
Gutierrez
Hall (OH)
Hamilton
Harman
Hastert
Hastings
Hayes
Hefner
Hilliard
Hinchey
Hoagland
Hobson
Hochbrueckner
Hoke
Holden
Horn
Houghton
Hoyer
Hughes
Hutto
Inglis
Inslee
Jacobs
Jefferson
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kingston
Kleczka
Klein
Klink
Klug
Kopetski
Kreidler
Kyl
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Lazio
Leach
Lehman
Levin
Lewis (GA)
Lipinski
Lloyd
Long
Lowey
Maloney
Mann
Manton
Margolies-Mezvinsky
Martinez
Matsui
Mazzoli
McCloskey
McCrery
McCurdy
McDade
McDermott
McHale
McKinney
McMillan
McNulty
Meehan
Meek
Menendez
Meyers
Mfume
Mica
Miller (CA)
Miller (FL)
Mineta
Minge
Mink
Moakley
Molinari
Mollohan
Montgomery
Moran
Morella
Murphy
Murtha
Nadler
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Parker
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Pomeroy
Porter
Portman
Poshard
Price (NC)
Quinn
Rahall
Ramstad
Rangel
Ravenel
Reed
Regula
Reynolds
Richardson
Ridge
Roemer
Ros-Lehtinen
Rose
Rostenkowski
Roukema
Rowland
Roybal-Allard
Rush
Sabo
Sanders
Sangmeister
Sarpalius
Sawyer
Saxton
Schenk
Schroeder
Schumer
Scott
Serrano
Sharp
Shays
Shepherd
Sisisky
Skaggs
Skelton
Slattery
Slaughter
Smith (IA)
Smith (NJ)
Smith (TX)
Snowe
Spence
Spratt
Stark
Stokes
Strickland
Studds
Stupak
Swett
Swift
Synar
Talent
Tanner
Tauzin
Taylor (MS)
Tejeda
Thompson
Thornton
Thurman
Torkildsen
Torres
Torricelli
Towns
Traficant
Unsoeld
Upton
Valentine
Velazquez
Vento
Visclosky
Volkmer
Walsh
Waters
Watt
Waxman
Weldon
Wheat
Whitten
Williams
Wilson
Wise
Woolsey
Wyden
Wynn
Yates
Young (FL)
Zimmer

NOES—111

Allard
Archer
Armey
Bachus (AL)
Baker (CA)
Baker (LA)
Ballenger
Barrett (NE)
Bartlett
Barton
Bateman
Bereuter
Bliley
Blute
Boehner
Bonilla
Bunning
Burton
Buyer
Callahan
Calvert
Coble
Collins (GA)
Combest
Cox
Crane
Crapo
DeLay
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Everett
Fields (TX)
Gekas
Geren
Goodlatte
Goodling
Grams
Gunderson
Hall (TX)
Hamburg
Hancock
Hansen
Hefley
Herger
Hoekstra
Huffington
Hunter
Hutchinson
Hyde
Inhofe
Istook
Johnson, Sam
Kasich
Kim
King
Knollenberg
Kolbe
Levy
Lewis (CA)
Lewis (FL)
Lightfoot
Linder
Livingston
Lucas
Manzullo
McCandless
McCollum
McHugh
McInnis
McKeon
Michel
Moorhead
Myers
Nussle
Orton
Oxley
Packard
Paxon
Petri
Pombo
Pryce (OH)
Quillen
Roberts
Rohrabacher
Roth
Royce
Santorum
Schaefer
Schiff
Sensenbrenner
Shaw
Shuster
Skeen
Smith (MI)
Solomon
Stearns
Stenholm
Stump
Sundquist
Taylor (NC)
Thomas (CA)
Thomas (WY)
Vucanovich
Walker
Wolf
Young (AK)
Zeliff

NOT VOTING—14

Barlow
Byrne
de la Garza
Emerson
Ford (TN)
Gallegly
Grandy
Machtley
Markey
Neal (NC)
Rogers
Smith (OR)
Tucker
Washington

□ 1712

The Clerk announced the following pairs:

On this vote:

Mr. Tucker for, with Mr. Emerson against.

Mr. Washington for, with Mr. Smith of Oregon against.

Mr. INGLIS of South Carolina and Mr. CLAY changed their vote from "no" to "aye."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. VENTO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks, and include extraneous material, on H.R. 2473, the bill just passed.

The SPEAKER pro tempore (Mr. PETERSON of Florida). Is there objection to the request of the gentleman from Minnesota?

There was no objection.

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF H.R. 2473, THE MONTANA WILDERNESS ACT OF 1994

Mr. VENTO. Mr. Speaker, I ask unanimous consent that in the engrossment of H.R. 2473, the bill just passed, the Clerk be authorized to make technical corrections.

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

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 518, CALIFORNIA DESERT PROTECTION ACT OF 1994

Mr. BEILENSON. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 422 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 422

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 518) to designate certain lands in the California Desert as wilderness, to establish the Death Valley and Joshua Tree National Parks and the Mojave National Monument, and for other purposes. The first reading of the bill shall be dispensed with. General debate shall be confined to the bill and the amendments made in order by this resolution and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Natural Resources. After general debate the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute recommended by the Committee on Natural Resources now printed in the bill. The committee amendment in the nature of a substitute shall be considered by title rather than by section. Each title of the committee amendment in the nature of a substitute shall be considered as read. Points of order against the committee amendment in the nature of a substitute for failure to comply with clause 5(a) of rule XXI are waived. No amendment to the committee amendment in the nature of a substitute shall be in order unless printed in the portion of the Congressional Record designated for that purpose in clause 6 of rule XXIII before the beginning of consideration of the bill. The amendment caused to be printed in the Record by Representative LaRocco of Idaho (relating to an East Mojave Preserve) may amend portions of the bill not yet read for amendment. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the

Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto final passage without intervening motion except one motion to recommit with or without instructions. After passage of H.R. 518, it shall be in order to take from the Speaker's table the bill S. 21 and to consider the Senate bill in the House. All points of order against the Senate bill and against its consideration are waived. It shall be in order to move to strike all after the enacting clause of the Senate bill and to insert in lieu thereof the provisions of H.R. 518 as passed by the House. All points of order against that motion are waived. If the motion is adopted and the Senate bill, as amended, is passed, then it shall be in order to move that the House insist on its amendments to S. 21 and request a conference with the Senate thereon.

The SPEAKER pro tempore. The gentleman from California [Mr. BEILENSON] is recognized for 1 hour.

Mr. BEILENSON. Mr. Speaker, for the purpose of debate only, I yield the customary one-half hour of debate time to the gentleman from California [Mr. DREIER], pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, House Resolution 422 is the rule providing for the consideration of H.R. 518, the California Desert Protection Act.

This is an open rule providing for 1 hour of general debate to be equally divided and controlled by the chairman and ranking minority member of the Natural Resources Committee.

The rule makes in order the Natural Resources Committee amendment in the nature of a substitute now printed in the bill as an original bill for the purpose of amendment, with each title of the substitute to be considered as read.

The rule waives clause 5(a) of rule 21—prohibiting appropriations in a legislative bill—against the committee substitute. The waiver is minor in nature, affecting sections 608 and 609, which set up credit accounts for certain specific land transfers.

After very careful consideration, the Committee on Rules granted the request of the Natural Resources Committee that only those amendments printed in the CONGRESSIONAL RECORD prior to consideration of the bill be considered. I might add, Mr. Speaker, that second-degree amendments to all amendments will be in order under the rule.

As the chairman of the Rules Committee has said on a great many occasions, the committee does not grant the request for preprinting of amendments thoughtlessly or carelessly. Several members of the Natural Resources Committee testified on behalf of preprinting because of the enormously complex nature of the bill and the need for proponents and opponents to know exactly which areas will be affected by amendments and any unintended problems those changes will cause.

It appears to the Rules Committee that all parties will benefit from this request. For example, amendments affecting the boundaries of the desert areas—whether increasing or decreasing the size of the protected portions of the desert—can be checked ahead of time against maps of land parcels and roads to ensure that the intent of the amendments is actually accomplished.

The language of amendments affecting boundaries of an area as large and complex as the California desert will be technical by definition; preprinting will give both proponents and opponents the opportunity to determine the effects of proposed changes on, for example, private property rights and grazing permits.

Further, Mr. Speaker, the rule provides that the amendment of the gentleman from Idaho [Mr. LAROCCO] may amend portions of the bill not yet read for amendment. This is merely a matter of convenience, requested by Mr. LAROCCO, so that the gentleman will not be required to offer his amendment to each title of the bill that it affects; the intent of his amendment can be achieved by offering it one time.

The rule provides one motion to recommit with or without instructions. And finally, Mr. Speaker, the rule provides a hookup with the Senate companion bill by providing for consideration of S. 21 in the House and waiving all points of order against the Senate bill and against its consideration.

The rule makes it in order to move to strike all after the enacting clause and insert the text of H.R. 518 as passed by the House and all points of order against the motion are waived. It will then be in order to move that the House insist on its amendment to S. 21 and request a conference.

Mr. Speaker, the California Desert Protection Act is, in terms of expansion of the National Parks System and National Wilderness Preservation System, the single most important measure since the 1980 enactment of the Alaska Lands Act. It seeks to protect and preserve some of the loveliest spots in the California desert.

I must say, Mr. Speaker, that desert contains some of the truly rich and scenic areas not only of my State, but also of our entire country. Far from being a vast and useless wasteland, the rugged desert mountains and adjacent lowland terrain provide the habitat for some of the country's most unusual species of plants and wildlife.

The area is also a museum of human history—perhaps the most valuable in North America because much of it has, until recent years, been untouched for thousands of years. Unfortunately the desert's historical and natural treasures are now being threatened, and we are seeing irreversible damage and deterioration there. We must preserve these valuable natural and historical resources for future generations.

Mr. Speaker, I commend the gentlemen from California, Mr. LEHMAN, the sponsor of the bill, and Mr. MILLER, the chairman of the Natural Resources Committee, Mr. VENTO, chairman of the subcommittee for working so diligently to seek a compromise on this legislation.

Mr. Speaker, the California Desert Protection Act, which is the result of years of active consideration, designates 71 wilderness areas on public lands that are now managed by the Bureau of Land Management in the California Desert; it expands the existing Death Valley and Joshua Tree national monuments and redesignates them as national parks; it establishes a new Mojave National Park; and it designates wilderness areas within the National Park System.

Mr. Speaker, this rule will give the House a chance to consider all the controversies surrounding this bill, including those embodied in the comprehensive substitute that will be offered by the gentleman from California [Mr. LEWIS]. I understand that it has been estimated that at least 45 amendments have been printed in the CONGRESSIONAL RECORD, meeting the deadline set by the rule.

Those amendments cover a wide range of issues, including military concerns about certain provisions of the bill, and they will give members the opportunity to discuss every conceivable controversy.

Mr. Speaker, I urge my colleagues to adopt the resolution so that we may proceed to the consideration of this important piece of legislation.

□ 1720

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

Mr. Speaker, this rule allows the Natural Resources Committee to perpetrate a textbook case of legislative abuse. By requiring that amendments be printed in the CONGRESSIONAL RECORD prior to consideration of the California Desert Protection Act, the rule continues a scheme that began in the Natural Resources Committee to prevent the bill from being fully scrutinized and debated. The objective is to enact the largest government heist of land in the lower 48 States without the support of the people in southern California who are most affected.

First, the bill was discharged from the subcommittee of jurisdiction without a markup. Then, we are told, the minority did not receive the committee print until 5:10 p.m. the night before the 10 a.m. markup the next morning, so Members did not have time to read the bill and prepare amendments.

Once the markup began, the chairman skillfully used proxies, or phantom votes, to defeat amendments that

could be offered. Amazingly, the phantom voting power was used by the Chairman to defeat an amendment by one of his own Democrat colleagues to allow additional trails to be used by off-road vehicles.

The amendment, which passed by a vote of 5 to 3, was overturned 17 to 23 by 20 phantom votes held by the chairman. But that was not the end of the legislative abuse, Mr. Speaker.

Clause 2 of rule XI requires that a majority be present for the reporting of legislation from a committee. Since there were only a handful of members on hand for the vote to report the desert protection bill, the chairman resorted to an unsuccessful rolling quorum. It is a procedure that is brazenly contemptful of the rules of the House and makes it nearly impossible for the minority to raise a timely point of order.

This effort to prevent scrutiny is now being aided and abetted by the Rules Committee, which has put before us a rule that requires that all amendments to H.R. 518 be printed in the RECORD before hand.

Mr. Speaker, the bill raises a number of contentious issues, including a lack of funds to pay for the land grab; the impact on military training activities, water and private property rights, hunting, and mineral exploration activities; and the ability of law enforcement officers to conduct illegal alien and drug interdiction activities.

In many of these areas compromises can be found, but those potential compromises will be elusive because Members will not have the ability to raise subsequent amendments once the debate has started.

Mr. Speaker, most Americans support a balance between protecting the environment of the desert and maintaining legitimate multiple land-use activities. H.R. 518 does not provide that balance and, if adopted, this rule would ensure that such a balance will never be achieved.

Therefore, Mr. Speaker, I urge my colleagues to vote to defeat the previous question so that I can offer an honest open rule that will for an honest open debate on the California Desert Protection Act. Again, I urge a "no" vote on the previous question.

Mr. Speaker, I include for the RECORD the following information:

ROLLCALL VOTES IN THE RULES COMMITTEE ON THE RULE FOR CALIFORNIA WILDERNESS ACT (H.R. 518), WEDNESDAY, MAY 11, 1994

1. Strike Pre-Printing Requirement—Motion to strike provision requiring that amendments to the bill be pre-printed in the Congressional Record prior to the consideration of the bill. Rejected 3-4: Yeas: Solomon, Quillen and Drier. Nays: Moakley, Derrick, Beilenson and Gordon. Not voting: Frost, Bonior, Hall, Wheat, Slaughter and Goss.

2. Report Rule—Motion to order rule reported as moved. Adopted: 4-3. Yeas: Moakley, Derrick, Beilenson and Gordon. Nays: Solomon, Quillen, and Dreier. Not Voting: Frost, Bonior, Hall, Wheat, Slaughter and Goss.

OPEN VERSUS RESTRICTIVE RULES 95TH–103D CONG.

Congress (years)	Total rules granted [1]	Open rules		Restrictive rules	
		Number	Percent [2]	Number	Percent [3]
95th (1977–78)	211	179	85	32	15
96th (1979–80)	214	161	75	53	25
97th (1981–82)	120	90	75	30	25
98th (1983–84)	155	105	68	50	32
99th (1985–86)	115	65	57	50	43
100th (1987–88)	123	66	54	57	46
101st (1989–90)	104	47	45	57	55
102d (1991–92)	109	37	34	72	66
103d (1993–94)	64	14	22	50	78

[1] Total rules counted are all order of business resolutions reported from the Rules Committee which provide for the initial consideration of legislation, except rules on appropriations bills which only waive points of order. Original jurisdiction measures reported as privileged are also not counted.

[2] Open rules are those which permit any Member to offer any germane amendment to a measure so long as it is otherwise in compliance with the rules of the House. The parenthetical percentages are open rules as a percent of total rules granted.

[3] Restrictive rules are those which limit the number of amendments which can be offered, and include so-called modified open and modified closed rules, as well as completely closed rule, and rules providing for consideration in the House as opposed to the Committee of the Whole. The parenthetical percentages are restrictive rules as a percent of total rules granted.

Sources: "Rules Committee Calendars & Surveys of Activities," 95th–102d Cong.; "Notices of Action Taken," Committee on Rules, 103d Cong., through May 12, 1994.

OPEN VERSUS RESTRICTIVE RULES: 103D CONG.

Rule number date reported	Rule type	Bill number and subject	Amendments submitted	Amendments allowed	Disposition of rule and date
H. Res. 58, Feb. 2, 1993	MC	H.R. 1: Family and medical leave	30 (D–5; R–25)	3 (D–0; R–3)	PQ: 246–176. A: 259–164. (Feb. 3, 1993).
H. Res. 59, Feb. 3, 1993	MC	H.R. 2: National Voter Registration Act	19 (D–1; R–18)	1 (D–0; R–1)	PQ: 248–171. A: 249–170. (Feb. 4, 1993).
H. Res. 103, Feb. 23, 1993	C	H.R. 920: Unemployment compensation	7 (D–2; R–5)	0 (D–0; R–0)	PQ: 243–172. A: 237–178. (Feb. 24, 1993).
H. Res. 106, Mar. 2, 1993	MC	H.R. 20: Hatch Act amendments	9 (D–1; R–8)	3 (D–0; R–3)	PQ: 248–166. A: 249–163. (Mar. 3, 1993).
H. Res. 119, Mar. 9, 1993	MC	H.R. 4: NIH Revitalization Act of 1993	13 (d–4; R–9)	8 (D–3; R–5)	PQ: 247–170. A: 248–170. (Mar. 10, 1993).
H. Res. 132, Mar. 17, 1993	MC	H.R. 1335: Emergency supplemental Appropriations	37 (D–8; R–29)	1(not submitted) (D–1; R–0)	A: 240–185. (Mar. 18, 1993).
H. Res. 133, Mar. 17, 1993	MC	H. Con. Res. 64: Budget resolution	14 (D–2; R–12)	4 (1-D not submitted) (D–2; R–2)	PQ: 250–172. A: 251–172. (Mar. 18, 1993).
H. Res. 138, Mar. 23, 1993	MC	H.R. 670: Family planning amendments	20 (D–8; R–12)	9 (D–4; R–5)	PQ: 252–164. A: 247–169. (Mar. 24, 1993).
H. Res. 147, Mar. 31, 1993	C	H.R. 1430: Increase Public debt limit	6 (D–1; R–5)	0 (D–0; R–0)	PQ: 244–168. A: 242–170. (Apr. 1, 1993).
H. Res. 149 Apr. 1, 1993	MC	H.R. 1578: Expedited Rescission Act of 1993	8 (D–1; R–7)	3 (D–1; R–2)	A: 212–208. (Apr. 28, 1993).
H. Res. 164, May 4, 1993	O	H.R. 820: Nate Competitiveness Act	NA	NA	A: Voice Vote. (May 5, 1993).
H. Res. 171, May 18, 1993	O	H.R. 873: Gallatin Range Act of 1993	NA	NA	A: Voice Vote. (May 20, 1993).
H. Res. 172, May 18, 1993	O	H.R. 1159: Passenger Vessel Safety Act	NA	NA	A: 308–0 (May 24, 1993).
H. Res. 173 May 18, 1993	MC	S.J. Res. 45: United States forces in Somalia	6 (D–1; R–5)	6 (D–1; R–5)	A: Voice Vote (May 20, 1993)
H. Res. 183, May 25, 1993	O	H.R. 2244: 2d supplemental appropriations	NA	NA	A: 251–174. (May 26, 1993).
H. Res. 186, May 27, 1993	MC	H.R. 2264: Omnibus budget reconciliation	51 (D–19; R–32)	8 (D–7; R–1)	PQ: 252–178. A: 236–194 (May 27, 1993).
H. Res. 192, June 9, 1993	MC	H.R. 2348: Legislative branch appropriations	50 (D–6; R–44)	6 (D–3; R–3)	PQ: 240–177. A: 226–185. (June 10, 1993).
H. Res. 193, June 10, 1993	O	H.R. 2200: NASA authorization	NA	NA	A: Voice Vote. (June 14, 1993).
H. Res. 195, June 14, 1993	MC	H.R. 5: Striker replacement	7 (D–4; R–3)	2 (D–1; R–1)	A: 244–176.. (June 15, 1993).
H. Res. 197, June 15, 1993	MO	H.R. 2333: State Department. H.R. 2404: Foreign aid	53 (D–20; R–33)	27 (D–12; R–15)	A: 294–129. (June 16, 1993).
H. Res. 199, June 16, 1993	C	H.R. 1876: Ext. of "Fast Track"	NA	NA	A: Voice Vote. (June 22, 1993).
H. Res. 200, June 16, 1993	MC	H.R. 2295: Foreign operations appropriations	33 (D–11; R–22)	5 (D–1; R–4)	A: 263–160. (June 17, 1993).
H. Res. 201, June 17, 1993	O	H.R. 2403: Treasury-postal appropriations	NA	NA	A: Voice Vote. (June 17, 1993).
H. Res. 203, June 22, 1993	MO	H.R. 2445: Energy and Water appropriations	NA	NA	A: Voice Vote. (June 23, 1993).
H. Res. 206, June 23, 1993	O	H.R. 2150: Coast Guard authorization	NA	NA	A: 401–0. (July 30, 1993).
H. Res. 217, July 14, 1993	MO	H.R. 2010: National Service Trust Act	NA	NA	A: 261–164. (July 21, 1993).
H. Res. 220, July 21, 1993	MC	H.R. 2667: Disaster assistance supplemental	14 (D–8; R–6)	2 (D–2; R–0)	PQ: 245–178. F: 205–216. (July 22, 1993).
H. Res. 226, July 23, 1993	MC	H.R. 2667: Disaster assistance supplemental	15 (D–8; R–7)	2 (D–2; R–0)	A: 224–205. (July 27, 1993).
H. Res. 229, July 28, 1993	MO	H.R. 2330: Intelligence Authority Act, fiscal year 1994	NA	NA	A: Voice Vote. (Aug. 3, 1993).
H. Res. 230, July 28, 1993	O	H.R. 1964: Maritime Administration authority	NA	NA	A: Voice Vote. (July 29, 1993).
H. Res. 246, Aug. 6, 1993	MO	H.R. 2401: National Defense authority	149 (D–109; R–40)		A: 246–172. (Sept. 8, 1993).
H. Res. 248, Sept. 9, 1993	MO	H.R. 2401: National defense authorization			PQ: 237–169. A: 234–169. (Sept. 13, 1993).
H. Res. 250, Sept. 13, 1993	MC	H.R. 1340: RTC Completion Act	12 (D–3; R–9)	1 (D–1; R–0)	A: 213–191–1. (Sept. 14, 1993).
H. Res. 254, Sept. 22, 1993	MO	H.R. 2401: National Defense authorization		91 (D–67; R–24)	A: 241–182. (Sept. 28, 1993).
H. Res. 262, Sept. 28, 1993	O	H.R. 1845: National Biological Survey Act	NA	NA	A: 238–188 (10/06/93).
H. Res. 264, Sept. 28, 1993	MC	H.R. 2351: Arts, humanities, museums	7 (D–0; R–7)	3 (D–0; R–3)	PQ: 240–185. A: 225–195. (Oct. 14, 1993).
H. Res. 265, Sept. 29, 1993	MC	H.R. 3167: Unemployment compensation amendments	3 (D–1; R–2)	2 (D–1; R–1)	A: 239–150. (Oct. 15, 1993).
H. Res. 269, Oct. 6, 1993	MO	H.R. 2739: Aviation infrastructure investment	N/A	N/A	A: Voice Vote. (Oct. 7, 1993).
H. Res. 273, Oct. 12, 1993	MC	H.R. 3167: Unemployment compensation amendments	3 (D–1; R–2)	2 (D–1; R–1)	PQ: 235–187. F: 149–254. (Oct. 14, 1993).
H. Res. 274, Oct. 12, 1993	MC	H.R. 1804: Goals 2000 Educate America Act	15 (D–7; R–7; I–1)	10 (D–7; R–3)	A: Voice Vote. (Oct. 13, 1993).
H. Res. 282, Oct. 20, 1993	C	H.J. Res. 281: Continuing appropriations through Oct. 28, 1993	N/A	N/A	A: Voice Vote. (Oct. 21, 1993).
H. Res. 286, Oct. 27, 1993	O	H.R. 334: Lumbee Recognition Act	N/A	N/A	A: Voice Vote. (Oct. 28, 1993).
H. Res. 287, Oct. 27, 1993	C	H.J. Res. 283: Continuing appropriations resolution	1 (D–0; R–0)	0	A: 252–170. (Oct. 28, 1993).
H. Res. 289, Oct. 28, 1993	O	H.R. 2151: Maritime Security Act of 1993	N/A	N/A	A: Voice Vote. (Nov. 3, 1993).
H. Res. 293, Nov. 4, 1993	MC	H. Con. Res. 170: Troop withdrawal Somalia	N/A	N/A	A: 390–8. (Nov. 8, 1993).
H. Res. 299, Nov. 8, 1993	MO	H.R. 1036: Employee Retirement Act–1993	2 (D–1; R–1)	N/A	A: Voice Vote. (Nov. 9, 1993).
H. Res. 302, Nov. 9, 1993	MC	H.R. 1025: Brady handgun bill	17 (D–6; R–11)	4 (D–1; R–3)	A: 238–182. (Nov. 10, 1993).
H. Res. 303, Nov. 9, 1993	O	H.R. 322: Mineral exploration	N/A	N/A	A: Voice Vote. (Nov. 16, 1993).
H. Res. 304, Nov. 9, 1993	C	H.J. Res. 288: Further CR, FY 1994	N/A	N/A	
H. Res. 312, Nov. 17, 1993	MC	H.R. 3425: EPA Cabinet Status	27 (D–8; R–19)	9 (D–1; R–8)	F: 191–227. (Feb. 2, 1994).
H. Res. 313, Nov. 17, 1993	MC	H.R. 796: Freedom Access to Clinics	15 (D–9; R–6)	4 (D–1; R–3)	A: 233–192. (Nov. 18, 1993).
H. Res. 314, Nov. 17, 1993	MC	H.R. 3351: Alt Methods Young Offenders	21 (D–7; R–14)	6 (D–3; R–3)	A: 238–179. (Nov. 19, 1993).
H. Res. 316, Nov. 19, 1993	C	H.R. 51: D.C. statehood bill	1 (D–1; R–0)	N/A	A: 252–172. (Nov. 20, 1993).
H. Res. 319, Nov. 20, 1993	MC	H.R. 3: Campaign Finance Reform	35 (D–6; R–29)	1 (D–0; R–1)	A: 220–207. (Nov. 21, 1993).
H. Res. 320, Nov. 20, 1993	MC	H.R. 3400: Reinventing Government	34 (D–15; R–19)	3 (D–3; R–0)	A: 247–183. (Nov. 22, 1993).

OPEN VERSUS RESTRICTIVE RULES: 103D CONG.—Continued

Rule number date reported	Rule type	Bill number and subject	Amendments submitted	Amendments allowed	Disposition of rule and date
H. Res. 336, Feb. 2, 1994	MC	H.R. 3759: Emergency Supplemental Appropriations	14 (D–8; R–5; I–1)	5 (D–3; R–2)	PQ: 244–168. A: 342–65. (Feb. 3, 1994).
H. Res. 352, Feb. 8, 1994	MC	H.R. 811: Independent Counsel Act	27 (D–8; R–19)	10 (D–4; R–6)	PQ: 249–174. A: 242–174. (Feb. 9, 1994).
H. Res. 357, Feb. 9, 1994	MC	H.R. 3345: Federal Workforce Restructuring	3 (D–2; R–1)	2 (D–2; R–0)	A: VV (Feb. 10, 1994).
H. Res. 366, Feb. 23, 1994	MO	H.R. 6: Improving America's Schools	NA	NA	A: VV (Feb. 24, 1994).
H. Res. 384, Mar. 9, 1994	MC	H. Con. Res. 218: Budget Resolution FY 1995–99	14 (D–5; R–9)	5 (D–3; R–2)	A: 245–171 (Mar. 10, 1994).
H. Res. 401, Apr. 12, 1994	MO	H.R. 4092: Violent Crime Control	180 (D–98; R–82)	68 (D–47; R–21)	A: 244–176 (Apr. 13, 1994).
H. Res. 410, Apr. 21, 1994	MO	H.R. 3221: Iraqi Claims Act	N/A	N/A	A: Voice Vote (Apr. 28, 1994).
H. Res. 414, Apr. 28, 1994	O	H.R. 3254: NSF Auth. Act	N/A	N/A	A: Voice Vote (May 3, 1994).
H. Res. 416, May 4, 1994	C	H.R. 4296: Assault Weapons Ban Act	7 (D–5; R–2)	0 (D–0; R–0)	A: 220–209 (May 5, 1994).
H. Res. 420, May 5, 1994	O	H.R. 2442: EDA Reauthorization	N/A	N/A	A: Voice Vote (May 10, 1994).
H. Res. 422, May 11, 1994	MO	H.R. 518: California Desert Protection	N/A	N/A	
H. Res. 423, May 11, 1994	O	H.R. 2473: Montana Wilderness Act	N/A	N/A	A: Voice Vote (May 12, 1994).

Note.—Code: C-Closed; MC-Modified closed; MO-Modified open; O-Open; D-Democrat; R-Republican; PQ: Previous question; A-Adopted; F-Failed.

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

Mr. BEILENSON. Mr. Speaker, I yield such time as he may consume to the gentleman from California [Mr. MILLER], distinguished chairman of the Committee on Natural Resources.

Mr. MILLER of California. Mr. Speaker, I thank the gentleman for yielding time to me. I want to thank the Committee on Rules for the consideration of the rule and the reporting of this rule to the floor, which I think will both allow us to have a timely consideration, a fair consideration of the California desert bill.

Mr. Speaker, the Congress has considered legislation affecting lands within the California desert for nearly two decades. In 1976, we passed the Federal Land Policy and Management Act [FLPMA] which directed the Secretary of the Interior to prepare and implement a comprehensive long-range plan for the California Desert Conservation Area. In response the Bureau of Land Management released the California desert plan first in 1980, and after some revision, again in 1982.

Recognizing that something had to be done to protect the area's natural resources without eliminating jobs and economic development, Senator Alan Cranston introduced the first California desert bill in 1986. Since then, companion bills have been introduced in each successive Congress. There have been approximately 15 hearings since 1986 on California desert legislation. On November 26, 1991, the House of Representatives passed by a vote of 297 to 136 legislation very similar to H.R. 518.

H.R. 518, the California Desert Protection Act, reflects compromises that have been crafted to balance the wishes of those who want to use the land for grazing, mining, and recreation, with those who prefer areas remain untrammeled. Not one use of the California desert today will be prohibited if and when this bill becomes law. In some cases, the bill provides for activities to continue under different management prescriptions than today but the bill will not eliminate any activity that occurs today in the California desert.

In creating this compromise Congressman RICHARD LEHMAN, the author of H.R. 518, Subcommittee Chairman BRUCE VENTO and I have drawn the park and wilderness boundaries to exclude project sites for all known operating mines, including Chemgold, Viceroy, and American Sulphur Co. In addition, the committee adopted an amendment that could allow grazing to continue in the Mojave and Death Valley National Parks at no more than the current level, subject to other Federal law.

The Natural Resources Committee also made changes to allow for the continued use of popular offroad vehicle areas. There are approximately 33,000 miles of roads, including 18,000 miles of primitive routes and 15,000 miles of paved and unmaintained dirt roads which will remain open to dirt bike riders and other off road vehicle users if this bill becomes law.

Mr. Speaker, the California desert encompasses 25 million acres—approximately one-quarter the size of the State. Within the 25 million acres, there are three desert ecosystems known as the Sonoran, Mojave, and Great Basin, 90 mountain ranges, sand dunes as high as 700 feet, more than 2,000 species of plants and wildlife, and a wealth of archaeological sites.

H.R. 518 would affect approximately 9 million of the 25 million acres in the California desert. The legislation would designate 3.9 million acres as wilderness administered by the Bureau of Land Management, and create a 1.5 million acre Mojave National Park. The existing 600,000-acre-Joshua Tree National Monument and 2 million-acre-Death Valley National Monument would be expanded by 200,000 acres and 1.3 million acres respectively, and the areas would be redesignated as national parks. In addition, H.R. 518 would designate 700,000 acres of wilderness in the newly created Mojave National Park.

Mr. Speaker, the rule for consideration of H.R. 518 merits our support. This is an open rule, with the caveat that Members have their amendments printed in the CONGRESSIONAL RECORD in advance. There are 156 maps accompanying this legislation, and in many instances the full ramification of an amendment cannot be understood without examining the map. The rule gives Members the opportunity to examine the maps prior to voting.

There is widespread support for this legislation throughout the country. In California, 16 county governments, including Los Angeles, San Diego, Contra Costa, Riverside, and San Francisco have endorsed the legislation. In addition, 36 city governments, including Los Angeles, Palm Desert, San Diego, Laguna Beach, Ventura, Sacramento, Riverside, Davis, and Redlands support H.R. 518. About 1,600 scientists and major conservation organizations would like this legislation enacted.

Mr. Speaker, I encourage Members to support the rule for H.R. 518, the California Desert Protection Act. I also appreciate the efforts of Congressmen LEHMAN and VENTO who have devoted a great deal of time to this legislation.

Mr. Speaker, there is very widespread support for this legislation throughout the country and throughout our State of California. Overwhelmingly, the people of the State of California support this legislation and the parks and the wilderness areas that it will create.

Many, many local county and city governments support the creation of the national parks and the wilderness areas and support this legislation, as do so many scientific organizations, environmental groups, civic organizations, and others on behalf of the Desert Protection Act.

Finally, I would like to say that this legislation very much mirrors what has taken place in the Senate when, after over 10 years of deliberation, the Senate finally took up the bill as introduced by Senator FEINSTEIN and worked its will on that legislation. This legislation reflects many of the changes that she made in the Senate. I daresay that without her effort in the Senate and her tenacity to stick with this issue until she could bring it to a vote in the U.S. Senate, we would not be here today considering this legislation.

□ 1730

We think that the House has considered this in the past. The hearings have been held. The subject has been debated far and wide throughout the country and throughout our State. The time is now for the consideration of this legislation.

This rule is put forth by the Committee on Rules. I thank my colleague, the gentleman from California [Mr. BEILENSON] for presenting this rule this evening to the House. It provides for

free and open debate. Anybody who wanted to offer an amendment is able under this amendment to provide one.

Let me say, Mr. Speaker, with regard to the comment that was made about the preprinting of the amendment, this legislation deals with many, many maps and millions of acres, and many amendments that will be offered deal with boundaries within the parks and within the wilderness areas. It was important that we be able to look at these amendments and determine what these amendments would or would not do before we could decide whether we could accept them, had to reject them, or to work out some other arrangement with those who would offer those amendments.

Already since those amendments have been published we have been beset with a number of amendments where the authors of the amendments do not know where the lands are, who the beneficiaries are, or what they do.

That is the exact purpose, so we could give this House an informed judgment of what the impact of those amendments will be, and yet everybody who has an interest in this legislation was entitled to the right to provide for those amendments. I would hope we would pass the rule.

Mr. DREIER. Mr. Speaker, I yield myself such time as I may consume to respond to some of the comments made by our distinguished chairman, the gentleman from California [Mr. MILLER]. For starters, I would note that he referred to the fact that the legislative history of this is very, very long. It has been considered for several years. Fully one-third of the members of his committee are new, having just become Members of the 103d Congress. While he says that many people throughout the country have focused attention on and debated the California Desert Protection Act, I would hasten to add in many other parts of the country this is not a top priority.

I believe that for many of the Members, this is the first time they have actually had an opportunity to face this issue.

He does, correctly, raise the point that we are dealing with thousands and thousands of acres. However, Mr. Speaker, we were dealing with thousands and thousands of acres as we were looking at the Montana bill that we just voted out a few minutes ago.

It seems to me, Mr. Speaker, that we should recognize that an open rule for that legislation seemed to work things out adequately, and gained a great deal of support. Why can it not also work here?

Further, Mr. Speaker, I would say that as we look at where we are today on this question, it appears that we are only going to consider general debate tonight, and who knows when we are going to bring out the amendments that were required to have been filed last Friday. There is going to be much more time for Members to look at and address this issue. Unfortunately, those of us in the minority and other Democrats who might want to have amendments that they could offer to the legislation that is pending will not have that chance.

Mr. Speaker, I yield such time as he may consume to the gentleman from Redlands, California [Mr. LEWIS] one of the two Members, including Mr. MCCANDLESS, who have worked diligently to fashion a very balanced compromise on this, but, unfortunately, have been shut out.

Mr. LEWIS of California. Mr. Speaker, I thank my colleague very much for being so generous in yielding time to me.

Mr. Speaker, I would not take much time, but this is a very, very important issue to my district, since most of my district is impacted by the proposal of the chairman in the Committee of the House. Mr. Speaker, I want my colleagues, first of all, to know that I very much appreciate their patience with this process. The issue is very, very important to the four Members who are elected to represent the people who live in the affected districts in California. There are four Members who have their districts substantially made up of desert territory.

The issue is very complicated, and subject, I believe, to endless possibilities in terms of length of this debate, and deserves as much time as the Members can bear.

Mr. Chairman, I wanted to start this debate, though, by speaking to my chairman, Mr. MILLER, and wish Mr. MILLER a happy birthday. It is nice to be with you, Mr. MILLER.

I would further like to thank my colleagues on the Committee on Rules for granting at least a modified open rule. Frankly, a modified rule at least gives the four of us and others interested the opportunity to present some amendments to try to change this process, but indeed, there is little doubt that every effort was made to put limitations upon us through the Committee on Rules process and appear to be open, in contrast to what occurred on the Montana legislation.

I must say, Mr. Speaker, above and beyond the courtesy the chairman of the Committee on Rules has shown me, I must confess to the Members that I am somewhat disconcerted on this relative to fairness. This bill has been handled in the most outrageous fashion of any legislation that it has been my experience to deal with in my 25 years in public affairs. I would like to briefly describe the heavy-handed tactics of the senior members on the majority side of the Committee on Natural Resources.

The nature in which this bill was rammed through their committee, as described by my colleague, the gentleman from California [Mr. DREIER], is essentially an outrage to the process, the approach that should be used to balance public affairs and compromise that leads to good public policy. Not only did the committee circumvent the process of the subcommittee markup, but the chairman, Mr. MILLER, presented an entirely new piece of legislation on the day of the markup, and the committee staff saw it the evening before, essentially making it extremely difficult for people to respond appropriately with amendments in the committee process.

This legislation normally would be considered to be noncontroversial legislation, if we were going to handle a markup in that fashion. Traditionally the committee will use such rules or exercise such rules when there is not any partisan confrontation or serious controversy. In contrast to this, this legislation is by no means noncontroversial or bipartisan. The substitute legislation offered by the chairman extended well beyond the original text of H.R. 518. The majority claims that since similar legislation was considered in previous Congresses, a subcommittee markup was not necessary. That explanation fails to account, as DAVID DREIER indicated, for 14 brand-new members on that committee, freshmen who have not been through this process, and indeed, not only deserve to have the right to consider possibly amending, but in turn carry out their responsibility to so participate.

Instead, item after item ended up being passed by way of the phantom vote that was so eloquently expressed by my representative from the Committee on Rules. The committee, under the leadership of its chairman, has done a real disservice to the constituents of the gentlemen from California, AL MCCANDLESS, DUNCAN HUNTER, BILL THOMAS, and myself, who were elected to represent the people who live in, who understand, and who love the desert. All of us feel that we have been treated in this process somewhat like second-class Members of this body.

I would say to any one of these Members who happens to be watching on television or listening here on the floor, think about your own district. If someone was going to carry legislation that directly impacted the planning process, the use of the lands that make up the majority of your district, you would expect at least to have the courtesy of some consultation, some discussion. There was no attempt on the part of this committee to reach out to those Members, to ask them to participate in the process. Indeed, a preconceived idea of the way our districts ought to work by people outside our districts was the total process of this committee.

It was clear that one could make amendments in committee if they had time to figure out where they should

go and what form they should take, but there is also, no doubt, beyond a small, strictly partisan meeting held the day before to discuss some of these things, a clear message was sent by the chairman that no amendment should be passed by way of majority votes on the committee. There was too much involved in terms of the past work of the chairman, I guess, perhaps too much California politics involved as well.

The chairman has also attempted to circumvent the Committee on Armed Services by removing from the text of H.R. 518 any reference to the military activities which are conducted at the key military installations in the California desert. During consideration of H.R. 518 Mr. MILLER and the gentleman from Minnesota [Mr. VENTO] will offer an amendment dealing with land withdrawals and military overflights. I caution my colleagues on the Committee on Armed Services, pay very, very close attention to the way the Miller-Vento amendment reads. It could severely impact the training and testing activities conducted in the desert, the very activities that are vital to our national defense, and which General Schwartzkopf indicated were fundamental to our success, for example, in the recent confrontation in the Middle East.

I hope it is clearly understood by the Members of the House that the legislation before us, H.R. 518, severely impacts the land use and local economies of the Members' districts involved, AL MCCANDLESS of Riverside County, DUNCAN HUNTER in Imperial County, BILL THOMAS in Kern County and my district, which is large enough desert to put four Eastern States very easily inside.

□ 1740

Mr. Speaker, we are debating the California wilderness bill. One way or another, this committee has decided that they can handle the planning, the future economic values, the development, the growth potential, indeed the lives of the people who live in areas that large and forget about those people they elected to represent them.

I hope it is clearly understood by the Members of the House that the legislation before us severely impacts not just that land use, the fundamental violation is the relationships between Members in this House. It is outrageous to think that the chairman would actually go so far as to ram legislation in this fashion through without even bringing in those Members for personal consultation about their districts. It is unbelievable that that kind of process has developed here in this committee.

Mr. Speaker, we will hear the proponents of H.R. 518 describing it as a compromise. Compromise, indeed. This could not be further from the truth. H.R. 2379, the California Desert and Employment Preservation Act introduced by my colleagues and I who represent the desert is the only compromise that truly deserves that description. H.R. 518 is nothing more than a wish list for a small band of well-funded and influential preservation groups with a narrow ideological agenda.

Mr. Speaker, H.R. 518 cavalierly ignores the recommendations made by the Bureau of Land Management as mandated under legislation coming out of this very committee a number of years ago.

I would like the Members to particularly focus on this point. My predecessors, Jerry and Shirley Pettis, Jerry was tragically killed in an airplane accident. He had had legislation calling for the creation of a commission that would lead to dealing with the complex issues in this region. Shirley when she arrived here was approached by the chairman of this committee, at that time Philip Burton. Mr. Burton suggested that they should shepherd this bill through because it was a complex area that deserved maximum public input.

Mr. Speaker, as a result of that the Federal Land Policy and Management Act was passed. It created a 15-member commission. On that commission were representatives of environmental groups, of ranchers, of miners, all those who care about and understand the desert. They met for a period of 4 years. There were some 40,000 individual comments, some $8 million were spent of public taxpayers' monies leading to a compromise. Yet this committee and this chairman and this subcommittee chairman have chosen to ignore all that money and this work.

Mr. Speaker, I want the members to get a clear sense that we are not just unhappy about this process.

I do not consider it just an outrageous way to handle public affairs and public policy development. I believe the Members of this body know that I am not enamored with the rhetoric of the extreme. Indeed I believe deeply that the American public is disgusted with partisan confrontation that too often dominates the floor debate. Most issues have little to do with partisan politics and certainly this kind of an issue should have little to do with it. But if the Committee on Natural Resources is any indication of the way the rest of the policy committees in the House in the future intend to act in terms of the way they will treat the minority in this place, then, friends, Katy bar the door. No wonder the floor debate is so often dominated by the extreme. The world's greatest deliberative body has become a partisan shouting match precisely because of the excesses of the majority. If this continues, the over 50 years of dominance of a single party in this House is going to end up destroying not just comity but really undermining the fundamentals of what has originally been designed to make this the greatest deliberative body in the world.

Mr. Speaker, I appreciate my colleague from California yielding me so much time.

Mr. BEILENSON. Mr. Speaker, I yield such time as he may consume to the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, a great deal has been said in a short time about the procedures used in the committee and the procedures used by the chairman of the Committee on Natural Resources, which happens to be me, and I have just got to tell the House that not only does it reflect badly on the Members who are constructing that record but it simply is not true.

Mr. Speaker, I find it rather interesting if this is the most important piece of legislation to the gentleman who was just in the well or to his colleagues from California, Mr. MCCANDLESS and Mr. HUNTER, who he named in his remarks that they would never once ask me for an appointment to have a substantive discussion on this matter, they would never send me an amendment or a note or a request for any change in this legislation in the over 2½, 3, 4 years since I have been chairman of the committee and we have had this under discussion.

Mr. Speaker, I would say to the gentleman that has never happened.

Mr. Speaker, when various committees in the Congress impact my district, I go see the chairman or the subcommittee chairman or the Member who has that bill or whoever it might be and say, what is going on here? Is there a chance we can talk about this? Can I offer some amendments?

Mr. Speaker, I have never had that request from the gentleman or the other gentlemen from California, Mr. MCCANDLESS or Mr. HUNTER. I do not know. Maybe the gentleman has to explain back home why this bill got 90 votes in the Senate for it, and the loss, but do not put that on me, because that never happened.

Mr. Speaker, the first mention I got was a nice note the other night from the gentleman saying how upset he was with the process. That is the first time, and we have had this bill in our committee under active consideration for 3 years, because we passed it in the last session and we have had it this time.

Mr. Speaker, let us understand that clearly. The gentleman was in our committee when we took up the bill for full consideration and as everybody on my committee knows, in spite of the gentleman's characterization of it, every member of my committee is entitled to offer amendments. I have never prevented a member of my committee from offering that because I grew up in

the tradition of listening to people. There happened to be one from the gentleman's side, John Ashbrook, who told me what it was like to be in the minority around here and when people act that way.

Mr. Speaker, when we discharge the committee, my habit, and people from my committee on both sides of the aisle know this, I will say, "The gentleman is asking for unanimous consent to discharge the subcommittee. If there is no objection," then there is a deliberative pause for several seconds. I say, "Hearing no objection, so ordered."

Mr. Speaker, the gentleman was in the room when that happened and maybe his lieutenants on the committee bumbled, fumbled, or mumbled but the fact is they never made that request. They never made request for an additional hearing, they never made a request for amendments and, in fact, a few minutes after we were into the hearing and the markup, most of them had left the room.

Mr. Speaker, the fact is that is the way this committee has been run from the time I have been on it. I think there are two committees in this House that respect minority rights. That does not mean the minority gets to win because they do not have the votes to win on crucial issues, but their rights are preserved, the procedure is preserved, and as the gentleman from the Committee on Rules knows, we always come and ask for an open rule.

Mr. Speaker, we are here on an open rule. We are simply asking for management. The fact remains for those listening to this that I am sure there is some other explanation going on here and that is that the gentleman in all likelihood if we can take the last time the House considered the bill, the fact the Senate has considered the bill and the expected outcome is not going to win his debate here, so now the gentleman has decided to make this personal and impugn the integrity of the committee and me as the chair.

Mr. Speaker, I am simply here to say it never happened, I would never run a committee that way, and the members of my committee know that is the case.

Mr. Speaker, it is very interesting. In the most contentious hearings, whether it was the energy bill or whatever it is, I have members of my committee on the minority side come to me all the time and say, "Thank you for letting me offer the amendments." I consider that their right. I either win those votes or I lose those votes. I am not there to block people from having a say. I used to vote all the time with the minority before we got so partisan not to cut off debate so that people would have a chance, but now we have all of these rules that we only get 1 hour of debate, 10 minutes of debate, 5 minutes of debate.

Mr. Speaker, I do not believe that is the way to run this institution. The gentleman is talking about some other episode, folks, because those rights were protected. Those amendments were not offered.

Why is this bill different than the Montana bill? There were no boundary changes offered to Montana today if the gentleman was there on the floor while we were considering the bill. The amendments we are considering here have numerous, hundreds and hundreds of boundary changes, and what we asked for was the right to have those printed in the RECORD so we could look, so tomorrow if we start amendments we could say to the Members of the House, this is or is not the impact, and those who offer the amendments from either side could agree or disagree but we would understand that.

□ 1750

I am very troubled that my colleagues would engage in this kind of tactic to somehow try to taint this process, to taint this legislation.

This is an urgent and necessary piece of legislation. The people in our State overwhelmingly support it. The gentleman who spoke and some who will speak do not support it. That is the process. That is the process.

But let us not lead people to believe that something took place that did not take place or that somebody was shut out of a process when this process has been open and we have had, as I said, some 15 hearings. I do not know what the Republicans did on their side of the aisle. We took people through the Senate bill. We talked about the changes.

The gentleman stands in the well and says that the amendments that we brought were more expansive. No. They are not. We took what we passed and moved toward the Senate. We started taking out mining companies and all the things that concerned the gentleman in the desert. The bill is narrower than when the House passed it last.

So there is somebody kicking up some dust here trying to avoid, I think, what probably will be the results when the House is finished with the deliberation. But I will not stand here and have the integrity of this committee on either side, because the minority was there, and at each and every stage there is a pause before amendments. I even make them call the votes twice of every Member. All the votes are called twice. All the requests are stated twice in our committee. And that is how we run the Natural Resources Committee.

I do not know how other chairs run it. That is how we run it.

Mr. LEWIS of California. Mr. Speaker, will the gentleman yield?

Mr. MILLER of California. I am happy to yield to the gentleman from California.

Mr. LEWIS of California. The gentleman would probably like to be informed that I did sit on the floor for the last time with the author of this bill, the gentleman from California [Mr. LEHMAN], just a week ago to discuss some of these possibilities. He is the author.

Mr. MILLER of California. Reclaiming my time, the gentleman was talking about me when he was standing in the well. You were referring to the chairman of this committee.

Mr. LEWIS of California. Let me just complete the statement. The response of the author of the bill was, "JERRY, I am not going to be able to help you with this. The chairman is going to do exactly what he wants to do with this bill, and he already has in his mind what he is going to do. He is going to roll right over me," is what he said to me.

Mr. MILLER of California. Reclaiming my time, how long has the gentleman been in this body?

Mr. LEWIS of California. I am not sure that that is relevant. But long enough.

Mr. MILLER of California. Well, are you incapable of having a face-to-face conversation with another Member? Are you incapable of coming over and asking me whether that characterization is accurate or not, especially when this is so important to your district? I would think you would stretch out a little bit. The aisle is not that far.

Mr. LEWIS of California. I say to the gentleman from California [Mr. MILLER], certainly I stood on that side of the aisle for that reason. You know very well how I feel about that. The fact is you and I have had occasion on more than one circumstance to talk about this legislation.

Mr. MILLER of California. You have never requested a substantive discussion on this bill at all. Never.

Mr. LEWIS of California. Your style is always so gentle.

Mr. MILLER of California. Do not tell me about my style.

Mr. LEWIS of California. You always just gently suggested, "I will just roll you over, LEWIS. Do not worry about it." I know your style. Everybody else knows your style.

Mr. MILLER of California. No. Except it does not work that way.

Mr. LEWIS of California. It seems to.

Mr. MILLER of California. I guess the gentleman made a horrible error in judgment. My door has never been closed to people who have had an interest in a piece of legislation. And it never happened.

Mr. LEWIS of California. Is it accurate to say that a significant number of the votes on this bill in committee were ghost votes, the Members were not even present to vote?

Mr. MILLER of California. No. It is accurate to say that when votes were taken, because in many instances the Republicans left the room, votes were voted by proxy on both sides. The gen-

tleman knows that is allowed under the rules. The gentleman's side of the aisle does not agree with that, but they voted their proxies, we voted our proxies, not ghost votes, not phantom votes. I appreciate that characterization. That means something else to the public.

Let us talk about what went on in that committee in this body.

Mr. LEWIS of California. I do know this, the public expects Members to be there and cast their own vote. They do not expect ghost votes.

Mr. MILLER of California. If the gentleman was in the room, he could have asked any Republican member to enforce the right to call a quorum to vote on anything. The fact is you did not do it. You fumbled the ball. You fumbled the ball, and that is it.

Mr. LEWIS of California. Mr. MILLER, probably the value of this is that there is a clear display of your gentle style. I appreciate it.

Mr. MILLER of California. No; it is the firmness when you impugn the integrity of the committee which I run or my chairmanship of that committee or me personally. There is nothing to suggest that I have to take that, and you know you made a bad error in judgment about how you handled this legislation. You will not rub that off on this committee, the membership of this committee on either side of the aisle, or on me.

Mr. DREIER. Mr. Speaker, I yield such time as he may consume to the gentleman from La Quinta, California, [Mr. MCCANDLESS] another of the Members who represents one of the areas which will be affected if this were to become law. He is going to be retiring, and let us hope that he could play a role in the compromise. Unfortunately, he has not been able to, up to this point.

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

Mr. Speaker, I listened with a great deal of interest to the dialog that just took place.

Having been born in the area that we are talking about and having spent a great deal of my younger life and all of my adult life in the area, I have a certain feeling for it. In fact, people say, "Are you going to stay on the east coast after you retire?" I say, "No, once you have sand in your shoes, it never leaves." Now, what that means is that people like myself, who live in the areas in question where the impact is going to take place, relative to this legislation, love the area in which they live. We love the people, love the climate, love everything that is special about it, and so we are not about to go out and destroy something that we have been raised in.

Now, the problem here is when we talk about the history of this legislation, yes, there is a long history. The gentleman from California [Mr. LEWIS] touched on a part of that. It started in 1968. That was the beginning of it with Bob Mathias, and it went on through the points that the gentleman from California [Mr. LEWIS] made with respect to Jerry and Shirley Pettis.

Interestingly enough, that original part of the history, the legislative history of this bill, also included Senator Cranston, who with the Pettises and Bob Mathias ultimately worked down to the point where in 1976, this body passed the FLPMA legislation the gentleman from California [Mr. LEWIS] referred to.

Now, I arrived on the scene in about 1975, as a part of the governmental process upon which this FLPMA legislation took place. As a member of the Riverside County Board of Supervisors, I followed this process almost on a weekly basis, because another member of our board was the representative of county government for Riverside County on the advisory commission, and they went out into the field. They held hearings. They took all kinds of information from the people who are involved there in all walks of life, in all disciplines, in every part of the desert areas in question. They filed their report after the long and arduous process, with the Secretary, as his advisory committee, and Secretary Andrus, a Democrat I might add, under the Carter administration, accepted the plan.

We now come back to the bill before us, and now some are not satisfied with the 6 years of work on the part of the group who spent hours and hours and weeks and weeks doing this advisory work all this because a small group was not satisfied. They wanted more.

This was a consensus. This was a consensus plan. But that small faction who were unsatisfied, and wanted more than the compromise gave them, talked Mr. Cranston into bringing back up all of this that goes beyond the 1980 plan to satisfy their agenda.

Obviously that side of the issue became more successful than we have to date, because this passed the Senate in recent times.

The point I am trying to make here is that we in the desert, both those who live there and all of those who represent it, love the area. We want to preserve the desert. But those who support H.R. 518 say that because we oppose it, well, we do not care about the desert. We are happy to see motorcycles run all over it.

Let me tell you, ladies and gentleman, what is going to happen here in my area where you have four-wheel-drive clubs that are very responsible, that are made up of working people who cannot afford to fly-fish in Australia. They are not even going to be able to travel to their own property which is privately owned, because it will have become an inholding surrounded by wilderness, or some other designation that will be a part of this bill.

Now, how would you like to continue to pay taxes on a piece of property that you have enjoyed, as a kind of a campout place over a weekend, and now not be able to even get to it?

□ 1800

These are the points that I am interested in, that the people who live in the area are interested in. I might add, the people who are not supporting this bill are the people who live in the area, the people who use the area, not the people from San Francisco or someplace like that, far from the desert.

If you talk to the people within the framework of the counties impacted by this bill, they will tell you they are not supportive of this, on an overwhelming basis.

Mr. Speaker, I want to conclude by simply saying that I am sorry that we got involved in this kind of a donneybrook. Mr. VENTO was kind enough, several years ago, to invite me and others to attend and be a part of the hearings that were held in the desert, and from that we were able to see what it was people wanted, from the vast majority of people who showed up. Interestingly enough, Mr. VENTO, with the consent, I guess, and the agreement of the full committee chairman, created a new chairmanship and presented this particular piece of legislation to that new subcommittee chairman, who then handled it and has handled it during those previous years. That is kind of an interesting paradox in itself because when you talk to the subcommittee chairman, you get the direct impression that there is no use even talking to anybody else about this bill. We were not able to talk with the Senator who sponsored this bill over in the other body. We were not able to talk to a number of people. They did not want to talk to us.

So, these are the frustrations that you see being vented here today that, in my mind, are not as personal as the framework within which this bill has passed through the years, and the disappointments we have had after we thought we had something that Secretary Andrus approved and that President Carter approved. And then we go back and reinvent the wheel.

I thank the gentleman for yielding.

Mr. BEILENSON. Mr. Speaker, we have no further requests for time at this time.

Mr. DREIER. Mr. Speaker, we have no further requests for time.

At this point I yield myself such time as I may consume and will close by simply saying that the four Representatives of this area—Messrs. LEWIS, MCCANDLESS, HUNTER, and THOMAS—have worked for years to fashion a compromise on this. Unfortunately, they have not been able to be part of this process.

I have just been handed a note here saying that they requested a hearing on their bill and they were denied the request for the hearing that they had wanted to have on their legislation.

The gentleman from California [Mr. MCCANDLESS] does still have sand in his shoes, I know that. He loves the desert. He is very generous in allowing many of us from California and other parts of the country to enjoy the magnificent desert empire.

It seems to me that as we look at this issue, we can address this in a very balanced way. All we need to do is defeat the previous question here, and then pass my amendment, which will be a true open rule, basically waiving this preprinting requirement, which is jeopardizing the process of free and fair debate, and then we can proceed and have all of these ideas considered and then the House will be able to work its will.

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

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

Mr. VENTO. I thank the gentleman for yielding.

Mr. Speaker, I do not want to continue the debate. I would just point out that the gentleman referred to a request for a hearing of me. I was working as a subcommittee chairman with this jurisdiction in the 101st, and this Congress. Under the rules of the committee—I might say that the request came to me 2 days before we had the hearing on the measure that was before us, the major measure, H.R. 518. I might say, for the sponsors of that bill, I was not able to prepare and to get witnesses to respond to a bill that quickly which was introduced just a couple of days before the hearing, but the members did discuss their bill at the hearing. Whether that was adequate or not, I do not know. I would like to say on this matter further——

Mr. DREIER. The gentleman is referring to H.R. 2379, as they introduced it.

Mr. VENTO. That is correct.

Mr. DREIER. The indication they gave to me was that they had made the request that you hold a hearing on that issue and were denied that.

Mr. VENTO. They wanted the hearing held at the same time.

The SPEAKER pro tempore (Mr. PETERSON of Florida). The Chair would advise Members that all debate should be addressed to the Chair.

Mr. VENTO. Mr. Speaker, if the gentleman would yield further, the request was, since we were having hearings on H.R. 518, that they asked to be heard the same day or at the same time so they could discuss the bills together. Unfortunately, it had not been introduced but just a few days, several days before the hearing, nor was there a request up to that point.

So it was not possible to prepare the witnesses to respond to this bill at that point. But they did discuss the bill at the hearing.

Mr. DREIER. If I may reclaim my time, I will close by saying that the chairman of the full committee made what I believe to be a very eloquent argument for the open rule. He referred to the fact that in his committee he allows amendments to be offered regularly. And he usually asks for us to do that right here on the House floor. I am going to give my friend from Martinez a chance to continue that "Mr. Open Rule" moniker which we regularly like to put around him, and vote to defeat the previous question, bring about an open rule, and let us do just the way they do in the Natural Resources Committee, have free and fair debate here.

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

Mr. BEILENSON. Mr. Speaker, in closing, if I may, I would remind my colleagues that this in fact is an open rule. It is clear from the number of amendments which were submitted for preprinting, about 45 of them, that the rule, even with that provision, gives the House a chance to consider virtually every technical or policy issue associated with this bill to protect the California desert.

Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The SPEAKER pro tempore. The question is on ordering the previous question.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. DREIER. Mr. Speaker, I object to the vote on the ground 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.

Pursuant to the provisions of clause 5, rule XV, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the question of adoption of the resolution.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 245, nays 172, not voting 16, as follows:

[Roll No. 175]

YEAS—245

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

NAYS—172

Allard
Archer
Armey
Bachus (AL)
Baker (CA)
Baker (LA)
Ballenger
Barrett (NE)
Bartlett
Barton
Bateman
Bentley
Bereuter
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bunning
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Clinger
Coble
Collins (GA)
Combest
Cox
Crane
Crapo
Cunningham
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
Everett
Ewing
Fawell
Fields (TX)
Fowler
Franks (CT)
Franks (NJ)
Gallegly
Gallo
Gekas
Gilchrest
Gillmor
Gilman
Gingrich
Goodlatte
Goodling
Goss
Grams
Greenwood
Gunderson
Hancock
Hansen
Hastert
Hefley
Herger
Hobson
Hoekstra
Hoke

Horn
Houghton
Huffington
Hunter
Hutchinson
Hyde
Inglis
Inhofe
Istook
Jacobs
Johnson (CT)
Johnson, Sam
Kasich
Kim
King
Kingston
Klug
Knollenberg
Kolbe
Kyl
Lazio
Levy
Lewis (CA)
Lewis (FL)
Lightfoot
Linder
Livingston
Lucas
Machtley
Manzullo
McCandless
McCollum
McCrery
McDade
McHugh
McInnis
McKeon
McMillan
Meyers
Mica
Michel
Miller (FL)
Molinari
Moorhead
Morella
Myers
Nussle
Oxley
Packard
Paxon
Petri
Pombo
Porter
Portman
Pryce (OH)
Quillen
Quinn
Ramstad
Regula
Ridge
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Santorum
Saxton
Schaefer
Schiff
Sensenbrenner
Shaw
Shays
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Snowe
Solomon
Spence
Stearns
Stump
Sundquist
Talent
Taylor (NC)
Thomas (CA)
Thomas (WY)
Torkildsen
Upton
Vucanovich
Walker
Walsh
Weldon
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—16

Barlow
Blackwell
Brown (CA)
Byrne
de la Garza
Emerson
Fish
Ford (TN)
Grandy
Leach
Neal (NC)
Sharp
Smith (OR)
Tucker
Valentine
Washington

□ 1825

The Clerk announced the following pairs:

On this vote:

Mrs. Byrne for, with Mr. Emerson against.

Mr. Tucker for, with Mr. Leach against.

Mr. Washington for, with Mr. Smith of Oregon against.

Mr. MILLER of Florida changed his vote from "yea" to "nay."

Mr. HAMILTON and Mr. DOOLEY changed their vote from "nay" to "yea."

So the previous question was ordered.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. PETERSON of Florida). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. DREIER. Mr. Speaker, 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 248, nays 165, not voting 20, as follows:

[Roll No. 176]

YEAS—248

Abercrombie
Ackerman
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Applegate
Bacchus (FL)
Baesler
Barca
Barcia
Barrett (WI)
Becerra
Beilenson
Berman
Bevill
Bilbray
Bishop
Blackwell
Bonior
Borski
Boucher
Brewster
Brooks
Browder
Brown (FL)
Brown (OH)
Bryant
Canady
Cantwell
Cardin
Carr
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Conyers
Cooper
Coppersmith
Costello
Coyne
Cramer
Danner
Darden
Deal
DeFazio
DeLauro
Dellums
Derrick
Deutsch
Dicks
Dingell
Dixon
Dooley
Durbin
Edwards (CA)
Edwards (TX)
Engel
English
Eshoo
Evans
Farr
Fazio
Fields (LA)
Filner
Fingerhut
Flake
Foglietta
Ford (MI)
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Geren
Gibbons
Gilman
Glickman
Gonzalez
Gordon
Green
Gutierrez
Hall (OH)
Hall (TX)
Hamburg
Hamilton
Hastings
Hayes
Hefner
Hilliard
Hinchey
Hoagland
Hochbrueckner
Holden
Hoyer
Hughes
Hutto
Inslee
Jacobs
Jefferson
Johnson (GA)
Johnson (SD)
Johnson, E.B.
Johnston
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Klein
Klink
Kopetski
Kreidler
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Lehman
Levin
Lewis (GA)
Lipinski
Lloyd
Long
Lowey
Maloney
Mann
Manton
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCloskey
McCrery
McCurdy
McDade
McDermott
McHale
McNulty
Meehan
Meek
Menendez
Mfume
Miller (CA)
Mineta
Minge
Mink
Moakley
Mollohan
Montgomery
Moran
Murphy
Murtha
Nadler
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Parker
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Pomeroy
Poshard
Price (NC)
Rahall
Rangel
Ravenel
Reed
Richardson
Roemer
Rose
Rostenkowski
Rowland
Roybal-Allard
Rush
Sanders
Sangmeister
Sarpalius
Sawyer
Schenk
Schroeder
Schumer
Scott
Serrano
Shays
Shepherd
Sisisky
Skaggs
Skelton
Slattery
Slaughter
Smith (IA)
Spratt
Stark
Stenholm
Stokes
Strickland
Studds
Stupak
Swett
Swift
Synar
Tanner
Tauzin
Taylor (MS)
Tejeda
Thompson
Thornton
Thurman
Torres
Torricelli
Towns
Traficant
Unsoeld
Velazquez
Vento
Visclosky
Volkmer
Watt
Waxman
Wheat
Whitten
Williams
Wilson
Wise
Woolsey
Wyden
Wynn
Yates
Zimmer

NAYS—165

Allard
Archer
Armey
Bachus (AL)
Baker (CA)
Baker (LA)
Ballenger
Barrett (NE)
Bartlett
Barton
Bateman
Bentley
Bereuter
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bunning
Burton
Buyer
Callahan
Calvert
Camp
Castle
Clinger
Coble
Collins (GA)
Combest
Cox
Crane
Crapo
Cunningham
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
Everett
Ewing
Fawell
Fields (TX)
Fowler
Franks (CT)
Franks (NJ)
Gallegly
Gallo
Gekas
Gilchrest
Gillmor
Gingrich
Goodlatte
Goodling
Goss
Grams
Greenwood
Gunderson
Hancock
Hansen
Hastert
Hefley
Herger
Hobson
Hoekstra
Hoke
Horn
Houghton
Huffington
Hunter
Hutchinson
Hyde
Inglis
Inhofe
Istook
Johnson (CT)
Johnson, Sam
Kasich
Kim
King
Kingston
Klug
Knollenberg
Kolbe
Kyl
Lazio
Levy
Lewis (CA)
Lewis (FL)
Lightfoot
Linder
Livingston
Lucas
Machtley
Manzullo
McCandless
McCollum
McHugh
McInnis
McKeon
McMillan
Meyers
Mica
Michel
Miller (FL)
Molinari
Moorhead
Morella
Myers
Nussle
Oxley
Packard
Paxon
Petri
Pombo
Porter
Portman
Pryce (OH)
Quillen
Quinn
Ramstad
Regula
Ridge
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Santorum
Saxton
Schaefer
Schiff
Sensenbrenner
Shaw
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Snowe
Solomon
Spence
Stearns
Stump
Sundquist
Talent
Taylor (NC)
Thomas (CA)
Thomas (WY)
Torkildsen
Upton
Vucanovich
Walker
Walsh
Weldon
Wolf
Young (AK)
Young (FL)
Zeliff

NOT VOTING—20

Barlow
Brown (CA)
Byrne
de la Garza
Emerson
Fish
Ford (TN)
Grandy
Harman
Leach
McKinney
Neal (NC)
Reynolds
Sabo
Sharp
Smith (OR)
Tucker
Valentine
Washington
Waters

□ 1835

The Clerk announced the following pairs:

On this vote:

Mrs. Byrne for, with Mr. Emerson against.

Mr. Tucker for, with Mr. Leach against.

Mr. Washington for, with Mr. Smith of Oregon against.

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

SOCIAL SECURITY ADMINISTRATIVE REFORM ACT OF 1994

The SPEAKER pro tempore (Mr. PETERSON of Florida). The pending business is the question de novo of suspending the rules and passing the bill, H.R. 4277, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois [Mr. ROSTENKOWSKI] that the House suspend the rules and pass the bill, H.R. 4277, as amended.

The question was taken.

Mr. BUNNING. 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 413, nays 0, not voting 20, as follows:

[Roll No. 177]

YEAS—413

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

NOT VOTING—20

Barlow
Brown (CA)
Byrne
Coleman
de la Garza
Emerson
Fish
Ford (TN)
Grandy
Mink
Neal (NC)
Rose
Sabo
Sharp
Smith (OR)
Spence
Studds
Tucker
Valentine
Washington

□ 1851

So (two-thirds having voted in favor thereof), the rules were suspended, and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. BARLOW. Mr. Speaker, I was absent on Tuesday, May 17 and was not present for rollcall votes 171, 172, 173, 174, 175, 176, 177. But had I been in Washington and not my congressional district, I would have voted to approve the journal; I would have voted against the DeLay amendment and the Bryant amendment to the Montana Wilderness Act; I would have voted in support of the final passage of the Montana Wilderness Act; and I would have voted in support of the Beilenson motion on ordering the previous question and the Beilenson motion on agreeing to the resolution providing for the consideration of the California Desert Protection Act. I would have voted in support of H.R. 4277, to establish the Social Security Administration as an independent agency.

On rollcall vote No. 171, "yea";
On rollcall vote No. 172, "nay";
On rollcall vote No. 173, "nay";
On rollcall vote No. 174, "yea";
On rollcall vote No. 175, "yea";
On rollcall vote No. 176, "yea"; and
On rollcall vote No. 177, "yea."

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 2108, BLACK LUNG BENEFITS RESTORATION ACT

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 103-508), on the resolution (H. Res. 428) providing for consideration of the bill (H.R. 2108) to make improvements in the Black Lung Benefits Act, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 4301, NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1995

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 103-509), on the resolution (H. Res. 429) providing for consideration of the bill (H.R. 4301) to authorize appropriations for fiscal year 1995 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal year 1995, and for other purposes, which was referred to the House Calendar and ordered to be printed.

COMMUNICATION FROM THE HONORABLE RON WYDEN, MEMBER OF CONGRESS

The SPEAKER pro tempore (Mr. KILDEE) laid before the House the following communication from the Honorable RON WYDEN, Member of Congress:

HOUSE OF REPRESENTATIVES,
May 17, 1994.

Hon. THOMAS S. FOLEY.

DEAR MR. SPEAKER: This is to notify you pursuant to Rule L of the Rules of the House that I have been served with a subpoena issued by the Superior Court of the District of Columbia.

After consultation with the General Counsel, I have determined that compliance is inconsistent with the privileges and precedents of the House.

Sincerely,

RON WYDEN,
Member of Congress.

CALIFORNIA DESERT PROTECTION ACT OF 1994

The SPEAKER pro tempore. Pursuant to House Resolution 422 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 518.

□ 1855

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 518) to designate certain lands in the California desert as wilderness, to establish the Death Valley and Joshua Tree National Parks and the Mojave National Monument, and for other purposes, with Mr. PETERSON of Florida in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from California [Mr. MILLER] will be recognized for 30 minutes and the gentleman from Utah [Mr. HANSEN] will be recognized for 30 minutes.

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

Mr. MILLER of California. Mr. Chairman, I yield such time as he may consume to the gentleman from Minnesota [Mr. VENTO].

Mr. VENTO. Mr. Chairman, I, of course, rise in support of H.R. 518, the California Desert Protection Act. It is a significant and comprehensive measure.

It addresses in a comprehensive manner the future management of millions of acres of public lands in California's southeastern quarter that are now primarily under the management of the BLM and other agencies of the Department of the Interior. The resources of California involve lands that encompass three distinct types of deserts: The Mojave, the Sonoran and the Great Basin Area. The parks that are currently in existence will be expanded substantially and a new park, the Mojave National Park, will be created or designated in this legislation. About 4 million acres of those lands within the parks that are expanded, the Joshua Tree Monument and Death Valley Monument, would be changed to national park nomenclature, they would be expanded and 4 million acres of land would be designated wilderness in this area.

In fact, in terms of expansion of the national park system and national wilderness preservation system, the measure before us, H.R. 518, is the most far-reaching single measure to come before the House since the 1980 enactment of the Alaska Lands Act.

This, however, Mr. Chairman, is not a new matter. Bills similar to H.R. 518 have been under consideration since 1985, for the last 9 years. During the 101st Congress, the Subcommittee on National Parks and Public Lands held extensive hearings on the version of the bill introduced by our former colleague from California, Mr. Levine. In fact, including in those hearings three field hearings in California, we heard more than 600 witnesses at all of those hearings. They were well attended and they were very lively.

Mr. Chairman, during the last Congress there were further hearings and our committee reported out a bill that was taken to the floor under an open rule and was passed by the House of Representatives by an overwhelming majority vote. Regrettably the Senate did not complete action on that bill before the end of the last Congress.

Mr. Chairman, unfortunately they persist in pursuing a policy wherein a single Senator from a State can, in fact, stop or block action on any proposal before their body. I suggest that that, this one-Senator veto, is a process that we ought not to accept.

This year forthwith with the change in terms of leadership from California, however, there has obviously been a much different reaction to the measure, and that measure now, a measure similar to the one before us, has passed the Senate by an overwhelming vote.

Mr. Chairman, as was the case in 1991, the bill reported out today does not address the renewal of military withdrawals for certain public lands in California, nor the relationship between the desert bill's land designations and continued military overflights of those wilderness and national park lands.

Such provisions were included in the bill passed by the Senate but omitted from the measure before us because they involved areas where our committee shares jurisdiction with the Committee on Armed Services. However, it is appropriate for these matters to be addressed as part of the California desert bill.

Mr. Chairman, the House actually addressed this matter separately and it was at the insistence of the Senate that they were included initially. In 1991 I joined the Delegate from Guam, Mr. Blaz, who served on both our committee and the Committee on Armed Services in offering an amendment that offered similar provisions to the California desert bill. I will offer a similar amendment dealing with these matters when we reach the appropriate point in the process on this bill.

Mr. Chairman, I am pleased that the gentleman from Utah [Mr. HANSEN], the gentleman from California [Mr. DELLUMS], chairman of the Committee on Armed Services, and other members on the Committee on Armed Services have worked with us and we, I think, have a satisfactory resolution of that matter.

Mr. Chairman, the bill reported by the Committee on Natural Resources is a good, sound, and balanced bill. During the committee's consideration of this measure, some amendments were adopted. Others were rejected.

□ 1900

I anticipate one of the amendments rejected by the committee will be offered again here today on the House floor that deals with hunting in the Mojave National Park or National Preserve. In fact, the sponsors propose not to have a park but to have a preserve, in fact, accommodating not the general needs of a park but that of hunting.

I would suggest this is not whether you are for or against hunting. It is a question of whether or not we ought to have a park, and I think this area is worthy. The Mojave Desert, as a basic theme, is worthy of being designated as a park, notwithstanding the fact that there are some game species, a small number, I might add, and many more nongame species which will be in fact hunted year-round and change the basic character of the populations that inhabit this 1.5-million-acre proposed park.

I am convinced that amendment should be defeated on the floor as it was in committee.

Mr. Chairman, the bill gives us an opportunity to restore a little bit of gold to the Golden State, that State famous for its Gold Rush and many other things in recent years which has been challenged and has had a lot of difficulties. But the fact of the matter is that this 15-million-acre land designation that we are doing here close to 25 million people in southern California and other areas is very important in terms of recreation, in terms of designation and preservation, conservation, restoration of what is a great ecosystem in that area.

I think by these actions we will, in fact, take positive steps. The Congress has reserved to itself these positive steps to take these actions, to in fact accord the type of protection that these lands deserve and the type of use that is necessary for the military, for the other types of economic activities that are important to some of the people in southern California.

Mr. Chairman, I urge the Members to strongly support this bill and the amendments that will be offered. It has been through a deliberative process. It is a good bill, a good product that has been before the Congress for nearly 10 years. It is time to act. It is time to save these dessert lands for future generations.

I urge the Members to support it.

Mr. HANSEN. Mr. Chairman, I yield 3 minutes to the distinguished minority leader, the gentleman from Illinois [Mr. MICHEL].

Mr. MICHEL. Mr. Chairman, I thank the distinguished gentleman for yielding me this time at the opening of the debate on this side.

Mr. Chairman, I rise in opposition to this so-called California Desert Protection Act.

As we debate the bill over the next several days, it will become very clear who this legislation does not protect. It certainly does not protect the taxpayer, and, in fact, it will cost more than $300 million and probably much more than that. It does not protect the

constituents who will be affected by the legislation. In fact, the four Members of Congress who represent the districts impacted by this bill strongly oppose it.

It does not protect the legislative process. This bill was discharged from the subcommittee without so much as a markup. Fourteen new members of the committee were denied their opportunity to consider and amend this legislation, all because the distinguished chairman of the committee was in a hurry to get this bill to the floor.

It does not protect the economic growth of the State of California or the country. It makes future mining in one of the most important mineral areas of the United States virtually impossible, thereby limiting the growth of a vital national industry.

It does not protect our Nation's borders relative to drug interdiction. In fact, by not allowing the Immigration and Naturalization Service and the Drug Enforcement Agency to use airplanes and motor vehicles, illegal immigrants and drug smugglers are given easy access through many of the border areas included in this legislation.

And if the legislation does not protect the taxpayers, the constituents, the process, the economy, or the Nation, who does it protect? Well, it protects the narrow views of environment zealots, to be perfectly frank, who would rather put the Nation's resources out of touch of middle-class America from Wyoming to Montana, from Colorado to now California.

This legislation represents another chapter in President Clinton's war on the West. By taking property rights away from the ordinary citizen and by limiting the economic potential of the Western States, the President ignores the wishes of the people in favor of the special interests.

I would urge my colleagues to oppose this legislation, stand up against the President's war on the West. We need quite frankly to strike a balance between environmental concerns on the one hand and the people's concerns on the other hand, and in my judgment this bill does not.

For that reason, I am compelled to oppose it.

Mr. MILLER of California. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. LEHMAN].

Mr. LEHMAN. Mr. Chairman, I rise in support of H.R. 518.

The California desert is a vast and mysterious land, a land far more subtle than our Sierra Nevada Mountains, a land wild and untamed in contrast to our cultivated agricultural valleys, a stark and virtually unpopulated land juxtaposed against the nearby urban sprawls of southern California. It spans some 25½ million acres, of which the Bureau of Land Management administers nearly half and the Department of Defense over 3 million acres, and the National Park Service over 2 million acres, and the State of California over 1 million acres.

It is an area inhabited by only the most hardy, some including ranchers and homesteaders whose families have been there for generations.

The desert is not a wasteland but, rather, a home to diverse people, diverse species of animal and plant life. It is an area that richly deserves the protection warranted and created by this legislation.

Over the years I have taken a judicious approach to legislation to protect the desert, and encouraged people of different points of view to come together to discuss their many ideas about how this vast territory could best be managed. I have been involved in desert-protection legislation since 1987 when Senator Cranston introduced the first bill.

In 1991 I teamed with former Representative Mel Levine to craft compromise legislation that integrated many of the concerns not included in previous desert bills. In that bill, we eliminated 271,000 acres from wilderness designation and left it available for off-road-vehicle use, utility purposes, and mining interests. We eliminated all known active mines from wilderness areas. We resolved the specific concerns of every single utility in California. None of them are opposed to this legislation. We trimmed 75,000 acres and 114 miles from the bill for off-road-vehicle use. We included language to provide a land exchange for two of the largest private landholders on the desert, the California State Lands Commission and the Catellus Corp.

We included language that allowed grazing within the Mojave National Monument for up to 25 years and directed the Secretary of the Interior to give priority to those acquiring the base property of ranchers willing to sell.

We kept three proposed wilderness areas totaling 160,000 acres near Fort Irwin in study status pending expansion proposals from the Department of Defense.

Senator FEINSTEIN, for her part, has actively engaged in the process of crafting compromise legislation in the Senate that would protect California jobs as well as the fragile ecosystem enveloped in S. 21, the Senate version of H.R. 518. She and the U.S. Senate made over 50 subsequent changes to the bill, many of which have been incorporated into the bill before us today and when it was heard in our Committee on Natural Resources 2 weeks ago.

Senator FEINSTEIN deserves tremendous credit for quickly absorbing vast amounts of information and skillfully maneuvering S. 21 through a committee on which she has no seat. It is because of her that a desert-protection bill has passed the Senate for the first time and will likely be amended with the legislation which we are now considering.

There has been an open process on the Natural Resources Committee from the inception. We have had over six hearings in our committee alone on this legislation. We have had numerous field trips to the desert on behalf of any member of that committee who has wanted to go. Since I became involved in the administration, or in the legislation, 5 years ago, my office door has been virtually every day to anyone who wanted to come in and discuss this legislation.

There are going to be further amendments offered here on the floor, and I noticed the gentleman from Illinois [Mr. MICHEL], the distinguished leader on the other side, just referred to the question of immigration and law enforcement on the desert in this bill. The only reason that is not included in the transcript on the floor before us today is because the Natural Resources Committee did not have jurisdiction over it, and there will be amendments to that effect, and I am sure they will satisfy the objections of the gentleman from Illinois.

In this bill we have been sensitive to the rights and needs of private property owners within the desert and the need to adequately preserve large enclaves of land.

In the House Natural Resources Committee, I offered a successful amendment to delete 59,000 acres of private landholdings from the Lanfair Valley portion of the proposed Mojave National Park, the area which contains the largest concentrations of inholdings in the entire bill.

□ 1910

The committee did not delete the entire Lanfair Valley as the other body proposed, because the area contains a multitude of very valuable natural historical and cultural resources that deserve inclusion on a Mojave national park.

Mining in the California desert, often cited as a reason the National Park Service should not manage the current East Mojave national scenic area, is allowed by this legislation. All active mines have been deleted from the park and wilderness designations and valid and existing claims are given an opportunity to be proven up.

Mr. Chairman, we are aggressively changing the way land in the California desert is managed and our land management agencies will be presented with new and exciting challenges in the next few years. This bill makes the important step of transferring land within the current BLM-managed East Majave national scenic area to the National Park Service to create a new Mojave national park. The Mojave national park should be a park, and not a

hunting preserve that allows a limited amount of hunting that currently takes place there to continue. There is no good reason to noticeably downgrade the area's level of protection from park to preserve. I believe the bill we have before us is a measured and appropriate way to safeguard a very fragile area. I do believe it considers the views of the people who have previously opposed similar desert legislation, and I know it would make good law. As we approach consideration of this bill, it is important to note here that the vast majority of Californians support desert protection, including 69 percent of desert county residents, according to a 1993 Field Institute poll. As well, 16 cities and 36 counties representing over 70 percent of the State are on record as endorsing this legislation.

This is a popular bill in California. This body passed similar legislation in 1991 by a vote of 297 to 136. The other body recently voted 69 to 29 in favor of S. 21.

Mr. Chairman, we have discussed, debated, and amended this bill now for 8 years. Finally, we are at this point in time where the Senate has passed legislation. We stand on the verge of a historic conference here to work out the last remaining details in this act, which is sorely needed by the people of California and the people of the United States to protect this valuable resource and manage it in all of our best interests.

Mr. Chairman, I urge adoption of the legislation, and I urge opposition to amendments to weaken it.

Mr. HANSEN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am somewhat dismayed with this Natural Resources Committee bringing up H.R. 518 before us today. This bill seems to me to be not so much a compromise but more of a land grab in that area.

I remember 5 years ago going to Barstow, California, with my friend, JERRY LEWIS, and we had one of the largest meetings I think I have ever been to in my life. There were literally hundreds of people there talking about the potential of this particular piece of legislation.

Mel Levine, our former colleague, was conducting the meeting. We had the opportunity to talk to this massive crowd on a one-to-one basis before and after.

Listening to them, we got quite a difference of opinion on how this thing would be put together.

I think those people who represent the area of Mr. LEWIS, BILL THOMAS, DUNCAN HUNGER, AL MCCANDLESS, have a pretty good approach to it. And the people who live around that area and those who are close to it and live on the land, I do not think they go along with this H.R. 518. I think they feel it is an extreme approach to the things that the distinguished minority leader, the gentleman from Illinois [Mr. MICHEL] was talking about, which is the will and desire of some people who believe in tying up the West and those people who believe in taking away our natural resources.

Somewhere there is moderation. I do not know whoever made the statement, "Moderation in all things," if it is not scriptural, it ought to be. This is something that we ought to find ourselves where we can live together without this extreme approach that we are looking at at this time.

Mr. Chairman, as ranking member of the Subcommittee on National Parks, Forests and Public Lands, I personally feel that some of the amendments that are coming up would make this a better piece of legislation, and I strongly support the LaRocco/Lewis amendment to preserve hunting in the East Mojave; the Lewis substitute, which follows the BLM's recommendation.

Mr. Chairman, I cannot understand why we put so much money into the Forest Service, the Park Service and BLM and say, "Now, guys, go out and work hard and come up with a recommendation," and we totally ignore it.

In my own home State of Utah, BLM spent $10 million, 13 years, to come up with a BLM recommendation. We totally ignored it.

If we are going to do anything, we ought to take these guys out of the process because Congress is the one that does it. I cannot think of one bill in my 14 years on that committee that we have paid any attention to these people.

Then I hope that we can come up with a compromise.

I appreciate the work of my colleagues on this who have worked on it. I think it would be a better piece of legislation if we could represent more of the needs of the people who live in that area.

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

Mr. MILLER of California. Mr. Chairman, I reserve the balance of my time.

Mr. HANSEN. Mr. Chairman, I yield 11 minutes to the gentleman from California [Mr. LEWIS] who represents this area.

Mr. LEWIS of California. Mr. Chairman, first I would express to the House my appreciation for the committee's courtesy today on the floor, particularly the time being yielded by my colleague. It is a most frustrating moment for JERRY LEWIS and for AL MCCANDLESS, DUNCAN HUNTER, BILL THOMAS, the people who do represent districts involved in the vast desert territory of California. Frustrating, yes; not quite so disconcerting if we had truly had an opportunity to consult with the committee, have some open and fair exchanges regarding the real needs of our people in that process.

We discussed that earlier. So I am going to spend my time here discussing a few elements of this bill that are of concern to me and indeed point to some of those items we will be discussing sometime in the near future relative to amendments that might improve this legislation.

Over the past 8 years I have addressed the complex issues raised by this bill and similar legislation introduced by Senator FEINSTEIN and her predecessor, Alan Cranston.

Today I intend to restate many of my previous comments and ask questions, trying to shed light on the effort by the House to craft a formula that would make some sense for California's crown jewel, the 25 million acres of California desert.

I have come to this position of opposition to H.R. 518 and to a position of very strong opposition to S. 21 introduced by the gentlewoman from California, with no small reservation in terms of my taking such a position as it relates to questions of our environment and its protection.

I want the House, my colleagues, to know that I take no back seat to anyone relative to environmental concerns. During my years in the State legislature, it was my privilege to serve as the chairman of a standing select committee on air quality. There, I was the author of a bill which fashioned the toughest air quality management district in the entire country. Indeed the South Coast Air Quality Management District is recognized everywhere as a model in that field in terms of attempting to improve our environment with regard to air quality.

While in the legislature, I fashioned legislation to try to protect my desert district as well. In those days, there were people who saw the beauty of the desert and they decided to come across the lines from Nevada and Arizona. We would find, after going to sleep at night, looking at a beautiful scene, that scene would have changed because people were coming and stealing whole stands of cacti to take off and put in somebody's garden or used for nursery purposes.

Indeed, we improved law enforcement to stop that kind of activity. Time and time again we have taken steps to protect the desert from people across State lines who want to take advantage of its beauty.

Since being a Member of the House, I played a role in doubling the number of BLM Desert Rangers available for protecting the eastern Mojave, where largely we have difficulty some 20 to 30 miles outside of the urban centers where people use offroad vehicles and otherwise in an abusive fashion. Past that, the terrain is largely undisturbed. That does not address the questions, however, that are a part of this bill.

Since coming to Congress, from the very earliest days I began attempts to

communicate with this committee. I remember the former chairman, Phil Burton, who was a very talented legislator in this area, who worked with my predecessor fashioning the Federal Lands Policy and Management Act. I would submit that he was a gentleman of compromise who recognized the value of dealing with his colleagues one on one and dealing with his colleagues especially where their districts were involved. I remember Phil Burton back there right at the end of that aisle put his arm around me when I first arrived and he said, "JERRY, know what wilderness is."

□ 1920

Mr. Chairman, we talked often about that. If he had not, unfortunately, passed away, I would suggest we would have fashioned a bill that provided for compromise and made sense some time ago.

Mr. Chairman, it is my personal view that, if H.R. 518 does become law, it is going to have several very, very serious and negative impacts, not the least of which is the negative impact it will have upon our national park system. This bill proposes three new national parks, one dealing with Death Valley, one dealing with Joshua Tree, one dealing with the east Mojave.

Within the process there are four million acres of wilderness proposed. Nowhere within this process, however, is there any stream which logically suggests where the funding will come from. That is left for another time, and the answer really is coming forth in subcommittee. It is that it is going to come from the rest of the park's budget at the very moment when the really beautiful sections of our country, in terms of national parks that already exist, are highly pressured by a lack of funding, cannot keep up the roads, cannot build housing for employees, et cetera, et cetera. Yellowstone, Yosemite, all are under great, great pressure, and yet there is no answer to where the funding is going to come from.

The eastern Mojave's 1.5 million, almost that many acres of a new national park, are in territory that absolutely has almost none of the elements that justify designation as a national park. It has endless thousands of miles of roadways through it. There are transmission lines used by utility companies. Currently there is a great controversy because it has been decided that just outside its borders is a great location for one of our low level radioactive waste locations.

Ward valley is a great controversy. I say to my colleagues, "If you go to that location, drive 3 miles across the desert, same land, exactly the same land, you would suddenly be in a national park." Somebody has decided that we ought to put the whole world of the east Mojave into national park when we are under great pressure in terms of financing the parks that already exist. The mining question is not a light question. Of the thousands of mines within the desert region, Mr. Chairman, 10,000 of those mining claims are located in the east Mojave.

Many, many of the elements and potential riches of that area are yet to be untapped. We are developing new technology for discovering where these vital resources are located, and, as time goes on, there is going to be a virtual fortune available to the interests of America in terms of not just our fundamental wealth that relates to minerals, like gold and silver, but in terms of minerals that relate to our national defense and our industrial capacity. It is fundamental to recognize that there are few areas in the world that have this kind of potential, and yet there are people in common desert territory that does not deserve designation as a park per se where the BLM would protect the areas that do deserve protection and in the meantime would make available to us the kinds of resources of which I speak.

Mr. Chairman, this will destroy the mining industry of our region. Under park direction if will be impossible for any of the small miners to really operate. They will end up vacating those claims. Hundreds, if not thousands, of jobs will be lost, and certainly the amount of money is even yet to be within the realm of calculation.

There are some 800,000 acres of known in-holdings within the region. It happens. Nobody has really discussed this before. I have not because wanted to wait until this moment. Within those in-holdings I personally have a little 40-acre parcel. I say to my colleagues,

You know, frankly this is going to really help me a lot. I ought to be voting for this think because that parcel happens to be right on the edge of one of the slopes that will probably be part of the park system. However, the overwhelming numbers of my constituents don't want a park. May be I can convince someone to make a ski run right down to my property. Indeed I may benefit, so I am not worried about that per se.

But it is interesting the way in-holders are handled by the legislation developed by the gentleman from California [Mr. MILLER] and his colleagues within the committee. Two major land holders; one involves roughly 244,000 acres in the ease Mojave. That involves the California Lands Commission. The other involves a minor little corporation that also has in excess of 300,000 acres. That little corporation is known as Catellus Development Corporation, and, my colleagues, listen to this:

It is actually the land holding company of the Sante Fe Railroad. And guess what? Those two big land holders are somehow treated especially well by this bill. They are put at the front of the line, and they are allowed to really get the first action for trading out of that land as the park decides they have got to take over that property. Indeed over time, if appropriate trades are not available, they will eventually be given chits which have value for which Catellus will be able to trade for other Federal assets or even sell to a third party.

To suggest that they are treating inholders fairly in this process, is to pay no attention to the real benefit being given to very special interests in this case.

I have no idea what kinds of conversations have taken place by the committee and the representatives of Catellus, and I would not suggest anything direct, but it surely is interesting to note that a significant piece of Catellus is owned in a stock sense by the employees association in California.

I am a former employee in California in the legislature. I suppose I may benefit from that as well, but frankly, I think the average people who are going to be effected negatively, who are small property holders, need at least the kind of care, and service, and attention that these two huge property owners are getting from the committee.

Additionally it seems to me, Mr. Chairman and Members, we ought to be very, very careful about guesstimates.

Let me kind of shift gears by saying that there are all kinds of materials that can be presented to the committee relative to what these kinds of land transactions actually cost. In the interests of time I will reserve those until we get to the amendments that will be ahead of us sometime in the near future. I think it is awfully important for us to keep in mind though that, unlike many of our national parks, the California desert is not directly threatened, especially in the east Mojave.

I say to my colleagues,

It is a fact of life, when you get 25 miles outside of Victorville, or Barstow, or otherwise, the desert has done awfully well all by itself for a long, long time. Much of it is beautiful territory, but the two areas that we are talking about that are national monuments, about which I have no real argument, but monuments that involve Death Valley and the Joshua Tree, are already doing very, very well under current management. No one has suggested they have not done very, very well. The east Mojave has a pretty far reach. The current managing agency of the east Mojave, the BLM, has done a fine job with limited resources. Let's adequately fund the BLM, and let them continue to provide protection for multiple uses. It is very apparent that one way or another this legislation is the result of the direct influence of a very special group of interests rather than the general public, let alone the elected representatives of any of the counties that represent this territory.

Mr. Chairman, every county involved here opposes this legislation, and I thank the gentleman from Utah [Mr. HANSEN] for having yielded this time to me.

Mr. MILLER of California. Mr. Chairman, I reserve the balance of my time.

Mr. HANSEN. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. MCCANDLESS].

Mr. MCCANDLESS. Mr. Chairman, I rise in strong opposition to H.R. 518, the bill now before us.

Once again, I would like to emphasize to my colleagues the false promises made by H.R. 518, and underline the fact that this is not just another California issue. It has extremely serious budget and policy implications, which will be of no small interest to each of our constituencies. Let me also clarify that despite claims which will be made to the contrary, I and my desert colleagues are not opposed to protecting the desert. However, we are interested in doing it right, and H.R. 518 fails miserably in this regard. Fortunately, a workable alternative exists, which we will be discussing later.

I have been intrigued by some of the arguments in favor of this bill which have been set forth by its proponents. We have heard repeatedly from the "alleged" environmental community that anything short of this bill is an affront to our great deserts. This bill will ultimately affect roughly 8 million acres, in both parks and wilderness areas. The mindset here is evident—"bigger is better". Never mind that much of the "wilderness" it would create makes a mockery of the original 1964 Wilderness Act; never mind that we lack the funds to pay for and manage these newly designated areas; and never mind our inability to adequately manage existing natural resource areas. We all know by now about the funding backlog at the Park Service, and its perennial budget shortfalls. It is clear to me that if we do not have available the proper assets to care for our parks and wildlands, then they will deteriorate.

It may be that it is only clear to me because I am actually from the desert in question here, unlike any of my colleagues in either chamber who support H.R. 518.

My question is this: what resource management or conservation goals are being met when our policy for such things consists of bestowing an eloquent title on a given area, knowing full well that we cannot properly care for it? What good is it, for example, to congratulate ourselves for creating three new National Parks, as H.R. 518 would, when the superintendent of Yosemite National Park says on a popular morning T.V. show that his park absolutely lacks the resources it needs to do just basic things, like repair trails or maintain restrooms? If this is the case at Yosemite, one of the "crown jewels" of our park system, what chance do three brand new parks have of being properly funded and cared for?

Make no mistake, some money will be found for these new areas. But because it will be drawn from a finite and shrinking pot of dollars, national park service facilities in each State, and the Americans who visit them, will feel the pinch. This is why I have a hard time with criticism in my own backyard from so-called environmentalists, who in the name of their own narrow agenda are willing to gamble on the future viability of our natural resources. It raises the question of motive—what would these professional chicken littles do for a living, if we actually had our house in order, and were able to take proper care of these resources nationwide? What shrill warnings could be sounded, what breasts could be beaten, if our park system was properly maintained? Mr. Chairman, it is cause for wonder.

Mr. Chairman, let me also make it abundantly clear that there is a true alternative, despite the clucking of the chicken littles. California now boasts a nearly 6 million acre wilderness system, which in my humble opinion is unparalled in magnificence. It is the largest such system outside of Alaska. The Lewis substitute would expand that by 2.3 million acres. However, unlike H.R. 518, it would recognize the need for common sense management of the diverse desert environments. It is a fair compromise, shaped after considerable public input, dozens of hearings, and years of give and take between varied user groups. So make no mistake, friends, you can vote for a sound wilderness proposal without all the negative baggage of H.R. 518. Let us not give in to the fantasy of "bigger is better". We know we can make a smarter choice than that.

□ 1930

Mr. HANSEN. Mr. Chairman, I yield 8 minutes to the gentleman from California [Mr. HUNTER].

Mr. HUNTER. Mr. Chairman, I wanted to thank the gentleman from Utah, the ranking Member, Mr. HANSEN, who has done a wonderful job on this bill, for yielding.

Mr. Chairman, let me address what I think are the three important elements of this so-called desert bill, a bill that I call the desert lockout bill. The first of those elements is people. You know, there was a movie made a couple of years ago about motorcycle racing called "On Any Sunday". That title went directly to the appeal of that particular sport, because that sport was one that was enjoyed by blue collar America. The idea was that "On Any Sunday" you would see thousands of Americans going out to the out-of-doors to race their motorcycles on off-road races, to enjoy with their families some time away from the boss, away from the job, and, without needing to be independently wealthy, they could take a little time in America, away from their home and away from the urban area, and enjoy a great sport.

I like to think that title, "On Any Sunday", often applies to the blue collar Americans who live in the urban areas in southern California. All of my colleagues know when you fly into southern California, you get close to the coast, you see a ton of concrete. You see wall-to-wall concrete in Los Angeles. You can fly in a high-speed aircraft for 30 minutes and still be over Los Angeles. And it is getting so Orange County and San Diego areas are similar.

Yet blue collar Americans, without needing the type of money that is required if you want to take your vacation in New Zealand and go fly fishing, or take an around the world vacation, or do any of the other things you can do if you have a lot of money, blue collar Americans who live in these urban areas in southern California can get in their campers, they can hook up the dune buggy, they can hook up the motorcycles, they can get the kids, and get away from the boss by going to the California desert.

If you go out there, like I have and my colleagues the gentleman from California, Mr. MCCANDLESS and Mr. LEWIS and others, if you go out there and talk to them when they are camped under that particular paloverde tree, they might tell you, including one of the last groups I talked to, where the grandmother camped out under that same tree with her husband, now gone, and where the children had camped out under that tree, and now the grandchildren were camping under that very tree, policing the desert, taking good care of it, but, nonetheless, enjoying the fact that they could go back year after year, to their favorite place. That is what the desert means to hundreds of thousands of blue collar Americans. And, let us be blunt about it, that is what we are taking away in thousands of instances.

The chairman has said you can still enjoy this off-roading in parts of the California desert, but you cannot enjoy it where you have enjoyed it for 20 or 30 or 40 years, and that is a fact. And a lot of California families are going to be leaving these favorite places.

You know, that is a real tragedy, because that is part of the joy and part of the lifestyle and part of the freedom of living in California, being able to get a little bit remote, get away from that boss, forget about the work, and spend a little time with your family.

Let me talk a little bit about crime control, because crime control is a major defect in this particular bill. We have massive smuggling taking place, of both illegal aliens and illicit narcotics, heavy on the cocaine, coming across the Mexican-California border.

Now, the smugglers are very flexible and they are very creative. And as we have built a border, including a border fence, on the western part of the California-Mexican border, extending to the Pacific Ocean, the smugglers have begun to go east. They have gone into

what is my district in Imperial County, a part of Imperial County that is abutted by several of the wilderness areas, proposed wilderness areas, where no vehicles are going to be allowed.

Now, what does that mean to a smuggler? It means a smuggler, who cuts across the border in a vehicle, whether he is carrying 20 pounds of cocaine in a back bag and riding a motorcycle or pickup or some other type of four-wheel drive, looking to make some fast money, it means once he goes into this refuge that has been created that will operate to his benefit, that has been created by the desert wilderness bill, by this body, it means that law enforcement agents cannot follow.

In other cases, it means that law enforcement agents, whether they are driving four-wheel drive vehicles or flying aircraft, cannot run reconnaissance over this particular piece of land.

What that means is we are creating thoroughfares or smuggling corridors for these smugglers. Let me tell you how creative and how flexible and responsive these smugglers are. We have built this border fence and put more border patrol on the 14-mile smuggler corridor between Tijuana and San Diego, where about 50 percent of all the dope and illegal alien smuggling nationwide takes place. Since we have done that, they have started to flank that operation by going out in the California desert. We now have see the figures, the drug seizures, go up from about $113 million a year, 2 years ago, to almost $600 million, four times that, in just 1 year.

□ 1940

So what we are doing here is creating a haven at the same time when the administration is saying we have got to crack down on the smuggling of narcotics and illegal aliens, we are creating a haven, a thoroughfare for the smugglers. And that provision, unless we have a provision in this bill that gives law enforcement people total access to those wilderness areas that abut the border, we are going to see the same creativity and the smugglers moving into those areas that they have shown in moving into other areas to the east of the border fence.

Last, Mr. Chairman, let me say this about wildlife and about access to desert water. Desert Wildlife Unlimited has built 59 watering holes that has singlehandedly brought back the desert bighorn sheep and the desert mule deer in the desert just north of Mexico.

Under this Wilderness Act that is proposed, we will not be able to take vehicles into this area, and we cannot maintain these guzzlers without having vehicles in the area. If we do not bring in the jackhammers and the other equipment that is necessary to maintain these drinking water holes where the bighorn sheep can go down into the deep tenhaas without slipping down and drowning, we are going to see these sheep and these deer going into the All-American Canal where they wear their hooves out trying to climb back up the canal after they have slipped down.

Three reasons, people, wildlife, and crime control, for us to vote against this bill.

Let me just amplify on the last point that I made. I was very distressed to see the Sierra Club being against this wildlife preservation amendment that we are going to offer to allow vehicularized access by State fish and game so that they can go in and service these 59 watering holes that have been dug by real conservationists, people who went out in 120-degree heat into the desert that is actually below sea level during the summertime, in the wintertime and built 59 watering holes that has brought back this great resource.

Let me tell my colleagues, I will bring out tomorrow photographs of desert bighorn sheep and deer that have literally worn out their hooves trying to get out of the All-American Canal in the days when we did not have those watering holes out there in the desert. And I am going to be reading letters from some of these wildlife conservation groups that have put their blood and sweat and tears into preserving these species. I think it is a little bit unsettling to real conservationists to see armchair conservationists in the Sierra Club dismiss all their hard work and all their expertise with a few papers on the House floor.

Mr. LEWIS of California. Mr. Chairman, will the gentleman yield?

Mr. HUNTER. I yield to the gentleman from California.

Mr. LEWIS of California. Mr. Chairman, I very much appreciate my colleague's comments. He is hitting right at home on a number of the basic issues that we will be addressing by way of amendments when the bill comes back up. We are not sure exactly when it will. It may be somewhat beyond tomorrow.

I must say from there, the old saying that says "A man's home is his castle" is very much related to our great desert.

In this bill, we are taking away people's property rights in an arbitrary fashion. We are cutting off America's access to one of the most beautiful spots in the entire country. And they presume that people who are trying to protect the bighorn sheep someway are hurting the environment. And indeed, the gentleman makes a number of points that I hope the public as well as my colleagues will focus upon very carefully as we go forward with amendments.

Mr. HUNTER. Mr. Chairman, I thank my friend. He is absolutely right. A lot of California families, when this lockout bill goes through, will lose their home or a part of their home.

Mr. SABO. Mr. Chairman, I would like to address one aspect of H.R. 518 which concerns me gravely. The bill circumvents the discipline of the Budget Act by including spending outside the 10-year timeframe covered by current budget law. H.R. 518 allows the California State Lands Commission and the Catellus Development Corp., a private development company, to be compensated for land exchanges with unfinanced monetary credits after the year 2004.

If these credits were first effective before October 1, 2004, there would be a violation of the budget resolution. H.R. 518 is saved from problems with House or Senate budget rules only because the credits do not become effective until fiscal year 2005. CBO estimates that the potential value of the monetary credits could be as high as $180 million.

I am convinced of the importance of protecting the California Desert, and I will not oppose passage of H.R. 518. However, I am concerned about this funding mechanism. Clearly, sound fiscal policy is not well-served by legislative provisions that are designed to bypass budgetary constraints. I urge my colleagues on the Natural Resources Committee to do all that they can to ensure that the final bill which emerges from a conference committee with the Senate does not include this provision.

The CHAIRMAN. All time has expired.

Mr. MILLER of California. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. WISE] having assumed the chair, Mr. PETERSON of Florida, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 518) to designate certain lands in the California desert as wilderness, to establish the Death Valley and Joshua Tree National Parks and the Mojave National Monument, and for other purposes, had come to no resolution thereon.

APPOINTMENT OF CONFEREES ON H.R. 322, MINERAL EXPLORATION AND DEVELOPMENT ACT OF 1993

Mr. MILLER of California. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 322) to modify the requirements applicable to locatable minerals on public domain lands, consistent with the principles of self-initiation of mining claims, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California? The Chair hears none and, without objection, appoints the following conferees: Messrs. MILLER of California, LEHMAN, RAHALL, YOUNG of Alaska, and Mrs. VUCANOVICH.

There was no objection.

COMMUNICATION FROM THE HONORABLE HENRY A. WAXMAN, MEMBER OF CONGRESS

The Speaker pro tempore laid before the House the following communication from the Honorable HENRY A. WAXMAN, Member of Congress:

COMMITTEE ON ENERGY AND COMMERCE, SUBCOMMITTEE ON HEALTH AND THE ENVIRONMENT,
Washington, DC May 17, 1994.

Hon. THOMAS S. FOLEY,
Speaker of the House,
Washington, DC

DEAR MR. SPEAKER: This is to notify you pursuant to Rule L of the Rules of the House that I have been served with a subpoena issued by the Superior Court of the District of Columbia.

After consultation with the General Counsel, I have determined that compliance is inconstant with the privileges and precedents of the House.

Sincerely,

HENRY A. WAXMAN,

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. MILLER of California). Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on the remaining two 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, May 18, 1994.

AIRPORT IMPROVEMENT PROGRAM TEMPORARY EXTENSION ACT OF 1994

Mr. WISE. Mr. Speaker, I move to suspend the rules and concur in the Senate amendment to the House amendment to the Senate bill (S. 2024) to provide temporary obligational authority for the Airport Improvement Program and to provide for certain in airport fees to be maintained at existing levels for up to 60 days, and for other purposes.

The Clerk read as follows:

Senate amendment to House amendment:

In lieu of the matter proposed to be inserted by the House amendment to the text of the bill, insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Airport Improvement Program Temporary Extension Act of 1994".

TITLE I—AIRPORT IMPROVEMENT PROGRAM

SEC. 101. AIRPORT IMPROVEMENT PROGRAM AUTHORIZATION.

(a) AUTHORIZATION.—The second sentence of section 505(a) of the Airport and Airway Improvement Act of 1982 (49 App. U.S.C. 2204(a)) is amended—

(1) by striking "and" after "1992,"; and

(2) by inserting ", and $15,413,157,000 for fiscal years ending before October 1, 1994" before the period at the end.

(b) OBLIGATIONAL AUTHORITY.—Section 505(b)(1) of the Airport and Airway Improvement Act of 1982 (49 App. U.S.C. 2204(b)(1)) is amended by striking "September 30, 1993" and inserting "June 30, 1994".

SEC. 102. APPORTIONMENT OF FUNDS.

Section 507(b)(3)(A) of the Airport and Airway Improvement Act of 1982 (49 App. U.S.C. 2206(b)(3)(A)) is amended—

(1) by striking "or reducing the amount authorized or" and inserting "the amounts";

(2) by inserting "to less than $1,900,000,000" after "to be obligated"; and

(3) by striking "limited or reduced".

SEC. 103. MINIMUM AMOUNT FOR PRIMARY AIRPORTS.

Section 507(b)(1) of the Airport and Airway Improvement Act of 1982 (49 App. U.S.C. 2206(b)(1)) is amended by striking "$400,000" and inserting "$500,000".

SEC. 104. DISCRETIONARY FUND.

(a) MINIMUM AMOUNT TO BE CREDITED.—Section 507(c) of the Airport and Airway Improvement Act of 1982 (49 App. U.S.C. 2206(c)) is amended by adding at the end the following new paragraph:

"(5) SPECIAL RULE.—In any fiscal year not less than $325,000,000 of the amount made available under section 505(a) shall be credited to the discretionary fund established by paragraph (1), and such $325,000,000 shall be exclusive of amounts that have been apportioned in a prior year under this section and which remain available for obligation.

"(B) In any fiscal year in which the amount credited to the discretionary fund pursuant to paragraph (1) is less than $325,000,000, the total amount calculated under subparagraph (C) of this paragraph shall be reduced by an amount which, when credited to the discretionary fund, will, together with the amount credited pursuant to paragraph (1), equal $325,000,000.

"(C) The total amount, for any fiscal year, that is subject to reduction pursuant to subparagraph (B) shall be the sum of—

"(i) the amount determined under subsection (a)(1);

"(ii) the amount determined under subsection (a)(2);

"(iii) the amount determined under subsection (a)(3);

"(iv) the amount determined under section 508(d)(1);

"(v) the amount determined under section 508(d)(2);

"(vi) the amount determined under section 508(d)(3);

"(vii) the amount determined under section 508(d)(4); and

"(viii) the amount determined under section 508(d)(5).

"(D) To accomplish a reduction pursuant to subparagraph (B), each of the amounts described in subparagraphs (C)(i) through (C)(viii), respectively, shall be reduced by an equal percentage.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on July 1, 1994.

SEC. 105. USE OF APPORTIONED AND DISCRETIONARY FUNDS.

Section 508(d) of the Airport and Airway Improvement Act of 1982 (49 App. U.S.C. 2207(d)) is amended—

(1) in paragraph (1), by striking "10" and inserting "5";

(2) in paragraph (3), by striking "2.5" wherever it appears and inserting "1.5"; and

(3) in paragraph (4), by striking "½" and inserting "¾".

SEC. 106. REIMBURSEMENT FOR PAST EXPENDITURES.

Section 513(a)(2) of the Airport and Airway Improvement Act of 1982 (49 App. U.S.C. 2212(a)(2)) is amended—

(1) by striking "or" at the end of subparagraph (A);

(2) by inserting "or" after the semicolon at the end of subparagraph (B); and

(3) by inserting after subparagraph (B) the following:

"(C)(i) it was incurred—

"(I) during fiscal year 1994;

"(II) before execution of a grant agreement with respect to the project but in accordance with an airport layout plan approved by the Secretary and in accordance with all applicable statutory and administrative requirements that would have been applicable to the project if the grant agreement had been executed; and

"(III) for work related to a project for which a grant agreement was previously executed during fiscal year 1994; and

"(ii) its Federal share is only paid with sums appointed under sections 507(a)(1) and 507(a)(2).".

SEC. 107. TERMINAL DEVELOPMENT.

Section 513(b)(2) of the Airport and Airway Improvement Act of 1982 (49 App. U.S.C. 2212(b)(2)) is amended—

(1) in the second sentence)

(A) by inserting after "may be used" the following: ", subject to the approval of the Secretary, (A)"; and

(B) by striking the period at the end and inserting the following: ", and (B) by the sponsor of a reliever airport for the types of project costs allowable under paragraph (1) of this subsection, including project costs allowable for a commercial service airport which annually has .05 percent or less of the total enplanements in the United States."; and

(2) by adding at the end the following: "All or any portion of the sums to be distributed at the discretion of the Secretary under sections 507(c) and 507(d) for any fiscal year may be distributed for use by primary airports each of which annually has .05 percent or less of the total enplanements in the United States for project costs allowable under paragraph (1) of this subsection.".

SEC. 108. EXPENDITURES FROM AIRPORT AND AIRWAY TRUST FUND.

Section 9502(d)(1)(A) of the Internal Revenue Code of 1986 (relating to expenditures from Airport and Airway Trust Fund) is amended by striking "(as such Acts were in effect on the date of the enactment of the Airport and Airway Safety, Capacity, Noise Improvement, and Inter-modal Transportation Act of 1992)" and inserting "or the Airport Improvement Program Temporary Extension Act of 1994 (as such Acts were in effect on the date of the enactment of the Airport Improvement Program Temporary Extension Act of 1994)".

SEC. 109. UPWARD ADJUSTMENTS.

(a) IN GENERAL.—The second sentence of section 505(b)(1) of the Airport and Airway Improvement Act of 1982 (49 App. U.S.C. 2204(b)(1)) is further amended by—

(1) inserting "(A)" before "Apportioned"; and

(2) inserting before the period at the end "; and

(B) funds which have been recovered by the United States from grants made under this title if such funds are obligated only for increases under sections 512(b)(2) and 512(b)(3) of this title in the maximum obligation of the United States for any other grant made under this title".

(b) RETROACTIVE EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect October 1, 1993.

TITLE II—AIRPORT-AIR CARRIER DISPUTES REGARDING AIRPORT FEES

SEC. 201. EMERGENCY AUTHORITY TO FREEZE CERTAIN AIRPORT FEES.

(a) COMPLAINT BY AIR CARRIER.—

(1) FILING.—An air carrier may file prior to June 30, 1994, with the Secretary a written complaint alleging that any increased fee imposed upon such air carrier by the owner or operator of an airport is not reasonable. The air carrier shall simultaneously file with the Secretary proof that a copy of the complaint has been served on the owner or operator of the airport.

(2) OPPORTUNITY TO RESPOND.—Before issuing an order under subsection (b), the Secretary shall provide the owner or operator of the airport an opportunity to respond to the filed complaint.

(3) FRIVOLOUS COMPLAINT.—If the Secretary determines that a complaint is frivolous, the Secretary may refuse to accept the complaint for filing.

(b) Order By The Secretary.—

(1) IN GENERAL.—Except as provided by paragraph (2), the Secretary shall issue, within 7 days after the filing of a complaint in accordance with subsection (a), an order prohibiting the owner or operator of the airport from collecting the increased portion of the fee that is the subject of the complaint, unless the Secretary makes a preliminary determination that the increased fee is reasonable. Subject to subsection (d), the order shall cease to be effective on June 30, 1994.

(2) LIMITATION.—The Secretary shall not issue an order under this subsection prohibiting the collection of any portion of a fee for which the Secretary's informal mediation assistance was requested on March 21, 1994.

(c) OPPORTUNITY TO COMMENT AND FURNISH RELATED MATERIAL.—Within a period prescribed by the Secretary, the owner or operator of the airport and any affected air carrier may submit comments to the Secretay on a complaint filed under subsection (a) and furnish to the Secretary any related documents or other material.

(d) ACTION ON COMPLAINT.—Based on comments and material provided under subsection (c), the Secretary may take appropriate action on the complaint, including termination or other modification of any order issued under subsection (b).

(e) APPLICABILITY.—This section does not apply to a fee imposed pursuant to a written agreement binding on air carriers using the facilities of an airport.

(f) EFFECT ON EXISTING AGREEMENTS.—Nothing in this section shall adversely affect any existing written agreement between an air carrier and the owner or operator of an airport.

SEC. 202. DEFINITIONS.

For purposes of this title.

(1) the term "fee" means any rate, rental charge, landing fee, or other service charge for the use of airport facilities; and

(2) the term "Secretary" means the Secretary of Transportation.

TITLE III—REFORM OF AIR TRAFFIC CONTROL SYSTEM

SEC. 301. AIR TRAFFIC CONTROL SYSTEM.

(a) STUDY.—The Secretary of Transportation shall undertake a study of management, regulatory, and legislative reforms which would enable the air traffic control system of the Federal Aviation Administration to provide better services to users and reduce the costs of providing services, without reducing the safety of the system or the availability of the system to all categories of users and without changing the basic organizational structure under which the system is part of the Federal Aviation Administration.

(b) COMPONENTS.—The study to be conducted under subsection (a) shall include the following:

(1) Evaluation of reforms which would streamline procurement, enhance the ability to attract and retain adequate staff at hard-to-staff facilities, simplify the personnel process, provide funding stability, ensure continuity of leadership, and reduce the incidence of unnecessarily detailed management oversight.

(2) Identification of any existing laws or regulations governing procurement or personnel which are having an adverse effect on the operation or modernization of the air traffic control system.

(3) Evaluation of a range of possible reforms and the advantages and disadvantages of each possible reform.

(4) Comparison of the advantages and disadvantages of each possible reform with the comparable advantages and disadvantages to be achieved under any proposal of the Secretary of Transportation to create a separate Federal corporate entity to operate the air traffic control system.

(c) DEADLINE.—The results of the study to be conducted under subsection (a) shall be contained in a report which shall be completed by the Secretary of Transportation on or before the date which is 180 days after the date of the enactment of this Act, or the date on which the Secretary submits to Congress proposed legislation to create a separate corporate entity to operate the air traffic control system, whichever date occurs first.

(d) TRANSMITTAL.—On the date of completion of the report under subsection (c), the Secretary of Transportation shall transmit copies of the report to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Public Works and Transportation of the House of Representatives.

TITLE V—MISCELLANEOUS PROVISIONS

SEC. 401. GRANDFATHER PROVISION FOR FAA DEMONSTRATION PROJECT.

(a) IN GENERAL.—Notwithstanding the termination of the personnel demonstration project for certain Federal Aviation Administration employees on June 17, 1994, pursuant to section 4703 of title 5, United States Code, the Federal Aviation Administration, subject to subsection (d), shall continue to pay quarterly retention allowance payments in accordance with subsection (b) to those employees who are entitled to quarterly retention allowance payments under the demonstration project as of June 16, 1994.

(b) COMPUTATION RULES.—

(1) In general.—The amount of each quarterly retention allowance payment to which an employee is entitled under subsection (a) shall be the amount of the last quarterly retention allowance payment paid to such employee under the personnel demonstration project prior to June 17, 1994, reduced by the portion of the amount of any increase in the employee's annual rate of basic pay subsequent to June 17, 1994, from any source, which is allocable to the quarter for which the allowance is to be paid (or, if applicable, to that portion of the quarter for which the allowance is to be paid). For purposes of the preceding sentence, the increase in an employee's annual rate of basic pay includes—

(A) any increase under section 5303 of title 5, United States Code'

(B) any increase in locality-based comparability payments under section 5304 of such title 5 (except if, or to the extent that, such increase is offset by a reduction of an interim geographic adjustment under section 302 of the Federal Employees Pay Comparability ACt of 1990 (5 U.S.C. 5304 note));

(C) any establishment or increase in a special rate of pay under section 5305 of such title 5;

(D) any increase in basic pay pursuant to a promotion under section 5334 of such title 5;

(E) any periodic step-increase under section 5334 of such title 5;

(F) any additional step-increase under section 5336 of such title 5; and

(G) any other increase in annual rate of basic pay under any other provision of law.

(2) SECTION RULE.—In the case of an employee on leave without pay or other similar status for any part of the quarter prior to June 17, 1994, based on which the amount of the allowance payments for such employee under subsection (a) are computed, the "amount of the last quarterly retention allowance payment paid to such employee under the personnel demonstration project prior to June 17, 1994" shall, for purposes of paragraph (1), be deemed to be the amount of the allowance which would have been payable to such employee for such quarter under such project had such employee been in pay status throughout such quarter.

(c) TERMINATION/—An employee's entitlement to quarterly retention allowance payments under this section shall cease when—

(1) the amount of such allowance is reduced to zero under subsection (b), or

(2) The employee separates or moves to a position in which the employee would not, prior to June 17, 1994, have been entitled to receive an allowance under the demonstration project,

whichever is earlier.

(d) SPECIAL PAYMENT RULE.—The Administrator of the Federal Aviation Administration may make payment for the costs incurred under the program established by subsection (a) for the period between June 18, 1994, and September 30, 1994, following the end of the first full pay period that begins on or after October 1, 1994, subject to appropriations made available in fiscal year 1995.

(e) STUDY OF RECRUITMENT AND RETENTION INCENTIVES.—The Administrator of the Federal Aviation Administration shall conduct a study of impediments that may exist to achieving appropriate air traffic controller staffing levels at hard-to-staff facilities. In conducting such study, the Administrator shall identify and evaluate the extent to which special incentives, of a financial or non-financial nature, could be useful in recruiting or retaining air traffic controllers at such facilities. The Administrator shall submit to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Public Works and Transportation of the House of Representatives not later than 180 days after the date of enactment of this Act a report on (1) the results of such study, (2) planned administrative actions, and (3) any recommended legislation.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from West Virginia [Mr. WISE] will be recognized for 20 minutes, and the gentleman from Pennsylvania [Mr. CLINGER] will be recognized for 20 minutes.

The Chair recognizes the gentleman from West Virginia [Mr. WISE].

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

Mr. Speaker, I rise in strong support of this important legislation which will release $800 million in funding for the Airport Improvement Program. This bill will permit work to begin on important projects to improve airport safety and capacity before the end of this year's construction season.

We passed a short-term AIP bill 2 weeks ago. The bill now before us represents a compromise between our bill and the short-term bill passed by the other body.

The bill now before us is a good and fair compromise. In addition to the provisions on airport funding, the bill includes all the provisions which were in our original bill. I consider one of these provisions to be of particular importance; the provision requiring the Federal Aviation Administration to continue a pay differential program, which was begun 5 years ago to attract air traffic controllers, technicians and inspectors to hard to staff facilities in New York, Chicago, and California.

Without this legislation, the pay differential would expire in June and the pay of personnel in critical air traffic control facilities would be cut 12 to 15 percent. This would create severe morale problems which could impair air traffic control.

On AIP fundings, the bill now before us represents a fair compromise between the House and the Senate. The compromise on funding formulas strikes a good balance between the needs of large and small airports and ensures that FAA will have enough discretionary money available to fund those projects which can make the greatest difference to the efficiency of the national aviation system.

Finally, Mr. Speaker, I regret that we have been unable to reach agreement with the Senate on a long-term reauthorization bill. Airports need to plan their capital development with knowledge that there will be a stable Federal program in place for several years. Last September, the House passed a 3-year reauthorization for fiscal years 1994 through 1996. Unfortunately, the other body has not been able to pass its own multi-year bill because of unrelated disputes over general aviation product liability and airport fees and charges. We are hopeful that these disputes will be resolved soon and that the other body will be able to pass a multi-year reauthorization bill in the near future.

In the meantime, it is critical to pass this short-term extension so that we will not lose this year's construction season. I urge my colleagues to join me in supporting this important legislation.

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

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

Mr. Speaker, S. 2024 is very similar to legislation which was passed by the House 2 weeks ago under the Suspension Calendar.

The bill before us provides a temporary authorization of the Airport Improvement Program, allowing up to $800 million in new grants for eligible airport construction activities.

Following passage of the earlier bill, we negotiated with our Senate counterparts to reach a quick compromise on the shape of the temporary AIP bill. On Thursday last, May 12, the Senate passed S. 2024. And if the House approves the bill today, it will be sent to the President for enactment.

Let me take just a moment to describe two major differences between the bill reported by the House on May 3 and the bill now before us.

□ 1950

Airports chiefly rely on two distinct pots of money, both of which are part of Airport Improvement Program. One pot is distributed by formula based on the number of passengers and volume of cargo that passes through the airport. A second pot, the discretionary fund, is managed by the Federal Aviation Administration based on their assessment of national priorities.

Current law does not establish a minimum size of the discretionary fund. Instead, after the allocations and setasides have been established for a variety of AIP-related programs, and these are all done by formula, whatever remains is reserved for the discretionary fund.

Over the last several years the size of the discretionary fund has been steadily diminishing. The bill before us would change the allocation practice by establishing that, at a minimum, the discretionary fund will be authorized at $325 million. To achieve that goal most AIP programs, with the exception of Alaskan airports, will be subject to across-the-board reductions of the degree necessary to reach the $325 million level. Whether or not reductions occur depends on the obligation limitation set annually through the appropriations process.

I think this is a worthwhile provision, Mr. Speaker, giving greater latitude to the FAA to fund expensive needed airport development projects.

Mr. Speaker, another noteworthy modification in the bill before us increases the minimum annual entitlement for our smallest commercial airports by an additional $100,000. I strongly support this feature of the bill. Airport projects, even minor ones, are very expensive, and small airports generally do not have the resources to afford them. This increase will be a significant help.

Mr. Speaker, while on the issue of small airports, I would like to stress the importance of the Small Airport Fund. The House successfully resisted attempts to cut this fund, as we have dealt with the matter this year. Consequently, the bill before us does not change any of its features. I want to use this opportunity to point out to Members that small airports do not have the volume of passengers to make PFC's, passenger facility charges, a practical option for financing expensive capital projects such as new runways, terminal buildings, or the like.

In addition, Mr. Speaker, small airports do not have the same access to bond markets, and typically their local government sponsors do not have deep pockets to finance these very expensive projects at their small airports.

The creation of the Small Airport Fund in the 1990 authorization, or reauthorization, has been and continues to be a very important supplement to their financial well-being, so I really welcome the fact that we have been able in this bill to increase that fund or that amount by $100,000.

Mr. Speaker, there are several other smaller, lesser changes in the bill that I think I would describe, and would clearly be described, as very technical in nature, and do not need to be dwelt upon at great length here. I would just indicate that I strongly support this measure, and I would encourage all Members to support it, as well.

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

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

Mr. Speaker, section 301 of the bill directs the Secretary of Transportation to undertake a comprehensive study of management, regulatory, and legislative reforms which would enhance the efficiency of the air traffic control system while preserving the existing organizational structure under which the ATC system operates as part of an integrated Federal Aviation Administration. The study will compare the advantages and disadvantages of reform of the existing structure with those of proposals to break up FAA into two parts; a government corporation to operate air traffic control system and a rump FAA to regulate the safety of the ATC system and carry out other FAA responsibilities.

It should be clearly understood that the requirements of section 301 for a study are not met by the discussion in the administration's recent report "Air Traffic Control Corporation Study." We do not regard the brief discussion of internal reform in this document as the in-depth, objective analysis called for by section 301.

It is somewhat surprising that there is any discussion of internal reform in the administration's report, since early this year the administration announced that it would no longer be studying alternatives to a breakup of FAA, but would focus its study on the details of establishing a corporation. The decision not to study internal re-

form was severely criticized. In an apparent response to the criticism, it was decided to have the final report recommending an ATC corporation include a brief discussion of internal reform.

In discussing internal reform, the study concedes, as it must, that FAA's alleged problems with legislative and regulatory limitations governing personnel, procurement and funding could be solved by eliminating or modifying these requirements, while keeping FAA as an integrated Government department.

The remaining question is what are the advantages and disadvantages of going beyond these reforms and breaking up FAA into two units. On this complex question, the report contains only a few sentences, which appear to assume that only government corporations, and not government departments, can develop the management skills needed to carry out complex technological programs. This assumption ignores the poor results achieved when governmental or quasi-governmental corporations were formed to run the Postal Service and Amtrak. This assumption of corporate superiority is also inconsistent with discussion, in the report and elsewhere, in which the administration speaks admiringly of the skills and dedication which the ATC workforce shows in running a safe and efficient system in the face of the allegedly burdensome personnel and procurement rules. Why couldn't this skilled and dedicated workforce achieve all the benefits attributed to a corporation if legal and regulatory restraints are removed, but FAA remains intact.

Our legislation contemplates a more complete, objective analysis of FAA than is found in the administration's corporation report. There needs to be a more focused discussion on which of the requirements governing personnel, procurement, and budget are believed to create the greatest problems and how these requirements might be changed. There needs to be serious consideration of the problems which have been raised by the Congress, the General Accounting Office, the Aircraft Owners and Pilots Association, the National Academy of Public Administration, and others that splitting up FAA will require a new allocation of responsibilities between two Government agencies, which will create risks and uncertainties. It must also be recognized that if a government corporation is freed from personnel and procurement restrictions applying to the Government generally, the corporation will have to set up its own systems to deal with these matters. There are risks and uncertainties inherent in establishing these new systems.

Without spelling out every detail of the study required by the pending legislation, we wish to make it clear that the legislation contemplates much more than the brief, advocacy discussion included in the administration's ATC report.

Mr. Speaker, I include for the RECORD memoranda from the Congressional Budget Office and the Department of Transportation on the scoring of the bill for budget purposes, and on the amount of contract authority authorized by the bill:

MEMORANDUM

To: Donna McLean, House Committee on Public Works and Transportation.

From: John Patterson, Budget Analyst, Congressional Budget Office.

Subject: Airport Improvement Reauthorization

Date: May 9, 1994.

If the temporary reauthorization amends the cumulative contract authority for the Airport Improvement Program to $15,413,157,000 for fiscal year 1994, does not amend the FY 1994 obligation limitation of $1,690,000,000, and ends funding for the program on June 30, 1994, the Congressional Budget Office will score −$65,343,000 in budget authority (see table) and will not score a change in outlays.

Scoring of temporary airport improvement reauthorization

Contract Authority through FY 1993	$15,966,700,000
Less: February 1994 Rescission	$488,200,000
Current Level of Contract Authority	15,478,500,000
New Level of Contract Authority	15,413,157,000
Less: Current Level of Contract Authority	15,478,500,000
Change in level of contract authority	−65,343,000

If the long-term reauthorization raises the cumulative level of contract authority to $17,528,700,000 for FY 1994 and does not amend the FY 1994 obligation limitation, the Congressional Budget Office will score $2,115,543,000 in budget authority (see table) and will not score a change in outlays.

Scoring of long-term airport improvement reauthorization

Level of Contract Authority after Long-Term Reauthorization	$17,528,700,000
Less: Level of Contract Authority After Temporary Reauthorization	15,413,157,000
Change in Level of Contract Authority	2,115,543,000

Scoring of two bills combined

Scoring of Temporary Reauthorization	−$65,343,000
Plus: Scoring of Long Term Reauthorization	2,115,543,000
Total Scoring	2,050,200,000

DEPARTMENT OF TRANSPORTATION,
OFFICE OF ASSISTANT SECRETARY,
Washington, DC, May 10, 1994.

To: David Heymsfeld, Majority Aviation Counsel; David Shaffer, Minority Aviation Counsel.

From: Eugene Conti, Deputy Assistant Secretary.

Subject: AIP Authorization.

The Office of the Secretary of Transportation has been asked for its opinion on how much new AIP contract authority would be established by an amendment authorizing a cumulative contract authority level of $15,413,157,000.

It is our opinion that the above number results in $800 million in new contract authority for the AIP, and in addition authorizes $89.583 million for carryover entitlements for FY 1994.

The above figures reflect a change in the assumed level of unobligated contract authority available at the end of FY 1993, compared to what was shown in the President's FY 1995 Budget—an increase from $1,092.4 million to $1,443.1 million. This increase is an adjustment for certain prior year rescissions (the adjustment was not recorded when the cumulative contract authority was increased.) The difference between the cumulative authorization level of $15,966.7 million and cumulative obligations to date is $1,443.1 million—the adjusted level of carryover into FY 1994.

FAA and OMB agree with the amounts assumed above and the table below:

	Thousands
Unobligated balance as of 9/30/93	$1,443,126
Carryover entitlements and new FY 1994 program	−889,583
Excess CA given FY 1993 $15,966.7 million cumulative level	553,543
Cumulative CA level, end of FY 1993	15,966,700
Excess CA given new program and carryover	−553,543
Necessary CA needed to fund $889 million program	15,413,157

Mr. SHUSTER. Mr. Speaker, I am pleased to join my colleagues in support of this legislation to reauthorize the Airport Improvement Program. Our Nation's airports have been without critical Federal funding since last year when the AIP program expired. Although the House passed H.R. 2739 last October to reauthorize the program for 3 years, the Senate has been unable to pass similar long-term legislation due to a dispute over the regulation of airport rates and charges. Therefore, we need this legislation to restore some money to our aviation infrastructure.

This bill will permit FAA to issue $800 million in new AIP grants until June 30. There will be an additional $89 million in entitlements carried over from prior years that will be available on top of the $800 million.

In crafting legislation for only part of the year, several technical budgetary scoring problems were encountered. I am pleased that these problems have been resolved. We have a memorandum from the Congressional Budget Office [CBO] confirming that this bill will not create any scoring problems or change in outlays either now or when the long-term authorization ultimately passes. The CBO scoring of

the bill also reflects the fact that it has already counted the rescission of $488 million in contract authority for the California earthquake relief. In addition, we have a memorandum from the Department of Transportation confirming that the cumulative authorization in this bill will result in $800 million in new contract authority for AIP.

Due to the complex funding allocations in the law and the fact that the authorization is for only part of the fiscal year, the exact amount of money to be allocated to each entitlement and set-aside has been a matter of some uncertainty. Therefore we have worked with the FAA in drafting appropriate legislative language to ensure that the money is allocated in the way Congress intends. In this effort, I would particularly like to thank Bert Randall, Lowell Johnson, and Jim Borsari of the FAA staff for their assistance. The charts they have provided for us show that, for example, primary airports will receive $550.7 million over the full year and $285.3 million under this bill and the small airport fund will receive $78.7 million over the full year and $39.4 million under this bill. We have drafted the legislation based on these numbers and we would expect the FAA to implement the program consistent with the numbers they have provided us.

The allocation of the AIP money in this bill reflects a compromise between the House and Senate versions. The Senate sought to increase the discretionary fund in order to provide more money to large airports. The original House bill sought to fairly allocate money between the large and small airports. The compromise we are considering today does create a larger discretionary fund but it does so in a way that does not unduly burden small airports. In fact, this bill raises the minimum entitlement for small primary airports and preserves the integrity of the small airport fund which the Senate had sought to cut.

In addition, the bill for the first time makes terminal development at non-hub primary airports eligible to receive discretionary money. This is the same provision that passed the House last year as part of the long term reauthorization. At the time, there was some confusion about exactly which airports were affected and how much they could receive. It should now be clear that the provision is designed to permit non-hub primary airports to receive money from the discretionary and small airport funds for terminal development. It is not designed to affect the cap that applies to other classes of airports. There is also a slightly different provision in this bill that applies to reliever airports. Both will enhance the ability of small airports to construct or improve their terminal buildings.

There are several other provisions in the bill that I would also like to mention.

Section 106 is a special reimbursement provision. As a general rule, the law does not permit airports to get reimbursement for work already done. But in this case, where a bill is being enacted for only part of the year, a special reimbursement provision seemed justified. This provision permits an airport that gets a grant from this part-year bill to continue with the work and get reimbursed, after the long-term bill is passed, for any costs that were not covered by the original grant. The reimbursement could only come from the airport's entitlement money.

Section 109 addresses a problem that has arisen at Blair County Airport and elsewhere. In some instances, an airport will get an AIP grant to purchase land only to find that the ultimate cost of the project is more than the original grant. Current law permits this overrun to be paid out of the money recovered from underruns in other grants. However, a recent interpretation of the law held that this could only be done while an AIP authorization was in place. This section will correct that interpretation retroactive to October 1, 1993.

Title II of the bill basically freezes airport fees until June 30. The dispute between airports and airlines over airport fees has been the stumbling block in the Senate to a longer term AIP reauthorization. This short-term freeze will preserve the status quo while this controversy is being resolved. With respect to this controversy generally, I would simply note that airports are already prohibited from diverting airport revenue to non-aviation purposes. But if airports are able to build up huge surpluses, the temptation and political pressure to divert revenue will be too great. Last summer's dispute between Los Angeles and the airlines showed that airports could use their monopoly position to dramatically increase rates and that they would try to divert the resulting revenue off the airport for non-aviation purposes.

Title III of the bill requires the Secretary of Transportation to study the air traffic control system and suggest ways to reform it without converting it to a Federal corporation. I have an open mind on the administration's corporation proposal although I am concerned about the safety implications of it. However, I do think it is important to fully consider other ways to improve the FAA. DOT's May 1994 corporation study does not do this and nothing that DOT has done so far meets the requirements of Title III.

Title IV grandfathers those controllers and other FAA safety personnel who are now receiving bonuses under the FAA's pay demonstration program. It is really a very fiscally conservative provision since it does not add any new employees to the program and it does not envision that existing recipients would get any pay increases until the normal pay scale catches up to their salary level. However, it does prevent the blow to morale that would occur if these employees should suddenly suffer a pay cut as would happen in June without this provision. Also, the provision gives the FAA the discretion to pay the fourth quarter 1994 bonus either this fiscal year or in fiscal year 1995.

Mr. Speaker, it is important that we pass this bill quickly before the construction season is lost. Therefore, I urge my colleagues to support this legislation.

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

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

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

The SPEAKER pro tempore (Mr. MAZZOLI). The question is on the motion offered by the gentleman from West Virginia [Mr. WISE] that the House suspend the rules and concur in the Senate amendment to the House amendment to the Senate bill, S. 2024.

The question was taken; and (two-thirds have voted in favor thereof) the rules were suspended and the Senate amendment to the House amendment to the Senate bill was concurred in.

GENERAL LEAVE

Mr. WISE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate amendment to the House amendment to S. 2024, the legislation just considered and concurred in.

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

There was no objection.

HEALTH CARE REFORM VOTE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. MICHEL] is recognized for 5 minutes.

Mr. MICHEL. Mr. Speaker, I submit for the RECORD the votes on health care reform which took place in the Hospitals and Health Care Subcommittee of the Committee on Veterans' Affairs on May 11 and in the Labor-Management Relations Subcommittee of the Committee on Education and Labor on May 12, 1994.

I also submit for the RECORD the votes on health care reform which took place in the Labor-Management Relations Subcommittee of the Committee on Education and Labor on May 17, 1994.

COMMITTEE ON VETERANS AFFAIRS, SUBCOMMITTEE ON HOSPITALS AND HEALTH CARE

HEALTH CARE MARKUP, MAY 11, 1994

The following recorded votes were taken on May 11, 1994 in the Subcommittee on Hospitals and Health Care of the Committee on Veterans Affairs during consideration of Chairman Rowland's substitute proposal for H.R. 3600, the Health Security Act of 1994:

1. An Amendment by Mr. Smith to prohibit abortion in VA health plans except in cases of rape or incest and when the life of the mother is in danger. The amendment was passed 11–8.

DEMOCRATS

Mr. Rowland, "nay."
Mr. Applegate, "yea."
Mr. Montgomery, "nay" (ex-officio).
Ms. Long, "nay."
Mr. Edwards, "yea."
Mr. Clement, "yea."
Mr. Filner, "nay."
Mr. Tejeda, "yea."
Mr. Gutierrez, "nay."
Mr. Kennedy, "nay."
Mr. Bishop, "nay."
Mr. Kriedler, "nay."

REPUBLICANS

Mr. Smith, "yea."
Mr. Stump, "yea."
Mr. Burton, "yea."
Mr. Bilirakis, "yea."
Mr. Hutchinson, "yea."
Mr. Buyer, "yea."

Mr. Linder, "yea."

2. An amendment in the nature of a substitute by Mr. Rowland in lieu of title 8 of H.R. 3600, the Health Security Act. The amendment would maintain service-connected veterans as the highest priority for care and allow veterans access to a full range of services and not just limit them to the Clinton-provided benefits package.

DEMOCRATS

Mr. ROWLAND, "yea."
Mr. APPLEGATE, "yea."
Mr. MONTGOMERY, "yea" (ex-officio).
Ms. LONG, "yea."
Mr. EDWARDS, "yea."
Mr. CLEMENTS, "yea."
Mr. FILNER, "yea."
Mr. TEJEDA, "yea."
Mr. GUTIERREZ, "yea."
Mr. KENNEDY, "yea."
Mr. BISHOP, "yea."
Mr. KRIEDLER, "Nay."

REPUBLICANS

Mr. SMITH, "yea."
Mr. STUMP, "yea."
Mr. BURTON, "yea."
Mr. BILIRAKIS, "yea."
Mr. BUYER, "yea."
Mr. LINDER, "yea."

COMMITTEE ON EDUCATION AND LABOR, SUBCOMMITTEE ON LABOR MANAGEMENT RELATIONS

HEALTH CARE MARK-UP, MAY 12, 1994

The following recorded votes were taken on May 12, 1994 in the Subcommittee on Labor-Management Relations of the Committee on Education and Labor during consideration of Chairman Williams' substitute proposal for H.R. 3600, the health Security Act of 1994.

1. An amendment by Mr. Hoekstra to restore the option for employers to choose between community-rated health plans (i.e. Regional Alliances) and experience-rated health plans (i.e. Corporate Alliances) as was initially provided in the Clinton bill. The amendment was rejected 10–15.

DEMOCRATS

Mr. WILLIAMS, "nay."
Mr. FORD (ex officio).
Mr. CLAY, "nay" by proxy.
Mr. KILDEE.
Mr. MILLER of California, "nay" by proxy.
Mr. OWENS, "nay" by proxy.
Mr. MARTINEZ, "nay."
Mr. PAYNE, "nay" by proxy.
Mrs. UNSOELD, "nay."
Mrs. MINK, "nay."
Mr. KLINK, "nay."
Mr. MURPHY, "nay" by proxy.
Mr. ENGEL, "nay" by proxy.
Mr. BECERRA, "nay" by proxy.
Mr. GREEN, "nay."
Mrs. WOOLSEY, "nay."
Mr. ROMERO-BARCELO, "nay."

REPUBLICANS

Mrs. ROUKEMA, "yea."
Mr. GOODLING (ex officio), "yea."
Mr. GUNDERSON, "yea" by proxy.
Mr. ARMEY, "yea."
Mr. BARRETT, "yea."
Mr. Boehner, "yea" by proxy.
Mr. Fawell, "yea" by proxy.
Mr. Ballenger, "yea."
Mr. Hoekstra, "yea."
Mr. McKeon, "yea."

2. An amendment by Mr. Klink to exclude abortions from the comprehensive benefits package "except where—(A) a woman suffers from a physical disorder, illness, or injury that would, as certified by a physician, place the woman in danger of death if the fetus were carried to term; or (B) the pregnancy is the result of a forcible rape or incest. (c) CONSTRUCTION OF ABORTION EXCLUSION—Subsection (b)(10) shall not be construed to remove or diminish coverage of any reproductive health service, family planning service, or service for pregnant women otherwise provided for under this Act, except abortions. Page 91, after line 13, insert the following: (c) NO AUTHORITY TO ALTER ABORTION EXCLUSION—Notwithstanding any other provision of this Act, the Board may not expand the comprehensive benefit package to include any abortion that is excluded under section 1141(b)(10)." The amendment was rejected 11–16.

DEMOCRATS

Mr. Williams, "nay" by proxy.
Mr. Ford (ex officio), "nay" by proxy.
Mr. Clay, "nay" by proxy.
Mr. Kildee, "yea."
Mr. Miller of California, "nay" by proxy.
Mr. Owens, "nay" by proxy.
Mr. Martinez, "nay" by proxy.
Mr. Payne, "nay" by proxy.
Mrs. Unsoeld, "nay" by proxy.
Mrs. Mink, "nay."
Mr. Klink, "yea."
Mr. Murphy, "yea" by proxy.
Mr. Engel, "nay" by proxy.
Mr. Becerra, "nay" by proxy.
Mr. Green, "nay."
Mrs. Woolsey, "nay."
Mr. Romero-Barcelo, "nay" by proxy.

REPUBLICANS

Mrs. Roukema, "yea."
Mr. Goodling (ex officio), "yea" by proxy.
Mr. Gunderson, "nay."
Mr. Armey, "yea" by proxy.
Mr. Barrett, "yea" by proxy.
Mr. Boehner, "yea" by proxy.
Mr. Fawell, "yea."
Mr. Ballenger, "yea" by proxy.
Mr. Hoekstra, "yea" by proxy.
Mr. McKeon, "yea" by proxy.

3. An amendment by Mr. Armey regarding the "Preservation of state authority regarding constitutionally permissible abortion regulations", which reads that "nothing in this Act shall be construed to conflict with any constitutionally permissible regulation of abortion by a State or a subdivision of a State." The amendment was rejected 11–14.

DEMOCRATS

Mr. Williams, "nay" by proxy.
Mr. Ford (ex officio), "nay" by proxy.
Mr. Clay, "nay."
Mr. Kildee, "yea."
Mr. Miller of California, "nay."
Mr. Owens, "nay" by proxy.
Mr. Martinez, "nay" by proxy.
Mr. Payne, "nay" by proxy.
Mrs. Unsoeld, "nay."
Mrs. Mink, "nay."
Mr. Klink, "yea."
Mr. Murphy. ———
Mr. Engel, "nay."
Mr. Becerra, "nay" by proxy.
Mr. Green, "nay" by proxy.
Mrs. Woolsey, "nay."
Mr. Romero-Barcelo, "nay" by proxy.

REPUBLICANS

Mrs. Roukema, "yea."
Mr. Goodling (ex officio), "yea" by proxy.
Mr. Gunderson, "yea" by proxy.
Mr. Armey, "yea."
Mr. Barrett, "yea" by proxy.
Mr. Boehner, "yea" by proxy.
Mr. Fawell (present).
Mr. Ballenger, "yea" by proxy.
Mr. Hoekstra, "yea."
Mr. McKeon, "yea" by proxy.

COMMITTEE ON EDUCATION AND LABOR, SUBCOMMITTEE ON LABOR MANAGEMENT RELATIONS

HEALTH CARE MARK-UP, MAY 17, 1994

The following recorded votes were taken on May 17, 1994 in the Subcommittee on Labor-Management Relations of the Committee on Education and Labor during consideration of Chairman Williams' substitute proposal for H.R. 3600, the Health Security Act of 1994:

1. A motion by Mr. Clay to table Mr. Boehner's appeal of the Chairman's ruling against his amendment to require Members of Congress to be enrolled in community-rated health plans at the same time that their constituents are required to be enrolled under such plans in a state (the Chairman ruled the amendment was not within the Subcommittee's jurisdiction). The motion was agreed to 17–9.

DEMOCRATS

Mr. Williams, "yea."
Mr. Ford (ex officio), "yea" by proxy.
Mr. Clay, "yea."
Mr. Kildee, "yea" by proxy.
Mr. Miller of California, "yea" by proxy.
Mr. Owens, "yea."
Mr. Martinez, "yea."
Mr. Payne, "yea" by proxy.
Mrs. Unsoeld, "yea."
Mrs. Mink, "yea" by proxy.
Mr. Klink, "yea."
Mr. Murphy, "yea" by proxy.
Mr. Engel, "yea" by proxy.
Mr. Becerra, "yea" by proxy.
Mr. Green, "yea."
Mrs. Woolsey, "yea."
Mr. Romero-Barcelo, "yea."

REPUBLICANS

Mrs. Roukema.
Mr. Goodling (ex officio), "nay" by proxy.
Mr. Gunderson, "nay."
Mr. Armey, "nay."
Mr. Barrett, "nay."
Mr. Boehner, "nay."
Mr. Fawell, "nay" by proxy.
Mr. Ballenger, "nay.".
Mr. Hoekstra, "nay"by proxy.
Mr. McKeon, "nay" by proxy.

2. An amendment by Mr. Armey to strike the provision in the Chairman's mark requiring that the National Council on Graduate Medical Education, in making allocations among eligible programs for each medical specialty, consider (A) The extent to which the population of training participants in the program includes training participants who are members of racial or ethnic minority groups, and (B). With respect to a racial or ethnic group represented among the training participants, the extent to which the group is underrepresented in the field of medicine generally and in the various medical specialities. The amendment was rejected 8–18.

DEMOCRATS

Mr. Williams, "nay."
Mr. Ford (ex officio), "nay" by proxy.
Mr. Clay, "nay."
Mr. Kildee, "nay."
Mr. Miller of California, "nay."
Mr. Owens, "nay."
Mr. Martinez, "nay" by proxy.
Mr. Payne, "nay" by proxy.
Mrs. Unsoeld, "nay."
Mrs. Mink, "nay."
Mr. Klink, "nay."
Mr. Murphy, "nay" by proxy.
Mr. Engel, "nay" by proxy.
Mr. Becerra, "nay" by proxy.
Mr. Green, "nay."

Mrs. Woolsey, "nay."
Mr. Romero-Barcelo, "nay."

REPUBLICANS

Mrs. Roukema, "yea."
Mr. Goodling, (ex officio).
Mr. Gunderson, "nay."
Mr. Armey, "yea."
Mr. Barrett, "yea."
Mr. Boehner, "yea" by proxy.
Mr. Fawell, "yea" by proxy.
Mr. Ballenger, "yea."
Mr. Hoekstra, "yea" by proxy.
Mr. McKeon, "yea" by proxy.

TRIBUTE TO THE LATE HONORABLE WILLIAM H. NATCHER

The SPEAKER pro tempore. Under the Speaker's announced policy of February 11, 1994, the gentleman from Kentucky [Mr. MAZZOLI] is recognized for 60 minutes as the designee of the majority leader.

Mr. MAZZOLI. Mr. Speaker, tonight it is my honor, on behalf of the delegation from the Commonwealth of Kentucky, and really on behalf, I am sure, of all the Members of the House, to take this special order to pay tribute, and I can think of no better word than the word tribute, it is very apposite here with respect to our late colleague, Congressman Bill Natcher of Kentucky, but to take this moment to pay tribute to that great man for his over 40 years of devoted and diligent service to the House of Representatives, to the Nation, to the Commonwealth of Kentucky, to the Second Congressional District of Kentucky, to his friends and his family in Bowling Green, his birthplace, and the center of his district.

□ 2000

Mr. Speaker, it has to be said that there have been in the history of the House, the history of this Congress on both sides of the Hill, important people, men and women, who have served their Nation with particular distinction. But try as I might and with full allowance to the fact that being a native-born Kentuckian myself, I am probably not one to be completely objective here, but try as I might, in searching my brain and the books of this Nation as carefully as I have, it is hard to think of anyone more qualified than Congressman Natcher, our late friend, for holding a distinction as one of the premier lawmakers in the history of our country.

Bill Natcher began serving the Second District of Kentucky in 1953. He was a young man at the time. However, he had already served as county attorney, commonwealth's attorney, he had served his country in the Navy in the service of his land, but he began that service in 1953 and probably never thinking that his service would extend for the next 40 years and for 18,000 plus consecutive votes, which remains a record for this assembly and probably for any free assembly in this entire Nation. But he was sworn in 1953 in a midterm and he was consecutively reelected without a break for the next 40 years until he passed away just recently in this year of 1994.

Throughout his service, Congressman Natcher was at all times a devoted public servant, he was at all times a very diligent legislator who rose as we all know to become chairman of the distinguished House Appropriations Committee. But as it was said in Bill's behalf at the funeral in Bowling Green, which many of us attended, as it was said by his family friend, Bill was never very far away from Bowling Green. President Clinton, who graced KY and Bowling Green and, of course, honored the memory of Bill Natcher by appearing at the funeral, said much the same thing: That Bowling Green was never very far from Bill's mind and heart. It at the same time represented in a figurative way of speaking the fact that Bill never, despite his ascendancy here to a position of great rank, never really forgot his roots, he never forgot his origins. He was born in Bowling Green, Kentucky. He never left it despite his 40 plus years here in Washington, and when the Lord called him home, he wound up his time in Bowling Green and it was so fitting that it would end that way.

Congressman Natcher was educated in the public school system of Warren County, received his degree from what was then known as Western State College which is now, of course, Western Kentucky University, and then Bill received his juris doctor degree, his law degree, from Ohio State University.

Bill began practicing law in 1934, and it was during this time that his public service truly began. He served as Federal Conciliation Commissioner in the period 1936 to 1937, County Attorney for Warren County which is, of course, the county in which Bowling Green is the county seat; he served as county Attorney for Warren County for three 4-year terms, almost 12 years; served as Commonwealth attorney from 1951 to 1953, which I might say also were the years when I was at the University of Notre Dame, reading at the same time about Congressman Natcher, never thinking that at some point I would actually serve with him.

As I mentioned, Bill was elected to Congress in 1953 and served until 1994, a 41-year career.

One of my first recollections of coming into this great Chamber in 1971 when I was elected was the distinguished gentleman from Kentucky, and once again I think of no combination of words that better describe Bill Natcher than "the distinguished gentleman from Kentucky," because he was a very distinguished looking man, very careful in his attire, fastidious, perfectly groomed at all times. He always made all of us look very sloppy and unkempt by comparison. It looks like we just came in from carrying the garbage out to the dump and Bill just stepped out of some gentleman's magazine, but that is how it was with him. The only human being I ever knew who could sit down in these chairs for hours in a row and stand up with nary a wrinkle, and how he did it to this day I still never know.

I watched him often as he arranged himself in these chairs, taking the coat, the tails of his coat and putting them in a certain way and arranging the trousers in a certain way, and I tried to do it many times and I still came away looking rumpled, but Bill always fresh as a daisy.

When the Vice President in Statuary Hall, which is just a few feet away from here, when Vice President GORE spoke at the memorial service held here in behalf of Congressman Natcher, the then Congressman GORE, our colleague in the House, remembered that any time Bill Natcher was in the chair as Chairman or Speaker pro tempore, something important was happening because all the Speakers back to the start, and it goes back in Bill's case to Speaker Rayburn, but in my case to Speaker Albert, they would choose Bill Natcher when they had a tough proposition to handle, they needed someone with parliamentary skills in the chair, they needed someone who commanded respect in the Chamber, someone who was respected, not just by command but by example, and always this person was Bill Natcher.

I was always prone to study his actions and mannerisms as he stood and presided over the House and would get order where there was chaos earlier, and often when I am in the chair myself and I thank the Speaker for inviting me to act as Chairman and Speaker pro tempore from time to time and often when I am in the chair, I think of situations and think, how would Bill Natcher do it? How would he try to get order, or how would he try to handle the recognition of Members, or how would he respond to a question propounded to the Chair.

I was not aware until I read about Bill after his death that while at law school, Bill memorized the Robert's Rules of Order. We do not use Robert's Rules, we use the Jefferson Rules of Order, as modified over the years, but the Robert's Rules of Order are the sort of traditional and much honored set of rules which govern parliamentary activities throughout this Nation. And Bill memorized those, and the fact that that shows some mental acumen which would defy most of us does not surprise me because Bill was an extremely intelligent man, but also it takes a lot of discipline, of plain iron-willed discipline to memorize and memorize something like the Robert's Rules. But Bill did and that, of course, gave him the leg up on every other challenge he ever had from a standpoint of parliamentary rulings because he had that

tucked away in his head and he knew exactly how to respond.

I also know that Bill was an extremely tenacious legislator and along with my awareness of what an important figure he was when I came into this Chamber in 1971 as a freshman Member, I also had the, probably the somewhat misfortune of having a sort of different position on an issue that was particularly close to Bill's heart in those early days. Most Members would never remember the Three Sisters Bridge, but it was a major contentious factor here in the House for a number of years in the early 1970's. I do know that Bill would be able to recite from memory not only Robert's Rules but how everybody voted on the Three Sisters Bridge, or failed to vote as the case might be.

I found out very quickly that I needed to do a little more study about that issue and I needed to study at his knee which I proceed to do, and then I was shriven of my sins.

□ 2010

Chairman Natcher is known for a lot of things including his gentility, his gentlemanliness, his courtliness, his absolute devotion to good manners, as would befit a gentleman or a gentlewoman in this Congress. He also was known, and very admirably so, as one who never took any political funds from any source, not just political action committees, which I myself have not taken money from, but from anybody. Bill Natcher financed his own campaigns. They were modest affairs by the likes that we use today where you can have multimillion-dollar campaigns for a House seat. Several hundred thousand is the norm.

Bill Natcher would get by with a few thousand dollars that he would himself finance, and he would put signs up, and he would sort of go from county seat to county seat throughout his far-flung district. He would talk to his friends. He would say, "I'm Bill Natcher," although everyone knew him, "I need your help in this election," which he never really needed, but it was always nice to be asked. People appreciate being asked.

And so he was, some would say, an anachronism. That word has sort of a pejorative meaning, so only in a very healthy way was he an anachronism. He was a calling back. He was a reference back to an era in which people did not spend great globs of money, did not have to be incessantly raising funds, did not have to be out all the time producing money in order to fund a campaign. So to that extent, he was a kind of an anachronism, but a very healthy and positive example did that set for all of us.

Because in the year, for example, 1992, when Bill ran, he could still do that. He could still have retail politics, hands-on, face-to-face, hand-to-hand politics, and managed to win and win handily in an era in which politics is driven so much by money that we are now in the process of changing the campaign finance laws in order to bring more balance to it and try to reinsert the grassroots at the heart of the political system.

Well, Bill never had to go backward to that, in a sense, because he never was any different from the start in 1953 to the end in 1994 when he voted coming in that door on the hospital bed, devoted to duty despite his personal distress and despite his very great pain. That he would even do what he did was an example of real legislative and personal heroism which I think will be with us for a long time to come.

Chairman Natcher lived and practiced politics in an era when sound bites are of the norm. We try to crunch our statements down to 10 or 15 or 30 seconds, and we try to position ourselves to the cameras, and we try to say the thing which we believe the news editors would find distills the idea of the event. Well, Bill Natcher did not do any of that, because he did not really have to. He not only had a very incisive mind and he had a very intelligent grasp of the English language with that melodious southern drawl of his, he did have a wonderful command of the vocabulary, so he was able to say things when he chose to talk to the press, which was not often, often enough to suit the press, but often enough to suit Mr. Natcher was the rule not so much what the press wanted but what he liked, but when he did, he did not need to go the soundbite routine.

We also live in an era in which we live and die by the telephone and by the fax machine and by the television set and by the cellular phone and by the satellite photography and all of the ways and means we get information back and forth to our districts. But it was said by President Clinton down in Bowling Green that for a while he was wondering when he had to deal with this man Natcher, at the beginning of the Clinton administration, he could not figure out how was he a technician, and of course, I still say Congressman GORE, AL GORE, but Vice President GORE who are on the superhighway of electronics, I mean, how could they deal with a man who had an office that we at least hear had no fax machine and did not have the copiers and did not have all of these high-speed duplicators and things that most of us take as a matter of course. Bill did not really need those things because he, of course, studied the issues. He knew them carefully. He responded to his mail.

He had Diane Rihely and all of those wonderful, as he calls them, his ladies. He is one of the few people who might be able to in this day and age use that terminology in that way, but it was meant obviously without patronizing. It was meant as a great compliment to the staff that he had, which happened all to be women. But they functioned in a very positive way to help Mr. Natcher stay abreast of all of his work.

But he was unusual in the respect that he did not have the extensive staff that many of us have. Yet he still managed to run this giant Committee on Appropriations. He managed every day to make an entry into that remarkable journal of his which, when revealed and opened to scholars and to writers and to political scientists, historians, social scientists, demographers, is going to be a treasure trove. Simply stated, it is a treasure trove.

We who were here for several years, in my case 24 years, with Mr. Natcher through the bulk of these 18,401 votes that he cast consecutively, we will miss him for lots of things including that type of devotion and the fact that he was his own person and he was his own person at a time when there are very few people in political life who are their own people.

Mr. Speaker, I yield to the gentleman from Colorado [Mr. SKAGGS].

Mr. SKAGGS. Mr. Speaker, I thank the gentleman for yielding. I appreciate his leadership in calling this special order for Mr. Natcher this evening.

I just wanted to express my respect and affection for him. All of my family started out in the part of western Kentucky that Mr. Natcher represents, represented. I still think he is with us.

Mr. MAZZOLI. I make the same mistake myself. I use it in the present tense often.

Mr. SKAGGS. Yes. When I first arrived here a few years ago and realized that common root with Mr. Natcher, it was something that I particularly enjoyed being able to talk to him about, because we could talk about Short Creek and Caneyville and Falls are Rough and Litchfield and a whole bunch of little towns down in his district that I used to spend a lot of time in as a little boy visiting grandparents that nobody else around this place, outside the Kentucky delegation, even some of you, probably have never heard of, and being able to have that kind of connection with him was a priceless thing and a source of great joy for me, because I could talk with him a little bit on his own terms, although he was many times my senior in this place.

But it also gave me an insight into his devotion to duty and to the House and to his country and to his district that I probably would not have been able to see quite so well otherwise, a man who was the absolute epitome of integrity.

I was down in the Rayburn garage walking to my car last week and walked by his parking place, and there still under the name tag of Mr. Natcher of Kentucky is his old Chevy Impala, I think, virtually spotless, and if you

could ever picture what a car would look like in a vest, I mean, it was the vehicle, and as the gentleman knows, Mr. Natcher was one of the few Members here who often still was in the three-piece suit a lot of the time, even in the summertime. But just to see sort of his car there was a very poignant memorial of the man and his style and his particular way of doing this job, and in so many ways I think for each of us, and I am privileged to serve on the committee that he chaired with such distinction. Every day, every time we turn around almost there is something here that reminds us of this extraordinary American with whom I was very proud to serve, and I thank the gentleman for yielding.

Mr. MAZZOLI. I thank the gentleman from Colorado. He and I have talked often about his Kentucky roots, and we are always happy to have our colleagues here who either know our State or, in your case, actually have a contact with it, and I think you are exactly right. Passing that car, as I sometimes pass the locker of the gentleman from Kentucky, Mr. Natcher, it does remind me of how important he was to this place and how vivid his memory really is and how hard it is for us to say about Bill in the past tense.

□ 2020

I think for a long time to come those Members among us who served with him for a length of time will probably always consider Bill in a kind of present tense way, which I think is maybe the greatest testimonial to the kind of human he really was.

Mr. SKAGGS. One further comparison: I spent a little bit of time at the University of Virginia in my student days. They still refer to Mr. Jefferson down there as if he had just gone away for the weekend. It would be nice if we could have Mr. Natcher's presence here in the same way.

Mr. MAZZOLI. Well said, well said.

At this time, Mr. Speaker, I yield to the gentlewoman from Maryland.

Mrs. BENTLEY. I first want to thank the gentleman from Kentucky for taking this time to pay tribute to one of the outstanding Members of this body.

Mr. Speaker, the loss of our colleague, Bill Natcher, has diminished the effectiveness of this body by a magnitude that will only be fully realized in the days ahead.

Of his many strengths, the one that I admired the most and felt was the greatest contribution to the stature of the Congress—to all of us—was his respect for the awesome power of the seat. That respect was manifested in his deep sense of responsibility to the House and in that, to the people whom he represented not only in the 2nd District of Kentucky, but across this great Nation.

That respect permeated his every action: from the respect shown toward ideas and concepts, to the patient courtesy displayed, toward everyone, in the most difficult of hearings.

It is a legacy of intellectual integrity and responsibility that should be held up for future generations of the Congress, an inspiration to walk in the footsteps of this extraordinary servant of the people.

You know, I came here 10 years ago as a freshman, but Mr. Natcher always made me feel, and I know he did this with every person who came in contact with him in this Congress, he made us feel important. He made us feel like we were wanted. There was a warmth, a welcome, a "can I help you" attitude always from Mr. Natcher.

When I went on his committee, I was extremely proud and pleased. Initially, as I told him once, I said, "You know, I don't really want to be on the subcommittee that I had been assigned to," and he was the chairman of that subcommittee, Labor, Health, Education, Human Services. I concluded that year last year, and I said, "You know, this has been a real learning lesson for me and one that you have helped so much to make so interesting and so important. And I want to thank you, Mr. Chairman, for doing that."

Again I just want to say to the gentleman from Kentucky thank you so much for taking this time tonight to pay tribute to a truly great American.

Mr. MAZZOLI. I thank the gentlewoman from Maryland for those comments. The gentlewoman's being here adds a lot to our evening. It also points out again what I had said earlier, or tried to say, that Bill was the essence of courtliness and decency and friendliness despite his rank here. When she joined, as I did earlier, even, he was a man of rank, but despite that he was still a person who was down to earth. I think, as I also said earlier, he carried those roots from Bowling Green here to Washington and never forgot Bowling Green and never forgot the way you deal with people. He carried that here, and he exhibited those same wonderful tendencies all throughout his career.

So we thank the gentlewoman for remembering him.

Mr. Speaker, I yield to the gentleman from Wisconsin.

Mr. OBEY. I thank the gentleman for yielding.

I knew Bill Natcher for a little over 25 years, and my experience in observing him was that he was a man of both starch and steel.

My first experience with him came shortly after I went on the Committee on Appropriations and he was my first subcommittee Chair, he and Julie Butler Hansen. I served on D.C. and on Interior subcommittees.

My first experience in dealing with Bill Natcher came on an occasion on which he and I were on opposite sides of an issue. I found out just how tough he was, because he had decided, for reasons that I respected but disagreed with, that he was not going to support funding of the D.C. Subway at that point because he felt that previously agreed arrangements had not been lived up to.

I decided that as a newcomer I thought that that judgment should be changed. So I organized an effort which resulted in Mr. Giaimo from Connecticut offering the amendment to provide the funding for the subway system. And after a long, protracted fight, we won in the House and, I thought then, because the Senate was for it, that we were going to win. But I discovered very quickly that Bill knew the rules. So he simply decided that he was going to try not to bring out a D.C. Appropriation bill at all that year, force us into a continuing resolution, where last year's rules and regulations would prevail. Our win on the floor would have been gone.

It took the combined effort of Richard Nixon in the White House making telephone calls, Egil Krogh, who was handling it for the White House, the Speaker of the House, George Mahon, who was then the chairman of the full Appropriations Committee, and the United States Senate, in order to finally, in the last week of the session, overcome Bill's opposition.

I was having what we know in Wisconsin as "Tom and Jerry" parties in my office during the week just before Christmas Eve. Bob Giaimo came over to my office and decided he was going to have more than one. And Bob said, "You know, Bill is going to remember this for a long time." And he did remember it for a long time. Over the years we got over our differences on that issue, but he taught me then he knew an awful lot about this House and about the rules.

JAMIE WHITTEN, when he had his portrait unveiled in Statuary Hall, was making some comments about some of the subcommittee Chairs on the Appropriations Committee, and he looked at Bill and he looked at me, and he said, "You know, we have two fellas here, Bill Natcher, why, if he died and went to Heaven, he wouldn't go into Heaven until he knew the rules; and OBEY wouldn't go into Heaven until he changed them." Bill got as big a kick out of that as I did.

And I certainly knew Bill Natcher through the years as he chaired the Labor, Health, and Education and Welfare Subcommittee, which was a great love of his. He was regarded with great respect and affection, especially by the folks at NIH. As you know, there is a building named after Bill out there, and justifiably so. I think anyone who dealt with Bill understood he was fair and he was also tough. We will remember that.

I was grateful for the fact that shortly before he died, he and I had a wonderful conversation in his hotel room

out at Bethesda Hospital. He was extremely gracious. He told me the story of how he misspelled his middle name as a child and stuck to that misspelling all through his life.

I told him that, in my view, he had set a record for exhibiting a sense of duty that would never be equaled in this place, and I really believe that. I think we were all fortunate to have served with him, not just on the committee but in the House as a whole.

It is a tremendous privilege to be a Member of this body and not very many people in our country's history have been given that privilege. Bill Natcher never forgot that for one moment.

Mr. MAZZOLI. I thank the gentleman from Wisconsin. The gentleman brings up some very interesting recollections. One I have is that Bill Natcher, as my friend from Kentucky to whom I will yield in a moment will attest, Bill remembered all of the data in all of these budgets. He had that tucked way in his capacious brain.

The story was he said to people that he would know when it was time to leave, unlike some of the jurists and people, he would know when he couldn't recall the data from any budget that he had ever put together in the Committee on Appropriations all the way back to 1953 or '54, when he came on it. As we know from all the breakfasts we have enjoyed over all these years as he was standing before any group, whether it was a Farm Bureau group or a child welfare group, he would have in his brain all of the data from all of the budgets.

□ 2030

So actually he passed on never having lost any of that sharp edge that the gentleman is talking about. His ability to remember, his ability to synthesize this information, was legendary, and he, therefore, becomes one of those people whom I would call an icon of this place, a person who brings credit to it and brings credit to all of us by the very fact that we were able to serve with him.

The gentleman from Kentucky.

Mr. ROGERS. Mr. Speaker, I thank the gentleman from Kentucky [Mr. MAZZOLI] for yielding, and, more than that, I appreciate the gentleman taking this special time, this special order, to allow us to share with him the memories of our dear departed colleague, Bill Natcher.

Mr. Speaker, before I pay tribute to Bill Natcher, I want to pay tribute to the gentleman in the well who has this special order. He is leaving the Congress after this term, and, although we are divided by the aisle of the House, we are not divided by any personal animosities at all. In fact, I regard the gentleman as one of my best and dearest friends, and he has served this body with great distinction and with great honor. He is an independent thinker, and a very conscientious American, and devoted public servant, and I say, "Ron, we will miss you in this body very much."

Mr. MAZZOLI. I thank my friend very much. I thank you.

Mr. ROGERS. Bill Natcher, of course before he came to this body, was in Kentucky a Commonwealth attorney, which is a State prosecuting attorney, which happened to have been my background as well, and I wish I could emulate Bill Natcher, but that is impossible because of my lack of talents. But Bill Natcher came to this body with a great and abiding respect for the Constitution, and this body especially, and a great reverence for law and a great reverence for procedure because he believed, as I do and, I think, the gentleman does, that in procedure, and in the law, and in the Constitution are the guarantees of our individual liberty obviously, and he believed that to the nth degree.

I do not think we will see the likes of Bill Natcher again. Truly he was what I have referred to as an antebellum man, and I mean that in the most respectful and admirable way: "antebellum" of course meaning prior to the great war, the Civil War, in his courtliness, and in his demeanor and in his attitude toward other people which we see lacking, I think, in our world today.

I wish we had more of the civility in our society that Bill Natcher represented. Unfortunately we do not. But he certainly is an example for all of us to try to live up to.

"He is the quintessential Member of the U.S. House of Representatives," one of our colleagues said in an earlier tribute to him here on the floor, words to this effect, that he is the model by which we all should try to conduct ourselves as a Member of this body. Truly he not only was representative in the highest sense of a Member of Congress, but he also set the standards for the rest of us to try to live up to.

Of course Bill was a natty dresser. I say to my colleagues, "He was one of the most handsomely dressed men that you'll ever encounter. I never saw Bill Natcher without a three piece suit on, a very colorful, but conservative, tie, and always with perfectly creased pants and with buttoned coat. You never saw Bill Natcher with his coat unbuttoned, nor without a vest, and his creases were always perfect. And if you noticed when he took his seat in the Chamber here, there was a ritual that he went through to preserve that. There was, before he sat down, the lifting of the coat so as to not wrinkle the back, and then the creasing of the pants as he sat down," and, as was said in the tribute, I think, last week by Speaker FOLEY in Statuary Hall, "always never crossing of the legs because that ruined the crease in the pants."

But he was a very prideful man of his appearance, and rightly so. He was a very handsome man and very handsomely dressed always.

In fact one time a few years ago a secretary in my office told me that she lived in the same building that Mr. and Mrs. Natcher lived in, and she came in one Monday morning and told me she had seen Chairman Natcher in the apartment building the previous weekend. I said, "Where did you see him?"

She said, "I was doing my laundry in the laundry room downstairs, and, as I was doing my laundry, there was Bill Natcher doing his."

And I said, "Well, was he O.K.?"

And she said, "Why certainly."

And I said, "Well, how was he dressed?"

And she said, "Well, we were in the laundry room, and he was dressed in a three piece suit as he did his laundry."

When I first came to the Congress in January of 1981, Mr. Speaker, Bill Natcher and Carl Perkins were the two senior Members of our delegation, and both of them helped me no end to learn a little bit about how to conduct myself in this body. I wish I had learned more. But Bill Natcher always was helpful, as the gentleman has indicated. I tell my colleagues:

"Any problem that you had, political, or legislative, or what have you, personal, Bill Natcher was always there in that seat. And the seat next to it was always open and welcome for any who would come and sit with him, and every Member of this body at one time or the other, and many times in many cases, sat there, and listened, and learned, and asked questions, and was courteously treated and advised honestly and forthrightly. And one of his favorite sayings, as all of us have recollected, I am sure; he would answer a question, and then he would say, 'I say that to you frankly.' Now that meant, when he said, 'I say that to you frankly,' that meant you better write that down because that's the way it's going to be."

"I say that to you frankly," and he said that to presidents, and kings, and the lowliest Member of this body, and to everyone who came in his path, but always with a courteous and humble demeanor, never in a mean-spirited way. I never heard Bill Natcher talk ill of anyone, whether it be across the aisle here in the heat of debate or any other fashion. It was just not in his heart to be uncivil or unkind to another human being.

So, his like will not be seen anymore. He was a man of great intellect. He had a great memory. He had a devotion to his work on the Committee on Appropriations. And of course, as chairman of the committee, subcommittee, that had the largest budget; in fact, the subcommittee on which he was chairman had a budget, I think, that was like the fourth or fifth largest budget of any

government in the world, but he knew every penny in that budget and was able to recite it, as the gentleman has indicated, quickly and repeatedly, and in fact he would repeat it to Farm Bureau groups and others who came here, who had no idea, I think, many times what he was talking about, and yet he was devoted to the extent that he wished to share that with them.

His district bordered mine in southern Kentucky. Bowling Green is an hour's drive from where I live, and our districts abutted each other for all the time that we served here, and we shared a lot of the same types of problems with people where he lived and where my district also is. And he was always devoted to Kentucky. He never forgot that this was his old Kentucky home, and he revered it, and he revered the people there, and he was devoted to their well-being, and he never let us rest when it came to the problems of his constituents.

Interestingly enough, and this has been referred to, but a few people, I think, can probably comprehend this:

In his district of small towns in Kentucky, I think some 22 or so counties, when it came time to campaign for reelection, Mr. Speaker, Bill Natcher did not hire any Washington consultant.

□ 2040

He did not hire even a Kentucky consultant. He did not hire a press secretary. He did not hire any radio commercials or television commercials. That was alien to his way of campaigning.

What he would do campaigning-wise, he would get in his car and he would drive to one town. He would have called beforehand to talk to one or two of his supporters there. And he would arrange a luncheon or a breakfast or an evening meal with four or five of his local supporters. He would not go to the radio station nor the newspaper nor the courthouse, as all of us have to do as mere mortals. He would merely go to the restaurant and meet with his four or five supporters in that county and they would have a good time talking and renewing the acquaintance, talking about what the needs of that community were. He would then drive to the next town, on his own gasoline, as they say, and do the same thing.

The people of that community would know that he was there. He would walk the streets. But he would have no structured events. If a newspaper man called him or a radio station called him for some comment on some issue, he did not do that. That was Bill Natcher, and no one challenged that.

He was able, I guess, to get by with that type of activity, where the rest of us would be sorely chastised for it.

What a wonderful man, what a personal friend he was to so many of us, and so many people around the state and in the country, a personal friend, and that is hard to come by sometimes, particularly in public life where you have to guard what you say and do and be careful what you say to what you may consider a friend. This business is rough on friendships, and it is rough on confidences and that type of thing.

But in Bill Natcher, you could tell him your innermost secret. You could confide in him your most troublesome problem, and be assured, instantly, that there was an open ear, a kind heart, some good advice, and absolute confidentiality. That is hard to come by these days.

As the minister at the Baptist Church in Bowling Green at the funeral so eloquently I thought described the goodness of public service, Bill Natcher certainly is the one example that we can think of that gave all of us a good deal of confidence that public service, after all is worthwhile.

He believed that the greatest gift one can give to the world is public service, honest public service, and that is an example that we need so much these days. In this era of cynicism in politics, particularly, and cynicism in the demeanor of those of us in public life, Bill Natcher stood tall and alone, almost, in the probity, in the stature, in the self-confidence that all of us wish we could emulate.

I know Bill Natcher is listening on this great C-SPAN in the sky this evening, and we want him to know that we loved him and cared for him. More than that, we listened to him, and we will try to emulate his type of public service.

Again, I thank the gentleman for his taking this special order.

Mr. MAZZOLI. I want to thank my friend of many years, Congressman HAL ROGERS, for those wonderful statements. I am sure Bill is watching, and confident Bill is tuning into what he said. The Speaker, as he stood here, as you remember, in telling us Bill was going to have to miss some votes for the first time in his career, did say he thought Bill was going to be watching and still staying very close in touch with what we are doing here, because he is so proud of this place and so proud of being a legislator and a public servant. So he wanted to be there despite his own grievous personal health problems, to show that kind of tenacity and devotion to duty, that fidelity, to come into this Chamber in the side door to cast a vote, when most of us would have long since put that aside, but he did it, as the gentleman said, because he felt strongly about public service.

Mr. ROGERS. If the gentleman will yield, and I will close with this, the one compliment, the one way that Bill Natcher found to compliment you when you did something that he liked, he would say, "You are going to turn out OK in my journal." You know, he kept a journal of the daily activities of his life. We are all anxious to read those notes. They are bound volumes now, stacks on end. And he described in those, we are told, in those journals, the everyday secrets of this place, not, I am sure, confidential matters, but things we will have long forgotten. And he would, he said, write comments in the journals at the end of the day about Members who did something that he liked or did not like. We are all anxious to see what will come out.

But he always would almost threaten you with the journal. And we were all worried about doing something to cross him, for fear that he would write about us in his journal. But he would always, when you did something right, you knew you were complemented when Bill Natcher said, "You are going to turn out OK in my journal."

But I will just say this, my friend, in closing, that I think if we kept journals ourselves, and maybe we should, Bill Natcher would certainly turn out right in my journal.

Mr. MAZZOLI. I thank the gentleman very much.

The gentlewoman from Georgia.

Ms. MCKINNEY. Mr. Speaker, I thank the gentleman so much for organizing this special order, so we could say some nice things about a man who was always so nice to us. I suspect that I might always have a place in Chairman Natcher's journal, and I do not know if I turned out right or not. But I would like to talk about my first experience with Chairman Natcher. It is one that I will carry with me for the rest of my political career.

My very first memory of Chairman William Natcher will last forever. I sat on the floor with my friend CARRIE MEEK anticipating the start of our first joint session of Congress as Members.

CARRIE and I talked about everything under the sun—including abolishing the Appropriations Committee. Little did I know that the elderly gentleman sitting next to me was the Chair of the Committee.

He introduced himself—and this Georgia peach blossom shrank, realizing that I had to try to remove the foot from my mouth—and fast.

Unfazed by my embarrassment, Mr. Natcher was just as nice as he could be. And from that moment on, it became a tradition for the two of us to sit together during joint sessions. He would even help me fight for my seat as more senior Members tried to move me—a freshman with no seniority—to a less than prime location in the gallery. Mr. Natcher would say, "This seat is reserved for my Georgia Peach!"

I miss Mr. Natcher. And tomorrow, when we attend the first joint session since his passing, I will be thinking of him, and I'll know he'll be looking down from heaven for the seat next to his Georgia Peach.

Mr. MAZZOLI. I thank the gentlewoman. That is a wonderful statement.

As we sit here I can look in the back at that very chair where, for all the years I have been here, 24 years, always Chairman Natcher was in that very same seat. And almost always the pictures that would come out from the national news photographers would always have Bill there. He took those sessions very seriously. I think the gentlewoman has risen to a particularly lofty state in her first term by being considered the gentleman's "Georgia Peach." That is a pretty high title, and a pretty wonderful title to be given to anyone, to say the least. I thank the gentlewoman very much for her comments.

My friend from Minnesota.

□ 2050

Mr. OBERSTAR. Mr. Speaker, I thank the gentlewoman for yielding to me.

I had not intended to participate in the special order. I was here for another purpose. But hearing all the wonderful statements about Chairman Natcher, I must add a very few reflections of my own.

My first experience with Mr. Natcher was as Administrative Assistant to my predecessor, John Blatnik, who was a very close friend of Bill Natcher and preceded Chairman Natcher in Congress by several years. John was elected in 1946. But he, too, recounted the story of the Three Sisters Bridge and how Bill Natcher had nothing, no personal interest or reflection or commentary upon the District of Columbia. But there was a law that said that the Three Sisters Bridge had to be built. And he was not going to allow a penny to be spent on the subway until the prior commitment had been met, which was the law.

And John Blatnik said, "You watch. Bill Natcher will not yield an inch."

It was not until the caissons were pounded into the embankment on the Virginia side of the Potomac River and the work begun on building the southern extremity of Three Sisters Bridge that Chairman Natcher finally relented, as now-Chairman OBEY recounted in the House-Senate conference on the continuing resolution, to allow those funds, initiated by the Senate, to be spent for the subway.

The second experience that I had, not directly with Mr. Natcher, but it was confirmed by him, was Speaker Albert, during the dark days of Watergate, when it appeared that President Nixon was going to be, that Articles of Impeachment were going to be issued from the Committee on Judiciary and that impeachment would be brought to the House floor, Speaker Albert told me that he had selected Chairman Natcher to preside over the House because, he said, he is the one person who can command universal respect and national appreciation for the job that would be necessary in these highly charged circumstances to preside with equanimity, with fairness, with dignity and with complete command of the rules of procedure of the House. And so he was right.

I asked Bill Natcher about that some years later. He said, "It is not well-known, but that is true." And he just let it lie there. He said, "I was fully prepared, but I am glad, Jim, you know, I am glad I never had to take that task on," he said.

And a third experience that I shall treasure forever was in 1981, when the first Reagan budget came to the Appropriations Committee. And I found, to my astonishment and horror, that funding for libraries was proposed for elimination.

I did some research, made some comparisons, came armed with sheets of paper, documents, and testified at the Labor-HHS Appropriations Subcommittee hearings.

I said, "Mr. Natcher, are you and the members of this committee aware that in this budget funding for library services would be eliminated? At the previous level of funding, $114 million for the current fiscal year, that there is more money spent in the military budget on marching bands for the combined uniformed armed services than we would have spent for library services and that in the next fiscal year, we will spend zero?"

And he leaned forward and said, "I didn't know that. Thank you for reminding the committee. Jim, you have always been a good member. You have always supported our bills when we brought them to the floor. I can assure you that we are going to deal with this matter, and you will be pleased with its outcome."

That is all you needed from Bill Natcher. He was an impeccable man of his word. But he understood, even the significance of even one of the smallest items in that appropriations bill, library services, he say to it through all his years that that funding remained and that it grew at an appropriate level with full understanding of the importance to small towns and rural areas of bookmobile services and interlibrary loans. And he knew it down to the last detail.

He was a man for the ages and a man to be admired and an example for all of us.

Mr. MAZZOLI. Mr. Speaker, I thank the gentleman from Minnesota for those wonderful words, because Bill is with us in spirit. And he is with us in the embodiment of what public service is about. He appreciates what you have said, because it really does crystallize the fact that he was a master of the legislative detail.

But he was also a human being. He understood the human side of a budget, the human side of a figure on an appropriations bill. That is what made Congressman Natcher such a powerful and important person.

Mr. Speaker, I would like to make just a few more comments. I would like to, of course, mention the fact that we know very well that Bill's 18,401 consecutive votes, which will last forever as a symbol not just of legislative devotion but of, of course, a great knowledge of the way this parliamentary system operates. We know of his journal, the wonderful treasure trove that will yield priceless gems about what has happened in America for these past 40-plus years. We know about all of his wonderful mastery of the legislative detail.

We have heard tonight about his fondness for Members on both sides of the aisle, and we have a pretty good idea, I think, of the fact that Bill Natcher was a devoted family man.

It was said about the fact that, as Congressman ROGERS said, about one of the tenants in the same apartment house seeing Congressman Natcher in the laundry room dressed up to the nines. Of course, he was very much in love with his wife Virginia for many, many years. Her illness and eventually her death obviously was a very severe personal tragedy for Bill and probably did not do his own health any good.

And his daughters, Louise and Celeste, and the family and, of course, we had an opportunity to hear a wonderful statement by, I think it was Christopher, I believe, one of the grandsons who spoke at the Statuary Hall and talked about his grandfather and about how much he as a young man, admired his grandfather and admired what his grandfather stood for.

So Bill was really everything. Bill was a legislator. Bill was a human being of great talent and devotion. He was a father, a husband, a loving grandfather as well.

His passing is a serious blow to this entire body.

Mr. WHITTEN. Mr. Speaker, I would like to take this opportunity to join with all his friends and colleagues here to pay tribute to Bill Natcher.

I could say a lot of good things about Bill Natcher, and every one of them would be true. He was a trustworthy friend and it was a pleasure and a privilege to serve with him during his 40 years in Congress and as my colleague on the House Appropriations Committee.

As chairman of the full Appropriations Committee and its Subcommittee on Labor, Health and Human Services, Bill provided an invaluable service to the Nation, while always remaining faithful to his people back home in Kentucky and his district.

He was a gentleman in every respect and was always called upon when a cool head was needed. You might argue with his position, but nobody could ever take exception to the way he handled himself. He was respected by all who knew him, both here and at home.

He set an example for all his colleagues in conducting himself in an

honest and straightforward manner, both in Congress and in his campaigns.

I will certainly miss Bill's counsel, his friendship, and his leadership.

Mr. MAZZOLI. Mr. Speaker, I yield to the gentleman from California [Mr. DREIER].

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

I appreciate his forbearance. I thank him for taking out this time.

I feel very saddened, first, of course, with the passing of Mr. Natcher. But unfortunately, as many of us were out of the country when he passed on, I was unable to go to Kentucky for the service. I was in China at the time and was really very surprised and saddened. Why? Because I was convinced that that incredible spirit and drive, which we had seen repeatedly embodied in the life of Mr. Natcher, would come back.

We know that many talked about the fact that he spent so much time voting and not focusing attention on his health, that that was slowing his recovery. But we know he finally did focus attention on it. It was a very sad day, of course, when for the first time in his four decades of uninterrupted voting that he did miss that vote.

But I wanted to take just a moment to talk about a couple of instances that I had.

I happen to serve as a member of the Rules Committee. One of the things that Mr. Natcher taught me was that we in this House should operate under the standard rules. He always had a standard line with me over the past several years. He would say, "Now, David, where does the Rules Committee meet?" He said, "I just don't have any idea where you all are."

And the reason he said that is that appropriations bills are privileged resolutions which can come directly to the floor unless waivers are requested. And Mr. Natcher was very consistent in his refusal to request waivers.

He would say to me on a regular basis down here, "David, this place should run under the standard operating rules."

□ 2100

That is why he would quip, "I don't know where the Rules Committee is," because he did not like going right upstairs above this Chamber and testifying before our committee, because he believed very sincerely in the operation which should allow Members to have the chance to offer amendments to legislation, increasing or cutting amendments in appropriation bills, and he stood by that very firmly.

From my perspective, we all know what an incredible gentleman Bill Natcher was, and he was a model Congressman, but from my perspective as a member of the Committee on Rules, I especially appreciated his consistent position as chairman of the House Appropriations Committee, standing there and saying we should operate under the standard rules of this institution.

One other thing, Mr. Speaker. I one day was sitting near his famous seat and he was telling me that his grandson, who appeared on television programs in Los Angeles, near the area that I am privileged to represent. He almost missed a vote, and blamed me for that. I don't think anyone would have brought the gavel down if he was in the Chamber here, but he did jump, as he often did, at the prospect of missing a vote.

One story that he did tell about nearly missing one, and he would have missed this one, it was late one night in the early 1980's. I had just come here. He was driving out of the garage in the Rayburn Building and our former and deceased colleague, Phil Burton, my fellow Californian, had called a re-vote on a measure at about 1 o'clock or 2 o'clock in the morning. Bill Natcher said that he just happened to catch a glimpse, and I don't know if you will recall, but I know you do, RON, a blue screen, and if there was a blue screen on, it meant there was a vote going on. We don't do that any longer.

He said he was just turning the corner there heading to go home and his eye caught that blue screen, and that let him turn around and come back and cast that vote that he might have missed. He was a great man. He was an inspiration to so many of us, and I will miss him. I thank the gentleman very much for taking out this time.

Mr. MAZZOLI. I thank the gentleman from California for those recollections, and they again bear out both the humanity of this man, his legislative skills, his devotion to duty, his patriotism, having served his country, his rigid devotion to the betterment of this place and how to actually make it function in the way it was designed to function. All of those things are so important to this place that his passing is a deprivation to this entire body. I appreciate the gentleman's statement.

Mr. Speaker, I include for the RECORD a statement prepared by Diane Rihely and the staff of the gentleman from Kentucky, Mr. Natcher, which has many personal reflections which I wish there were time to talk about tonight, but there is not. They will be in the RECORD.

I also include an extensive biography of Chairman Natcher which is concluded by that wonderful citation on the Presidential Citizens Medal, the medal that President Clinton awarded to Bill while Bill was out at Bethesda Naval Medical Center. The citation itself is very important.

Mr. Speaker, I also include various newspaper stories, various obituaries, material that would enhance the image of Chairman Natcher.

Last but not least, Mr. Speaker, I take this moment to express to the family of Congressman Natcher our condolences, our sympathies on the loss of their loved one, but I would also extend the fact that each one of us in a sense entitled to some of those same sympathies, because we have lost a great friend and a great mentor.

The material referred to is as follows:

U.S. DEPARTMENT OF EDUCATION,
Washington, DC, April 11, 1994.

Hon. THOMAS S. FOLEY,
Speaker of the House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: On behalf of the U.S. Department of Education, I join the Congress in paying tribute to William H. Natcher, a distinguished lawmaker and a true friend of education.

Over the past 40 years, Bill Natcher exerted a major influence on the Federal role in education. When he came to Congress in 1953, Federal assistance to education was limited to Vocational Education and Impact Aid, and the Department of Education had an annual appropriation of $200 million. The Federal presence today has grown to 240 programs that span every area of education and affect, in one way or another, all of the Nation's 64 million elementary, secondary, and postsecondary students. Under Bill Natcher's leadership on the Appropriations Committee, funding for these programs has grown to over $30 billion per year. He worked with twelve Commissioners of Education and six Secretaries of Education of both political parties and a variety of philosophies—and always with admirable grace and decorum.

Bill Natcher was famous for his often-stated belief that "if we take care of the health of our people and the education of our children, we will continue to live in the strongest country in the world." There is no doubt that he lived as he believed, and did more than his part for a strong America.

Bill Natcher will be missed not only in the halls of Congress, but in every school in this Nation where young people are getting a better education because of him.

Yours sincerely,

RICHARD W. RILEY.

IN REMEMBRANCE * * *

(Diane Rihely and the staff of Congressman William H. Natcher, April 6, 1994)

We wish to share with his friends, colleagues and acquaintances, our fond remembrances of our boss, our leader, and most importantly, our friend. We are privileged and feel honored to have worked with such a truly wonderful and outstanding man.

We always knew when he was approaching the office—he hummed. As a matter of fact, he hummed all the time. Even on the House Floor (microphones on or off).

He frequently, while stirring in front of yet another stack of constituent mail, would wonder aloud "how many times I've signed my name? I'll bet it's a million this year alone."

Monday mornings, he would share with us his weekend activities—most of the time he'd talk about speaking engagements at various events in the Second Congressional District—but sometimes, he would tell us of how he lovingly washed and waxed his 1968 Chevrolet Impala—by himself and in the garage of his apartment building. There was always comments from passersby like—"when you get finished, mine is in space number fourteen" or "looks like you do good work."

Many people have heard Mr. Natcher utter phrases for which he became known—such as "If we take care of the health of our people and educate our children, we will continue to live in the strongest Country in the world."

Probably only a handful, however, have heard him say, when asked if he was having

a busy day, "I'm just standin' on my head." Or, when it had been a long, hard day, "Let's get out of this salt mine." (Meaning the office, of course).

And, when there was a particularly difficult issue or piece of legislation on the House floor, as he was preparing for the ensuing battle, his remark would be "I'm going over to put my dog in this fight." We always inquired if the dog had eaten nails for breakfast.

Some of his favorite phrases—

"I know what you mean."—He always knew.

"I'll tell you frankly."—He always would.

"Let's do it right."—He always did.

Another favorite phrase of Mr. Natcher as he walked out of the office was "I'll be seeing you all in the sweet bye-and-bye." Mr. Natcher, we look forward to seeing you in the sweet bye-and-bye."

For now though, we stand silent before the reality that when a giant passes on, there remains a void that cannot be filled.

William H. Natcher; Democrat of Bowling Green, Warren County, Kentucky, is the son of J.M. Natcher and Blanche Hays Natcher, both deceased. He was educated in the public schools of Bowling Green, Kentucky, with high school at Ogden Preparatory Department, Ogden College. He obtained his A.B. Degree at Western Kentucky University, Bowling Green, Kentucky, and LL.B. Degree at Ohio State University, Columbus, Ohio. On June 17, 1937, he married Miss Virginia Reardon of Bowling Green, Kentucky; two daughters, Celeste and Louise. He practiced law in Bowling Green from March 18, 1934, until elected to Congress. During this period, he served as Federal Conciliation Commissioner 1936–37 for Western District of Kentucky; elected County Attorney of Warren County for three four-year terms and then elected Commonwealth Attorney serving from 1951 to August 1953, when elected to Congress. Baptist, member of the Kiwanis Club, Odd Fellows, VFW, American Legion Post 23, and 40 & 8 Mammoth Cave Voiture 1146; past president of the Young Democrats of Kentucky; during World War II served in U.S. Navy from October 1942 to December 1945. Elected to the 83rd Congress on August 1, 1953, to fill the vacancy caused by the death of Garrett L. Withers and sworn in as a Member of Congress on January 6, 1954; reelected to the 84th, and each succeeding Congress through the present, 103rd Congress; home address: 638 East Main Street, Bowling Green, Kentucky; district offices: 414 East Tenth Street, Bowling Green, Kentucky; Suite #4, 312 North Mulberry Street, Elizabethtown, Kentucky.

Representative Natcher is the Chairman of the Committee on Appropriations. As the Chairman, he serves as an Ex-Officio member on the thirteen Subcommittees. Representative Natcher, in addition, serves as the Chairman of the Subcommittee on Labor, Health & Human Services and Education Appropriations, and has served in this capacity since 1979. The Committee on Appropriations is a privileged committee, and members serving on this committee cannot serve on another standing committee. As provided for in the Constitution all appropriations and tax bills must originate in the House.

As a member of the Committee on Appropriations, he has taken the lead in programs concerning agriculture, education, health, pollution, recreation, new industry in Kentucky, along with all projects pertaining to small watershed programs, research, marketing, extension, school lunch milk programs, sewer, water, airport, flood control, navigation, multi-purpose REA, and all programs essential to and of assistance to the development of private industry.

Representative Natcher has never missed a day in Congress or a roll call vote since he has been a Member. The records of Congress, both the House of Representatives and the United States Senate, show that with the exception of Representative Natcher, no Member has served, beginning with the opening date of the first Congress on March 4, 1789 and continuing for a period of 32 consecutive years or longer from the date the Member was sworn in, without missing one or more votes. Representative Natcher was sworn in on January 6, 1954, and from this date through March 2, 1994 he has 14,161 consecutive roll call votes and, in addition, 4,240 quorum calls. When added together, the total is 1,401. The 1978, 1990, 1992, 1993 and 1994 editions of the Guinness Book of World Records contain a citation concerning the voting record of Representative Natcher. This is now recognized as the world record.

Awards: Distinguished Service Award from National Education Association of the United States; Soil Conservation Citation for services rendered, 1964; Distinguished Service Award by the Legislative Commission of the National Education Association, 1968; National Honorary Membership in Future Homemakers of America; Honorary Member of 4–H Club; Special Meritorious Commendation from AMVETS, 1969; Honorary Membership in Kentucky Association of Future Homemakers of America, 1969; National Legislators Award from National Society of the Sons of the American Revolution, 1970; Award by the College of Agriculture, University of Kentucky, for conspicuous and significant contributions to agriculture, 1970; Citation by the United States Military Academy for ten consecutive years as a member of the Board of Visitors, 1971; Citation by the Department of Agriculture of the Commonwealth of Kentucky for leadership and diligent service, 1971; recipient of the 1971 Kentucky American Legion Distinguished Service Award; Citation by Third District Association of School Administrators for contributions to education in the United States, 1972; Citation by Elementary and Secondary Education Group of Kentucky for services rendered on Title I programs, 1974; National Multiple Sclerosis Society Appreciation Award, 1976; Distinguished Service Award for Development and Progress of the Nation's Agriculture, by the Limestone Institute, 1977; Appalachia Educational Laboratory Award for efforts on behalf of education in the Nation and the Appalachian Region, 1978; Distinguished Service Award, American Society of Allied Health Professionals, 1979; National Honorary Extension Fraternity, State Friend of Extension Award, 1979; Lifetime Honorary Membership Award in Kentucky Young Democrats, 1979; Honorary Doctor of Laws Degree from Western Kentucky University, 1979; Health Service Award, National Association of Community Health Centers, 1980; Meritorious Service to Field of Education Award, Adult Education Association of the United States, 1980; Congressional Award from Young Democrats of America, 1980; KACE Award, Outstanding Proponent for Adult and Continuing Education, 1981; Appreciation Award for Outstanding Service to 4–H, 1982; Selected for membership in the National Honorary Extension Fraternity, 1983; Congressional Award, National Council for Resource Development and American Association of Community and Junior Colleges, 1984; Congressman of the Year Award, National Multiple Sclerosis Society, 1985; Appreciation Award, National Association of Federally Impacted Schools, 1985; Public Service Award, Federation of American Societies for Experimental Biology, 1985; Honorary Doctor of Laws Degree, Howard University, 1986; Recognition Award, American Federation for Clinical Research, 1986; Honorary Membership in National Association for Dental Research, 1986; George M. O'Brien Award, National Kidney Foundation for leadership in the establishment of six new Kidney and Urological Research Centers, 1986; American Association of School Administrators "I Care" Award, 1986; Award, Bowling Green Human Rights Commission, 1986; National Collegiate Athletic Association, Distinguished Service Award on behalf of the National Youth Sports Program, 1986; National Education Service Award, Association of Community College Trustees, 1987; Distinguished Service Award, National Rural Electric Cooperative Association, 1987; Henry Paley Award, National Association of Independent Colleges and Universities for Outstanding Advocacy Service to American Higher Education, 1988; J.W. Marriott, Sr. National Public Service Award for Distinguished Achievement in the field of Public Service, American Heart Association, 1988; Distinguished Service Award, The Committee for Education Funding, 1988; Conservation Person of the Year, Kentucky Association of Conservation Districts, 1988; Award from Edison Job Corps Center, Edison, New Jersey, 1988; Distinguished Rural Kentuckian Award, 1988 by the Kentucky Association of Electric Cooperatives; Carl Perkins Humanitarian Award, American Vocational Association, 1989; Political Leadership Award, Coalition for Injury Prevention and Control, 1989; Recognition for Outstanding Contributions, Southeastern Association of Educatonal Opportunity Program Personnel, 1989. Laureate Award from National School Boards Association for leadership on behalf of America's school children, 1990; Friend of Housing Award, Kentucky Housing Corporation, 1990; President's Award, The American Legion, 1990; Henry T. Yost Award in recognition of outstanding service in support of American higher education, American Association of University Professors, 1990; Certificate of Appreciation for support of Medicare and Medicaid Programs, National Council of Senior Citizens, 1990; Award for efforts to advance biomedical research from the American Academy of Otolaryngology, 1990; Special Recognition Award, Association of American Medical Colleges, 1990; Certificate of Appreciation, Association of American Universities, State Universities and Land-Grant Colleges and American Council on Education, 1990; James G. O'Hara Education Leadership Award, Committee for Education Funding, 1990; Award for contributions to programs to assist the blind, National Federation of Blind of Kentucky, 1990; Dr. Nathan Davis Award, American Medical Association, 1990; Silvio O. Conte Public Service Award, National Alliance for the Mentally Ill, 1991; Public Service Award in recognition of outstanding support of libraries, Friends of Libraries, U.S.A., 1991; Award for Distinguished Public Service, Medical Library Association, 1991; Award, Society for Neuroscience for continued and outstanding devotion to health and betterment of U.S. citizens, 1991; Kentucky Affiliate of American Heart Association award for continuing support of biomedical research, 1991; Certificate of Meritorious Service in recognition and appreciation of distinguished contributions toward advancement of the practice of family medicine, American Academy of Family

Physicians, 1991; Award from Friends of National Library of Medicine for conspicuous service, 1991; Epsilon Sigma Phi, National Honorary Extension Fraternity, Inc., National Friend of Extension in recognition of outstanding public service and support of Cooperative Extension Services, 1991; Housing Hero Award, Homebuilders Association of Kentucky, 1992; Inspector General's Special Integrity Award for steadfast and unswerving support of Office of Inspector General and outstanding service to the American people as chairman of Subcommittee on Labor/Health and Human Services/Education Appropriations; 1992; Citation for Outstanding Public Service, Council For Exceptional Children, 1992; Academic Consortium Special Commendation, the Academic Consortium of The American Psychiatric Association, 1992; 1992 Distinguished Leadership Award, National Dissemination Study Group; Dean's Appreciation Award, The Johns Hopkins University School of Hygiene and Public Health in grateful appreciation for furthering the cause of public health, 1992; Recognition by the National Institutes of Health for outstanding service to the Nation with a groundbreaking ceremony for the William H. Natcher Building, a conference and office complex to house over 3,000 employees at the Bethesda campus; An Award from The National Breast Cancer Coalition, in appreciation of his contribution in the fight to eradicate the breast cancer epidemic, 1993; The Kentucky School Boards Association's 1993 Friend of Education Award for outstanding contributions to education, 1993; First Annual Award from the National Institutes of Health Alumni Association for his strong adcovacy and support of biomedical research; The American Legion Certificate of Appreciation, 1994; National Farmers Union Congressional Appreciation Award in recognition of an outstanding voting record supporting the Family Farm System of Agriculture, 1994; The 1993 National Race for the Cure Certificate of Merit for exceptional leadership and support for legislation pertaining to women's health issues, especially the fight against breast cancer, 1994; Distinguished Alumnus of the Commonwealth's Association of Kentucky, having served as Commonwealth's Attorney for the 8th Judicial Circuit, 1993; Certificate of Appreciation from the Kentucky Association Educational Opportunity Program Personnel for his many years of service to Kentucky's TRIO Students, 1994; Certificate from the Clerk of the United States House of Representatives on casting his 18,401 consecutive vote since being elected to the United States House of Representatives on August 1, 1953, March 2, 1994; Awarded the Presidential Citizens Medal from The President of the United States of America, for his distinguished career in the Congress, March 3, 1994;

The President of the United States of America
Awards this
Presidential Citizens Medal
to
William H. Natcher

Few legislators in our history have honored their responsibilities with greater fealty, or shunned the temptations of power with greater certainty, than William Huston Natcher. Mr. Natcher is a citizen-legislator who reads and answers his own mail, who declines political contributions and pays for his own campaigns, and who has cast, along with his 18,401 consecutive votes in Congress, an unbroken chain of reverence for the opinions of his constituents in Kentucky. On the House Appropriations Committee, he has successfully fought to better cure disease, advance education, and promote the public welfare. Throughout his distinguished career in the Congress, Mr. Natcher has written essays of service that will be read and practiced as lessons by our citizens always.

WILLIAM J. CLINTON.

The White House,
Washington, DC., March 3, 1994.

[From the Courier-Journal, Mar. 31, 1994]

KENTUCKY GENTLEMAN GAVE SECOND DISTRICT AND NATION HIS BEST

(By Mike Brown)

WASHINGTON.—William H. Natcher, the Kentucky congressman who outlived his era to become a political phenomenon revered by colleagues of both parties, died Tuesday night at Bethesda Naval Hospital. He was 84.

The Bowling Green Democrat, who made national headlines recently as he fought to keep intact his record of having never missed a vote in the House, died of heart failure.

"His death was peaceful and in the company of his family and friends," Natcher's office said yesterday morning.

Natcher's health had deteriorated during the past several months, and it was widely reported in Washington that he had congestive heart failure. An intestinal blockage complicated his condition earlier this month.

Natcher won widespread attention for his record of never missing a roll-call vote in his 40 years in the House. His string reached 18,401 on March 3 when his frail condition forced him to stay in the hospital. The day before, his determination had brought him to the House floor on a gurney, surrounded by Navy medical personnel and with tubes in his nose and arm.

But more than his attendance record, it was Natcher's gentlemanly demeanor and rectitude that won the respect of his House colleagues. This was a politician who shunned the press, publicity and many of the modern accouterments that go with public office, including a fax machine. He was a legislator of the 1950s that spawned his House career rather than the 1990s that saw it end.

State Sen. Walter Baker of Glasgow, one of the few Republicans to mount a serious campaign to unseat Natcher, once likened running against him to "running against God. He's up there by himself."

Natcher was born in rural Warren County Sept. 11, 1909. He graduated from Western Kentucky State College (now Western Kentucky University) in 1930 and received a law degree from Ohio State University three years later.

Elected Warren County attorney in 1937, his 12-year tenure was interrupted by World War II service in the Navy. In 1951 he was elected commonwealth's attorney for Warren and Allen counties, and in 1953 he won a special election to Congress, succeeding Rep. Garrett L. Withers, who had died in office.

"They never sent a congressman from the 2nd District who wanted to come up here as bad as I did," he said after winning the seat. He took office in January 1954.

While the 2nd District frequently went Republican in statewide elections, the GOP came close to defeating Natcher only in 1956. That was the year of President Dwight Eisenhower's second-term landslide, which helped put Republicans Thruston Morton and John Sherman Cooper in the U.S. Senate.

But Natcher, running against Republican R.H. Blankenship, won with 52 percent of the vote.

Unlike most congressmen, who usually return for long weekends in their districts, Natcher's fear of losing his roll-call record kept him in Washington and, according to critics, limited his effectiveness.

In later years Natcher himself conceded his record had become a burden, and urged newcomers not to follow his example. "I've told them it might be best in the very beginning to just miss one and get it over with," he said.

Natcher would return to Bowling Green during long recesses and make what he said were solitary drives to county seats to meet constituents individually and hold private luncheons. That was the informal way he always campaigned, though the description is based on his recounting because he refused to let reporters accompany him.

The truth is, the only reporter he ever liked was an absent one. "I'd appreciate it if you would let me alone," he once told a Courier-Journal reporter preparing what turned out to be an entirely positive Natcher profile.

Through his informal contacts and on the strength of his reputation, he was able to hold on to the sprawling district that stretches north from the Tennessee border to the Ohio River. In addition to Bowling Green (Warren County), it includes Owensboro (Daviess County), Elizabethtown (Hardin County) and parts of Jefferson County.

For 18 of his years on Appropriations, Natcher was chairman of the subcommittee on the District of Columbia, by most standards an unwanted job.

In that position he drew the enmity of local Washington leaders by blocking plans for construction of the Washington subway until the District completed work on a freeway system mandated by Congress. A citizens' committee called Natcher "a run-of-the-mill politician" who practiced "unabashed extortion" to force construction of the freeway. His critics were certain he had secret links to the auto and highway industries or to some other special interest. The Washington Post sent a reporter to Bowling Green to check him out. They turned up nothing.

Courier-Journal reporter Ward Sinclair wrote later: "What most don't realize, and they would have no way of realizing since Natcher doesn't talk, is that his intractability most likely goes directly to his background and his reverence for Congress as an institution.

"Many find it hard to believe when he says simply that the freeways must be built because Congress passed a law in 1968 directing that they be built."

In a 1970 profile, Sinclair wrote of Natcher:

"Always conservatively attired and groomed to a fault, Natcher wears stiffly starched white shirts. He doesn't smoke; doesn't drink; is deeply devoted to his family; drives a well-used automobile. His thoughts, his triumphs and his defeats are recorded in a personal daily journal that next year will go into its 18th leather-bound volume. The books are kept in an office safe, and only members of the Natcher family are allowed to read them."

In 1979, Natcher became chairman of the appropriations subcommittee on Labor, Health and Human Services, and Education, which controls the purse strings to most social programs.

In January when Congress convened for the new session, Natcher, who had always appeared robust and far younger than his years, returned week and frail, and rapidly grew more so.

In early February he spent a weekend at Bethesda and checked in again on Feb. 11 for

what proved to be his final stay. Although he left temporarily on three days to make floor votes, he never returned to his Washington apartment.

Natcher is survived by two daughters. Louise Murphy of Los Angeles and Celeste Jirles of Cambridge, Ohio, seven grandchildren and two great-grandchildren. His wife of more than 50 years, Virginia Reardon Natcher, died in January 1991.

Arrangements are pending

[From the Courier Journal, Apr. 7, 1994]

WORDS ABOUT NATCHER

PRESIDENT CLINTON

"Why is it that I am so moved by this man? * * * What is it that he had done that if the rest of us could do it we could really be true to the founders of this country, true to the challenges of our time, we could bring more harmony and a strong sense of community to our people? What is it exactly? And I think what it was is that he found a way to live in Washington and work in politics and still be exactly the way he would have been if he'd been here in Bowling Green running a hardware store. And this country works well when people in Washington treat each other the way they would have to treat each other if they were living in Bowling Green. And it doesn't work very well when everybody up there thinks, 'Oh, this is a different place and we have to treat each other differently and we have to muscle each other around' * * * But somehow Bill Natcher just had enough internal strength and coherence, maybe he was just enough old fashioned, that he literally was able to live every day as he would have lived had he been here all the time. That was the beauty of his legacy."

A HUMOROUS CLINTON ON MEETING NATCHER AND ON NATCHER'S HELP ON THE BUDGET

"I didn't know Mr. Natcher when I became president. I knew about him; nearly everybody in American politics did. Everybody's asking: Can this young guy from Arkansas who has only been a governor, never been in Congress, be president? I was saying: Can a man who doesn't have a fax machine run the appropriations committee?"

"He came to see me one day. We sat alone in the Oval Office and he almost held my hand, which is just about what I needed."

"He said * * * we're going to get through this all right. And you're going to make some hard decisions, and I'm going to help you. Then if we're really lucky we'll get it through the Congress. And you'll have to be willing to be misunderstood for a while, which I thought was a delicate way of putting the position I was in."

HOUSE SPEAKER THOMAS FOLEY

"Public office is a gift, a free gift of a free people. And it is given with a chance to use it in a way that will advance their interests, their needs, their future, their welfare. If anybody I have served with in the last 40 years represented that standard better than Bill Natcher, I know not who he or she is."

JO "TOP" ORENDORF, NATCHER'S LIFELONG FRIEND FROM BOWLING GREEN

"Bill never became Mr. Chairman to the people in Bowling Green. He remained Bill. And none of us here learned anything when he was recognized on the floor of Congress as the gentleman from Kentucky. We knew he was a gentleman long before he left Kentucky."

[From the Courier Journal, Apr. 7, 1994]

CLINTON, OTHER LEADERS SAY GOODBYE

(By Al Cross)

BOWLING GREEN.—A flock of political leaders rarely if ever seen in Kentucky said hail and farewell yesterday to William Natcher, the congressman famous for never missing a vote until he was on his deathbed and for never taking a campaign contribution.

Natcher's legacy is larger than that. President Clinton and House Speaker Tom Foley told dozens of congressmen, other officials and just plain folks at Natcher's funeral.

Both leaders spoke of Natcher's service to others through the federal budget, but "the beauty of his legacy." Clinton said, is the courtesy and civility that he took from this Southern Kentucky town to the Capitol and displayed until he died.

"This country works well when people in Washington treat each other the way they would have to treat each other if they were living in Bowling Green," the president said.

As he boarded a small version of Air Force One at the Bowling Green airport, Clinton was asked if there would ever be another Congress member like Natcher, who served in Congress 40 years and died of heart failure March 29 at age 84.

"It would be hard, probably, to never miss a vote and never to take a campaign contribution, but it wouldn't be so hard to try and conduct yourself in Washington as you would if you were still living back home on Main Street." Clinton said. "That was the really important thing he did."

Natcher really did live on Main Street in Bowling Green, and he was a member of First Baptist Church, where the funeral would have been held, but a fire had destroyed the sanctuary. The service was moved to the town's largest church, Eastwood Baptist, and a joint choir sang.

That combination of circumstances and compromise, so important in politics and Congress, befit the man whose body lay in the flag-draped casket that will be buried in Fairview Cemetery this morning.

"I never met anyone like him," said Foley, of Washington state, who served with Natcher for more than 29 years. "I don't know anybody who epitomizes congressional service * * * more than Bill Natcher."

Before and after he became House Appropriations Committee chairman in 1992, Natcher headed the subcommittee that handles the health, human-services and labor budgets, and one of his favorite aphorisms was that this country would be the world's greatest if it educated its people and kept them healthy.

Said Foley, "There are in so many places today in this country, there are so many millions of people whose lives are better, whose health is stronger, whose future is brighter because of the daily work of Bill Natcher."

Natcher, who represented the 2nd District, also often said that the only epitaph he wanted was, "He tried to do it right," Foley said, "He not only tried. He did it right * * * I don't think he will ever be equaled."

Clinton said Natcher gave the nation "a great gift" last year by helping him pass a budget with a lower deficit and more spending on education and research.

The president said that he and Natcher grew close during that process, and that when they were alone in the Oval Office, "he almost held my hand, which is just about what I needed.

"He said, 'Now, Mr. President * * * we're going to get through this all right and you're going to make some hard decisions, and I'm going to help you * * * and you'll have to be willing to be misunderstood for a while'—which I thought was a delicate way of putting the position we were in."

Clinton spoke of other such warm moments in the hour he spent with Natcher's immediate family before the funeral, said Dave Turner, director of Johnson-Vaughn Funeral Home, who was present for the visit.

"I was blown away. He was very nice and very gracious," Turner said. "You saw a person who was genuinely concerned and genuinely moved by Natcher."

During the service, Clinton got a laugh from the crowd when he recalled that when some wondered whether a young governor from Arkansas could handle the presidency, he had asked, "Can a man who doesn't have a fax machine run the Appropriations Committee?"

Natcher was known also for his frugality, spending less on his office than any other member of Congress, and for his old-fashioned manners and dress.

After reciting those and other virtues and trademarks, Natcher's pastor, the Rev. Richard Bridges, noted that some have called Natcher an anachronism, but he said, "Honor and integrity and duty and faithfulness and civility never go out of style."

Bridges also said, "If his name were to appear on the ballot at the next election, he would be re-elected * * * because most of us would rather vote for a dead Bill Natcher than a living somebody else."

Though Bridges said "there is a great hunger in the land for men and women just like him," he said Natcher is also proof that those who sweepingly condemn the government are wrong. "An honest man can never serve alone," Bridges said. "He can only serve in the company of others who are equally brave, equally as devoted and equally without guile."

That may have been welcome news for the 200 or so guests from Washington, including Labor Secretary Robert Reich, Health and Human Services Secretary Donna Shalala, many congressional staffers and members such as Rep. David Obey, D-Wis., Natcher's successor as appropriations chairman.

Also in the congressional seating area were former Reps. Larry Hopkins, a Republican, and Chris Perkins, a Democrat. Natcher was close to Chris Perkins' father, former Rep. Carl Perkins, and delivered the eulogy at his funeral in 1984.

Perhaps the most moving eulogy yesterday came from retired Bowling Green banker-lawyer Jo T. "Top" Orendorf, Natcher's friend of 70 years. "Bill never became 'Mr. Chairman' to the people in Bowling Green," Orendorf said. "He remained Bill."

Orendorf said he wasn't able to visit Natcher in Bethesda Naval Hospital, where he died. But he said he would have told him. "Goodbye, Bill you did it right. See you soon."

[From the Courier Journal, Apr. 10, 1994]

NATCHER'S FULL STORY NOT YET TOLD

Bill Natcher began our last interview without giving me a chance to ask a question.

"I have one thing to say" the congressman from Bowling Green began, using his firm, familiar tone that brooked no interruption. "I will be a candidate for re-election." We were at the annual Daviess County Democratic picnic last August. The most curious political news of the week was that Natcher's 2nd District had a new resident, former 1st District Rep. Caroll Hubbard, and there had been some silly speculation that Hub-

bard would try to gain the seat if Natcher gave it up.

No chance of that, Natcher made sure we all knew. He stood more than an hour, greeting everyone who approached and introducing them to each other. It was an amazing performance for a man who would turn 84 in a month and would be dead in little more than seven. He bubbled with interesting (but just short of news-worthy) observations about the new president, and it was easy to imagine Bill Clinton serving his term and leaving office and Natcher still a Washington fixture. After all, he went to Congress before I was born, and for about half my life as a voter, he had been my congressman.

I admired Natcher, but for much of my life as a reporter, he was a major frustration because he always refused to let me join him on his solitary sojourns in the district. Maybe he considered such coverage superfluous for a congressman who voted on every question and answered his own mail. Finally, I staked out his home before sunup in hopes of tailing him. He apparently had left before I arrived.

Maybe word of that got back to him. A year later, when I showed up at one of his discreetly arranged lunches with friends and acquaintances in county-seat towns, he introduced me to a friend as "the meanest man in Kentucky." Seems that he blamed me for failing to report that he had given the formal eulogy a few weeks before at the funeral of his colleague and close friend, Carl Perkins of Hindman.

He got over that slight, perhaps learning that it was someone else's omission. I did think his eulogy deserved little mention because it was formal and stiff, without the rich personal analysis that Clinton and those close to Natcher gave at his funeral last week. Natcher relied on formality and tradition, and it didn't always serve him well as the world around him changed.

When he wrote the District of Columbia's budget in secret hearings in the late 1960s, and held up construction of its subway system until expressways were built, many there suspected his motives. But it turned out he was in thrall to a law, not to highway builders, and when the hearings were opened in the Watergate era he earned high marks for his fairness.

His fixation on his chosen course is still with us, is the choice of his successor. In December and January, he was clearly at risk of not finishing this term—much less the next one—and there was quiet talk of other candidates.

But Natcher signed his filing papers in his usual bold hand on Dec. 15, and when the Jan. 25 deadline passed, he was still the only Democratic candidate. No strong Republican had dared to file against him.

The combination of his candidacy and death puts the choice of his replacement effectively in the hands of the district's county Democratic committees, which are closely aligned with Gov. Brereton Jones and former state Sen. Joe Prather, 54, of Vine Grove, who was Jones' campaign chairman and is now the likely nominee. That boxes out Owensboro Mayor David Adkisson, 40, a rising political star who might have won an open-seat primary.

Adkisson's fate is ironic. He is a protege of U.S. Sen. Wendel Ford, whose father, E.M. Ford of Owensboro, was a key player in choosing the Democratic nominee in the last special election in the 2nd District. That was in 1953 and the nominee was Bill Natcher.

We may never know whether Natcher consciously passed up a chance to return the favor to Ford, or whether he returned it long ago in another way. Maybe he thought staying in the race was the best way to make sure Democrats kept the seat, and to keep himself from being a lame-duck chairman of the House Appropriations Committee.

My best guess is that like many people with gradual heart failure. Natcher kept thinking he would get better. Why else would he have allowed the House to suspend business for a day while he was hospitalized and then, a day later, have himself wheeled in on a gurney to cast his final votes?

The answer to these and other questions about Natcher and his era may be in the daily journals he wrote from the start of his congressional career but refused to make public—with some rare and unremarkable exceptions—until after his death.

Natcher wouldn't let us tell his full story while he lived. Here's hoping that he wanted to tell it himself.

REPRESENTATIVE WILLIAM H. NATCHER, DIES AT 84; CHAIRED APPROPRIATIONS COMMITTEE

(By Bart Barnes)

William H. Natcher, 84, the chairman of the House Appropriations Committee and an influential and powerful figure on matters of federal spending, died March 29 at Bethesda Naval Medical Center. He had heart and lung ailments.

Mr. Natcher, a Kentucky Democrat, served more than four decades in Congress, and in 1992 he was elected by fellow Democrats to be chairman of the Appropriations Committee, which controls most discretionary spending.

From 1979 until his death, he also was chairman of the Appropriations subcommittee on labor, health and human services, which has legislative jurisdiction over the funding of hundreds of billions dollars in social service, health and educational programs.

From 1961 until 1979, Mr. Natcher was chairman of the Appropriations D.C. subcommittee, and in that capacity he exercised vast powers over spending by the city government of the nation's capital. He clashed repeatedly with D.C. officials, especially over his insistence that various highway projects be completed before the release of funds for Metro rail construction.

These exchanges grew particularly heated during the final years of Mr. Natcher's leadership of the D.C. subcommittee, when officials of a newly reorganized city government contended that the congressman was refusing to recognize the District's right to manage its own affairs.

On Capitol Hill, Mr. Natcher was known as a figure of consummate courtesy and integrity who did not miss a roll call or a vote from his first day in office until March 3, 1994. His record of 18,401 consecutive votes earned him a place in the Guinness Book of World Records.

The day before his streak ended, Mr. Natcher was wheeled onto the House floor on a hospital gurney. He cast the last four votes of the streak while connected to an oxygen tank and intravenous tubing. On the previous day, the House suspended all legislative action at Mr. Natcher's request to permit the streak to continue.

On the day Mr. Natcher missed his first vote, he was visited in his hospital room by President Clinton, who presented him with the Presidential Citizen's Medal, the nation's second-highest civilian award. The citation said, "Few legislators in our nation's history have honored their responsibilities with greater fealty or shunned the temptations of power with greater certainty than William Houston Natcher."

In a statement issued by the White House press office yesterday, the president said, "In an era of sound bites and high-tech media campaigns, Bill Natcher was a rarity.

"Some may think that Bill Natcher's death marks the end of an era in politics. I hope not. I hope that Congressman Natcher's devotion to public service serves as an inspiration to the young men and women of America for as long as his voting record stands."

As a politician, Mr. Natcher accepted no political contributions, took no honoria for speeches and served as his own press secretary, administrative assistant and legislative assistant. His office staff consisted of "five ladies," as he described them, who answered the telephones, greeted visitors and took dictation.

Erect and immaculate in a starched white shirt and dark suit, it was Mr. Natcher's custom to arrive at work at 7 a.m., open his own mail and remain on the job until dusk. He kept a daily journal of his congressional activities, which had grown to more than 50 leather-bound volumes after four decades in office.

As a legislator, Mr. Natcher opposed efforts to add pork projects to appropriations bills, and he abhorred governmental waste and disorder. At the same time, he always made sure his own congressional district got its fair share of federal dollars. Flood control projects and educational programs for the disadvantaged were among those measures.

He also was proud of the growth in funding for the National Institutes of Health under his legislative stewardship, from $73 million when he first took office in 1953 to more than $10 billion today. On his 83rd birthday in 1992, NIH broke ground on a new office building complex named after him.

"I have always believed that if you take care of the health of your people and educate your children, you continue living in the strongest country in the world," he often said.

Mr. Natcher was born in Bowling Green, Ky., and maintained his official residence there all his life. He graduated from Western Kentucky State College and received a law degree from Ohio State University. While in law school, he memorized Robert's Rules of Order, and he remained a stickler for proper parliamentary procedure throughout his professional career.

After law school, he had a private law practice in Bowling Green. He was county attorney for Warren County, then during World War II served three years in the Navy. After the war, he was county attorney again and then a state prosecutor. He also was president of the Kentucky Young Democrats.

In a 1953 special election, he won a seat in the House of Representatives from Kentucky's 2nd Congressional District after the death of the incumbent. Party leaders united behind Mr. Natcher, and he ran unopposed.

Over the years, Mr. Natcher kept in touch with his constituents the old-fashioned way: He traveled around and talked to them. Rarely did he spend more than $7,000 in an election campaign, and he always used his own money.

During his years as chairman of the Appropriations D.C. subcommittee, Mr. Natcher headed a panel with authority over each line item in the D.C. budget.

In the chambers of the D.C. Council and on the editorial pages of Washington's newspapers, he often was attacked for cuts in the city's budget, ranging from slashes in the an-

nual federal payment to reductions in such measures as staffing for the advisory neighborhood commissions and funding to permit low-income residents to make down payments on homes. Such decisions were the responsibility of local officials, Mr. Natcher's critics contended.

The congressman argued that he was only trying to eliminate inefficiency and duplication in the city government.

In 1937, Mr. Natcher married Virginia Reardon. She died in 1991.

Survivors include two daughters, Celeste Jirles of Cambridge, Ohio, and Louise Murphy of Los Angeles; and seven grandchildren.

[From the Roll Call, Mar. 28, 1994]

REPRESENTATIVE BILL NATCHER, 'OLD BULL' IN BEST SENSE OF THE WORD

(By Norman J. Ornstein)

Brace yourself for the shock, but Rep. William Natcher (D-Ky) is * * * an Old Bull! Yes, one of that hated class, targets of sidewalk camera muggings by "Prime-Time Live," vicious slurs by "60 Minutes," and general obloquy by journalists and "public interest" lobbies everywhere.

It is hard to think of Natcher in that light after the well-deserved praise directed at him from all quarters, including television news shows, when he first made his 18,401st consecutive roll call vote from a hospital gurney, and then was forced by debilitating illness to miss out on number 18,402.

From his post on the Appropriations Committee, and with his courtly demeanor Natcher has not been as highly visible to the Washington press corps or to New York producers as, say, Reps. Dan Rostenkowski (D-Ill), Jack Brooks (D-Texas), or John Dingell (D-Mich).

The fact is, he could have stood at the corner of Connecticut Avenue and K Street at lunchtime any day in the past four decades and attracted no attention whatsoever. He became the focus of airtime and column inches only because his illness brought his incredible roll call record to broader journalistic attention.

That attention now, at the tail end of his time in the House, has finally shown most Americans the Bill Natcher Congress-watchers have known, one whose career has been a model of rectitude and exemplary conduct; its tale could itself be a chapter in William Bennett's best-selling "The Book of Virtues."

Over his 41 years in the House, he has shown time and again the kind of personal style and professional behavior that exemplify all the "old" virtues—honesty, modesty, hard work, fairness, prudence, compassion, decency, institutional loyalty—that we could find in any Frank Capra movie.

Natcher is best known generally for his mind-boggling voting record; he is best known to Congressional insiders and regular C-SPAN viewers for his frequent stints presiding over the House. For years, any time a partisan of ideological controversy has arisen, both sides have agreed on one thing: Save Tom Foley (D-Wash), only Bill Natcher, with his utterly impeccable record for fairness, should sit in the Speaker's chair.

Voting on the House floor, of course, is not the most significant thing lawmakers do; neither does presiding over the chamber rank, say, with marking up legislation in subcommittees. But these activities speak to the broader personal qualities Natcher has brought to his job, that have made him so special among his colleagues. As Rep. Randy "Duke" Cunningham (Calif), one of the fire-breathing GOP junior Members, noted on the House floor, Natcher has always reached out to give insight and the benefit of his experiences and perspective to all Members, especially the junior ones.

Moreover, longtime observers of Congress and especially the appropriations process also know that Natcher's imprint is on most of the social policy that has been implemented over the past three decades, from his post as chair of the Appropriations subcommittee and Labor, Health and Human Services, and Education, which he achieved after many years of service on the panel—i.e. via that dreaded disease, seniority.

And if Natcher has been known for his courtliness and warmth, he has also shown a steely side when it comes to his own sense of national priorities and of careful use of the people's money; Washingtonians with long memories will recall Natcher's toughness when the issue of extended funding for the Metro subway system was considered.

More than anything else, in fact, what Natcher's career demonstrates is commitment to his work as a public servant and to his institution. Bill Natcher never ran for Congress by running against Congress. Bill Natcher never took a gratuitous swipe at his own institution of his colleagues on either side of the aisle. Bill Natcher has spent more than 40 years trying to assemble majorities in the Appropriations Committee and in the House to make policy for the public.

There is nothing more difficult in a complex, geographically, ethnically, and ideologically diverse democracy than assembling majorities. Stitching together widely disparate, independently elected Members of Congress from widely disparate backgrounds and viewpoints into 218 votes for meaningful public policy is tough work.

What distinguishes the best of the "Old Bulls" (in both parties, by the way; the Michels and Hydes as well as the Natchers and Foleys) from the rest of the House is their dedication to doing so—to making things happen when something needs to be done but there is no consensus, to fulfilling their charge as legislators. What distinguishes many of the junior colleagues of the "Old Bulls" is their dedication to posturing over legislating.

Many of Natcher's fellow "Old Bulls" have far rougher edges, more partisan leanings, and more personal peccadilloes—and have gotten far more press attention over the years. Most of it, at least recently, has been relentlessly negative, trashing not just their personal habits or styles but their very existence as old, out-of-touch, corrupt-by-definition, and, worst of all, "career politicians."

But for all their rough edges, most of the "Old Bulls," the Rostenkowskis, Fords, and Dingells, have a lot of Natcher's virtues as well. They too are loyal to their institution and their country, have their word as their bond, work hard, and are more interested in making public policy than logging minutes on camera or jockeying to jump to the next rung on the career ladder.

Bill Natcher is a quintessential career politician, a charter member of the "Old Bulls." As such, he is an extraordinarily valuable role model for all his colleagues—but most especially the younger ones who show no appreciation for their own institution, little sense of fairness or non-partisanship, little grounding in any of the old virtues he represents.

If they achieve their ardent desire and implement term limits for the House, aided by the usual kind of press coverage that treats the term "Old Bull" as an epithet, there will be no more Bill Natchers, or Dan Rostenkowskis, Bob Michels, Henry Hydes, or John Dingells—and likely, many fewer old virtues, along with much poorer legislating and legislation, in the House.

[From the New York Times, Mar. 30, 1994]

WILLIAM H. NATCHER DIES AT 84; HELD VOTING RECORD IN CONGRESS

(By Michael Wines)

WASHINGTON.—Representative William Huston Natcher, a Kentucky Democrat whose political longevity and spotless reputation won him the most powerful committee post in the House, died of heart failure late Tuesday. He was 84.

Outside of Congress, Mr. Natcher was best known for his streak of 18,401 uninterrupted roll-call votes in the House, a feat that ended on March 3, when failing health forced him to miss a vote (on a minor procedural matter) for the first time since he took office in 1954.

But on Capitol Hill, Mr. Natcher was an icon, a lawmaker who educated himself on the issues rather than rely on his staff, who took no campaign contributions, who was visibly offended by hints of corruption and who honored legislative procedures and courtesies to their last jot.

He once said that he wanted his epitaph to read, "He tried to do it right."

Those qualities, and his seniority, landed Mr. Natcher the chairmanship of the House Appropriations Committee in 1992, but only after Jamie L. Whitten of Mississippi surrendered the job.

OBEYED RULES OF COURTESY

The chairman, who effectively controls House action on much of the Federal budget, is one of most powerful figures in Congress. House Democratic leaders had beseeched Mr. Natcher to take the job fro Mr. Whitten months earlier, after Mr. Whitten suffered a stroke, but Mr. Natcher refused to overthrow his colleague.

That sense of fairness also led House colleagues to make him chairman of the body's internal gymnasium committee, where they could be assured that he would allot court time and other amenities without regard to politics or personal favors.

Mr. Natcher was said to take more pride in his voting record, his daily entries in a diary and the weekly essays on history that he sent to his seven grandchildren than in his eminence in the House.

In his district, in central and western Kentucky, he generally campaigned by placing a few newspaper advertisements and driving from town to town in his own automobile. And in contrast to many House members, who operate publicity machines of Wurlitzer proportions, Mr. Natcher issued one press release each year, summarizing his voting record.

TOOK NO CONTRIBUTIONS

In 1990 he spent $6,768 of his own money to rack up 66 percent of the vote against an opponent who had spent $144,315. One Republican who tried to unseat him in the 1980's likened the race to running against God.

Mr. Natcher was born in 1909 in Bowling Green, a middle-sized town in Kentucky's rolling limestone cave country. He was awarded a law degree from Ohio State University in 1933. After Navy service in World War II and a string of private and public legal jobs, he won a special election to the House in August 1953.

Mr. Natcher's record of continuous votes, believed to be the longest in Congressional history, became a burden to him in later life.

He regularly urged newly elected members to miss a vote early in their careers to avoid this fate.

As his wife Virginia lay dying in Kentucky in 1991, Mr. Natcher shuttled almost continuously between her bedside and the House floor to avoid missing votes.

HOUSE SUSPENDS WORK

He was visibly weak in January, when the House returned to business after its winter recess. After he entered Bethesda Naval Hospital, the House suspended voting business on March 1 for one day to allow him to keep his voting stream intact, something the House had never done before for a member.

On March 2, Mr. Natcher left his hospital bed and had Navy aides wheel him onto the House floor on a gurney. There, studded with intravenous tubes but clad in a dark suit, he cast several votes on routine issues.

The next day he was unable to leave his bed, and both his streak and his tenure on the Appropriations panel effectively ended. But while House Democrats voted to place Representative David R. Obey of Wisconsin in command of the panel, they allowed Mr. Natcher to keep the title of chairman until his death.

Besides his grandchildren, Mr. Natcher is survived by two daughters, Celeste Jirles of Cambridge, Ohio, and Louise Murphy of Berkeley, Calif., and two great-grandchildren.

[From the Louisville Courier Journal, Mar. 31, 1994]

THE FINAL ROLL CALL

They don't make 'em like Bill Natcher anymore.

It wasn't just his record of 18,401 consecutive House votes, a record that seems likely to last as long as there is a U.S. Congress.

Mr. Natcher, who died Tuesday night at age 84, did more than just show up for quorum calls. He also epitomized virtues that have become all too rare in American political life, and in much of the rest of American society, as well: courtesy, frugality, honesty.

He accepted no campaign contributions and appeared in no high-priced TV commercials. His campaigns were financed out of his own pocket. In 1992 he spent $6,624. The average spent by House incumbents seeking reelection that year was nearly $600,000.

Of course, he didn't usually have tough competition at election time during his 40 years in the House. Folks in the Second District liked and respected him, and we suspect that most of them couldn't imagine anyone else representing them in Congress.

Many of his colleagues in the House may also find it hard to accept that he's gone. He was admired, and as chairman of the Appropriations Committee, he had a lot of clout—though he wasn't the sort to threaten or intimidate.

Younger politicians can look to his career for guidance. They needn't focus on not missing a vote—in fact Mr. Natcher once said he advised newcomers in the House not to try. It would be enough, it would be a national blessing, if they were simply as decent and dutiful as he.

REPRESENTATIVE NATCHER IS DEAD AT 84—FAMILY AND FRIENDS AT HIS BEDSIDE AFTER LONG ILLNESS, HOSPITALIZATION

(By Mary Jacoby)

Rep. William Natcher (D-Ky), the 26th chairman of the House Appropriations Committee, died Tuesday night with family and friends at his bedside, ending a distinguished 40-year House career and closing the door on an era of whistle-stop campaigning and no-gimmick legislating. Natcher, who was 84, died of complications related to heart disease, according to his office. He passed away around 10:30 p.m. at Bethesda Naval Hospital, where he had been hospitalized almost continuously since early February.

Members rushed to praise the gentlemanly Natcher, who came to Congress in 1953 at the age of 45.

"He set a standard of congeniality with his fellow Members of both parties which is essential for any parliamentary democracy, but harder to find in this modern era," Speaker Tom Foley (D-Wash) said in a statement. "His memory will burn brightly."

Majority Leader Richard Gephardt (D-Mo) called Natcher a "constant inspiration" who "weighed every legislative decision with * * * weight and seriousness and purpose."

Rep. David Obey (D-Wis), elected acting Appropriations chairman last week and soon to be head of the committee in his own right, described Natcher as "an absolute rock of integrity."

Natcher's closest friends in the House remembered their long association with the legendary Natcher, who set a record of 18,401 consecutive recorded votes before his illness forced him to abandon the string in early March.

"He was fun to be with because he was full of anecdotes," said Rep. Sid Yates (D-Ill), who served 40 years with Natcher in the House. "He and I used to sit around and compare notes about the early days under Speaker Rayburn."

Rep Sonny Montgomery (D-Miss) said he considered Natcher one of his closest friends. But even friendship couldn't shield a Member from Natcher's keen memory of legislative events, he said.

"It was interesting. One time I voted against one of his bills, and he didn't forgive me for two years. And I ate breakfast with him every morning. He'd look up at me and say, 'Remember you voted against my bill three years ago?'"

"It's not going to be the same,"

Montgomery added. "We might just save his place down at our breakfast table for a while."

Natcher ran his office like he ran his life—spartan and efficient. He resisted the modern era, refusing to buy a fax machine. His Washington staff numbered seven at his death—one-third as many aides as he was authorized to hire. He employed all women and paid his top aide $50,000 a year, according to House records.

Remarkable in this age of million-dollar campaign budgets and high-tech advertising, Natcher never accepted campaign contributions and spent his own money on re-election.

In 1982 and 1984, Natcher spent a combined $21,000 to win elections against challengers backed collectively by hundreds of thousands of dollars. Seven times in his career Natcher was unchallenged in the general election. He usually won with 60 percent or more of the vote.

Yates recalled a conversation Natcher said he once had with Rayburn, a man from a modest Texas farming background who adhered to Natcher's campaign values but found even he had to bend to the modern era.

Recalled Yates, "Natcher went into the cloakroom one day, and there was Speaker Rayburn sitting in one of the armchairs. And Rayburn said to him, 'I suppose you didn't raise any money again for your campaign.'

And Natcher said, 'Yes, that's right, Mr. Speaker.' And Rayburn told him, 'Based on my experience, you're going to regret that one day.'"

Said Yates: "Well, he never did. He always used his own money."

Natcher never had to submit to exhausting fundraising rituals—and the charge of selling his vote to special interests—because he had built up a sturdy political operation at home that ran on auto-pilot, Yates said.

In Washington, Natcher exercised every day, riding an ancient stationary bicycle in the House gym that was removed last month after he became ill. At night, he would take a long way.

Natcher also kept meticulous diaries filled with his impressions of House Members and events. Every 300 pages, he would ship the volumes off to the Government Printing Office to be bound at his own expense.

Natcher had said the diaries would be released after his death.

Natcher—at age 83—became Appropriations chairman in 1992 after ailing Rep. Jamie Whitten (D-Miss.) stepped down.

In the year Natcher headed the committee, he remained opposed to earmarking and protective rules for the spending bills on the floor, although the Rules Committee usually issued rules anyway.

But his wife's death in 1991 took its toll on Natcher, according to friends. While she was seriously ill, Natcher flew back and forth between Kentucky and Washington, preserving both his devotion to his wife and to his voting streak.

Then, in February, Natcher drew national attention as he struggled to maintain his voting record, leaving Bethesda Naval Hospital during the day to vote and returning at night to recuperate from the strain.

In an unprecedented move, House leaders canceled legislative business on March 1 to enable Natcher to seek medical attention for intestinal blockage. Natcher had said he would rather forgo treatment than miss a vote.

The next day Natcher was wheeled onto the floor on a hospital gurney to cast votes. He had tubes attached to his arm and nose and returned, exhausted, to the hospital that night.

On March 3, Natcher released a statement saying he had "very reluctantly" decided to remain in the hospital, missing his first day of work in his professional life. His streak was over.

Natcher had been present for 18,401 consecutive recorded votes—14,161 roll calls and 4,240 quorum calls.

Yates said he once asked Natcher what would cause him to miss a vote. Natcher recited a telephone number and said, "You can call this number to find out," Yates recalled.

"I said, 'What's that?' He said it was the number of a funeral home back in Bowling Green. And it was almost true, except that at the end he was so close to death that he just couldn't vote anymore."

Natcher was born in Bowling Green, Ky., and graduated from Western Kentucky State College in his hometown in 1930. He received a law degree from Ohio State University in 1933 and moved back to Bowling Green to start a law practice.

From 1938 to 1950 he was Warren County attorney and served in the Navy from 1942 to 1945. He was elected to Congress in a 1953 special election to fill a vacancy caused by the death of Rep. Garrett Withers (D).

Natcher is survived by seven grandchildren and two daughters, Celeste Jirles of Cambridge, Ohio, and Louise Murphy of Berkeley, Calif.

Funeral arrangements are pending.

[From the Courier Journal, Mar. 1, 1994]

QUIET HERO

(By John Ed Pearce)

This old anvil laughs at many broken hammers. There are men who can't be bought." From The People Will Live On, by Carl Sandburg.

It may well be as much saddening commentary on our times, and on the low level of public service, as on the life and times of William Natcher, that he is praised in recollection to only for what he did but for what he did not do.

In a day when far too many public men seemed steeped in weakness, if not evil, he was, simply a good man, a man who did his duty as he saw it, representing the people of his district within the bounds of his conscience.

It is a fortunate man who can do that today, and Natcher was fortunate that he fit so well the part of our state he represented. His was a congressional district remarkably of a piece in a state of division and differences. He might not have survived 40 hard years in Congress had he been sent by a more diverse and demanding district, might not have been able to answer the varying command of clashing races, of unions against management, farmers against industry.

So, too, was the Second District fortunate to have Bill Natcher. For just as he was known as a man who did the right thing as he saw it, so did he avoid the wrong. When the time of choice arrived, he did not do the bad thing.

What is the reward for the man who takes the political road less traveled? Bill Natcher was one of the most powerful men in Congress; he could have amassed a fortune, lived lavishly. He could have, like most of his fellows, taken campaign contributions, using for his own benefit those funds not spent. No one would have blamed him for taking an easier way. But surely he should be remembered for not doing so.

His record reads with a peculiarly old-fashioned sound. He was not a spectacular lawmaker, but he kept an eye on the people's money. He opened his own mail, drove himself to work each morning, watched office expenses.

* * * * *

But he felt he was sent to Washington to vote, and so he would vote. He never missed a vote in his 40 years in Congress until time, age, the toll of work and a tired heart cut him down.

Those who chafe at the drag of custom and tradition and feel the need to fit the changing times may well question the impact of William Natcher on tomorrow. From a conservative district, he was conservative. He seldom heard the call of tomorrow strongly enough to move far ahead of today. The Second District of Kentucky has seldom flown the banners of liberalism. In this time, it nurtured the forces of the Confederacy. Only recently did its tempo quicken from that of the farm to that of the assembly plant. Change comes slowly when it moves to the rhythm of seed time and harvest.

And with the slow and steady pace of seasons, Bill Natcher worked to serve his people, with a quiet virtue that made him seem out of place among the bawling voices of mean attack and self-praise that crowd the stage of Washington. He brought home his share of lakes and roads and such projects as he could defend in good conscience.

He considered it improper to accept campaign contributions, knowing such gifts made one obligated to the giver.

He refused to make television commercials extolling his own virtues and seeking to damage his opponent. In a day of the talk show and the multi-microphone interview, he shunned publicity, avoided reporters and kept in touch with his constituents by the old-fashioned method of visiting and talking with them.

Progressives may question some of his votes, but no one can question his character or his conduct. And it is worth noting that a new health building will be named in honor of his efforts on behalf of health improvement laws.

It is said that the statues to the quiet heroes stand in the hearts of those they served. And what monument can we raise as reverent as the fact that in seeking his successor, we will look for the virtues that marked him?

Mr. McDADE. Mr. Speaker, It was a great privilege to serve in the U.S. House of Representatives with our late colleague, Bill Natcher. Congressman MAZZOLI and the Kentucky delegation are to be commended for organizing this special order to honor a truly special man.

I am not exaggerating when I say that there was no one like him before and I am not overstating the facts when I say there will be no one like him again. Bill Natcher was one of the most distinguished and dedicated Members to ever serve in the U.S. House of Representatives.

Certainly Bill Natcher will be remembered for his 18,401 consecutive recorded votes. While that is an unparalleled achievement not likely to be surpassed, Bill Natcher should and will be remembered for so much more. He made a lasting legislative imprint with his leadership in drafting the annual Labor, HHS and Education appropriations bill. That bill impacts the lives of millions of Americans by funding such things as employment and training services, occupational safety, health delivery programs, Head Start, rehabilitation services, and student financial assistance.

Bill Natcher was remarkable in many ways. He will be remembered for being elected and reelected 20 different times without the expensive, high-technology campaigns which are now the norm. He never accepted political contributions, and he tended to the needs of the people of his Kentucky district with a bare-bones office staff and a roll-up-your-sleeves approach to constituent service.

Those of us who knew him personally will warmly recall his integrity, collegiality, and his devotion to doing what was right for the people of his district and our great Nation. I feel very fortunate to have worked closely with him during the past several years when he served as chairman of the House Appropriations Committee and I served as ranking Republican. The committee has always put partisanship aside in the interests of enacting appropriations legislation which serves the citizens of this Nation. Bill Natcher carried on that tradition in grand style, earning the respect of his colleagues from both political parties on the committee and in the House.

There were, of course, moments of disagreement, but Bill Natcher never ceased to be a gentleman and a credit to this institution. You could disagree with Bill Natcher and never jeopardize your friendship. He carried himself with great decorum, whether he was presiding over the chamber during a controversial debate or guiding the Appropriations Committee during a time of tightening budgets.

Bill Natcher will long be remembered not for the length of time he spent in Congress, but for the high quality of his service. His life serves as a model to those of us who have been elected to public office. Any young person who is interested in public service should study the writings and actions of Bill Natcher.

My sympathies go to Bill's two daughters, Celeste Jirles and Louise Murphy, and seven grandchildren. They can take great comfort in knowing what a rare and special man their father and grandfather was. The people of this Nation, and those of us who served with Bill Natcher, are richer for his contribution to the Congress.

Mr. BUNNING. Mr. Speaker, it is an honor for me to hold this special order to give more of our colleagues the opportunity to pay their final tributes to a great Kentucky gentleman and a great U.S. Congressman, William H. Natcher.

Chairman Natcher and I didn't share the same political party. We didn't see eye to eye on every issue. But he was a leader. He was a gentleman. And he was a friend. I respect him greatly. And I will miss him much.

The Kentucky Post, one of the major newspapers in my home district, recently referred to Chairman Natcher in an editorial headline, as Capitol Hill's "Man of Steel".

They were, of course, referring to the 40 years during which Bill Natcher never missed a day of work; the 40 years that Bill Natcher never missed a recorded vote; the 40 years that Bill Natcher devoted to public service here in the U.S. House of Representatives. Forty years of unblemished, untarnished, and unquestioned integrity.

And "Capitol Hill's Man of Steel" is definitely an appropriate way to remember Bill Natcher today, because Chairman Bill Natcher was indeed a "Man of Steel" when it came to his convictions. They never wavered.

He was a man of steel when it came to his commitment. It never faltered. For 40 years, while 9 presidents came and went. While seven Speakers of the House came and went—Bill Natcher was there day in and day out, quietly going about the business of doing the people's business

He didn't showboat. He didn't make a lot of speeches. He didn't schmooze with the press. He just quietly went about the business of public service, because he believed in it.

When you looked at Bill Natcher, it was easy to believe that he was indeed a man of

steel. He always stood so straight and tall—like he had a ramrod for a backbone. Never wrinkled—never rumpled, never mussed. Always courtly in appearance, with a pleat in his trousers as sharp as a knife.

And he got the job done. During the years he presided as Chairman of the Appropriations Subcommittee on Health, Human Services and Education, the appropriations bill was on schedule and under budget. It took firm resolve and hard work to get that done. It took a "Man of Steel."

But Bill Natcher was more than an "Iron Man" and it was that other side of the man that those of us who knew him personally, loved and respected the most.

And I hope that side of Bill Natcher will end up in the history books along with the voting and attendance records that he left behind. Because it was that other side of Bill Natcher that made the biggest mark on me—his warmth and generosity of spirit.

The stories you could tell to illustrate this side of Bill Natcher are endless.

Eighteen years ago, my chief of staff, Dave York, worked for my predecessor, Gene Snyder. He would occasionally bring his 6-year-old daughter, Rebecca, into the office with him on Saturdays.

Rebecca would disappear. And Dave would go looking for her. Invariably, he would find his daughter across the hall in Bill Natcher's office sitting on the chairman's knee as he read to her from one of the letters he wrote his own grandchildren every week.

That is the side of Bill Natcher I am talking about.

Some years ago, on a fall morning you would find Bill Natcher, walking out onto the lawn of the U.S. Capitol, stooping down every now and then to pick up buckeyes which had fallen from one of the trees. He would call it his harvest.

Then this man, who was the chairman of one of the most powerful subcommittees in the world, and who was destined to be the chairman of the full Appropriations Committee, would take those buckeyes and polish them a bit, wrap them in tissue and put them in a gift box he had saved from birthdays and Christmases to pass out to visiting constituents.

It is stories like this that illustrate the side of Bill Natcher that I will cherish in my memories. The compassion. The gentle spirit and the genuine thoughtfulness that made him truly great in my book.

I also believe that it was this side of Bill Natcher that actually gave him the strength of purpose and commitment that helped make him the "Iron Man of Capitol Hill." The iron man was driven by a soft and gentle heart full of compassion.

Chairman Bill Natcher's philosophy was simple. He wasn't shy about sharing his beliefs. I guess I heard his spiel a thousand times in the 7½ years I was in Washington with him. He repeated it virtually every time he spoke before a group of Kentuckians visiting Washington. It wasn't a complex philosophy.

He simply said, "If you educate your children, and if you provide for the health of your people, you will continue to live in the strongest Nation in the world."

He believed that. And he helped make it happen.

That was Bill Natcher. A man of iron will and steel commitment driven by a heart full of gentleness, compassion, and caring. That is what made him great.

Mr. BEVILL. Mr. Speaker, I rise today to pay tribute to my long-time good friend and colleague, Chairman Bill Natcher of Kentucky, who passed away in March.

Much has been said about Bill Natcher's outstanding career as a Congressman and much has been said about his matchless voting record. Certainly, he was one of the most respected and dedicated Members of the Congress to ever serve our Nation. And, it's likely that his long, unbroken voting record will never be beaten.

But, most important, Bill Natcher was a wonderful person who cared deeply about his family, the people of his district, his State and Nation. He devoted himself to them and served them with great dignity and integrity.

Bill Natcher was highly principled, always a gentleman and set very high standards throughout his 40 years in Congress. He will always be an excellent role model in every respect, not only for current Members, but also for future Members and anyone else who serves in public office.

On many occasions, I saw Bill stand up for what he believed in. He did it with determination and firmness, but also, with good manners. In his role as chairman of the House Appropriations Committee, he served with great tact, diplomacy, and leadership.

I was impressed with the time, energy, and devotion he gave to corresponding with his grandchildren each week.

I predict that his record of events spanning his 40-year congressional career will make excellent reading.

I enjoyed my friendship with Bill Natcher over the years, especially the time we spent together on the House Appropriations Committee. I will always remember him with fondness and respect.

Bill Natcher will be missed, but his service to his district, his State, and our Nation will never be forgotten.

He was one of the finest public servants who ever lived.

Mr. GOODLING. Mr. Speaker, oh, how I wish that the American public had the same image of the Congress of the United States that the Members of Congress have of Mr. Natcher. What an honor it was to have served in the Congress of the United States for 19½ years with the perfect gentleman from Kentucky. I always knew I had an ally when I went before the Appropriations Committee fighting for child nutrition and education moneys. I always knew that what Mr. Natcher said, Mr. Natcher did.

Beyond his dedicated service as a Member of the U.S. House of Representatives, was the magnificent human being from Kentucky. I can remember when dad left Congress, he said he won't miss the job but he will certainly miss his friends. I certainly miss and will miss Congressman Bill Natcher; as I know will be true of his family, who he loved so much and talked about so often.

Well done my good and faithful servant.

Mr. GALLO. Mr. Speaker, we have gathered today to honor the memory of an individual who touched us all in very personal ways—our friend and colleague Bill Natcher, the gentleman from Kentucky.

It is a measure of our times that Bill Natcher became well known across the country for his amazing voting record in this body, with more than 18,000 consecutive votes cast—a record that will most probably never be equaled.

Inside the beltway, of course, he was best known for the important role which he played on the House Appropriations Committee, ending his career as chairman of that committee.

But to many of us, he was known simply as a gentleman and as a friend.

In fact, Bill Natcher's many kind words and his dedication to service defined for many of us the word gentleman during his many years in the U.S. House of Representatives.

As a member of the House Appropriations Committee, I had the honor to work closely with him and to have many fond memories of his wit and wisdom and of his many good works as chairman.

He had a smile and a kind word for everyone he met in the Halls of Congress.

He treated Presidents and pages with the same gentle consideration, courtesy, and respect.

And, anyone who knew him knew that his kindness was genuine and that it was a part of his nature. He was not a gentleman by profession, but by nature.

No one could share an elevator with Bill Natcher and not come away feeling better than before.

He always had a kind word for everyone he met. He was a good friend to a great many people. He will be greatly missed.

Mr. Speaker, I join with my colleagues today to remember Bill Natcher, a dedicated and powerful Member of Congress who never lost touch with his own humanity or with the feelings of the people around him. I am proud to join with you in honoring this gentle man from Kentucky.

Mr. HYDE. Congressman Bill Natcher was ramrod straight, both in physical appearance and the conduct of his office. He was an example of what a Congressman should be. His natural reserve and formality added to his aura of stature and rectitude.

He did more for the poor and despised of our country through his always effective leadership as chairman of the Subcommittee on Health and Human Services of the Appropriations Committee than anyone I can imagine. It was impossible to say "no" to Bill Natcher.

He always defended the unborn, even when it was unpopular with many of his colleagues. There are literally millions of people alive today because Bill Natcher would not let them be aborted.

To call a political figure great is by now a cliché. There are so few truly great people. But by any standard, Bill Natcher was great. I have been blessed to know and work with him.

Mr. CRANE. Mr. Speaker, the House of Representatives and the Nation have lost an outstanding legislator and a true gentleman with the passing of our colleague and friend, William "Bill" Natcher of Kentucky.

It is certainly doubtful that his unbelievable attendance of over 40 years will ever be equaled. But Bill Natcher leaves more than a record-setting 18,401 consecutive rollcall votes behind him.

Death took him as he served as chairman of the House Appropriations Committee—the committee to which he had given so many years of his life, always doing his utmost to fight any unnecessary spending of the hard-earned dollars of taxpayers.

Before taking over leadership of that very important committee, Bill Natcher served his Kentucky constituents as well as his Nation by dedication to duty as chairman of the Subcommittee on Labor, Health and Human Services and Education Appropriations, which he took over in 1979.

For 40 years he served his country in the House of Representatives as few others in history have served. And before he brought his talent and kindness to this body, he also served his country for over 3 years in the U.S. Navy during World War II.

As we witness the media take its daily swipes at Congress in efforts to increase circulation and lift ratings, we wonder why they never took the time to point out another side of Congress—that best represented by Bill Natcher. Bill Natcher was an honorable, dedicated public servant.

In his four decades of duty here in the House of Representatives, Bill Natcher continuously displayed, as one observer noted, "the kind of personal style and behavior that exemplified all the 'old' virtues—honesty, modesty, hard work, fairness, prudence, compassion, decency, institutional loyalty."

It was not only a pleasure to serve with this kind, warm individual—it was a privilege to serve with William "Bill" Natcher, truly one of the outstanding figures in U.S. congressional history.

Mr. APPLEGATE. Mr. Speaker, I wish to join with my many colleagues on both sides of the aisle in recognizing a truly outstanding and much loved Member of this House, someone who taught us many important lessons about who we are, and who reminded us that we should never forget where we come from, the late Honorable Bill Natcher of Kentucky.

Throughout my term of service in the House of Representatives, I always enjoyed and greatly appreciated my working relationship with Mr. Natcher. For many of us, Bill Natcher was the last remaining link to a past in politics and statesmanship that will be forever lost. He showed us how campaigns could still be conducted with just a few bucks from your pocket and without any fast-talking strategists and political advisers. He taught us about frugality, not only when it came to working out a Federal budget, but just as equally when it came to operating a lean and efficient office. Bill Natcher was his own chief of staff and he spoke as his own press secretary.

But no one should ever doubt the deep and abiding commitment and sincere respect and love that Representative Bill Natcher held for this institution. You only need to look at his consecutive voting record of more than 18,000 recorded votes since first coming to Congress over 40 years ago to fully understand his dedication.

I will miss Bill Natcher, as a good friend and a faithful colleague. I extend to his many friends and to his family, including his daughter, Celeste Jirles, who resides in Cambridge, OH, in my congressional district, my very deep regards and sympathy upon the passing of this true giant of the U.S. Congress.

Mr. STOKES. Mr. Speaker, I want to express my appreciation to the distinguished gentleman from Kentucky [Mr. MAZZOLI] for reserving this special order in honor of our friend and colleague, the late Bill Natcher.

We gather to pay tribute to a dedicated individual whose 40-year tenure in the Congress earned him the respect and admiration of all who knew and served with him. I was proud to have known Chairman Natcher, and I join my colleagues this evening in celebrating his life and contributions to this legislative body and the Nation.

With the passing of Chairman Natcher, the Second Congressional District of Kentucky and the Nation have lost a fearless leader and champion. Chairman Natcher served his constituency and the Nation to the very best of his ability. He was a committed public servant who gave selflessly of his time, energy, and talents.

Mr. Speaker, in reflecting upon the legislative career of Chairman Bill Natcher, words such as hard-working, conscientious, and one-of-a-kind are used to describe an individual who was easily one of the most respected and admired Members to ever serve in the U.S. Congress.

When he was elected to this body in 1953, Bill Natcher brought to Washington a passion for public service. His commitment not only earned him a perfect attendance and voting record, but it won him the admiration of his colleagues and his constituency.

Prior to his illness, Chairman Natcher never missed a day in Congress or a rollcall vote. He cast a historic 18,401 votes during his tenure in the House. We are proud to note that the historical records of the Congress will reflect the fact that this record is unsurpassed.

Bill Natcher served with distinction as the chairman of the House Appropriations Committee. His leadership of this powerful panel was exemplary. Chairman Natcher was a champion for education, health, and the environment. He was not only a skilled legislator, but he was fair and conscientious in his decision-making.

Mr. Speaker, I was privileged to serve on the Appropriations Committee under Chairman Natcher. When I recall Chairman Natcher, I remember his love for this institution, for his family, and for his country. I recall his legislative brilliance and strong leadership. I also fondly remember our close friendship and the personal interest he took in my career.

Mr. Speaker, we are honored to have had the opportunity to serve in the Congress with Chairman Natcher. He will be remembered for his honesty, compassion, and loyalty. Above all, we will remember Chairman Natcher as a role model and statesman. His devotion to public service and distinguished record serve as an inspiration to each of us. Chairman Natcher has earned a very special place in history, and he will never be forgotten.

Mr. ROWLAND. Mr. Speaker, people are already using the term "legendary" in reference to William H. "Bill" Natcher, our beloved friend and colleague whose public career spanned more than half a century.

No matter how bitter the debate, Congressman Natcher always used his position and influence in a fair and evenhanded and well-reasoned manner. He was, in fact, regarded by everyone as a gentleman in the truest sense of the word. Yet, he could be a very tough and determined opponent. He was certainly one of the most highly skilled legislators to ever serve in this body. Although he is among the greatest legislative achievers of our time, he was characteristically modest about these achievements, quick to give credit to others and usually avoiding the media attention he earned.

As the publication "Politics in America" noted, Congressman Natcher was not a man to bend with the times. He was noted for not accepting campaign contributions and for campaigning the old-fashioned way, often driving unaccompanied through his district and meeting with constituents on an individual basis. As chairman and longtime member of the House Appropriations Committee, he was an implacable foe of any spending he perceived as "pork barrel." In that respect, "Politics in America" pointed out that the times had begun to bend with Congressman Natcher during the past several years as pressure for greater fiscal responsibility in Washington increased.

For these reasons, and more, few people who have served in this body have been held in greater esteem than the gentleman from Bowling Green, KY.

Mr. EMERSON. Mr. Speaker, Bill Natcher was one of a kind, and I feel very blessed to have served with him, to have learned from him, to have heard many of his wonderful stories, and to have counted him a good friend.

Throughout my 14 years in Congress, Bill was, of course, so very senior, very eminent, very respected. But he always had time for a pleasant exchange, and kind word, a story, and, yes, when necessary, to focus on the business of importance to we rank and file who needed to talk with him about something in particular. He always tried to help, to be constructive, and he always carried out his business in the most deliberate, kind, and gentle manner.

It was axiomatic when the leadership, for the consideration of the most contentious legislation, wanted the fairest of the fair, the most objective and evenhanded person presiding, Bill was in the chair. The whole House knew that and appreciated it. Once, when in the course of debate a lot of us were scrambling to be recognized, he recognized someone ahead of me, following which he motioned for me to come to the chair. He said, "I should have recognized you. I think you were first on your feet, but I didn't see you out of the corner of my eye in time. You will be next." I hadn't thought anything of it, but that was Bill; that was just how he was.

Often I had the privilege—when hosting constituents and would meet him in a corridor of the Capitol or elsewhere on the Hill—to introduce my folks to him and to note his great attributes to them. He always had time for a pleasant word with them.

I had the privilege of being a page in the 83d Congress, when Bill arrived here. While I wasn't here for a lot of the intervening time, I was here for his first vote and his last. We always enjoyed visiting about the former times in Congress, how it was then versus how it is now, and talking about some of the characters of days gone by. These were special times for me, to have seen Bill's perspective and to share in his recollections, so well framed, so well stated.

His district, Kentucky, and the country have lost an exemplary public servant who made his mark and whose service will be felt and recognized for generations to come. I shall miss greatly his presence here, the class of his very being, and the touch of his friendship.

Mr. PICKETT. Mr. Speaker, as a product of pioneer settlement of the rugged Commonwealth of Kentucky, Bill Natcher grew up on principles and patriotism that made him one of modern history's greatest legislators.

He learned at an early age the meaning of words like integrity, honesty, honor, and principles. He learned the power that strength of moral character brought to one's life. It was these life values that made him the solid, compassionate, knowledgeable, and intellectual legislator whom we would do well to emulate. And it was these same values that the residents of Kentucky's Second District also embraced by returning Bill Natcher to Congress over and over from 1953 until his death.

Bill Natcher lived the traits of a textbook legislator: His devotion to detail. The seriousness with which he took his responsibility to vote. His fairness and civility to fellow legislators, regardless of party affiliation. His belief and support of his constituency. His protection of his public trust. His frugality in handling his country's money resources. His love of the institution of the House of Representatives, and his commitment to never tarnishing its image or reputation.

He was a thoroughly modern example of the courtly southern gentleman of years past who was an inspiration in public service to all who would listen. He established a voting record as an effective public servant that may never again be equaled, but one for which we would all do well to strive for as we go about the public's business in today's world.

His wise counsel will be missed, but his record and his principles will continue to shine for all to see.

Mrs. MEEK of Florida. Mr. Speaker, we refer to each other as "gentleman" or gentlewoman," but, when we refered to the late Representative of the Second District of Kentucky, we really did mean it.

It has been a privilege for me to serve with the gentleman from Kentucky for a little over a year and to serve under his leadership as a member of the Committee on Appropriations. No Member of this House was more fair or courteous, or, I may say, tolerant of the foibles of a new Member.

This Congress has seen the Committee on Appropriations have to make tough decisions on priorities. Some of these decisions have not always been to my liking, but I have always had the opportunity to express my views. Sometimes I have prevailed, but courtesy and fairness was always the Chairman's watchword. Who can ask for more than that.

Chairman Natcher was a product of the progressive wing of the Kentucky Democratic Party with its foundations in the Wilson era and the New Deal and the Fair Deal. He was allied with the faction led by former Senator Earl Clements. He has been a hard fighter for the working men and women, and the children, of Kentucky and America.

Although his compassion for the less powerful in his Commonwealth and our Nation is well known, he has not hesitated to insist that programs produce. Woe be it to an agency that he caught not delivering an efficient and effective service, and catch them he did.

His dedication to the service of the people of the Second District is exemplified by his never having missed a vote since coming to this House in a special election in 1953. His dedication is more than demonstrated by his efforts to improve the lives of his bosses, the people, in his district. I am told that he and the late Kentucky Congressman, Carl D. Perkins, had a friendly rivalry on who had the most flood control projects in their respective districts. This rivalry developed from a dedication to prevent human destruction caused by Mother Nature.

Chairman Natcher's mark is not these concrete manifestations of his legislative prowess, but it is the millions of young men and women who have received a decent education, it is the millions who lead healthy lives as a result of medical research he nurtured at the National Institutes of Health, it is the children of America who have benefited from immunization programs and Head Start, and it is the millions of working men and women who have safer work places because of his efforts to insure that the Department of Labor did its job.

He left this earth a little better place for future generations.

My condolences go to his daughters, Celeste and Louise, and grandchildren and to his loyal and skilled staff who served him and America well.

Mr. DE LUGO, Mr. Speaker, since his sad passing just a few weeks ago, people from all walks of life have extolled the remarkable qualities and exceptional achievements of William Natcher. By every measure, Bill Natcher was an extraordinary man, a superlative Member, an outstanding chairman, a gracious gentleman, and, to me and many, many others, a real friend.

There is little that I can add to what has already been said about Bill Natcher, other than to recount a few of my personal experiences that I believe well illustrate the deep principals and heartfelt generosity that Bill Natcher always showed to me and people of the Virgin Islands.

Thirty years ago, my district experienced the impact of large scale immigration, made far more challenging by the islands' small size and insular nature.

After a Federal court decision required the Virgin Islands school system to teach the children of all residents. I felt the Federal Government had an obligation to help insure that all young people had the opportunity to receive the best possible public education. Doing so would be an important investment in them and in the future of our community.

I developed and had authorized a special assistance to education program, but without appropriations the program was on the books but would never reach the classrooms.

That's when Bill Natcher, as Appropriations Subcommittee chairman, stepped in. In a purely pragmatic sense, he had no reason to support a program for school children as far away from Kentucky as the Virgin Islands. Bill Natcher would gain no political advantage by supporting my request to fund a program when many other districts with powerful members were competing for money.

But Chairman Natcher did help. He recognized the needs of Virgin Islands young people were no less important then those of every other school child in this Nation. He knew that nothing in their young lives would be more important than a solid education. So, he saw to it that my program was funded.

Last year, the last time as it turned out that I would be privileged to testify before him, I was joined by my Governor, Alexander A. Farrelly. Always the epitome of graciousness, Chairman Natcher left the dias to personally greet the Governor. The Chairman remembered the Governor by name and he took him aside to chat until the duties of the committee called him back.

Those sorts of courtesy, personal interest and genuine kindness are rare indeed, but they were typical of Bill Natcher. He knew what was right and he did it, from insuring the education of children he would never meet to greeting a man he had no reason to recall other than his personal interest and courtesy.

These were the qualities of a truly extraordinary man, and why Bill Natcher was so respected and admired.

Chairman Natcher now is gone, but his legacy and his example will always remain within this Chamber, will dwell here so long as we remember this remarkable man and the principles he lived by.

Mr. HEFNER. Mr. Speaker, history will record the great energy and dedication our colleague, Bill Natcher, devoted to this institution and to the people it serves.

It will record an incredible 18,401 uninterrupted rollcall votes amassed over 43 years in which he never missed a single day of work. Not a single day.

It will record that he came here as the representative of a rural, small-town district and rose to great positions, of leadership in the Appropriations Committee and on this floor, all on the same humble values of hard work, fair play and attention to duty.

History will record, and will no doubt be indebted to, his faithful chronicle of life and work as a Member of this body during one of the most fascinating and momentous periods in our Nation.

And it will record that Bill Natcher did all of these things will little fanfare, neither seeking nor accepting any special attention in Washington or at home.

But, Mr. Speaker, history will also record what is in such evidence here today, and that is the great love and true affection Members of this body have for Bill Natcher. He was a man of exceptional courtesy and sincerity, a teacher of wise and generous counsel, a gentleman whose word was always his bond.

Mr. Speaker, I count the leadership and friendship I received from Bill Natcher among the genuine, blessing of service in this institution. It was an honor to serve with him and under him on the Appropriations Committee, and a privilege to call him both colleague and friend.

Mr. Speaker, in the history of this body and of this country there will, I believe, be no further public servant, no man of greater industry and integrity, no better loved and respected leader than Bill Natcher. He was a man without parallel and we miss him. And we always will.

Mr. DE LA GARZA. Mr. Speaker, dedication. Loyalty. Service. These are the traits that defined the late William Natcher. All of us in this body aspire to exemplify these qualities, but I don't know how many of us succeed to the degree that our late colleague so magnificently did. Like the Central Kentucky people he served for nearly a half-century, William Natcher displayed these qualities with modesty, courage, and fairness—always leading by example and maintaining the highest standards.

As Congressman, chairman, and statesman, William Natcher certainly set the ideal for public service: paying for his own campaigns, reading and answering his own mail, casting an impressive and awe-inspiring 18,401 consecutive votes. For 40 years he set an example of what public service should be.

In addition, he was a master legislator. As chairman of the House Committee on Appropriations, he has had in some way or another a profound impact on the lives of all Americans. He long was a champion of women's health issues, especially the fight against breast cancer. He worked diligently to advance education. Of course, something near and dear to me is agriculture, and Chairman Natcher was a good friend of the American farmer, ardently supporting the family farm system of agriculture. I could go on and on, but the accomplishments of this gentleman are legion. This year's presentation of the Presidential Citizens Medal from the President clearly says it all by recognizing the distinguished career of our colleague, William Natcher.

William Natcher was a man without peer, and we will miss him greatly. Along with my wife, I extend the most heartfelt of condolences to his many friends and family.

Mr. BARLOW. Mr. Speaker, in my first term in the House representing my fellow Kentuckians living in the First District, I had the high honor and very distinct privilege to serve with Congressman William H. Natcher who, himself, served the citizens of Kentucky's Second District.

Mr. Natcher loved his people. Mr. Natcher loved the House. Through his many kindnesses I came to know Mr. Natcher—as we all did.

It was a cool spring night about 1 year ago that I flew into Nashville, TN, from here in Washington where we had finished the week's legislative work. Usually I change planes in Nashville and fly on to Paducah, KY—my home town from where I travel out over the weekends to meet with my people for the gathering of the information that is essential to doing the work in Congress of my 31 county district. The First District of Kentucky, as I describe it, is everything west and south of Mr. Natcher. Mr. Natcher loved his district. Indeed, a number of counties in my district were served by him through successive reapportionments. He is loved in my district as he is loved across Kentucky.

This evening I had my car at Nashville and instead of going on to Paducah, I headed directly north on the interstate highway from Nashville into central Kentucky—the road that as it comes into Kentucky goes by Franklin in my district and on to Bowling Green, Mr. Natcher's hometown. And as I traveled along in the cool darkness, my headlights lit up the bumper of a car ahead of me going in the same direction, north. As I came up on the car I read a very simple, plainly printed bumper sign attached to the car ahead. The sign read: "I am a student at the William H. Natcher Elementary School."

Such a simple sign. Such a sign that began to say so much to me as I traveled along in the cool darkness, my headlights picking out the road ahead, the twists, the turns, the falling away, the rising of my journey onward.

I had only been in the House a few months. Yet in that short time Mr. Natcher had so graciously shared his friendship—a veteran of years of service. There were no barriers of time nor, indeed, even of age. Just a generous reaching out and a warm and friendly welcome to service for our people in this House.

And as I drove the word "elementary" began to grow in my mind just as a wonderful creation rises up to inspire, from roots to branches, to leaves to full beholding flower.

For indeed, we all are students in Mr. Natcher's school of the elements, the basic requirements, the very fundamentals of succeeding in the House of Representatives of the American people, succeeding in moving with our people, for our Nation—ahead in progress, in peace. These were his elements which guide me as they guide the people he touched and touches through time:

Mr. Natcher was dignity.

Mr. Natcher was respect.

Mr. Natcher was duty.

Mr. Natcher was kindness.

Mr. Natcher was patience.

Mr. Natcher was forbearance.

Mr. Natcher was devotion—devotion to the bringing together for the continuing crafting towards continually receding goals. Here in the House, as we work together, success is measured in the reaching ahead toward goals always moving ahead of us. That is the House at its best. Mr. Natcher loved the House.

I remember now some of Mr. Natcher's words which I will treasure and pass on in my life:

"I hear what you are saying."

"I understand."

And my favorite for its unique Kentucky wisdom for rich living:

"Now come on up to my office and we are going to put the clock in the drawer and talk."

Mr. Natcher was pre-eminent in the House in his knowledge and appreciation for the rules of parliamentary procedure—rules that have been crafted through time to bring harmony out of chaos, to bridge differences so that we can keep in column, moving ahead—together. For a great Nation. For America.

We address the chair in debate. Because, on occasion, tempers can flare and an impartial pillar for the focus of our argument helps to keep the peace.

And in the world we live in, the crack of the gravel sure beats the crack of the gun. Life continues.

In his months as chairman of the Appropriations Committee of the House, Mr. Natcher led us in an historic turning, reaching out to all sides of party, beyond the rancor and divisiveness, a turning for America towards discipline, towards renewed strength, towards a rededication of our great Nation and our families, a rededication to the very qualities of living the truly good life which were rooted so firmly in him. All his years of service before his chairmanship were, I do believe, his special preparation for his leadership in this turning of the wheel and the setting of our Nation on this new and vital course. We shall continue now.

I remember now Mr. Natcher with the words of the 23d Psalm:

The Lord shall prepare a table before me in the presence of my enemies.
He anoints my head with oil.
My cup runneth over.
Surely goodness and mercy shall follow me all the days of my life.
And I shall dwell in the House of the Lord forever.

In my youth I would picture this scene from the Bible in militant pageantry. A David and Goliath mural. But in my time in Congress, I have come to an understanding that the biblical word "enemies" has the fuller and richer and deeper connotation of people in their differences.

The table is the place for nourishment—spiritual, physical, mental—in a setting of dignity. A place of peace.

And as we come to discourse on our differences in the setting of the Psalm for the sake of our nourishment, the Lord shows His special favor for our labors, each one of us as children of God here on Earth, in our daily lives, by anointing our heads with oil, by overflowing the bounties of our vessels or nourishment.

I do believe that this passage from the Bible serves us in all our gatherings, not just in the House, but in gatherings of family and friends, in towns and cities—wherever people gather together, wherever there are—and there are and always will be—differences.

Mr. Natcher labored well. We know that.

The annals of the House will show for future generations that goodness and mercy did indeed follow from him and his labors for us.

And, surely, surely as he has now passed from our presence, he shall dwell in the House of the Lord forever.

Mr. SMITH of Iowa. Mr. Speaker, we meet today to pay respects to one of the all time distinguished citizens of the United States, Congressman William H. Natcher of Kentucky. Chairman Natcher was an influential leader in our country and a role model through all of the years of the his active life. He lived up to the expectations of all who knew him proudly and with great distinction, he knew his rights and stood his ground, but he never offended anyone and accomplished by persuasion where others have failed by confrontation and loud or foul talk.

Bill Natcher and I were appointed on the same day to the subcommittee where all health and education funding in the United States begins and ends. The funding for health research on that day for the NIH was $73 million. Today it is over $11 billion. No other American has more to do with advancement in health care and saving lives through research than Bill Natcher. Millions of people world wide live today because of his dedication and effective resolve to advance health research. But even with the great advancements in health care available today, eventually ones time on this Earth must arrive. Sitting next to and learning from Bill Natcher, I was

exposed to his intuition that permitted him to decipher witnesses, to recognize those who could offer valuable advice as to the deviation of limited funding and at the same time to be scrupulously fair and just. He was peculiarly capable of exercising the responsibility and power he possessed and which led to the great respect for his judgment and recommendations.

I had the good fortune and I stress the term good fortune to serve on three subcommittees he served on and I quickly realized that it would be easy to underestimate this man who understood the problems of the disadvantaged, the importance of access to education for individuals to reach their potential, and that he held no rancor against others, but was both proud and humble, gentle and fun-loving, and intensely earnest about helping others who deserved help. He always paid his dues quietly and waited for another opportunity to help. He lived through eras when demogoguery, loud talk, and attacking others seemed to temporarily reward some in public officials life but he never engaged in those tactics. Those types soon disappeared from the scene but the ever polite, firm but fair Bill Natcher lived on.

While he loved the Congress and the constituents he represented, his daily love and devotion was to his family.

You all know he wrote faithfully to his grandchildren every week he was in Congress and those letters will be published and forever be a treasured part of literary history. Much of the content of those letters, which were not kept secret, referred to historical events.

He also recorded his observations about current events on a regular basis and those observations were not public. I have seen these volumes many times but like all others, was never permitted to read a page. All he would say is, "You are treated kindly." I certainly hope so, however, knowing Bill Natcher as I did, I doubt if anyone was treated very unkindly.

Chairman Natcher lived a long, full life, touched, at times, by personal sorrows, as are most human lives, but basically a happy career of rich fulfillment and achievement. He was blessed with a wonderful wife, Virginia, who shared his ideals and aspirations and was always a source of strength at his side, and by two daughters and seven grandchildren. Our sadness and I am sure their sadness today is tempered by our thankfulness that such a man lived among us and enriched all of our own lives with his wisdom, his love of justice and his unfailing good humor.

Sometimes a person comes into our lives who touches us in such a way that we are better off for having known him. Congressman William H. Natcher was definitely such a person.

Mr. WALSH. Mr. Speaker, trying to say something out of the ordinary about a person who was anything but ordinary is a very difficult thing to do. So many of my colleagues have already risen to offer very special and personal praise about Chairman Bill Natcher. Many of them knew the wonderful gentleman from Kentucky far better than I, yet every member who simply met him felt he had a special friend.

Right after my election to the House in 1988, I came to Washington to participate in the freshman orientation program. Our class had the opportunity to listen to various Members of House leadership who came to explain what we should expect as a Member of the House of Representatives. Every speaker left us with something to ponder, but no one left a more lasting impression than Bill Natcher. His voice was crystal clear and he spoke with the deep affection of one who truly loved his association with the House. His message was so simple, yet holds as true today as it did then: You are given the honor to serve by the people of your district. Never dishonor that special trust, work hard, and always tell the truth even if it might hurt you on occasion. And, most importantly, never forget your family. He pointed to the major evil of reelection, namely money. People spend too much time both raising and then spending it. The public deserves better, he said.

What a message. What vision. And more importantly, how true. Here was a man way ahead of his time and at that point in his career he was almost 80 years of age.

Every institution or company tends to have certain individuals who are frankly the envy, in the most positive sense of the word, of all their colleagues. Bill Natcher was the envy of all of us because no one could hold a candle to his special relationship to this House. He was known by the support people at all levels. He spoke to everyone and everyone spoke to him. That warm smile, the hand on your shoulder offering encouragement, the willingness to always help—that was this wonderful man.

The public may not hold the Congress in high esteem, as every poll indicates, but if they ever met Bill that opinion would rapidly change. There are two men in my life who I can honestly say represent everything a public servant should be in elective service. They both have the same first name and carry the badge of honesty, integrity and fairness with a quite dignity recognized by their fellow citizens. One is my father. The other is Bill Natcher.

There is an old Irish proverb that says, "The fox never found a better messenger than himself." This institution was blessed for many years by a very special fox who lived his life as an example for all of us. We should never forget him and I, for one, never will.

Mr. HUTTO. Mr. Speaker, Bill Natcher has left a legacy in this House that should be a standard to which we and future Members of Congress ought to aspire. I know of no one who was more loved and respected than the gentleman from Kentucky.

Many tributes have been made to our departed friend, Bill Natcher, and they are all deserved. These tributes have been humorous, personal, and nearly always touching. It is easy to eulogize someone like Bill Natcher. The memorial service, held in Statuary Hall was a beautiful event in which speaker after speaker eloquently reflected on the life of Mr. Natcher.

Bill Natcher was a Congressman's Congressman. We all looked up to him. He gave us leadership. Any Member would do well to emulate his fiscal conservatism, efficiency in operating his office, and his steadfast adherence to the highest ethical principles. His constituents knew they could trust Bill to do the right things for America and for his district. I have never heard anyone question his integrity or his dedication.

The accomplishments of Congressman Bill Natcher were numerous, but without a doubt his voting consistency in never missing a vote in 40 years in the House stands out as the attention getter. Although this spotlighted Bill's deep commitment, he realized in later years that it restricted his life unduly. Several times in recent years I urged Bill to miss a vote so that he could remove this albatross. Bill agreed that he should do this, but somehow he could not bring himself to miss a vote, no matter how trivial it might be. It seemingly was a symbol of his dedication and we all respect that.

Bill Natcher is greatly missed. He loved his family. He loved America, and he loved this institution. We all are better for his having passed our way and we remember Bill Natcher with great affection.

Ms. FURSE. Mr. Speaker, today is a day to give deserved praise to the political and person life of Bill Natcher. While I have served in this body only a short time, it is clear to anyone who had the honor of working with Chairman Natcher that he embodied congressional service. It is an understatement to say he is missed.

When I testified before Chairman Natcher's subcommittee last year about some funding problems facing my homestate of Oregon due to a property tax limitation measure, I had been in Congress less than 3 months. After my testimony, Chairman Natcher taught me the less of bipartisanship, telling me that the problems of my State could only be addressed by working with people from both political parties. "When you walk down the aisle together [to solve a problem], that is the day you're a Member of Congress," the chairman told me.

He was reminding me of how people who are elected should operate. In light of all the gamesmanship, partisanship, and blame placing that surrounds political life, it was a pure, simply message: people have to work together to accomplish anything. Later that year, when I had worked with a Republican to ensure that an important health program had adequate funding, he accommodated our request.

While only a freshman, I came to know Mr. Natcher well. I have a picture on my wall which he sent me after our last visit, one which I will cherish long after I serve in this body. It is so easy to get caught up in the maelstrom that is politics and being a Member of Congress: the issues of the day, media, messages, and on and on. It is amazing to me that in the midst of all our seemingly endless daily activities, in the midst of ably chairing one of the most important committees in Congress, Bill Natcher took the time to write his grandchildren every week. His words and deeds taught everyone that humanity and political life are irrevocably intertwined. To be successful in anything, including government service, you must respect what is important—and people are preeminently important.

I will miss Chairman Natcher in this institution. My predecessor, Les AuCoin, often spoke of his leadership on the Appropriations Committee and as a good Democrat. I only hope that I will live up to Bill Natcher's model of humanity and service that was the hallmark of his distinguished career here in the House.

Mr. RAHALL. Mr. Speaker, it is with a feeling of high honor that I rise to pay tribute to the late Bill Natcher of Kentucky.

This great man, great humanitarian, astute legislator, gentle grandfather, is sorely missed by this body which he served for more then 40 years. His devotion and diligence as he went about the business of the Nation, and the business of his constituents, will never be seen by the Members of the House of Representatives again. When Bill Natcher was born, and when he died, they broke the mold.

To his friends and family in the Second District, and his hometown of Bowling Green, I extend my most sincere condolences on their loss. To those of us who remain behind in this Chamber, I extend condolences also—for we will never see the like of him again—and we will never have his good counsel, his leadership, or his friendship ever again.

Mr. Natcher used to tell a story about when he first arrived in the House as a freshman Member. He said that he looked out over the entire body, and saw 434 other Members, and realized that they were, everyone, his senior in the House. He said he wondered if a sufficient number of them would ever retire, resign, suffer defeat for reelection, or whatever—so that he could gain the seniority he knew he would have to have in order to make a difference for the people he lovingly came here to do well by. And then he would say that, after 40 years, he had finally risen to a position of seniority on his beloved Appropriations Committee—one step away from being chairman.

I am so happy for him that finally, he rose to chairman of the House Appropriations Committee, and I know that in so doing he realized his freshman dream. Yet during all the years that he worked toward being senior enough to chair that committee, he achieved just as much for his beloved Second District of Kentucky as if he had already arrived at his final senior post. Bill Natcher didn't need seniority to serve the people who elected him to office. He had only to be here, learn the rules and the ropes—a job he more than relished, but one he accomplished with humanity and great heart.

We have our memories of Bill Natcher the able appropriations chairman, the good friend, the personal mentor. And I know that all of us have fond memories of encounters with this grand old man as he tenaciously banged the gavel to bring order out of the chaos the House could often create. The House depended upon him to keep good order in trying times as the House conducted its business, and he took that responsibility very seriously, using an iron fist in a velvet glove.

I have read the tributes given by his friends, his colleagues, in this body during the special order. I am in awe of so many descriptive words and phrases so lovingly used to describe the same man. I saw where he was called, deeply knowledgeable, sharp, keenly intelligent, kind, distinguished, able, devoted, diligent, dutiful, tenacious, compassionate, humble, fair, tough, warm, respectful, courtly, decent, reverent, civil, honest, forthright, confident, discrete, dignified, man for the ages, a man of steel, a gentle man and a gentleman, family man, patriotic, and always trustworthy.

Bill Natcher was, of course, all those things and more.

I look forward to the publication and public access to his journals—40 years of priceless memories of our times. A treasure trove. The most coveted words you could hear from him would have been: You'll do OK in my journals.

As many of my colleagues have noted, I would be honored if I am mentioned in those journals—even if I didn't, as Mr. Natcher put it, do OK. It was a privilege to have Bill Natcher's undivided attention, even if you wished afterwards you hadn't, especially if you were on his wrong side.

I miss him, I know we all do. We can never become another Bill Natcher—but we can try. We can, each and every time we enter this Chamber, or go before the Appropriations Committee, or write a letter, or visit with our constituents—ask ourselves: What would Bill Natcher do? Then do it.

Mrs. MORELLA. Mr. Speaker, I would like to take this opportunity to pay tribute to my friend and colleague, Bill Natcher. Chairman Natcher was one of the finest individuals to have ever served in the Congress. His leadership and dedication to this House are exemplified by his record of more than 18,000 consecutive votes on the floor without an absence.

Bill will be remembered for his mastery of the legislative process and his integrity. He never accepted political contributions, and ran for office 20 different times without the use of high-technology political gurus and consultants.

His work on drafting the annual Labor, HHS and Education appropriations bill will always have a lasting impression on millions of Americans. This bill impacts so many of us in the areas of employment, health, education, and many other social spending priorities.

The National Institutes of Health, located in my district, is home to the William Natcher Building. This building will house the NIH's extramural research programs, its grant-making offices and several other institutions. His contributions to NIH over the years have been substantial, and the William Natcher Building will be a constant reminder of his devotion to biomedical research.

Bill Natcher was a true gentleman. I have never heard a negative word about him. He was recognized by his colleagues as a man of great intellect and dedication, and he will be sorely missed.

ON THE RETIREMENT OF JOSEPH A. ITALIANO

The SPEAKER pro tempore (Mr. WISE). Under a previous order of the House, the gentleman from Minnesota [Mr. OBERSTAR] is recognized for 5 minutes.

Mr. OBERSTAR. Mr. Speaker, I appreciate the forebearance of my colleague, the gentleman from Colorado [Mr. ALLARD], who has a special order at this time in letting me proceed.

Mr. Speaker, I take this time to pay my respects to a retiring member of the staff of the Committee on Public Works and Transportation, Joseph A. Italiano. Joe Italiano and I worked together as staff members of the Committee on Public Works and Transportation for 6 years, during 4 of which I was administrator of the staff of the Committee on Public Works and Transportation, and for the past 20 years serving as a Member while Joe was our editor of the full committee operations.

Mr. Speaker, I look upon Joe Italiano not only as a coworker, as a colleague, but most importantly, as a dear and treasured and wonderful friend. He leaves with 33 years of service to the Congress. He started as a special assistant to the U.S. Senate Permanent Committee on Investigations in 1951 through 1965, and from 1965 through 1968 he was special assistant to the U.S. Senate Committee on the District of Columbia. In October of 1968 he began his service with the Committee on Public Works and Transportation.

During all of those years, those 26 years of service to our committee, Joe Italiano presided over the editorial review of thousands of volumes of committee testimony and more than 2 million pages of testimony, which he himself meticulously reviewed, carefully scrubbed for accuracy, from the transcriber's notes through galley proofs to the final printed document.

Typical of Joe Italiano's workmanship and devotion and dedication to duty was hearings my Subcommittee on Aviation held in February 1993 on the final condition of the airline industry and on legislation to expand a Presidential commission on the financial and competitiveness of the airline industry.

I said "Joe, when we have finished these hearings, I want all of the printing work completed so we can have the final document in the hands of all the members of the Presidential Commission when they begin their work."

Within two weeks from the time of completion of our hearings, that document, that thick document of about 600 pages of testimony, was completed. It was in our hands and it was available for the Commission, which was not appointed for the next four months.

Joe Italiano has the unique distinction of having been born where he works. He was born and raised on Independence Avenue at his family home, which was acquired by the U.S. Congress for the construction of the Rayburn Building. It was later, after Rayburn was completed, Joe Italiano joined the staff of the Public Works Committee, and I think his office is probably just a few stories above where his family home originally stood.

It says a lot about a man who gave a career of total dedication, total devotion to duty, and consummate professionalism that his work, his life, were one.

UNFUNDED FEDERAL MANDATES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Colorado [Mr. ALLARD] is recognized for 60 minutes.

Mr. ALLARD. Mr. Speaker, Eads, CO, population 847, $20,000 a year, $23.60 per person. Columbus, OH, $1.6 billion over 10 years, $850 annually per household. And finally, Ft. Morgan, CO, population of 12,000, $44 million.

What these towns have in common is that they are being required by the Federal Government to comply with new broadly defined environmental laws and regulations. Most of the time these regulations improve the environment, but in far too many instances they don't even accomplish that objective. Without providing any financial assistance, the Federal Government continues to pass laws and lay down unfunded mandates that are taking up a larger and larger portion of local government budgets. While all unfunded mandates are a concern, environmental unfunded mandates have especially exploded in the past several years. What's particularly interesting about these mandates is they cut across rural, urban, and suburban areas. Eads, CO, and Columbus, OH, probably have only one thing in common, they're both being slowly strangled by Federal unfunded environmental mandates. The unfunded mandate caucus is a good example of the breadth of this problem. Their membership ranges from the east coast to the west coast with a lot of stops in between. Unfunded environmental mandates aren't a regional problem, they're a national problem.

Unfunded environmental mandates are becoming such a problem that States are beginning to revolt. Colorado's State Legislature recently passed a resolution demanding that the Federal Government "Cease and Desist" unfunded mandates. Other States are also beginning to take action. Utah, Nevada, and New Mexico are in the process of setting up constitutional defense councils to fight the Federal Government in court. However, the Governor of Ohio, George Voinovich, may have put it best when he said that, "something has to be done or all hell is going to break loose."

Tonight I would like to begin helping States and businesses do something about environmental unfunded mandates by drawing attention to their real effect at the local level.

To find out what effect unfunded environmental mandates are having in my district I wrote to every mayor, county commissioner, and State legislator in my area asking them to tell me how they are being affected. The response I received back was surprising. In less than a week I received many responses from towns in my district.

Perhaps the most disturbing was the response I received from the mayor of Aurora, CO. Aurora sends approximately 90 percent of its wastewater to a metro wastewater treatment plant. In 1988 they paid about 4.2 million dollars for treatment. However, in 5 years that amount more than doubled to 9.1 million dollars for treatment of the same amount of wastewater because of increased federally mandated discharge standards.

Clearly, we can't continue to place further costs on cities and towns. If this special order only makes Congress and the environmental protection agency more aware of the problems they are causing then we have accomplished something. As the mayor of Loveland, CO, my hometown, wrote back to me, "every new environmental monitoring requirement, every new chemical added to a standards list, every new species added to the threatened and list results in an unfunded mandate. Loveland is proud of its environmental record and will continue to be pro-active. While the EPA should remain vigilant regarding problem areas, they should adopt policies to allow States and local governments more control and flexibility."

□ 2110

I would like to take a moment and reflect on the town meetings that I have had throughout my congressional district, and I have had a lot of town meetings through the 2½ or now 3½ years that I have served in the House of Representatives. At almost every meeting, I would say every meeting I can count on a representative from the city council, more likely somebody who is actually serving on the city council at that particular time standing up and talking to me about the Federal mandates that are being forced down upon them. They are objecting not to the objectives of the program, which is to try and keep a safe environment, but they are objecting to the extreme conditions that are being forced upon their city council, particularly when they are not funded, and they view this as the Federal Government doing nothing more than passing the costs of their own legislation down to their city councils and their county commissioners, and even their State legislators and saying, "You pay for these programs."

They are concerned about the consequences of all of these mandates on their local budgets and concerned about having to go to their own citizens and ask for dollars to pay for those. They do not feel like the Congress is living up to its responsibilities by providing the dollars that are necessary to take on and fully fund some of these very worthwhile programs.

But they also feel that if the Congress had to pay for them they may take a little more judicious approach to the rules and regulations they are forcing down on local government.

Mr. Speaker, I have a letter here that I would like to spend some time in going over from the city of Loveland, my hometown. They start out a paragraph by explaining that their city water supply is great, it is an excellent water supply. I would have to agree with that, because when I was starting my veterinary practice in the city of Loveland I picked up a part-time job to help them comply with the rules and regulations that are being forced upon them so far as the Clean Water Act is concerned and the Safe Drinking Water Act. I also was a businessman in town who had to rely on high-quality water in order to run my tests, I was a veterinarian, in order to run my tests in the lab, and in order to autoclave a lot of my instruments. I can tell Members from personal experience as a businessman in the city of Loveland that they had some of the best water around. In fact, my autoclave that I used to sterilize my instruments with for my veterinary business stated that in order for it to assure long life, and so that it would not accumulate a lot of deposits in the autoclave that we should use distilled water. I never once used distilled water because the city water drinking supply in Loveland was that pure. It compared closely to a bottle of distilled water that you would go down to your grocery store and buy.

That was my personal experience as a businessman. That is my experience as a health officer for the city of Loveland. We sent out samples periodically to test the contents of the drinking water, and it came back remarkably pure. So from my own personal experience I can testify to the fact that the water in the city of Loveland was extremely high quality.

But they go on to explain in this particular letter that recent changes in the regulations have resulted in an estimated loss of treatment plant production capacity of 3 million to 6 million gallons per day, and the reason for this 3 million to 6 million gallon per day loss was because of these new safe drinking water regulations. They go on to elaborate that the water customers paid for a 30 million gallon per day plant, but now it is a 24 million gallon per day to 27 million gallon per day plant because of the lost capacity from those regulations.

They go on to say further that the EPA mandates through regulations are forcing them to periodically test for organic chemicals in their treated drinking water. They point out that only 1 out of 100 different organic chemicals have even been detected, and that was a chlorine compound resulting from the required chlorination of their water. Monitoring costs are continuing to go up, they explain. EPA provides little freedom to States or local governments to meet the intent of regulations.

Another issue facing the city of Loveland as well as other mountain communities along the front range of the Rockies has to do with wastewater treatment facilities and acute and chronic exposure to discharges. They go on to explain that the extreme con-

servatism of EPA standards does not take into account site-specific conditions and operating techniques. Many cities have undoubtedly spent money to upgrade plants to meet an EPA nationwide standard when it would not have been necessary had EPA allowed greater flexibility to the facility, meaning that they would very easily have been able to meet those standards and meet the objectives by having clean water if they just had been allowed to have the flexibility to meet those standards.

□ 2120

I would like to share another letter with the House from the city of Aurora. They go on to explain that as required by the Clean Water Act of Aurora Utilities Department submitted a national pollution discharge elimination system permit for the municipal separate storm sewer system to the State of Colorado in 1992.

The initial costs associated with the permit were estimated to be $1.3 million for the 5-year permit term. However, 2 years later the current projection is closer to $2 million.

Now, the increased amount, they go on to explain, can be attributed to further permit conditions added by the State. Now, as they understand the problem, they explained it to me in their correspondence with me, these additional permit conditions are due to pressure from the Federal Government on State agencies to incorporate additional requirements not specified by the Federal regulation, and I think this brings up another concern that we need to talk about in the House of Representatives.

More and more frequently it is being called to my attention that we have regulators out there who are taking the attitude that we are going to go ahead and force these rules and regulations on cities and counties and businesses or States, and if Congress does not like what they are doing, then they can pass laws that prohibit us from doing it. Now, our Founding Fathers had a completely different attitude in mind, that the regulators would not be promulgating rules and regulations unless it was specifically authorized in some piece of legislation, and what the current trend seems to be is that they are going and continuing to act assuming a considerable amount of power which I do not think was granted in the Constitution. I think by taking this type of action that it is in total disregard of what many of our Founding Fathers had in mind as far as the Constitution was concerned and as far as the relationship between the Congress and the executive branch. They had in mind that it was up to the Congress to pass legislation, to pass laws. It was not up to the bureaucracy to go ahead and implement laws and then worry about it and then have the Congress go back and revert their policy.

It changes the burden of proof. It changes the burden of action, and that burden of action must first start with the House of Representatives and then the regulators or the bureaucracy should go ahead and pick up and promulgate those rules and regulations specifically authorized in any legislation that is passed in the House of Representatives.

They go on in this letter from the city of Aurora to explain that a more indirect yet equally concerning costly impact is the rising cost of treating effluent in order to meet federally mandated discharge standards.

The city of Aurora sends approximately 90 percent of its wastewater to the Metro Wastewater Reclamation District's plant for treatment. Then they go on to explain the Metro fees are about $4.2 million in 5 years. Again that amount has doubled, as I explained, to $9.14 million for treatment for essentially the same amount of wastewater.

Mr. Speaker, I have another letter here from Arapahoe County in Colorado. I just finished sharing some thoughts from a couple of municipalities that have written my office and expressed their concerns at our request.

Arapahoe County, CO, says that is the environmental area, two of the most significant examples that they are struggling to deal with relate to the National Pollutant Discharge Elimination System, sometimes referred to as NPDS, and the Federal Emergency Management Agency's pending requirements to improve the flood-plain maps.

The FEMA situation they point out is most ridiculous.

FEMA currently has flood-plain maps which graphically depict the boundaries of blood plains throughout our country. Now, FEMA has announced to us that they plan to convert, announced to us, meaning Arapahoe County, that they plan to convert to digital computer-generated maps and that digitizing involves a very expensive surveying technique. The announced reason is to increase the accuracy of the flood-plain boundaries, a worthy goal, but FEMA's technical problems in implementing will make the map less accurate, and the burden and expenses for correcting FEMA's mistakes will rest with the local governments.

They go on to explain in this letter to my office that they are providing us with three maps, and they explain that the first map is an example of the current flood-plain map known as the flood insurance rating or FIRM. They go on to explain street alignments are actually as-built streets and explain that a homeowner interested in knowing where the flood plain is in relation to his house can fairly easily make the determination.

They go on to explain that map 2 is the digitized version of the same area, and that map 3 is an overlay of the two maps, and they go on to explain if you look at the overlay you can see that the streets and flood-plain boundaries do not line up. In some cases, there are wide discrepancies due to survey areas and other conversion problems. When this is pointed out to FEMA, the response was the county must do the expensive survey work necessary to correct the error in FEMA's work.

The simple cure to this pending disaster is suspend issuance of the improved map until the mistakes are fixed. Well, obviously that is another example of some of the mandates that are going on that are impacting counties.

I have another letter from a small community in Colorado, Lamar, CO, and they expressed their concerns about the Safe Drinking Water Act. They go on to explain that they are required to provide drinking water samples to the State health department for testing, and they are required to do this on a very frequent basis, and they are now even required to submit new samples all of which must meet certain testing criteria.

They had a problem in meeting some of their deadlines, and despite an unblemished record of providing samples in a timely fashion, despite consistently good test results, the city of Lamar was forced to purchase and run an ad in the local newspaper stating that they had violated the provision of the Safe Drinking Water Act because they had not had one of their samples delivered as was customarily delivered through the many years that they have spent complying with the rules and regulations. The boilerplate ad did not provide space for an explanation of the violation.

Well, as a result of that, they had a lot of concerned citizens in their town calling them up and expressing concerns about this boilerplate ad. In reality, it was not the city's fault, and in reality, there was not an actual problem there, because the city had consistently had good test results and made every effort to try and comply.

Many times, even though these good-faith efforts are attempted, cities are faced with fines that go up to $10,000 a day. Now, if you are talking about a large community like New York or Denver or Los Angeles, $10,000 a day is not much. But if you are talking about a very small community like Lamar, for example, or you are talking about some of the communities whose total budget may be $50,000 or $100,000, it is an unreasonable fine to impose on those communities, and it is not necessary to impose that heavy a fine if they run into problems with complying with the environmental regulations.

I think that this is one area that we need to look at seriously when we come

around to reauthorizing, for example, the Clean Water Act or passing amendments as far as the Safe Drinking Water Act are concerned.

I have shared with the House of Representatives this evening a number of situations that have come to my attention in my district.

□ 2130

This is in response to a consistent stream of complaints that I received in my town meetings and correspondence sent to my office from many small communities in the district I am privileged to represent. It is a rural community, and we have a lot of small communities that are struggling, struggling economically and struggling with all these rules and regulations. What is most disturbing to them is that even though they are complying with the standards, that the standards are being moved beyond common sense. They say, "We are very proud of the fact that we have a good water supply, but because of some of the rules and regulations getting so extreme, they are moving out of the realm of common sense."

Something needs to be done to call the attention of Congress to the problems that we are having.

So, Mr. Speaker, it is because of their concerns and because of their correspondence to my office that I have taken time this evening to talk to the House about those problems happening to small communities in the 4th Congressional District of Colorado.

I am going to be fighting with a number of other congressman to try to bring back a perspective of common sense. There is no doubt in my mind that we need to work hard to protect our environment and make sure that there is a future for generations of Americans. But to go to the extreme that we expect a huge expenditure by communities with little results to show for those rules and regulations is not good common sense.

Mr. Speaker, that is all they are asking, that we give them more local control, that we put a little more faith in their judgment to do what is best for their electorate, the people who elected them to office.

So again, Mr. Speaker, I want to thank you for allowing me this time for special orders, and I will continue to press this very important issue because it is important to the small communities in my district.

In talking with Members of Congress, I perceive this as a national problem, and we will continue to be working on this very important issue.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. EMERSON (at the request of Mr. MICHEL) after 3 p.m. today and the balance of the week on account of attending a meeting of the Russian Duma and to speak to the Russian National Prayer Breakfast.

Mr. TUCKER (at the request of Mr. GEPHARDT) for today on account of official business.

Mr. NEAL of North Carolina (at the request of Mr. GEPHARDT) for today and tomorrow on account of personal business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Member (at the request of Mr. BARRETT) of Nebraska) to revise and extend his remarks and include extraneous material:)

Mr. MICHEL, for 5 minutes each day, on May 18, 19, and 20.

(The following Member (at the request of Mr. MAZZOLI) to revise and extend his remarks and include extraneous material:)

Mr. OWENS, 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. BARRETT) and to include extraneous matter:)

Mr. GEKAS.
Mr. MCCANDLESS.
Mr. GALLEGLY.
Mr. JOHNSON of Texas.
Mr. LEWIS of California.
Mr. WALSH in two instances.
Mr. GALLO.
Mr. STEARNS.
Mr. GOODLING.
Mr. COX.
Mr. PORTMAN.
Mr. SOLOMON.
Mr. MCDADE.
Mr. HYDE.
Mr. YOUNG of Florida.
Mr. YOUNG of Alaska.

(The following Members (at the request of Mr. MAZZOLI) and to include extraneous matter:)

Mr. TRAFICANT.
Ms. SHEPHERD.
Mr. SCHUMER.
Mr. HAMILTON.
Mr. HOYER in three instances.
Mr. STOKES in six instances.
Mr. COYNE.
Mr. SANGMEISTER.
Mr. LANTOS.
Mr. ACKERMAN in two instances.
Mr. TEJEDA.
Mrs. MALONEY in two instances.
Mr. MINETA in two instances.
Mr. LAFALCE.
Mr. BERMAN.
Mr. FOGLIETTA.
Mr. MATSUI.
Mr. JACOBS.
Mr. LEVIN.
Mr. TOWNS.
Mr. APPLEGATE.
Mr. DICKS in two instances.
Mr. STARK.
Mr. VISCLOSKY.
Mr. HAYES.
Mr. STRICKLAND.
Mrs. UNSOELD.
Mr. SWIFT.
Mr. MINETA in two instances.
Mr. BRYANT.
Mr. SABO.
Ms. ENGLISH of Arizona.

SENATE BILLS REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 720. An act to clean up open dumps on Indian lands, and for other purposes; to the Committee on Natural Resources.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 2000. An act to authorize appropriations to carry out the Head Start Act, the Community Services Block Grant Act, and the Low-Income House Energy Assistance Act of 1981, and for other purposes.

S. 636. An act to amend title 18, United States Code, to assure freedom of access to reproductive services.

BILLS AND A JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. ROSE, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills and a joint resolution of the House of the following titles:

H.J. Res. 303. Joint resolution to designate June 6, 1994, as "D-Day National Remembrance Day."

H.R. 1134. An act to provide for the transfer of certain public lands located in Clear Creek County, Colorado, to the Forest Service, the State of Colorado, and certain local governments in the State of Colorado, and for other purposes.

H.R. 2868. An act to designate the Federal building located at 600 Camp Street in New Orleans, Louisiana, as the "John Minor Wisdom United States Court of Appeals Building," and for other purposes.

ADJOURNMENT

Mr. ALLARD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 9 o'clock and 33 minutes p.m.), the House adjourned until tomorrow, Wednesday, May 18, 1994, at 10 a.m.

EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Reports and amended reports of various House committees concerning the foreign currencies and U.S. dollars utilized by them during 1993 and the first quarter of 1994, in connection with official foreign travel, as well as the consolidated Speaker's report of foreign currencies and U.S. dollars utilized in connection with official foreign travel authorized by the Speaker, U.S. House of Representatives, in the first quarter of 1994, pursuant to Public Law 95–384, are as follows:

AMENDED REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON ARMED SERVICES, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1993

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Visit to Macedonia, Croatia and Slovenia, Feb. 11–16, 1993:											
Delegation expenses	2/15	2/15	Croatia				134.00		232.00		366.00
Committee total							134.00		232.00		366.00

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

RONALD V. DELLUMS, Apr. 30, 1994.

AMENDED REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON ARMED SERVICES, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 1993

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Visit to Pakistan, Jordan, Turkey, Israel and France, Aug. 9–18, 1993:											
Delegation expenses	8/17	8/19	France						1,599.26		1,599.26
Visit to Okinawa, China, Hong Kong and Vietnam, Aug. 22–27, 1993:											
Delegation expenses	8/26	8/27	Hong Kong				1,194.16		3,912.96		5,107.12
Visit to Ireland, Germany, Italy, the Czech Republic and the United Kingdom, Aug. 25–Sept. 5, 1993:											
Delegation expenses	8/30	9/1	Italy						367.27		367.27
	9/1	9/2	Czech Republic				460.31		533.51		993.82
	9/2	9/5	United Kingdom				1,854.50		4,097.50		5,952.00
Committee totals							2,314.81		4,998.28		7,313.09

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

RONALD V. DELLUMS, Apr. 30, 1994.

AMENDED REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON ARMED SERVICES, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 1993

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Visit to Republic of Korea Thailand, Singapore and Hong Kong, Nov. 24–Dec. 4, 1993:											
Delegation expenses	11/27	11/30	Thailand				1,478.45		2,854.96		4,333.41
	12/2	12/5	Hong Kong				1,854.50		4,097.50		5,952.00
Committee total							3,332.95		6,952.46		10,285.41

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

RONALD V. DELLUMS, Apr. 30, 1994.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON THE JUDICIARY, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 1993

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. William J. Hughes	8/8	8/10	Russia		314.00						314.00
	8/10	8/12	Mongolia		336.00						336.00
	8/12	8/15	Kazakhstan		486.00						486.00
	8/15	8/18	China		579.00						579.00
	8/18	8/19	Japan		342.00						342.00
Military transportation							[3] 10,000.00				10,000.00
Hayden Gregory	8/8	8/10	Russia		314.00						314.00
	8/10	8/12	Mongolia		336.00						336.00
	8/12	8/15	Kazakhstan		486.00						486.00
	8/15	8/18	China		579.00						579.00
	8/18	8/19	Japan		342.00						342.00
Military transportation							[3] 10,000.00				10,000.00
Hon. Hamilton Fish, Jr	8/27	8/31	Italy		132.00						132.00
	8/31	9/4	Switzerland		1,756.05						1,756.05
Commercial transportation							789.00				789.00

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON THE JUDICIARY, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 1993—Continued

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Committee total					6,002.05		20,789.00				26,791.05

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] The amount shown is equivalent to first class commercial fare.

JACK BROOKS, Apr. 22, 1994.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON APPROPRIATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 1993

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. George (Buddy) Darden	10/8	10/12	Denmark		1,047.50						1,047.50
Military air transportation											
Hon. Jim Kolbe	12/9	12/11	Switzerland		482.00						482.00
Military air transportation											
Hon. Jim Kolbe	12/25	12/27	Kenya		212.00						212.00
	12/28	12/29	England		120.00						120.00
Commercial air transportation							5,626.45				5,626.45
Hon. John Murtha	10/13	10/14	Kenya		120.00						120.00
Military air transportation							7,490.00				7,490.00
Hon. John Murtha	11/25	11/26	Germany		103.00						103.00
	11/26	11/27	Belgium								
Military air transportation							5,800.00				5,800.00
Hon. Ron Packard	11/29	12/1	Czech Republic		560.00						560.00
	12/1	12/3	Kazakhastan		558.00						558.00
	12/3	12/10	China		539.00						539.00
	12/10	12/12	Hong Kong		658.00						658.00
Travel by military aircraft											
Hon. Ralph Regula	11/29	12/3	Switzerland		904.50						904.50
Commercial air transportation							3,049.45				3,049.45
Hon Charles Wilson	10/7	10/9	France		302.00				321.55		623.55
	10/9	10/10	Germany		253.00						253.00
	10/10	10/11	Bosnia		124.00				205.24		329.24
	10/11	10/12	Germany		253.00						253.00
Commercial air transportation							3,056.15				3,056.15
Hon. Charles Wilson	11/30	12/2	Germany		285.00						285.00
	12/2	12/5	Hungary		657.00						657.00
	12/5	12/6	Austria		267.00				208.59		475.59
	12/6	12/10	Slovakia		832.00				471.31		1,303.31
	12/10	12/13	Russia		960.00						960.00
	12/13	12/14	England		318.00						318.00
Commercial air transportation							5,286.95				5,286.95
Sally Chadbourne	12/1	12/3	The Netherlands		434.00						434.00
	12/3	12/7	Germany		648.00						648.00
	12/7	12/10	Switzerland		753.00						753.00
Commercial air transportation							1,604.85				1,604.85
Robert Foster	12/8	12/16	Switzerland		1,687.00						1,687.00
Commercial air transportation							3,049.45				3,049.45
Sara Magoulick	12/1	12/3	The Netherlands		450.00						450.00
	12/3	12/7	Germany		698.00						698.00
	12/7	12/11	Switzerland		1,004.00						1,004.00
Commercial air transportation							1,593.75				1,593.75
Juliet Pacquing	12/7	12/10	Great Britain		528.00						528.00
	12/11	12/12	Oman		470.00						470.00
	12/12	12/15	Egypt		546.00						546.00
Commercial air transportation							4,413.45				4,413.45
John Plashal	11/25	11/26	Germany		103.00						103.00
	11/26	11/27	Belgium								
Military air transportation							5,800.00				5,800.00
Donald Richbourg	10/13	10/14	Kenya		120.00						120.00
Military air transportation							7,490.00				7,490.00
Donald Richbourg	11/25	11/26	Germany		103.00						103.00
	11/26	11/27	Belgium								
Military air transportation							5,800.00				5,800.00
Richard H. Ash	10/31	11/3	Venezuela		489.75		3,079.45		68.92		3,638.12
	11/3	11/6	Equador		207.00						207.00
	11/6	11/10	Paraguay		480.25						480.25
G. Carter Baird	10/31	11/4	Bolivia		472.50		3,459.45		34.00		3,965.95
Albert J. Boudreau	11/28	11/30	Italy		377.00		4,654.95		301.12		5,333.07
	11/30	12/2	Switzerland		382.00						382.00
	12/2	12/5	Poland		555.00						555.00
	12/5	12/6	Turkey		153.00						153.00
	12/6	12/8	Romania		490.00						490.00
	12/8	12/11	Latvia		563.75						563.75
	12/11	12/12	Sweden		230.00						230.00
Roger T. Castonguay	11/14	11/17	Mexico		554.75		753.95		59.97		1,368.67
	11/18	11/20	Costa Rica		387.50						387.50
Norman H. Gardner	11/16	11/19	England		527.00		2,987.45		29.09		3,543.54
Robert D. Green	11/29	12/5	England		1,009.00		2,793.99		76.56		3,879.55
	12/5	12/10	Germany		765.50						765.50
Carroll L. Hauver	9/28	9/30	Czech Republic		567.50		4,179.63		112.09		4,859.22
	9/30	10/3	Hungary		507.00						507.00
	10/3	10/4	Serbia		206.25						206.25
	10/4	10/5	Hungary		126.75						126.75
	10/5	10/7	Romania		518.00						518.00
	10/7	10/9	Turkey		408.00						408.00
William P. Haynes	9/28	9/30	Czech Republic		567.50		4,179.63		83.34		4,830.47
	9/30	10/3	Hungary		507.00						507.00
	10/3	10/4	Serbia		206.25						206.25
	10/4	10/5	Hungary		126.75						126.75
	10/5	10/7	Romania		518.00						518.00
	10/7	10/9	Turkey		408.00						408.00
James J. Hogan	10/31	11/3	Venezuela		489.75		3,079.45		89.08		3,658.28
	11/3	11/6	Ecuador		207.00						207.00

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON APPROPRIATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 1993—Continued

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
	11/6	11/10	Paraguay		480.25						480.25
Robert W. Lautrup	11/16	11/19	England		527.00		4,010.45		50.61		4,588.06
Dennis K. Lutz	11/29	12/5	England		1,009.00		2,773.99		76.68		3,859.67
	12/5	12/10	Germany		765.50						765.50
Frank T. Lyons	10/15	10/19	Russia		805.00		3,777.05		70.00		4,652.05
	10/19	10/21	Germany		414.00						414.00
	10/21	10/22	Bulgaria		231.25						231.25
	10/22	10/26	Switzerland		753.75						753.75
Donald J. Murphy	11/28	12/1	Italy		540.50		3,651.65		161.86		4,354.01
	12/1	12/4	Spain		561.00						561.00
	12/4	12/8	France		769.00						769.00
	12/8	12/11	Germany		570.00						570.00
Douglas D. Nosik	11/14	11/18	Mexico		554.75		753.95		36.70		1,345.40
	11/18	11/20	Costa Rica		375.00						375.00
Timothy W. O'Brien	10/31	11/4	Bolivia		408.50		3,417.45		93.70		3,919.90
	11/4	11/7	Peru		486.50						486.50
Robert H. Pearre	11/28	12/1	Italy		540.50		3,651.00		170.03		4,361.53
	12/1	12/4	Spain		561.00						561.00
	12/4	12/8	France		769.00						769.00
	12/8	12/11	Germany		570.00						570.00
Thomas R. Reilly	10/31	11/4	Bolivia		408.75		3,417.45		61.26		3,887.46
	11/4	11/7	Peru		486.50						486.50
R.W. Vandergrift, Jr.	10/2	10/3	Hungary		134.50		5,708.18		1,052.54		6,895.22
	10/3	10/4	Yugoslavia		165.00						165.00
	10/4	10/5	Hungary		126.75						126.75
	10/5	10/7	Romania		582.75						582.75
	11/6	11/10	Paraguay		401.50		4,067.00		86.26		4,554.76
L. Michael Welsh	10/15	10/19	Russia		872.50		3357.45		36.88		4,266.83
Vicki O. Williams	11/28	11/30	Italy		377.00		4,654.95		495.63		5,527.58
	11/30	12/2	Switzerland		382.00						382.00
	12/2	12/5	Poland		555.00						555.00
	12/5	12/6	Turkey		153.00						153.00
	12/6	12/8	Romania		490.00						490.00
	12/8	12/11	Latvia		563.75						563.75
	12/11	12/12	Sweden		230.00						230.00
Kennedy L. Wilson	10/15	10/19	Russia		805.00		3,777.05		82.50		4,664.55
	10/19	10/21	Germany		414.00						414.00
	10/21	10/22	Bulgaria		231.25						231.25
	10/22	10/26	Switzerland		753.75						753.75
Committee total					32,832.50		76,185.57		3,328.82		112,346.89

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

WILLIAM H. NATCHER, Mar. 14, 1994.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON GOVERNMENT OPERATIONS, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 1993.

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. John Spratt, Jr	12/9	12/14	Switzerland		[3] 964.00						[3] 964.00
Committee total											

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Military aircraft—$320 returned to U.S. Treasury 3/15/94

JOHN CONYERS, Jr., Apr. 29, 1994.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON APPROPRIATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1994

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. George (Buddy) Darden	1/11	1/14	Turkey		762.00						762.00
	1/14	1/17	Kenya		400.00						400.00
	1/17	1/18	Kuwait		424.00						424.00
	1/18	1/19	Germany		224.00						224.00
Military air transportation							8,367.00				8,367.00
Hon. Norman Dicks	2/13	2/15	Korea		508.00						508.00
Military air transportation							5,360.00				5,360.00
Hon. Thomas Foglietta	1/12	1/15	Taiwan		777.00						777.00
Commercial air transportation (one way)							1,526.95				1,526.95
Hon. Jerry Lewis	2/12	2/15	Korea		508.00						508.00
Military air transportation							5,360.00				5,360.00
Hon. Bob Livingston	2/13	2/15	Korea		508.00						508.00
Military air transportation							5,360.00				5,360.00
Hon. Joseph McDade	2/13	2/15	Korea		508.00						508.00
Military air transportation							5,360.00				5,360.00
Hon. John Murtha	1/11	1/14	Turkey		762.00						762.00
	1/14	1/17	Kenya		400.00						400.00
	1/17	1/18	Kuwait		424.00						424.00
	1/18	1/18	Germany		224.00						224.00
Military air transportation							8,367.00				8,367.00
Hon. John Murtha	2/13	2/15	Korea		508.00						508.00
Military air transportation							5,360.00				5,360.00

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON APPROPRIATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1994

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Bob Livingston	1/11	1/14	Turkey		762.00						762.00
	1/14	1/17	Kenya		400.00						400.00
	1/17	1/18	Kuwait		424.00						424.00
	1/18	1/19	Germany		224.00						224.00
Military air transportation					.00		8,367.000				8,367.00
Hon. Martin Olav Sabo	1/11	1/14	Turkey		762.00						762.00
	1/14	1/17	Kenya		400.00						400.00
	1/17	1/18	Kuwait		424.00						424.00
	1/18	1/19	Germany		224.00						224.00
Military air transportation					.00		8,367.00				8,367.00
Hon. Joe Skeen	2/13	2/15	Korea		508.00						508.00
Military air transportation							5,360.00				5,360.00
Hon. Esteban Torres	1/12	1/16	Greece		808.00						808.00
	1/16	1/18	Israel		642.00						642.00
	1/18	1/19	Jordan		191.00						191.00
	1/19	1/21	Syria		512.00						512.00
	1/21	1/23	Morocco		423.75						423.75
Military air transportation											
Hon. Charles Wilson	1/9	1/12	England		954.00						954.00
	1/12	1/14	Egypt		406.00						406.00
	1/14	1/17	Kenya		400.00						400.00
	1/17	1/18	Kuwait		424.00						424.00
	1/18	1/19	Germany		224.00						224.00
Commercial and military air transportation									8,367.00		8,367.00
Robert S. Kripowicz	1/19	1/11	Holland		392.00						392.00
	1/11	1/11	Sweden		184.00						184.00
	1/12	1/15	Poland		421.00						421.00
	1/15	1/19	Germany		842.00						842.00
	1/19	1/23	France		1,068.00				53.02		1,121.02
Commercial air/rail transportation							4,460.48				4,460.48
Fred Mohrman	1/11	1/14	Turkey		762.00						762.00
	1/14	1/17	Kenya		400.00						400.00
	1/17	1/18	Kuwait		424.00						424.00
	1/18	1/19	Germany		224.00						224.00
Military air transportation							8,367.00				8,367.00
Mark W. Murray	1/11	1/14	El Savador		393.00						393.00
	1/14	1/17	Nicaragua		531.00						531.00
	1/17	1/18	Panama		138.00						138.00
Commercial air transportation							966.41				966.41
Juliet Pacquing	2/13	2/15	Korea		508.00						508.00
Military air transportation							5,360.00				5,360.00
John Plashal	1/11	1/14	Turkey		762.00						762.00
	1/14	1/17	Kenya		400.00						400.00
	1/17	1/18	Kuwait		424.00						424.00
	1/18	1/19	Germany		224.00						224.00
Military air transportation							8,367.00				8,367.00
John Plashal	2/13	2/15	Korea		508.00						508.00
Military air transportation							5,360.00				5,360.00
Donald E. Richbourg	1/11	1/14	Turkey		762.00						762.00
	1/14	1/17	Kenya		400.00						400.00
	1/17	1/18	Kuwait		424.00						424.00
	1/18	1/19	Germany		224.00						224.00
Military air transportation							8,367.00				8,367.00
Kevin Roper	2/13	2/15	Korea		508.00						508.00
Military air transportation							5,360.00				5,360.00
William Schuerch	1/13	1/15	Philippines		364.00						364.00
	1/13	1/16	Hong Kong		329.00						329.00
	1/16	1/17	Thailand		213.00						213.00
	1/17	1/20	Cambodia		864.00						864.00
	1/20	1/23	Thailand		639.00						639.00
	1/23	1/25	Laos		284.00						284.00
	1/15	1/16	Thailand		213.00						213.00
Commercial air transportation							4,294.95				4,29495
Committee total					29,878.75		126,424.79		53.02		156,356.56

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

DAVID R. OBEY, April 29, 1994.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON APPROPRIATIONS, SURVEYS AND INVESTIGATIONS STAFF, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1994

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Thomas K. Baker	1/25	1/30	South Africa		746.50		7,269.15		78.36		8,094.01
	1/30	2/1	Egypt		297.00						297.00
	2/1	2/3	Tunisia		162.00						162.00
	2/3	2/5	Italy		414.00						414.00
Benjamin M. Cass	1/16	1/19	Germany		761.00		4,052.75		170.61		4,984.36
	1/19	1/22	England		689.00						689.00
John P. Gullen	1/12	1/17	The Netherlands		759.75		3,036.35		63.74		3,859.84
Carroll L. Hauver	1/25	1/30	South Africa		746.50		7,114.15		109.74		7,970.39
	1/30	2/1	Egypt		297.00						297.00
	2/1	2/3	Tunisia		162.00						162.00
	2/3	2/5	Italy		414.00						414.00
John D. O'Shaughnessy	1/14	1/19	Japan		1,373.75		3,863.95		168.21		5,405.91
	1/19	1/22	Korea		624.50						624.50
Robert J. Reitwiesner	1/14	1/19	Japan		1,373.75		3,863.95		211.56		5,449.26
	1/19	1/22	Korea		624.50						624.50
Mary E. Shields	1/14	1/19	Japan		1,373.75		3,863.95		111.30		5,349.00
	1/19	1/22	Korea		624.50						624.50
Joseph M. Stehr	2/12	2/16	The Netherlands		592.75		3,036.35		116.55		3,745.65
R.W. Vandergrift	1/24/	1/29	South Africa		638.50		8,333.85		208.68		9,181.03
Richard L. Weaver	2/12	2/17	The Netherlands		759.75		33,036.35		77.09		3,873.19

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON APPROPRIATIONS, SURVEYS AND INVESTIGATIONS STAFF, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1994

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
L. Michael Welsh	2/15	2/19	Germany		761.00		4,052.75		102.50		4,916.25
	2/19	2/22	England			689.00					689.00
Committee totals					14,884.50		51,523.55		1,418.34		67,826.39

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

DAVID R. OBEY, Apr. 29, 1994.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON ARMED SERVICES, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1994

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Visit to New Zealand, Jan. 1–10, 1994:											
Hon. Bob Dornan	1/1	1/1	New Zealand		316.00						316.00
Commercial transportation							6,349.10				6,349.10
Visit to Saudi Arabia and Israel, Jan. 4–7, 1994:											
Hon. Patricia Schroeder	1/4	1/5	Saudi Arabia		165.00						165.00
	1/5	1/7	Israel		358.00						358.00
Commerical transportation							4,167.95				4,167.95
Mr. William J. Andahazy	1/4	1/5	Saudi Arabia		176.00						176.00
	1/5	1/7	Israel		374.00						374.00
Commercial transportation							4,167.95				4,167.95
Ms. Betty J. Wheeler	1/4	1/5	Saudia Arabia		150.00						150.00
	1/5	1/7	Israel		345.00						345.00
Commercial transportation							4,167.95				4,167.95
Visit to Russia and the Netherlands, Jan. 3–10, 1994:											
Hon. Martin Lancaster	1/3	1/7	Russia		1,300.00						1,300.00
	1/7	1/10	Netherlands		738.00						738.00
Commercial transportation							3,365.85				3,365.85
Hon. Glen Browder	1/3	1/7	Russia		1,300.00						1,300.00
	1/7	1/10	Netherlands		738.00						738.00
Commercial transportation							3,365.85				3,365.85
Mr. Stephen O. Rossetti	1/3	1/7	Russia		1,300.00						1,300.00
	1/7	1/10	Netherlands		738.00						738.00
Commercial transportation							3,365.85				3,365.85
Visit to Germany, Italy, Nigeria, and Belgium, Jan. 9–16, 1994:											
Hon. Ronald V. Dellums	1/9	1/11	Germany		250.00						250.00
	1/11	1/12	Italy		207.00						207.00
	1/12	1/14	Nigeria		340.00						340.00
	1/14	1/16	Belgium		344.00						344.00
Ms. Marilyn A. Elrod	1/9	1/11	Germany		250.00						250.00
	1/11	1/12	Italy		207.00						207.00
	1/12	1/14	Nigeria		314.00						314.00
	1/14	1/16	Belgium		344.00						344.00
Mr. Robert B. Brauer	1/9	1/11	Germany		250.00						250.00
	1/11	1/12	Italy		207.00						207.00
	1/12	1/14	Nigeria		314.00						314.00
	1/14	1/16	Belgium		344.00						344.00
Ms. Hazel Ross-Robinson	1/9	1/11	Germany		250.00						250.00
	1/11	1/12	Italy		207.00						207.00
	1/12	1/14	Nigeria		314.00						314.00
	1/14	1/16	Belgium		344.00						344.00
Delegation expenses	1/11	1/12	Italy						117.72		117.72
Visit to Germany, Feb. 4–6, 1994:											
Hon. Norman Sisisky	2/4	2/6	Germany		375.00						375.00
Hon. Marilyn Lloyd	2/4	2/6	Germany		375.00						375.00
Hon. John M. Spratt	2/4	2/6	Germany		16.96						16.96
Mr. Ronald J. Bartek	2/4	2/6	Germany		375.00						375.00
Visit to Panama, Feb. 16–19, 1994:											
Hon. Gene Taylor	2/16	2/19	Panama		414.00						414.00
Mr. Peter M. Steffes	2/16	2/19	Panama		414.00						414.00
Committee total					14,453.96		28,950.50		117.72		43,522.18

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

RONALD V. DELLUMS, Apr. 30, 1994.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON GOVERNMENT OPERATIONS, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. AND MAR. 31, 1994

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Hon. William F. Clinger	1/13	1/16	Greece		606.00		1,167.30				1,773.30
Committee total					606.00		1,167.30				1,773.30

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

JOHN CONYERS, Jr., Apr. 29, 1994.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON THE MERCHANT MARINE AND FISHERIES, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1994

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
James H. Mathews	2/26	3/1	Mexico	1872.30	603.25		[3] 444.45		0.00		1,047.70
Committee total					603.25		444.45		0.00		1,047.70

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Commercial airfare.

GERRY E. STUDDS, Apr. 25, 1994.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON NATURAL RESOURCES, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1994

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
CODEL Gephardt:											
Hon. George Miller	1/6	1/8	Jakarta		462.00		([3])				462.00
	1/8	1/12	Bangkok		852.00						852.00
	1/12	1/16	China		800.00						800.00
John Lawrence	1/6	1/8	Jakarta		462.00		([3])				462.00
	1/8	1/12	Bangkok		852.00						852.00
	1/12	1/16	China		800.00						800.00
Committee Total[3]					4,228.00						4,228.00

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Military transportation.

GEORGE MILLER, Apr. 29, 1994.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON SCIENCE, SPACE, AND TECHNOLOGY, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1994

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Hon. F. James Sensenbrenner, Jr.	1/3	1/6	Russia		960.00						960.00
	1/6	1/7	Germany		240.00		[3] 3,709.85		139.74		4,089.59
	1/7	1/10	France	FF4,733.91	801.00					FF4,733.91	801.00
	1/10	1/12	Italy	L865,576	514.00				190.35	L865,576	704.35
Richard M. Obermann	1/3	1/6	Russia		960.00						960.00
	1/6	1/7	Germany		240.00		[3] 3,709.85		139.74		4,089.59
	1/7	1/10	France	FF4,733.91	801.00					FF4,733.91	801.00
	1/10	1/12	Italy	L865,576	514.00				190.34	L865,576	704.34
Nicholas A. Fuhrman	1/3	1/6	Russia		960.00						960.00
	1/6	1/7	Germany		240.00		[3] 3,709.85		139.74		4,089.59
	1/7	1/10	France	FF4,733.91	801.00					FF4,733.91	801.00
	1/10	1/12	Italy	L865,576	514.00				190.34	L865,576	704.34
Hon. Robert S. Walker	1/6	1/9	Switzerland		723.01						723.01
	1/9	1/12	Italy		771.00		[3] 2,160.05				2,931.05
David D. Clement	1/6	1/9	Switzerland		723.01						723.01
	1/9	1/12	Italy		771.00		[3] 2,143.05				2,914.05
Frank X. Murray	1/9	1/11	Netherlands	762.24	392.00					D762.24	392.00
	1/11	1/12	Sweden	SEK1,507.50	184.00		[3] 2,904.35			SEK1,507.50	3,088.35
	1/12	1/15	Poland		421.00				55.88		476.88
	1/15	1/16	Germany	DM389.09	224.00					DM389.09	224.00
Nancy J. Jeffery	1/9	1/11	Netherlands	D762.24	392.00					D762.24	392.00
	1/11	1/12	Sweden	SEK1,507.50	184.00		[3] 4,201.05			SEK1,507.50	4,385.05
	1/12	1/15	Poland		421.00				55.88		476.88
	1/15	1/19	GermanyDDM1,462.55	842.00				101.95	DM1,462.55	943.95	
	1/19	1/23	France	FF6,365.28	1,068.00				45.83	FF6,365.28	1,113.83
Mason E. Wiggins	1/9	1/11	Netherlands	D762.24	392.00					D762.24	392.00
	1/11	1/12	Sweden	SEK1,507.50	184.00		[3] 4,201.05			SEK1,507.50	4,385.05
	1/12	1/15	Poland		421.00				55.88		476.88
	1/15	1/19	Germany	DM1,462.55	842.00				101.95	DM1,462.55	943.95
	1/19	1/23	France	FF6,365.28	1,068.00				45.83	FF6,365.28	1,113.83
Harlan L. Watson	1/9	1/11	Netherlands	D762.24	392.00					D762.24	392.00
	1/11	1/12	Sweden	SEK1,507.50	184.00		[3] 4,201.05			SEK1,507.50	4,385.05
	1/12	1/15	Poland		421.00						421.00
	1/15	1/19	Germany	DM1,462.55	842.00				101.95	DM1,462.55	943.95
	1/19	1/23	France	FF6,365.28	1,068.00				45.83	FF6,365.28	1,113.83
David D. Clement	2/18	2/23	Thailand	BHT26,838	1,065.00					BHT26,838	1,065.00
	2/23	2/25	Singapore		719.58		[3] 3,589.95				4,309.53
	2/25	2/27	Hong Kong	HK5,081.70	658.00					HK5,081.70	658.00
William H. Buckey	2/18	2/23	Thailand	BHT26,838.	1,065.00					BH26,838.	1,065.00
	2/23	2/25	Singapore		719.58		[3] 3,589.95				4,309.53
	2/25	2/27	Hong Knog	HK5,081.70	658.00					HK5,081.70	658.00
Committee total					25,360.18		38,120.05		1,601.23		65,081.46

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Commercial air.

GEORGE E. BROWN, Jr., Apr. 30, 1994.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMISSION ON SECURITY AND COOPERATION IN EUROPE, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1994

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Hon. Steny H. Hoyer		1/15	United States				4,104.3				4,104.03
	1/16	1/18	Denmark		354.75						354.75
Victoria Showalter		1/15	United States				2,897.35				2,897.35
	1/16	1/18	Denmark		329.84						329.84
Samuel Wise		1/15	United States				2,987.35				2,897.35
	1/16	1/18	Denmark		354.75						354.75
Frank R. Wolf		1/4	United States				1,402.65				1,402.65
	1/5	1/7	Croatia		478.00				300.00		778.00
	1/7	1/8	Germany		184.00						184.00
Committee total					1,701.34		11,301.38		300.00		13,302.72

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

STENY HOYER, Apr. 26, 1994.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, DELEGATION TO INDIA, PHILIPPINES, THAILAND, AND INDONESIA, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 8 AND JAN. 24. 1994

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Hon. Jim McDermott	1/8	1/3	India				9,656.85				9,656.85
							144.00				144.00
	1/13	1/16	Philippines								
	1/16	1/18	Thailand		934.13						934.13
	1/18	1/22	Indonesia		807.00		434.00				1,241.00
Charles Williams	1/8	1/13	India				9,656.85				9,656.85
							144.00				144.00
	1/13	1/16	Philippines								
	1/16	1/18	Thailand								
	1/18	1/22	Indonesia				434.00				434.00
Committee totals					1,741.13		20,469.70				22,210.83

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter among expended.

JIM McDERMOTT, May 10, 1994.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, DELEGATION TO JAPAN, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 8 AND JAN. 15, 1994

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Hon. Robert E. Wise, Jr.	1/8	1/15	Japan		3,073.00		(3)				
Hon. Jolene Unsoeld	1/8	1/15	Japan		3,073.00		(3)				
Hon. Earl Hilliard	1/8	1/15	Japan		3,073.00		(3)				
Hon. Bennie Thompson	1/8	1/15	Japan		3,073.00		(3)				
Hon. Henry Hyde	1/8	1/15	Japan		3,073.00		(3)				
Michael O' Neil	1/8	1/15	Japan		3,073.00		(3)				
Don Pidings	1/8	1/15	Japan		3,073.00		(3)				
Judy Wolverton	1/8	1/15	Japan		3,073.00		(3)				
Committee total					22,761.00		7,411.90				

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Military air.
[4] Military air and commercial air (one-way).
[5] Total commercial air.

BOB WISE, Feb. 14,1994.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, DELEGATION TO LUXEMBOURG, BELGIUM AND FRANCE, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 11 AND JAN. 21, 1994

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Jennifer Burton	1/11	1/13	Luxembourg		340.47						
	1/13	1/18	Belgium		1260.00						
	1/18	1/19	Strasbourg		468.00		2,793.45				
Ted Van Der Meid	1/11	1/13	Luxembourg		340.47						
	1/13	1/18	Belgium		1260.00						
	1/18	1/20	Strasbourg		702.00		2,793.45				
Elana Broitman	1/11	1/13	Luxembourg		340.47						
	1/13	1/18	Belgium		1260.00						
	1/18	1/21	Strasbourg		936.00		2,745.05				
John Herzberg	1/11	1/13	Luxembourg		340.47						
	1/13	1/18	Belgium		1260.00						
	1/18	1/21	Strasbourg		936.00		2,793.45				
Charlotte Preece (Detailed employee from CPS to Office of Speaker Thomas Foley).	1/11	1/13	Luxembourg		340.47						

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, DELEGATION TO LUXEMBOURG, BELGIUM AND FRANCE, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 11 AND JAN. 21, 1994—Continued

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
	1/13	1/18	Belgium		1260.00						
	1/18	1/21	Strasbourg		936.00		2,793.45				
Committee totals					11,980.35		13,918.85				

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currently is used, enter amount expended.

JENNIFER BURTON, Feb. 4, 1994.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, DELEGATION TO ROMANIA, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 14 AND JAN. 23, 1994

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Bart Gordon	1/17	1/23	Romania		996		1,677.45				2,673.45
Harrison Wadsworth	1/14	1/22	Romania		1,328		1,166.45				2,494.45
Kent Syler	1/14	1/22	Romania		1,328		1,210.45				2,538.45
Robin Webb	1/14	1/22	Romania		1,328		2,388.45				3,716.45
Committee total											11,422.80

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

BART GORDON, Feb. 8, 1994.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, DELEGATION TO SLOVAKIA, AND CZECH REPUBLIC, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 18 AND JAN. 28, 1994

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Cathy Brickman	1/18	1/23	Slovakia		800.00						800.00
	1/23	1/28	Czech Republic	17,241.95 KC	1,150.00						1,150.00
Commercial transportation							3,260.90				3,260.90
William Freeman	1/18	1/23	Slovakia		800.00						800.00
	1/23	1/28	Czech Republic	17,241.95 KC	1,150.00						1,150.00
Commercial transportation							3,260.90				3,260.90
Committee total					3,900.00		6,521.80				10,421.80

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

KRISTI E. WALSETH, May 5, 1994.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, DELEGATION TO GHANA, SOUTH AFRICA, AND PORTUGAL, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN MAR. 26 AND APR. 2, 1994

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. John Lewis	3/27	3/28	Ghana		162.00		(3)				162.00
	3/28	3/30	South Africa		179.00		(3)				179.00
	3/30	3/31	South Africa		223.00		(3)				223.00
	3/31	4/1	South Africa		236.00		(3)				236.00
	4/2	4/2	Portugal		165.00		(3)				165.00
Hon. Butler Derrick	3/27	3/28	Ghana		162.00		(3)				162.00
	3/28	3/30	South Africa		179.00		(3)				179.00
	3/30	3/31	South Africa		223.00		(3)				223.00
	3/31	4/1	South Africa		236.00		(3)				236.00
	4/2	4/2	Portugal		165.00		(3)				165.00
Hon. Kweisi Mfume	3/27	3/28	Ghana		162.00		(3)				162.00
	3/28	3/30	South Africa		179.00		(3)				179.00
	3/30	3/31	South Africa		223.00		(3)				223.00
	3/31	4/1	South Africa		236.00		(3)				236.00
	4/2	4/2	Portugal		165.00		(3)				165.00
Hon. Patricia Schroeder	3/27	3/28	Ghana		162.00		(3)				162.00
	3/28	3/30	South Africa		179.00		(3)				179.00
	3/30	3/31	South Africa		223.00		(3)				223.00
	3/31	4/1	South Africa		236.00		(3)				236.00
	4/2	4/2	Portugal		165.00		(3)				165.00
Hon. Donald Payne	3/27	3/28	Ghana		162.00		(3)				162.00
	3/28	3/30	South Africa		179.00		(3)				179.00
	3/30	3/31	South Africa		223.00		(3)				223.00
	3/31	4/1	South Africa		236.00		(3)				236.00
	4/2	4/2	Portugal		165.00		(3)				165.00
Hon. Craig Washington	3/27	3/28	Ghana		162.00		(3)				162.00
	3/28	3/30	South Africa		179.00		(3)				179.00
	3/30	3/31	South Africa		223.00		(3)				223.00
	3/31	4/1	South Africa		236.00		(3)				236.00
	4/2	4/2	Portugal		165.00		(3)				165.00

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, DELEGATION TO GHANA, SOUTH AFRICA, AND PORTUGAL, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN MAR. 26 AND APR. 2, 1994

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Hon. Amo Houghton	3/27	3/28	Ghana		162.00		(3)				162.00
	3/28	3/30	South Africa		179.00		(3)				179.00
	3/30	3/31	South Africa		223.00		(3)				223.00
	3/31	4/1	South Africa		236.00		(3)				236.00
	4/2	4/2	Portugal		165.00		(3)				165.00
Robert Bassin	3/27	3/28	Ghana		162.00		(3)				162.00
	3/28	3/30	South Africa		179.00		(3)				179.00
	3/30	3/31	South Africa		223.00		(3)				223.00
	3/31	4/1	South Africa		236.00		(3)				236.00
	4/2	4/2	Portugal		165.00		(3)				165.00
Amelia Parker	3/27	3/28	Ghana		162.00		(3)				162.00
	3/28	3/30	South Africa		179.00		(3)				179.00
	3/30	3/31	South Africa		223.00		(3)				223.00
	3/31	4/1	South Africa		236.00		(3)				236.00
	4/2	4/2	Portugal		165.00		(3)				165.00
Leo Coco	3/27	3/28	Ghana		162.00		(3)				162.00
	3/28	3/30	South Africa		179.00		(3)				179.00
	3/30	3/31	South Africa		223.00		(3)				223.00
	3/31	4/1	South Africa		236.00		(3)				236.00
	4/2	4/2	Portugal		165.00		(3)				165.00
Faith Rivers	3/27	3/28	Ghana		162.00		(3)				162.00
	3/28	3/30	South Africa		179.00		(3)				179.00
	3/30	3/31	South Africa		223.00		(3)				223.00
	3/31	4/1	South Africa		236.00		(3)				236.00
	4/2	4/2	Portugal		165.00		(3)				165.00
James Waller	3/27	3/28	Ghana		162.00		(3)				162.00
	3/28	3/30	South Africa		179.00		(3)				179.00
	3/30	3/31	South Africa		223.00		(3)				223.00
	3/31	4/1	South Africa		236.00		(3)				236.00
	4/2	4/2	Portugal		165.00		(3)				165.00
Ron Roach	3/27	3/28	Ghana		162.00		(3)				162.00
	3/28	3/30	South Africa		179.00		(3)				179.00
	3/30	3/31	South Africa		223.00		(3)				223.00
	3/31	4/1	South Africa		236.00		(3)				236.00
	4/2	4/2	Portugal		165.00		(3)				165.00
Carl Swann	3/27	3/28	Ghana		162.00		(3)				162.00
	3/28	3/30	South Africa		179.00		(3)				179.00
	3/30	3/31	South Africa		223.00		(3)				223.00
	3/31	4/1	South Africa		236.00		(3)				236.00
	4/2	4/2	Portugal		165.00		(3)				165.00
Lilly Clark	3/27	3/28	Ghana		162.00		(3)				162.00
	3/28	3/30	South Africa		179.00		(3)				179.00
	3/30	3/31	South Africa		223.00		(3)				223.00
	3/31	4/1	South Africa		236.00		(3)				236.00
	4/2	4/2	Portugal		165.00		(3)				165.00
John Meier	3/27	3/28	Ghana		162.00		(3)				162.00
	3/28	3/30	South Africa		179.00		(3)				179.00
	3/30	3/31	South Africa		223.00		(3)				223.00
	3/31	4/1	South Africa		236.00		(3)				236.00
	4/2	4/2	Portugal		165.00		(3)				165.00
Charles Mellody	3/27	3/28	Ghana		162.00		(3)				162.00
	3/28	3/30	South Africa		179.00		(3)				179.00
	3/30	3/31	South Africa		223.00		(3)				223.00
	3/31	4/1	South Africa		236.00		(3)				236.00
	4/2	4/2	Portugal		165.00		(3)				165.00
Dr. James Ford	3/27	3/28	Ghana		162.00		(3)				162.00
	3/28	3/30	South Africa		179.00		(3)				179.00
	3/30	3/31	South Africa		223.00		(3)				223.00
	3/31	4/1	South Africa		236.00		(3)				236.00
	4/2	4/2	Portugal		165.00		(3)				165.00
Keith Jewell	3/27	3/28	Ghana		162.00		(3)				162.00
	3/28	3/30	South Africa		179.00		(3)				179.00
	3/30	3/31	South Africa		223.00		(3)				223.00
	3/31	4/1	South Africa		236.00		(3)				236.00
	4/2	4/2	Portugal		165.00		(3)				165.00
Committee totals					18,335.00						18,335.00

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Military transportation.

JOHN LEWIS, May 3, 1994.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, DR. JAMES D. FORD, TRAVEL TO GREECE, ISRAEL, JORDAN, SYRIA, AND MOROCCO, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 12 AND JAN. 23, 1994—Continued

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Dr. James D. Ford	1/12	1/16	Greece		808.00		3				808.00
	1/16	1/18	Israel		642.00		3				642.00
	1/18	1/19	Jordan		191.00		3				191.00
	1/19	1/21	Syria		512.00		3				512.00
	1/21	1/23	Morocco		423.75		3				423.00
Committee totals				2,576.75							2,576.75

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] DOD.

JAMES D. FORD, Oct. 26, 1994.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, MR. MICHAEL J. O'NEIL, TRAVEL TO SOUTH KOREA, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN FEB. 13 AND FEB. 15, 1994

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Michael J. O'Neil	2/13	2/15	South Korea	Won	508.00						
Committee totals					508.00						508.00

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

MICHAEL J. O'NEIL, Mar. 17, 1994.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, HON. MICHAEL J. KOPETSKI, TRAVEL TO FRANCE AND SWITZERLAND, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN FEB. 12 AND FEB. 16, 1994

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Michael J. Kopetski	2/12	2/12	France	Francs 1,554.80	260.00		[3]				260.00
	2/13	2/16	Switzerland	Francs 1,073.65	723.00		2,949.85				3,672.85
Committee totals											3,932.85

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Military aircraft.

MIKE KOPETSKI, Mar. 16, 1994.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, MR. PHILIP M. SCHILIRO, TRAVEL TO SWITZERLAND, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN FEB. 14 AND FEB. 18, 1994

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Philip M. Schiliro	2/14	2/18	Switzerland	1,129.95	764.00		612.95				1,376.95
Committee totals					764.00		612.95				1,376.95

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

PHILIP M. SCHILIRO, Mar. 11, 1994.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, MS. KRISTI E. WALSETH, TRAVEL TO GREECE, ALBANIA AND ITALY, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN FEB. 15 AND FEB. 25, 1994

Name of Member or employee	Date		Country	Per diem		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Kristi E. Walseth	2/16	2/22	Greece	206,038	823.00						823.00
	2/22	2/24	Albania		262.00						262.00
	2/24	2/25	Italy		257.00						257.00
							2,123.95				2,123.95
Committee totals					1,342.00		2,123.95				3,465.95

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Commercial transportation.

KRISTI E. WALSETH, Mar. 7, 1994.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, MR. HENRY COLLINS, TRAVEL TO BULGARIA, HOUSE OF REPRESENTATIVES EXPENDED BETWEEN MAR. 7 AND MAR. 12, 1994

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Henry Collins	3/7	3	Bulgaria		1,065.75						1,065.75
Commercial transportation							2,383.35				2,383.35
Committee totals					1,065.75		2,383.35				3,449.10

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

KRISTI E. WALSETH, Mar. 29, 1994.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3194. A communication from the President of the United States, transmitting amendments to the fiscal year 1995 appropriations requests for the Departments of Agriculture, Commerce, Education, Energy, Housing and Urban Development, Justice, Labor, Transportation, and the Treasury; the General Services Administration; the Small Business Administration; the John F. Kennedy Assassination Records Review Board; and the Securities and Exchange Commission, pursuant to 31 U.S.C. 1107 (H. Doc. No. 103-257); to the Committee on Appropriations and ordered to be printed.

3195. A letter from the Comptroller of the Department of Defense, transmitting a report of a violation of the Anti-Deficiency Act which occurred in the Department of the Navy, pursuant to 31 U.S.C. 1517(b); to the Committee on Appropriations.

3196. A letter from the Comptroller of the Department of Defense, transmitting a report of a violation of the Anti-Deficiency Act which occurred in the Department of the Navy, pursuant to 31 U.S.C. 1517(b); to the Committee on Appropriations.

3197. A letter from the Department of the Navy, transmitting notification that the Department intends to offer for lease four naval vessels to the American Institute in Taiwan, pursuant to 10 U.S.C. 7307(b)(2); to the Committee on Armed Services.

3198. A letter from the Chairman, Armed Forces Retirement Home Board, transmitting a draft of proposed legislation to amend section 1007 of title 37, United States Code, to authorize a deduction from the active-duty pay of enlisted personnel of the Armed Forces in an amount not to exceed $2; to the Committee on Armed Services.

3199. A letter from the Secretary of Education, transmitting Final Regulations—Federal Family Education Loan Program, pursuant to 20 U.S.C. 1232(d)(1); to the Committee on Education and Labor.

3200. A letter from the Assistant Secretary of State for Legislative Affairs, transmitting copies of the original report of political contributions by Mary Ann Casey, of Colorado, Ambassador designate to the Republic of Tunisia, and members of her family, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

3201. A letter from the Assistant Secretary of State for Legislative Affairs, transmitting copies of the original report of political contributions by Frank G. Wisner, of the District of Columbia, Ambassador designate to India, and members of his family, also by Ronald E. Neumann, of Virginia, Ambassador designate to the Democratic and Popular Republic of Algeria, and members of his family, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

3202. A letter from the Chairman, International Trade Commission, transmitting the semiannual report on the activities of the inspector general for the period October 1, 1993, through March 31, 1994, pursuant to Public Law 95-452, section 5(b) (102 Stat. 2526); to the Committee on Government Operations.

3203. A letter from the Commissioner, Bureau of Reclamation, Department of the Interior, transmitting a report on the necessity to construct modifications to Bumping Lake Dam, Yakima Project, Washington, in order to preserve its structural safety, pursuant to 43 U.S.C. 509; to the Committee on Natural Resources.

3204. A letter from the Assistant Attorney General for Legislative Affairs, Department of Justice, transmitting a draft of proposed legislation to provide administrative procedures for the nonjudicial foreclosure of mortgages on properties to satisfy debts owed to the United States, and for other purposes, to the Committee on the Judiciary.

3205. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend the Magnuson Fishery Conservation and Management Act; to the Committee on Merchant Marine and Fisheries.

3206. A letter from the Secretary of Health and Human Services, transmitting the initial estimate of the applicable percentage increased for fiscal year 1995 that will be recommended for hospitals subject to the Medicare prospective payment system [PPS] and for hospitals and units excluded from PPS, pursuant to section 1886(e)(3)(B) of the Social Security Act; to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Ms. SLAUGHTER: Committee on Rules. House Resolution 428. Resolution providing for consideration of the bill (H.R. 2108) to make improvements in the Black Lung Benefits Act (Rept. 103-508). Referred to the House Calendar.

Mr. FROST: Committee on Rules. House Resolution 429. Resolution providing for consideration of the bill (H.R. 4301) to authorize appropriations for fiscal year 1995 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal year 1995, and for other purposes (Rept. 103-509). 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 (by request):

H.R. 4429. A bill to authorize the transfer of naval vessels to certain foreign countries; to the Committee on Foreign Affairs.

By Mr. MANTON (for himself and Mr. STUDDS) (both by request):

H.R. 4430. A bill to amend the Magnuson Fishery Conservation and Management Act; to the Committee on Merchant Marine and Fisheries.

By Mr. BATEMAN:

H.R. 4431. A bill to authorize demonstration grants for the renovation of facilities and the purchase of equipment for existing free health clinics that exclusively serve individuals who are without health insurance; to the Committee on Energy and Commerce.

By Mr. BEREUTER:

H.R. 4432. A bill to provide relief from regulatory requirements inhibiting the effectiveness and productivity of public housing agencies; to the Committee on Banking, Finance and Urban Affairs.

By Mr. SMITH of Texas (for himself, Mr. BARRETT of Wisconsin, Mr. BUNNING, Mr. CANADY, Mr. COLLINS of Georgia, Mr. COX, Mr. DOOLITTLE, Mr. DORNAN, Mr. FRANKS of New Jersey, Mr. GALLEGLY, Mr. GOODLATTE, Mr. GORDON, Mr. HANCOCK, Mr. KASICH, Mr. KINGSTON, Mr. LEVY, Mr. MACHTLEY, Mr. MEEHAN, Mrs. MEYERS of Kansas, Mr. OXLEY, Mr. PORTMAN, Mr. SHAYS, Mr. STEARNS, and Mr. TORKILDSEN):

H.R. 4433. A bill to establish a commission to make recommendations for the disposal of Federal Government property, the closure and consolidation of offices of Federal agencies, the procurement of Federal agency functions, the repeal of provisions of Federal statutes, and the termination of Federal regulations, and to provide a procedure for the expedited implementation of these recommendations; jointly, to the Committees on Government Operations, Rules, Merchant Marine and Fisheries, and Energy and Commerce.

By Mr. STENHOLM (for himself, Mr. PENNY and Mr. KASICH):

H.R. 4434. A bill to reform the concept of baseline budgeting, set forth strengthened procedures for the consideration of rescissions, provide a mechanism for dedicating savings from spending cuts to deficit reduction, and ensure that only one emergency is included in any bill containing an emergency designation; jointly, to the Committees on Government Operations and Rules.

By Mr. WOLF:

H.R. 4435. A bill to provide for the orderly termination of easements and property used for public utility purposes at the Manassas National Battlefield Park; to the Committee on Natural Resources.

By Mr. YOUNG of Alaska:

H.R. 4436. A bill to transfer certain Coast Guard property; to the Committee on Merchant Marine and Fisheries.

By Mr. HINCHEY:

H.R. 4437. A bill to extend the emergency unemployment compensation program; to the Committee on Ways and Means.

By Ms. NORTON:

H.R. 4438. A bill to provide for funding for Federal employee pay adjustments and comparability payments through reductions in agency spending on service contracts for fiscal year 1995; jointly, to the Committees on Post Office and Civil Service, Government Operations, and Appropriations.

By Mr. JOHNSON of South Dakota:

H.R. 4439. A bill to expand the scope of the Belle Fourche irrigation project, and for other purposes; to the Committee on Natural Resources.

By Mr. McDADE:

H.R. 4440. A bill to provide for performance accountability in the government of the District of Columbia; to the Committee on the District of Columbia.

By Mr. PORTMAN (for himself and Mr. CONDIT):

H.R. 4441. A bill to clarify that a reasonable suspicion, sufficient to support a constitutional stop and frisk by a law enforcement officer, includes membership in a criminal street gang that engages in a pattern of criminal gang activity; to the Committee on the Judiciary.

By Mr. YOUNG of Alaska:

H.R. 4442. A bill to provide consultations for the development of Articles of Relations and Self-Government for insular areas of the United States; to the Committee on Natural Resources.

By Mr. BONIOR (for himself, Mr. TORRICELLI, Mr. BERMAN, Mr. BROWN of Ohio, Mr. ENGEL, Mr. FRANK of Massachusetts, Ms. KAPTUR, Mr. LA-

FALCE, Mr. LEWIS of Georgia, Mrs. MEEK of Florida, Mr. PETERSON of Minnesota, Mr. RUSH, Mr. SERRANO, Mrs. THURMAN, Ms. VELAZQUEZ, and Mr. WYNN):

H. Con. Res. 250. Concurrent resolution expressing the sense of the Congress in support of efforts by the Government of Mexico, and the major political parties and concerned members of civic society in Mexico, to reform Mexico's political and electoral processes and ensure free and fair elections; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII.

386. The SPEAKER presented a memorial of the House of Representatives of the State of Kansas, relative to Kansas POW's/MIA's in Southeast Asia; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII.

Mrs. UNSOELD introduced a bill (H.R. 4443) to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel *Wolf Gang II*; to the Committee on Merchant Marine and Fisheries.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 34: Mr. KING.

H.R. 35: Mr. TUCKER.

H.R. 302: Mr. LAZIO and Mr. GILLMOR.

H.R. 325: Ms. MCKINNEY, Mr. MILLER of California, Mr. GENE GREEN of Texas, Mr. SCHIFF, Mr. MONTGOMERY, Mr. DARDEN, Mr. ABERCROMBIE, and Mr. KLINK.

H.R. 326: Ms. ENGLISH of Arizona, Mr. ROMERO-BARCELÓ, and Mr. DE LUGO.

H.R. 512: Ms. FURSE.

H.R. 1164: Ms. SCHENK.

H.R. 1231: Mr. HAMBURG, Mr. STOKES, Mrs. KENNELLY, and Mr. MATSUI.

H.R. 1277: Mr. UPTON.

H.R. 1280: Mr. DICKS.

H.R. 1671: Mr. DICKEY.

H.R. 1864: Mr. BAKER of California.

H.R. 1900: Mr. FLAKE.

H.R. 1928: Mr. KNOLLENBERG, Mr. LEVY, and Mr. GUNDERSON.

H.R. 2132: Mr. RAVENEL.

H.R. 2365: Ms. SNOWE and Mr. FILNER.

H.R. 2460: Mr. BAESLER.

H.R. 2554: Mr. SLATTERY and Mr. RUSH.

H.R. 2681: Mr. LEVY, Mr. EHLERS, Mr. KREIDLER, and Mr. WILLIAMS.

H.R. 2959: Mr. THOMAS of Wyoming.

H.R. 2969: Mrs. KENNELLY.

H.R. 3005: Mr. HOBSON.

H.R. 3173: Mrs. ROUKEMA, Mr. BARRETT of Nebraska, Mr. ZIMMER, and Mr. TRAFICANT.

H.R. 3293: Mr. LAFALCE and Mr. CALVERT.

H.R. 3347: Ms. ROYBAL-ALLARD, Mrs. MEEK of Florida, Mr. TOWNS, Mr. RUSH, Mr. JEFFERSON, and Mr. LEWIS of Georgia.

H.R. 3386: Mr. HILLIARD.

H.R. 3421: Mr. HOBSON and Mr. CONDIT.

H.R. 3486: Mr. SCHIFF, Mr. BARTON of Texas, Mr. ROBERTS, and Mr. SPENCE.

H.R. 3492: Mr. HUTTO and Mr. MCCURDY.

H.R. 3611: Mr. DIXON and Mr. TUCKER.

H.R. 3630: Ms. MCKINNEY.

H.R. 3656: Mr. GINGRICH and Mr. ZELIFF.

H.R. 3790: Mr. GRANDY, Mrs. MEYERS of Kansas, and Mr. STRICKLAND.

H.R. 3820: Mr. SKEEN, Mr. LIGHTFOOT, Mr. MANTON, and Mr. TOWNS.

H.R. 3830: Mr. FILNER and Mr. WILLIAMS.

H.R. 3871: Mr. HYDE.

H.R. 3994: Mr. GINGRICH.

H.R. 4042: Mr. FROST, Mr. JACOBS, and Mr. MINETA.

H.R. 4050: Mr. ANDREWS of Texas and Mrs. LLOYD.

H.R. 4124: Mr. SPENCE.

H.R. 4132: Mr. MILLER of California, Ms. VELÁZQUEZ, Mr. GENE GREEN of Texas, and Mrs. LLOYD.

H.R. 4158: Mr. MCNULTY, Ms. SLAUGHTER, Mr. SCHUMER, and Mrs. LOWEY.

H.R. 4189: Mr. HOEKSTRA, Mr. CANADY, Mr. LEWIS of Florida, and Mr. HAYES.

H.R. 4210: Mr. PENNY, Mr. SHAYS, Mr. HYDE, Mr. ENGEL, Mr. MCCLOSKEY, Mr. ROYCE, Mr. SMITH of New Jersey, Mr. GUNDERSON, and Mr. LIVINGSTON.

H.R. 4213: Ms. ROYBAL-ALLARD and Ms. VELÁZQUEZ.

H.R. 4224:Mr. MONTGOMERY.

H.R. 4251: Mr. FROST and Mr. KANJORSKI.

H.R. 4269: Mr. PETRI and Mr. EMERSON.

H.R. 4276: Mr. GALLEGLY and Mr. EDWARDS of California.

H.R. 4290: Mr. SOLOMON, Mr. SAM JOHNSON, Mr. NADLER, Mr. HOYER, and Ms. MOLINARI.

H.R. 4306: Mr. MINGE and Mr. BARCA of Wisconsin.

H.R. 4311: Mr. MYERS of Indiana.

H.R. 4350: Mr. CANADY.

H.R. 4356: Mr. FINGERHUT.

H.R. 4365: Mr. STUPAK and Mr. EWING.

H.R. 4366: Mr. FROST, Mr. HUGHES, Mr. COLEMAN, and Mr. PETE GEREN of Texas.

H.R. 4377: Mr. MURTHA and Mr. EHLERS.

H.R. 4378: Mr. MURTHA and Mr. EHLERS.

H.R. 4386: Mr. PARKER and Mr. KREIDLER.

H.J. Res. 90: Mr. FARR and Mr. THOMAS of California.

H.J. Res. 112: Mr. ANDREWS of New Jersey and Mr. SKEEN.

H.J. Res. 129: Mr. SHAYS.

H.J. Res. 209: Mr. SABO, Mr. BURTON of Indiana, Mr. HYDE, Mr. FIELDS of Louisiana, Mr. ROEMER, Mr. BACCHUS of Florida, Ms. VELÁZQUEZ, Mr. CAMP, and Mr. SOLOMON.

H.J. Res. 295: Mr. WOLF, Mr. SAXTON, Mr. KING, Mr. DORNAN, Mr. SOLOMON, Mr. QUINN, Mr. GOODLING, Mr. FRANK of Massachusetts, Mr. LEVY, Mr. MENENDEZ, Mr. MCNULTY, Mr. FROST, Mr. MCCOLLUM, Mr. TALENT, Mr. BARCA of Wisconsin, Mr. GINGRICH, and Mr. PARKER.

H.J. Res. 315: Mr. PAXON.

H.J. Res. 327: Mr. WHEAT, Mr. STARK, and Mr. BILBRAY.

H.J. Res. 334: Mr. ARCHER, Mr. BECERRA, Mr. CONYERS, Mr. DINGELL, Mr. EVANS, Mr. FAZIO, Mr. FLAKE, Mr. GORDON, Mr. GENE GREEN of Texas, Mr. HAMBURG, Mr. HOBSON, Mr. HILLIARD, Mr. HOCHBRUECKNER, Mr. MCNULTY, Mr. MINETA, Mr. MYERS of Indiana, Mr. SANDERS, Mr. SKEEN, Mr. SISISKY, Mr. SLATTERY, Mr. YOUNG of Florida, and Mr. WATT.

H.J. Res. 344: Ms. SLAUGHTER, Mr. KILDEE, Mr. BARRETT of Wisconsin, Mr. BRYANT, Mr. DIAZ-BALART, and Mr. SKEEN.

H.J. Res. 354: Mr. KOPETSKI, Mr. ANDREWS of New Jersey, Mr. RICHARDSON, Mr. BONIOR, Ms. SLAUGHTER, Mr. BACCHUS of Florida, Mr. BILIRAKIS, Mr. OWENS, Mr. WAXMAN, Mr. HOBSON, Mr. WYNN, and Mr. GONZALEZ.

H.J. Res. 356: Mr. WATT, Mr. BACCHUS of Florida, Ms. ESHOO, and Ms. VELAZQUEZ.

H.J. Res. 362: Mrs. LLOYD, Mr. PARKER, Mr. FLAKE, Mr. LANCASTER, Mr. KLEIN, Ms. EDDIE BERNICE JOHNSON of Texas, and Mr. PICKLE.

H. Con. Res. 35: Mr. GEKAS, Mrs. FOWLER, Mr. MANN, and Mr. GILMAN.

H. Con. Res. 148: Mr. FLAKE, Mr. STENHOLM, Mr. HASTERT, Mr. GOODLING, and Mr. GINGRICH.

H. Con. Res. 176: Mr. SPENCE.

H. Con. Res. 210: Mr. ROSE and Mr. HUFFINGTON.

H. Res. 330: Mr. ZELIFF.

H. Res. 377: Mr. ZELIFF.

EXTENSIONS OF REMARKS

GLENN H. ROTTMANN—50 YEARS OF FEDERAL SERVICE

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 17, 1994

Mr. HOYER. Mr. Speaker, Mr. Glenn H. Rottmann, a constituent of mine, celebrated his 50th anniversary of Federal service on May 2 of this year. He has given valuable service not only to his agency, the Government Printing Office, but to the entire Federal Government, especially to the Congress during his long career. Mr. Rottmann, in his role as Director of Production Services, has primary responsibility for the timely delivery of the many essential products needed by the Congress for its daily operation. These products include, but are not limited to, the CONGRESSIONAL RECORD, House and Senate Calendars, bills, reports, and hearings. I know we all wish Mr. Rottmann and his family continued good health and good luck in the future. I wish to insert a brief biography highlighting some of the many accomplishments of Mr. Rottmann at this point.

BIOGRAPHY

Mr. Rottmann began his Federal career 50 years ago on May 2, 1944, with a brief stint in the U.S. Army. On July 23, 1945, he started his career at the U.S. Government Printing Office [GPO]. His first position was entitled junior offset platemaker. He served in various journeyman and supervisory roles during the first 16 years of his time at GPO.

In 1971, Mr. Rottmann became the foreman of the offset plate section. Following successive promotions, he was named Superintendent of the Offset Division in 1975.

In 1981, Mr. Rottmann was promoted to the position of Production Manager of the Government Printing Office. In 1993, he was named Director of Production Services by current Public Printer Michael F. DiMario. In this capacity, he manages the activities of the Graphic Systems Development, Electronic Systems Development, Electronic Photocomposition, Press, and Binding Divisions of the Production Department. He is responsible for managing nearly 1,800 employees and for administering a printing budget in excess of $110 million annually. His fundamental responsibility is to ensure that Government information products and services are produced with the highest possible quality, in the most timely manner, and at the lowest possible cost.

A brief series of accomplishments that demonstrate Mr. Rottmann's leadership include his support of desktop publishing initiatives in Federal agencies through GPO's "dial-up" composition system, the continued development of the MicroComp software package, the production and distribution of the CONGRESSIONAL RECORD in CD-ROM format, the increased utilization of batch and interactive online products, the development of a strategic planning and equipment acquisition program, the expanded utilization of recycled paper in Government printing, and, most importantly, his determination to move GPO from an operation based on traditional print technologies toward an integrated information processing operation utilizing electronic technologies in the creation and replication of information.

Mr. Rottmann has earned numerous GPO awards, has served as an apprentice training representative, has completed several major personal development programs, and is a graduate of the Federal Executive Institute.

BICENTENNIAL OF THE TOWN OF POMPEY

HON. JAMES T. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 17, 1994

Mr. WALSH. Mr. Speaker, I rise today to ask my colleagues to join me in congratulating the town of Pompey in my home district of central New York on the occasion of its bicentennial.

On April 1, 1794, Township No. 10, the township of Pompey, in the newly formed Onondaga County, was officially organized. Moses DeWitt, a land surveyor of this military land grant area, was selected as its first supervisor.

During the period of June 10 to June 25, 1994, the town will hold many activities to celebrate its 200th birthday. The celebration will conclude with a townwide family picnic in September.

The bicentennial committee, cochaired by Elwyn Chartrand, Nancy Edwards, and Sylvia Shoebridge, eagerly awaits public participation in this local milestone.

The town today remains a vibrant part of our local area, rich in the qualities of American living and proud of its rural and suburban heritage.

I salute the townspeople, and look forward to participating with them in this grand celebration of an important mark in its history.

UNFAIR TAX ON ELECTION WORKERS SHOULD BE REPEALED

HON. DEAN A. GALLO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 17, 1994

Mr. GALLO. Mr. Speaker, every time an election is held anywhere in New Jersey, our local election officials rely on the services of scores of men and women—many of them senior citizens—to staff the polling places and ensure the integrity and fairness of our elections.

These poll workers put in a long day for minimal pay, and now thanks to the Federal tax writers, they have to pay taxes on their meager pay.

As one poll worker put it to me, "You can count me out in the future if this is the way it is to be. We get little enough for 14 hours—and then we are to pay tax on it. Not this volunteer."

Another poll worker said to me, "I am 79 years old and have no deduction. If this policy is to continue, I have worked my last election."

These are not isolated cases. As a result of this unfair tax, fewer individuals are coming forward to work at the polls.

The New Jersey State Association of Election Officials reports that the result could well be a voting process which is less fair and less open than is currently the case.

I am pleased to report that a modified version of my legislation to lift the unfair and shortsighted tax on those individuals who work on the polls on election day passed the House today and now must be considered by the Senate.

I introduced legislation in the House of Representatives in April 1993 to exempt election day board workers from the FICA withholding tax. My bill has the support of 58 cosponsors.

The modified version, which will exempt all election day earnings up to $1,000 from FICA withholding, will, for all intents and purposes, meet the requirements of my legislation. I would have preferred a full repeal, but I am happy that this unfair tax is being effectively removed with the legislation approved in the House. My bill would correct an injustice that election day board workers are presently subject to.

I believe that this legislation is long overdue. Under current law, any board worker who earns more than $100 in a calendar year is subject to this 7.65-percent withholding tax.

This withholding strikes me as both petty and unnecessary.

In fact, since I introduced this legislation last year, I have heard from election boards in all five counties of the 11th District supporting my bill and expressing concern about worker shortages if Congress does not act.

Mr. Speaker, I know from many years of personal observation that board workers play an invaluable role in the conduct of our elections—local, school board, State, and Federal. Without these dedicated workers, we would literally be unable to open the polls on election day.

I have been working hard to persuade Congress to take action to remove this unfair FICA tax withholding requirement from workers' election day pay, and I am pleased that we have at least been partially successful.

A TRIBUTE TO LEROY SIMMONS

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 17, 1994

Mr. LEWIS of California. Mr. Speaker, I would like to bring to your attention the fine work and outstanding public service of LeRoy Allan Simmons of Barstow, CA. Judge Simmons has demonstrated a remarkable dedication to the needs of San Bernardino County residents over the past 27 years. He will be honored on May 21, 1994, as he retires from his position of superior court judge in San Bernardino County.

A 1964 graduate of Brigham Young University, Judge Simmons continued his studies at the University of San Francisco Law School. Upon graduation, he began his legal career with the San Bernardino County district attorney's office. After practicing law in the D.A.'s office for 3 years, Judge Simmons began working in the private sector for the law offices of Wilson, Borror and Dunn in San Bernardino. In August 1971, Judge Simmons relocated his law practice in Barstow, CA. Some 6½ years later, Judge Simmons was elected to sit as municipal court judge for Barstow and served in this position until August 1, 1981, when he was appointed to the superior court bench. For the past 13 years, Judge Simmons has strived to benefit the community through his position on the superior court bench.

Judge Simmons' legal career is further highlighted by his involvement in several organizations in the legal community. He was a member of the County Legal Aid Society, the High Desert Bar Association, and director of the San Bernardino Country Bar Association. Additionally, Judge Simmons has served as a statewide instructor for new judges at the California judicial education and research training in Oakland, has been on the faculty of California Judges College, and has been a trustee for the San Bernardino County law library for the past 11 years.

Indicative of his commitment to public service, Judge Simmons has served on the Barstow College board of trustees, the San Bernardino County Planning Commission, and the YMCA board of directors. He has been a judge for the county schools' mock trials and has served the Boy Scouts of America as Mojave district chairman, vice president of Inland Empire Council, and currently as Eagle chairman for Mojave district. Judge Simmons' future plans include working for Judicial Arbitration and Mediation Services where he will serve as an arbitrator and mediator in civil cases.

Mr. Speaker, I ask that you join me, our colleagues, Judge Simmons' devoted wife Barbara, their four children and many friends in honoring this unique individual for his extensive and dedicated service. Over the years, Judge Simmons has touched the lives of many people in our community and it is only fitting that the House recognize him today.

HONORING THE ARMED SERVICE ACADEMY APPOINTEES FROM BROOKLYN AND QUEENS

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 17, 1994

Mr. SCHUMER. Mr. Speaker, I would like to take this opportunity to recognize some outstanding young students from my district. They are among the select few who were chosen as appointees to our armed service academies. I rise today in recognition of Jeremy Owen Larkin and Henry Lee of Midwood High School who will be attending the Merchant Marine Academy and West Point respectively; Jonathan R. Bear of Forest Hills High School attending the Naval Academy; Matthew George Leddy of Archbishop Molloy High School attending the Air Force Academy; John Paul Sweeny of Cathedral Preparatory Seminary attending West Point; Terrence Michael Shashaty of Bishop Ford High School attending the Naval Academy; and Edward J. Browne of Bronx High School of Science attending the Air Force Academy.

Each of my colleagues is very familiar with the rigorous procedure used to determine academy appointments. Candidates must display the academic skills, as well as possess the character and commitment to succeed.

It is encouraging to see strong determination in those who seek appointments. People who give so much of themselves to serve their country are truly an inspiration. Those selected to the academy become part of an enduring tradition and legacy.

Mr. Speaker, I hope all of my colleagues will join me in wishing these fine young men all the best in the future. We are extremely proud to have them representing and serving us at the service academies, and hope that all of their expectations are met and exceeded.

IN HONOR OF LEWIS O. KING'S WORK ON BEHALF OF THE NATIONAL GUARD

HON. SAM JOHNSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 17, 1994

Mr. SAM JOHNSON of Texas. Mr. Speaker, I rise today to recognize and commend the accomplishments of an outstanding individual who has done an exceptional job of working for the betterment of the National Guard.

On April 1, 1994, Mr. Lewis O. King retired as executive director of the National Guard Association of Texas after 15 years with the association. The National Guard Association of Texas is the largest and most active State national guard association in the Nation.

Lewis King served as associate director after retiring from his position as manager of personnel services for the Adjutant General's Department, Texas National Guard, in November 1978. He was named executive director in January 1987. He is a retired chief warrant officer in the Texas Army National Guard with 40 years of service.

Through his untiring efforts, Mr. King was instrumental in establishing and coordinating the Texas Guard Legislative Task Force, whose volunteer members work solely for a better National Guard and for the defense of this great Nation. Mr. King's initiative, foresight, professional knowledge, and keen insight into the complexities of the defense legislative process contributed immeasurably to the effectiveness of the National Guard, thereby contributing to the success of the Nation's defense.

Lewis King's constant devotion to duty has earned him the respect and admiration of all with whom he worked. His high standards of conduct, infectious enthusiasm, and indomitable spirit became infused in those around him.

Mr. King has served as executive director of the Texas Committee for Employer Support of the Guard and Reserve, secretary/treasurer of the National Guard Executive Directors Association, secretary of the Texas Military Forces Museum, is an active member of the National Guard Association of the United States and has also served on the Texas Committee for the Tiltrotor Technology Task Force. He has received his certified association executive [CAE] status from the American Society of Association Executives. He and his wife, Pat, are very active members of Hyde Park Baptist Church in Austin, TX.

Mr. Speaker, I salute Lewis King for his hard work, diligence and dedication to the National Guard. He has been the guiding light in obtaining modernized equipment and better personnel benefits for the members of the guard. His work for the National Guard is not over. He will continue his legislative efforts to make sure the National Guard is properly equipped to defend our Nation. We all owe him a debt of gratitude for his years of dedicated service and join together in commending him for showing great foresight and commitment to the National Guard. We thank him for his service and wish him all the best in his future endeavors.

SALUTE TO JEWEL PEDI

HON. ELTON GALLEGLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 17, 1994

Mr. GALLEGLY. Mr. Speaker, I rise today to honor a selfless public servant who for the past 16 years has ensured that thousands of the less fortunate have had food to put on the table.

As executive director of the Oxnard-based Food Share, Inc., Jewel Pedi has watched the organization grow from a small operation into a United Way agency that fed 1 in 6 Ventura County residents last year.

But she has hardly just watched. Those who know Jewel Pedi know a woman who has struggled for years to both serve those in need of help and convinced those who do not that there were indeed less fortunate citizens living within their midst.

Food Share, Inc. was established in 1977 as a food bank aiming to fight hunger in Ventura County by gleaning, soliciting, storing,

and distributing surplus and donated food to charitable agencies that help feed the needy. Today, the organization serves 250 agencies throughout the county—in excess of 90,000 people each month.

Among the agencies served by Food Share are the American Red Cross, Catholic Charities, the Salvation Army, Zoe Christian Center, Meals on Wheels, and many others.

Run primarily through volunteer support, Food Share depends on hundreds of Ventura County residents who donate their valuable time to glean and sort produce, and perform a variety of tasks associated with distributing food to the needy. Roughly 540 volunteers work with 9 salaried workers to keep the food pipeline open and flowing throughout the county.

Those who know and work with Jewel Pedi say that she operates from the heart, and what better quality can a person strive for? She has been married to her husband John for 49 years and they have shared the blessings of 3 children, 15 grandchildren and 6 great-grandchildren.

Retirement will give her more time to dote on those grandchildren, to do some traveling with John and to stop and appreciate the difference she has truly made in the lives of so many of her friends and neighbors.

SAVE THE U.S. MERCHANT MARINE ACADEMY; SUPPORT H.R. 3293

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 17, 1994

Mr. ACKERMAN. Mr. Speaker, I would like to take a few minutes to thank the alumni of the U.S. Merchant Marine Academy [USMMA], and the members of Project Acta for their continuing efforts to preserve the valuable resource that is the U.S. Merchant Marine Academy at Kings Point, NY.

Project Acta was initiated in the fall of 1993 when it became clear to the U.S. Merchant Alumni Association that the future of the Academy was in jeopardy. Project Acta's official mission in threefold: first, to support the U.S. Merchant Marine Academy; second, to support the U.S. merchant marine; and third, to support the Nation's security interests. However, the immediate objective of Project Acta is to ensure that the USMMA remains a fully funded Federal service academy, with no tuition charges.

The threat to the Merchant Marine Academy became real when the administration's National Performance Review [NPR] recommended that tuition be charged to midshipmen attending the USMMA. Additionally, the administration has reissued this proposal as part of its budget for fiscal year 1995. While fully funding the USMMA for fiscal year 1995, the budget proposes to cut funding in half for fiscal year 1996 and to make up for the difference by charging tuition.

Like the other four Federal service academies, the USMMA provides its students with a tuition free college education in return for a lengthy commitment of service to the Nation. If the academy is forced to charge tuition, the effects will be felt immediately and severely.

Presently, candidates for appointment to the USMMA are drawn from every State in the United States through nomination by their Senator or Member of Congress. Typically, Academy midshipmen are high achievers with strong motivation to excel in a maritime-transportation career.

If the charging of tuition becomes requisite for the USMMA, the selection process at Kings Point will, out of necessity, become based upon a candidate's ability to afford tuition. At an expected price of $15,000 per year, the Academy would become more expensive to attend than most State universities and many private colleges.

The Academy would be placed in an untenable position if it must tell prospective students that in addition to their lengthy minimum 12-year commitment of service to the Nation, they must also foot the bill for their own education. It was no surprise that when rumors about charging tuition at Kings Point began to spread through high schools last year, applications for admission to the class of 1998 dropped off by nearly 25 percent.

Offering tuition-free education allows each of the Federal service academies to draw upon America's most gifted and talented students, without regard to race, religion, ethnic, gender, economic or geographic background in return for a commitment to service to the country. Charging tuition would destroy the diversity that the Academy's student body now enjoys. The USMMA would become unaffordable to many able and deserving young Americans.

President Clinton has stressed the need for the United States to educate its youth so that we may compete effectively in the international trade arena. It is ironic that the administration has chosen to target an institution that has been doing this for over half a century.

Over 18,000 alumni of the USMMA have made great contributions to our country as leaders in the maritime industry, the Armed Forces, academia, corporate America, and the Government. Many came to Kings Point from modest means and would not have been able to afford the tuition being proposed today.

The USMMA is the least costly Federal service academy. In fact, it currently costs the Federal Government only $29 million a year to operate Kings Point. Compared to what many other prestigious universities spend on their students each year, the Merchant Marine Academy is a bargain for the United States. Kings Point spends 40 percent less for each student's education than the average of the top 25 universities in the United States. Additionally, and in contrast to the other Federal service academies, USMMA midshipmen are required to pay their personal expenses at a cost of $7,000 per student over a 4-year period, and they do not receive any stipend while attending the academy.

Please join me by cosponsoring H.R. 3293 to preserve the tuition-free status of all of our Federal service academies. It is necessary that we ensure the ability of future generations the opportunity to attend the USMMA and serve their country and its maritime industry.

LEGENDS OF BLYTHE: CHARLIE AND EMILIE GRAHAM CELEBRATE 50 YEARS TOGETHER

HON. ALFRED A. (AL) McCANDLESS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 17, 1994

Mr. McCANDLESS. Mr. Speaker, it seems like I've known Charlie and Emilie Graham all of my life. Actually, I've known them for more than 30 years—but people like Charlie and Emilie don't just make friends for a month or a year—they really do make them for life. They even made a friend of an entire town, their town of Blythe, CA.

It wasn't always "their" town. When Army Sergeant Charlie met Army nurse Lieutenant Emilie more than 50 years ago in Denver during World War II, his Engle, NM, roots got along just fine with her Leavenworth, KS, roots. After they married, and post-Army, they had thoughts of farming in the Rio Grande Valley, but land prices were skyrocketing there. They heard of another valley—the Palo Verde in California, where things were more affordable. A number of people from New Mexico, Emilie and Charlie included, headed west. Blythe would never be the same.

There's hardly a piece of Blythe's modern history that hasn't felt the positive impact of the Grahams' concern for their beloved adopted community. Whether it was from the aspect of Blythe's history—and Emilie's tireless work to insure that a historical society and museum would grow and prosper—or Charlie's steady hand at the helm of the chamber of commerce and countless other organizations, the Grahams have always been in the thick of things. We'll never know how many schoolchildren felt the benefit of Charlie's many years of work as a member and president of the school board, or how many residents were recipients of community projects that Charlie worked on as a longtime Rotarian. And it would be impossible to estimate how many lives were improved, and even saved, by Emilie's 30 years of commitment to the local blood bank.

It occurred to me once that the word "No" and the phrase, "We're too busy," somehow were left out of the Grahams' vocabulary. The phrase, "If you want something done, and done right, you should ask the busiest person you know" was coined with Emilie and Charlie in mind.

The Grahams' life became more and more busy. After 10 years of farming, land values increased just as they hoped. Encouraged by a friend to join the growing auto industry, Charlie and Emilie became the owner of an auto dealership, which they retained until just a few years ago. Their car dealership was a hub of Blythe's business community, and whether you were after a car or a cup of coffee or just the local news, Charlie Graham's was the place to go.

Always civic-minded, Charlie never promoted himself, but he encouraged a lot of other people to get involved in local and national Government, including me for the Riverside County Board of Supervisors and then the U.S. Congress, and then his office manager, Doris Morgan, who was elected to the city council and then rose to the job of mayor.

Probably two of Emilie and Charlie's finest accomplishments are their son Dick and daughter Susie, and then, eventually, wonderful extended families and grandchildren: Dick's wife Nancy and children Aaron and Matthew, and Susie's husband Jim Garretson and children Jesse and Pat. The Graham brand of kindness and warmth, humor, and wisdom, has been handed down and is extended to all who meet them.

On the 11th day of May in 1944, Emilie and Charlie began a partnership that touched thousands of lives over the next 50 years. We who know and cherish them thank them for that. And we wish them every good thing that life can offer for the next 50 years.

Mr. Speaker, I ask my colleagues to join me in wishing a happy 50th anniversary to two remarkable people, Emilie and Charlie Graham of Blythe, CA.

ELENA BONNER ON RUSSIAN TROOPS AND HUMAN RIGHTS IN THE BALTICS

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 17, 1994

Mr. HOYER. Mr. Speaker, on May 10, 1994, the Commission on Security and Cooperation in Europe, of which I am proud to serve as cochairman, cosponsored, along with the National Endowment for Democracy, a breakfast featuring Dr. Elena Bonner. Dr. Bonner is the widow of Nobel Peace Prize laureate Dr. Andrei Sakharov, and a prominent human rights activist.

I will not report on all of the many interesting and insightful comments made by Dr. Bonner, one of which was her belief that Russia, while still facing many problems, has made significant progress since Soviet times in the area of pluralistic democracy and human rights. In other words, it's not all gloom and doom.

But specifically, I would like to focus on Dr. Bonner's response to a question from her audience regarding the remaining Russian military forces in Estonia and Latvia, and linkage with human rights of the ethnic Russian, noncitizen population of those countries. Dr. Bonner noted that there should never have been, nor should there be, any linkage between human rights of Russians in the Baltics and the withdrawal of troops, nor should there have been talk of zones of influence and geopolitical interests. Morever, as she put it so succinctly, "there's nothing for Russian soldiers to do there anyway."

Dr. Bonner continued by saying that when the Russian troops are removed, it will be possible to seek the observance of human rights for ethnic Russians under the provisions of the U.N. Declaration on Human Rights. Otherwise, she noted, the troops issue can be used for propaganda purposes by those who do not really wish to see the issue resolved.

Dr. Bonner's advice to delink human rights and the necessity of withdrawing Russian troops hits the nail on the head. Since July 1992, the Conference on Security and Cooperation in Europe has called for the early, orderly, and complete removal of foreign troops from the Baltic States, and I have repeated this call on several occasions before this body.

On the other hand, Estonia and Latvia, where Russian troops remain, have not resolved the issue of the legal status of their noncitizen, predominantly ethnic Russian populations. There have been charges in both countries of irregularities in the process of registering noncitizens for legal residence. The CSCE Mission in Estonia, for instance, has referred to "delays and bureaucratic obfuscation in registering noncitizens and issuing residence permits." And the European Union has expressed concern "regarding the implementation by the Estonian authorities of some aspects of the Aliens Laws."

Mr. Speaker, I believe Moscow would do well to take Dr. Elena Bonner's advice and remove all of its military forces from the Baltics, unless there is a specific treaty permitting them to be there. Threats, such as the one made by Russian Defense Minister Grachev recently to increase force levels in Estonia, are entirely out of place. If the Government of Russia has complaints about human rights violations anywhere in the CSCE member countries, it should raise them privately and publicly in appropriate diplomatic and public fora. The international community is listening. But human rights concerns should not be used as a cover for occupying the territory of another member country of the CSCE and the United Nations.

TRIBUTE TO SYRACUSE STARS PEE WEE MAJOR HOCKEY TEAM

HON. JAMES T. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 17, 1994

Mr. WALSH. Mr. Speaker, I am very proud to announce that the Syracuse Stars Pee Wee Major Hockey Team posted an astounding record this past season on the way to winning eight championships across the United States and Canada. This record earned these 11- to 13-year-old boys the New York State tier I championship as well as the USA hockey national championship in their division.

The players and coaches deserve our congratulations and our encouragement. Athletics at this level teaches discipline and strength of character. To win is an additional privilege, but to play hard, to compete, is the real reward.

I would like to ask my colleagues to join me in saluting this year's team and coaches: Gary Baronick, Danny Bequer, Justin Brown, Drew Bucktooth, Jeremy Downs, Josh Downs, Justin Forrest, Bill Houze, Todd Jackson, Josh Jordan, Patrick Lannon, Doug MacCormack, Matt Maglione, Anthony Pace, Stephen Pakan, Mike Saraceni, Ricky Williams, Coach John Jackson, and Coach Rick Williams.

At the same time, I would like to pay tribute to the parents who have supported these players not only through this championship season but throughout their lives, making them the fine young people they are.

Finally, I would like to congratulate the other teams in the Syracuse Stars program who also had championship seasons. On the Bantam level, made up of 14- and 15-year-olds, the team won the State championship and lost only in the semifinals of the nationals. On the 11-year-old and under Squirts level, the team won the State Championship.

I am very proud of everyone involved and I ask my colleagues to join me in saluting these players for the excellence they have achieved.

IMPACT OF UNITED STATES ASSISTANCE TO RUSSIA AND EASTERN EUROPE

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 17, 1994

Mr. HAMILTON. Mr. Speaker, there has been considerable discussion in recent months about the impact of United States assistance to the post-communist countries of the Soviet Union and Eastern Europe. Has it been too much or too little? Is it properly targeted, to the right countries and the right sectors? Has it been provided in a timely manner?

The administration recently provided a short paper identifying key U.S. assistance programs and their impact. I would like to bring that paper to the attention of my colleagues, as a contribution to a more informed debate on assistance to the countries of Eastern Europe and the former Soviet Union. The text follows:

PROGRAM RESULTS IN CENTRAL AND EASTERN EUROPE [CEE] AND THE NEW INDEPENDENT STATES OF THE FORMER SOVIET UNION [NIS], AS OF MARCH 1994

The goals of the United States Government's assistance to the CEE states and the NIS are: establishing market economies, developing democratic institutions and practices, and easing the human costs associated with political and economic transition. In some areas the accomplishments to date are very tangible. In other cases the groundwork is being laid for structural change, and it may be too early to judge longer-term impact. The following summarizes many important accomplishments under each goal.

1. Transition to market-based economies.—Our programs are fostering the emergency of competitive, market-oriented economies in which the majority of economic resources are privately owned and managed. Macroeconomic stability and efficiency call for legal, regulatory, procedural and institutional changes to support private, market-based activity. Specific results include:

PRIVATIZATION

In Russia, two-thirds of all small scale shops (70,000) and 8,500 medium and large enterprises have been privatized. 900 medium, large and very large enterprises are being privatized each month. 40% of Russia's industrial labor force is now working for the private sector. 50 million Russians have become shareholders.

In Hungary, over 30% of privatization transactions have been accomplished through employee stock ownerships (ESOPs).

In the Czech Republic, a U.S. advisory team reviewed 300 companies proposed for privatization and helped privatize 84 that have led to $1.9 billion in foreign investment, with $0.5 billion more expected.

Technical advisors helped to structure the $4 billion Polish Mass Privatization Program of 450 former state-owned enterprises, enabling 25 million Poles to purchase shares.

Enterprise Funds are providing capital resources and technical assistance to both privatized and new enterprises throughout CEE and will soon begin operations in NIS. Roughly $290 million has been invested in over 3,000 new private enterprises in CEE, creating an estimated 20,000 new jobs and leveraging almost $200 million from other investors. The Russian American Enterprise Fund opened in February and should make its first investments imminently.

ECONOMIC REFORM

The 50 top Russian banks have developed detailed reform plans. 250 Russian bankers have received U.S. training and returned to apply new approaches to their own banks.

In Poland, advisors are helping the Central Bank develop its bank supervision capacity and are preparing several state-owned commercial banks for privatization. Hundreds of bankers have been trained in Poland, including 74 from Belarus, Estonia, Lithuania and Ukraine.

In Russia, laws have been passed to promote anti-trust and competition procedures to permit market forces to work. Bankruptcy procedures have been developed which will permit restructuring of many industries.

In Russia, we have helped regional, local and national governments to develop tax and expenditure policies which link revenues with public service expenditures at each level. 14 high-ranking officials studied U.S. approaches to state and local government finances.

ENERGY

Efficiency audits and demonstrations of U.S. technology have achieved savings of up to 30 percent in Russia, Kazakhstan, Kyrgyzstan and Armenia in the massive district heating systems which dominate the provision of heat and hot water. In one Russian city alone, Kostromo, savings were $15 million a year.

In Poland, Romania, Bulgaria and other Eastern Europe countries, U.S. efficiency equipment valued at over $1 million has been installed in over 40 industrial facilities. These pilot projects are estimated to have saved over $16 million annually or over 1 million tons of oil equivalent.

In Poland, a U.S. private corporation has designed and installed a high efficiency flue gas desulphurization unit at the Skawina power plant in Krakow. This is the first such unit in Poland and will allow this plant to meet the tough Polish environmental regulations go into effect in 1998. It will also reduce pollution in Krakow which is destroying the cultural artifacts and causing serious health problems.

U.S. advisers demonstrated U.S. energy efficiency equipment at over 40 industrial plants in CEE and saved approximately $16 million in annual savings for an investment of about $1.2 million.

In nuclear safety, advisors have helped improve safety at plants in Bulgaria, Czech Republic, Slovakia, Hungary and Bulgaria, Russia and Ukraine.

HOUSING

Armenia has adopted a housing privatization law, land tax law, and a land transfer tax policy which permits land privatization. It includes regulations for urban land valuation and sale, and registration procedures.

Kazakhstan has established a housing policy to privatize condominiums and permit private ownership and use rights to land.

Russia has established privatized management and maintenance of housing for 2,000 units in Novosibirsk and 7,000 units in Moscow, and has developed mortgage instruments which can be used despite the current inflationary environment. This may be a model for other NIS countries.

In Poland, the first market-based mortgages have been made for private individuals in Eastern Europe, through a housing guaranty program which immediately affects 1,500 residential units.

In Hungary, Szolnok city officials are redirecting housing subsidies to the most needy, permitting a reduction in cost and greater equity in the program.

Condominium and privatization laws in Albania have resulted in over 95% of the 270,000 housing units in urban areas to be privatized in one year.

U.S. assistance was instrumental in introducing the concept and substance of the Housing Privatization and Condominium Law enacted by the Slovak Parliament in 1993.

2. Building democracy.—U.S. assistance supports the transition to democratic political systems, free and independent media, transparent and accountable governance, rule of law, and the empowerment of indigenous civic and economic institutions to ensure broad-based participation in political life. Specific achievements to-date include:

POLITICAL SYSTEMS AND INSTITUTIONS

The American Bar Association's Central and East Europe Law Initiative has helped counterparts in a number of CEE and NIS countries draft democratic constitutions.

The Library of Congress has helped the parliaments of eight CEE countries establish parliamentary research and information systems to empower them with a source of information independent of the executive branch.

The International Foundation for Electoral Systems, the National Democratic Institute and the International Republican Institute have helped establish electoral systems and supported party development across Central and Eastern Europe.

Parliamentary and presidential elections in Russia, Ukraine, Georgia, Moldova, Albania, Romania and Estonia have benefitted from U.S. NGO assistance in central election commission procedures, political party development, and poll-watcher training.

RULE OF LAW

American Bar Association technical advisers have helped Russia reintroduce trial by jury for the first time since 1917 in nine regions.

The American Bar Association helped draft clauses protecting human rights in the new Hungarian criminal code, expected to remain in the final legislation.

U.S. anti-monopoly advisors helped draft the existing competition law, with Poland becoming the first former communist country to have its competition report accepted by the OECD. With help from the U.S. FTC and Consumer Protection Agency, a Polish Consumer Protection Department has been established within the Anti-Monopoly Office.

The National Democratic Institute has helped Romania's Pro-Democracy Association (PDA) launch a three-month parliamentary transparency and accountability campaign. As of January 1994: (1) small groups of citizens are now being admitted to the plenary debates in the Senate; and (2) the parliamentary newspaper will publish the upcoming draft laws to be debated.

INDEPENDENT MEDIA

The International Media Fund (IMF) has helped launch independent newspapers and radio stations across CEE as well as establish media resource centers in the region.

Internews (a U.S. NGO) helped link six independent Russian TV stations, for the production of two local news programs on more than 40 stations in Russia, Ukraine and Kazakhstan for a combined viewership of over 70 million. In the Ukraine, Internews helped create a network of independent TV stations with a wider viewership than Ukrainian state television.

LOCAL GOVERNMENT AND CIVIL INSTITUTIONS

The International City Manager's Association has provided technical assistance and training to several local municipal government associations in Poland, the Czech Republic and Slovakia, and helped to establish self-sustaining vocal centers playing an important role in the decentralization of power from central to regional and local governments.

Over 200 Polish local municipal council members and administrators were trained in principles of public service organization, management and local finance.

To help the Russian people build the institutions of a civic society, grants were provided to over 300 indigenous nongovernmental organizations and provided technical assistance to encourage formation of additional NGOs. Four years ago, such organizations were all but unknown. Today there are a least 12,000 NGOs in the NIS.

3. Easing human costs.—Our focus is on redefining public and private sector roles in the management of humanitarian, health, and related social services fundamental to a stable transition. Emergency assistance provides some relief as new systems are put in place. Specific achievements include:

EMERGENCY ASSISTANCE

Emergency humanitarian assistance has helped avoid hunger, epidemics and other hardships in strife-torn Armenia, Georgia, Azerbaijan and Tajikistan, as well as the former Yugoslavia. Critically needed medical supplies and emergency food aid have been directed to the most vulnerable groups. Emergency kerosene and seed wheat are helping Armenia survive the winter and will permit spring planting. Looking longer term, pharmaceutical and vaccine production capacity is being restored in Russia.

Agricultural and dairy products to vulnerable groups in Armenia, Georgia and Russia have already reached 2,226,000 pregnant and nursing mothers, infants and pensioners. Another $38 million in such assistance is being provided this year.

In Central Asia, vaccination of over 500,000 children has prevented epidemics of measles and other childhood diseases.

In Croatia and Bosnia-Herzegovina, we support 20 local organizations, including women's groups, community organizations and local voluntary organizations, to assist war refugee trauma victims and reunite families separate by the conflict.

In Romania, emergency assistance was provided to many of the 100,000 institutionalized children. Nearly 2,500 children under three years of age have received rehabilitation assistance, and 147 children have been placed with Romanian and American adoptive parents.

HEALTH

To restore vaccine production, U.S. firms are providing raw materials and inputs for production of measles, polio and DPT vaccines, and training in sound manufacturing practices. The U.S. FDA is assisting in vaccine quality control and regulation. Feasibility studies for potential private sector investment in new production facilities have been completed.

31 partnerships between U.S. hospitals and health facilities in Central and Eastern Europe and the NIS are directly improving the quality of medical care in cities throughout the region. To improve emergency care, ten such partnerships have improved ambulance services, emergency room and intensive care in Russia. Urkraine, Belarus, Kazakhstan, Georgia and Armenia. Other partnerships in both CEE and the NIS are improving treatment of children with leukemia, improving nursing standards and skills, and updating medical management.

In Central Asia, women's access to family planning services in being expanded by development of commercial supply systems for modern contraceptives and training of health care providers.

Under the PROJECT HOPE Health Care Partnership, a pediatric cardiovascular team from Boston Children's Hospital is helping to establish high quality treatment capability in Slovakia. In the first eight months of training, it is reported that the number of children abroad for heart treatment was reduced by 90%. Project HOPE has increased cardiology services; the waiting time for surgery has been shortened; and the hospital mortality rate has been reduced from 12% to 5%.

ENVIRONMENT

Technical advisors have helped restore the water supply system and wastewater system for the City of Yerevan, a system that provides service to approximately 50% of the Armenian population.

In the Central Asian Republics we have launched an Aral Sea Initiative which initially focuses on providing potable water to the most affected populations. Follow-up work will include TA on water resources management.

The World Environment Center is introducing new technology for decreasing industrial wastes. This helped the largest refinery in the Czech Republic to decrease carcinogenic emissions by 72% and will also help this company to save over $130,000 yearly in production costs. Also in the Czech Republic, the U.S. capitalized with $10 million dollars in local currency a fund to undertake environmental activities and investments.

In Poland, the Oswiecim chemical works realized a 90% reduction in emission of vinyl chloride and an annual savings of $2 million by application of relatively inexpensive technological changes. Replicable energy efficiency demonstrations in multi-family housing in Krakow are expected to realize energy savings of 30-35%. The recently-installed sulfur scrubbers at the Skawina power plant near Krakow are predicted to reduce sulphur dioxide emissions by 80%—from 4,000 tons to 8,000 tons annually.

TRIBUTE TO A SPECIAL GROUP OF STUDENTS FROM LAKE RIDGE MIDDLE SCHOOL, GARY, INDIANA

HON. PETER J. VISCLOSKY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 17, 1994

Mr. VISCLOSKY. Mr. Speaker, I rise today to acknowledge the outstanding achievements of an exceptional group of students from the Lake Ridge Middle School, in Gary, IN.

Today, Lake Ridge Middle School will be hosting its annual scholars banquet. Among the many students who will be recognized for their exemplary academic achievements, I would like to commend the efforts of nine eighth graders who will be receiving the Presidential Award for Academic Excellence. The Presidential Award is presented to those who have maintained a B+ average or higher, throughout their 3 years spent at Lake Ridge Middle School. Those students receiving special honors include: Amanda Brown, Justin Brown, Shanna Conover, Rhonda Czapla, Michelle Gronendyke Sha'Ettine James, Catherine Ray, Norman Reithel, and Jason Wilkerson.

These students, along with others from Lake Ridge, also participated in the 1994 Indiana Academic Super Bowl, taking a first place in the science category, and a Second Place in the Social Studies division. The Academic Super Bowl allows specially selected school teams from around the State to compete against one another, answering questions in the areas of math, science, and social studies. The 1993 team from Lake Ridge Middle School tied for first place in the interdisciplinary portion of the competition, which covers all three areas.

Mr. Speaker, I would like to once again extend my most heartfelt congratulations to the students of the Lake Ridge Middle School for their commitment to excellence, as well as to the faculty members who have instilled in their students the desire to succeed. I am proud to have been given this opportunity to recognize these future leaders, and I look forward to their future achievements as they continue their rise to the top.

A TRIBUTE TO NELSON MANDELA AND THE PEOPLE OF SOUTH AFRICA

HON. KAREN SHEPHERD

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 17, 1994

Ms. SHEPHERD. Mr. Speaker, I rise today in celebration of the people of South Africa and their new President, Nelson Mandela. Through tireless work and principled advocacy, Nelson Mandela has led his nation back into the community of nations. His dignity, his high moral vision, and his strength of conviction have earned him not just the presidency but also the Nobel Peace Prize and admiration of people around the world.

On June 6, 1966, then-Senator Robert Kennedy spoke at the University of Cape Town in South Africa. In an impassioned anti-apartheid speech, Kennedy said,

Each time a man stands up for an ideal, or acts to improve the lot of others, or strikes out against injustice, he sends forth a tiny ripple of hope, and crossing each other from a million different centers of energy and daring those ripples build a current which can sweep down the mightiest walls of oppression and resistance.

Nelson Mandela, Oliver Tambo, Steven Biko, Archbishop Desmond Tutu, and millions of other men and women, sending forth their own tiny ripples of hope through millions of acts of courage over decades and centuries of struggle, have torn down the walls of oppression in South Africa. Theirs is a story of freedom that would not be denied.

Mr. Speaker, I join all of my colleagues in saluting the brave people of South Africa, especially their indomitable new President Nelson Mandela. We salute you and send you our most heartfelt congratulations on the beginning of a new era of freedom and dignity for all of the people of South Africa.

ITALIAN-AMERICAN LAW ENFORCEMENT ASSOCIATION FORMALLY AFFILIATES WITH THE ORDER SONS OF ITALY IN AMERICA

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 17, 1994

Mr. TRAFICANT. Mr. Speaker, I would like to take a moment to commemorate and congratulate the recent formal alliance of a distinguished group of Italian-American uniformed secret service agents, whose duty it is to protect the President and Vice President of the United States and their families, as well as members of the diplomatic community, with the Order Sons of Italy in America [OSIA], the oldest and largest organization representing America's 23 million citizens of Italian heritage.

This is an extremely important partnership which, among other things, underscores the strong involvement in and commitment to law enforcement on behalf of this Nation's Italian-Americans. OSIA and its Sons of Italy Foundation [SIF], in another notable example, is the largest, non-police/non-corporate contributor to the National Law Enforcement Officers Memorial [NLEOM] in Washington, DC. The NLEOM is dedicated to America's fallen law enforcement officers.

Accordingly, I would like to commemorate in the CONGRESSIONAL RECORD the names of OSIA National President Joanne L. Strollo, OSIA National Executive Director Philip R. Piccigallo, and OSIA staff member Andrea K. Beach, for their role in sponsoring this partnership between OSIA and the national Italian-American law enforcement community; and I would like to congratulate the following elected officers of the newly formed Italian-American Law Enforcement Association [OSIA]: Camillo Mascio, president; Paul Verna, vice president; Jeffrey D'Alessio, secretary; Michael Adelizzio, treasurer; Robert Bonasia, trustee and Anthony Ferrara, trustee.

Through this and other supportive acts, I am confident that OSIA, and its one-half million family members, will, as it has during its previous 89 years of existence, continue to demonstrate its total commitment to community, country, patriotic causes, and the rich culture it so proudly upholds.

TRIBUTE HONORING ROBERT PACHECO ON THE OCCASION OF HIS RETIREMENT FROM THE ACADEMIC PROFESSION IN THE HARLANDALE SCHOOL SYSTEM

HON. FRANK TEJEDA

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 17, 1994

Mr. TEJEDA. Mr. Speaker, it is indeed my privilege to honor a distinguished citizen of my constituency, Mr. Robert Pacheco, on the occasion of his retirement as principal of Harlandale High School in San Antonio. Prior to his service at Harlandale High School, Mr. Pacheco promoted the education of youth by serving as an elementary instructor of fifth grade students at both Stonewall Elementary and Flanders Elementary schools in the 1960's. He led efforts in community education and student outreach while employed at Sanyo, Inc. from 1966 to 1971. Mr. Pacheco served as vice-principal at Harlandale High School from 1971 to 1973, principal at Leal Middle School from 1973 to 1981, and principal at Harlandale High School from 1981 to his retirement this month.

Through those many years, Mr. Pacheco served young people and their education with dedication and strong purpose, but his service to the community did not stop at the classroom door. He aggressively and imaginatively sought ways to combat community problems such as poverty, crime, unemployment, and despair.

Like many south Texans, Mr. Pacheco grew up in poverty. His father, whom he credits as influencing his interest in an education career, was a professional baseball player and one of the first students to attend a one-room school house of the post-mission education era in Texas. At an early age, Robert Pacheco was interested in sports and developed his enthusiasm into enjoyable community service opportunities with the city parks and recreation department. He relied on a partial athletic scholarship and endured the financial and personal sacrifices that are necessary to obtain higher education. He served in the military and once again enjoyed baseball through the special services baseball team while assigned to the 124th Signal Corps in Italy. Robert always knew that becoming an educator was his ultimate career goal but he never lost sight of his desire to help those who need it most. He was one of Father John W. Yanta's warriors against poverty, helping organize neighboring councils in all the poverty areas of San Antonio.

In fact, Robert Pacheco has a unique gift for uniting his two goals: reducing poverty and promoting education. He understands that education is the key to unlocking the shackles of poverty in society. I fully agree with Robert Pacheco's own words: "Education is basic to any improvement in the social and economic development of people."

Among his numerous achievements in education, Robert Pacheco created SOS, School on Saturday, Strengthening Our Students, and developed a discipline/attendance model resulting in increased student attendance and reduced behavioral problems. He started a system of dual college credit classes between Harlandale High School and Palo Alto College on the high school campus and created a curriculum center to enhance program development. During his career, he always believed that the many student dropouts from disadvantaged families and communities had a tremendous potential that was needlessly lost. He fought to reduce the dropout rate through community involvement, student encouragement, and scholastic reward for achievement. With these innovations and many others, Robert Pacheco left his mark on the educational system in the San Antonio area.

Mr. Speaker, our Nation can be proud of educators and community leaders like Robert Pacheco. He epitomizes the truly American call to service, a compassion for the struggle of youth, and a work ethic we should all share. Generations of San Antonians have benefited from his vision of education. Fortunately, the innovative programs he leaves in place will assist future generations of San Antonians. I wish to salute him today and give him a well-deserved thank you from his community and this Nation.

INTRODUCTION OF LEGISLATION TO COMBAT RAMPANT GANG VIOLENCE

HON. ROB PORTMAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 17, 1994

Mr. PORTMAN. Mr. Speaker, today I am introducing legislation to help law enforcement officers combat rampant gang violence that is threatening our communities all across America. Gang violence is not only a problem plaguing major cities; it is starting to creep into smaller communities.

In the last few days in my own congressional district, a carload of young men came into the small city of Norwood, OH, assaulted a group of teenagers and ended up shooting to death a 20-year-old boy in cold blood with a .38 caliber handgun. According to a Norwood police officer who is investigating the matter, the gang members expressed absolutely no remorse for what they had done.

Unfortunately, this was not a bizarre and rare occurrence in our area. Local law enforcement officers said that it was indicative of a trend showing an escalation in gang violence.

What, if anything, can we do about it? As criminologist James Q. Wilson stated in his thoughtful article published in the New York Times magazine recently:

> Our goal should not be the disarming of law-abiding citizens. It should be to reduce the number of people who carry guns unlawfully, especially in places—on streets * * *—where the mere presence of a gun can increase the hazards we all face. The most effective way to reduce illegal gun-carrying is to encourage the police to take guns away from people who carry them without a permit. This means encouraging the police to make street frisks.

Wilson is right. We ought to target the criminal part of the population, not the law-abiding citizens. We should do all we can to target the 6 percent of the offenders who commit approximately 70 percent of the crimes in this country.

There are many ways to promote gun frisks, but one way is to pass Federal legislation that reduces the likelihood that cases will be thrown out on constitutional grounds.

The legislation I introduce today clarifies that it shall constitute a "reasonable suspicion," the constitutional standard police officers must meet in order to perform a stop and frisk, that a police officer knows or has good reason to believe that the person who is subject to that limited stop and frisk actively participates in a criminal street gang with knowledge that such gang members engage or have engaged in a pattern of criminal gang activity.

Capt. Thomas Williams, the assistant chief of the Norwood Police Department, has already instructed his fellow officers that they must begin to perform more pat downs in order to protect the community and avoid shootings like the one that occurred this past week. Williams also stated:

> Your stop and frisk legislation will assist us and other local police officers in combatting the violence that is threatening our communities. Cops on the beat need all the support they can get. Your bill will help make pat downs of criminal gang members, such as those who shot and assaulted those young kids, routine. The risks involved in performing the pat downs are few and the costs of not doing so are high.

This legislation will not please everyone, but we believe it helps to clarify the application of the "reasonable suspicion" standard, established in Terry versus Ohio and further refined—often inconsistently—in other cases, where criminal gangs are involved. Furthermore, those police officers fighting these gangs have told me clearly that they would like this additional protection.

It is time to start taking back our streets—not only in Los Angeles, New York, Chicago, and Miami, but in Norwood, OH, too. The crime wave that has hit urban America is an extraordinary problem that requires creative solutions. If we are truly committed to taking back our streets and preserving the peace in our communities, we must start by taking illegal guns away from criminals and getting the criminals off the streets.

I urge you to cosponsor this legislation to help prevent the kind of violence we saw in Norwood, OH, creep into your communities.

GEKAS JOINS HOUSE REPUBLICAN'S BILL TO REFORM WELFARE PROGRAM

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 17, 1994

Mr. GEKAS. Mr. Speaker, Supplemental Security Income [SSI] might be the most wasteful program in the entire Federal Government, so I have joined Congressman RICK SANTORUM, several Ways and Means Committee Republicans, and others to introduce a new House Republican welfare bill, this one to radically reform the fourth largest entitlement program: the SSI program.

SUPPLEMENTAL SECURITY INCOME: THE 4TH LARGEST ENTITLEMENT

Created in 1972, SSI provides an entitlement benefit for two groups—poor elderly and disabled individuals—because age and physical or mental impairment reduce the ability to work. Recipients get a monthly check of $436 if they're single, or $669 if they're married. In addition, they receive Medicaid, which is worth about $8,000 for the elderly, $7,000 for the disabled. So the package of benefits is worth a minimum of $12,000 per year, much more for couples.

Spending in the SSI program has increased from $13 billion in 1983 to $29 billion in 1994, including a $10 billion rise the last 3 years. The spending explosion can be traced to unprecedented increases in three demographic groups: first, the number of noncitizens; second, the number of children; and, third, the number of alcoholics and drug addicts coming onto the SSI rolls.

SSI FOR NONCITIZENS

The bill we Republicans are introducing first starts by eliminating SSI benefits for most noncitizens. Immigrants should—and most do—come to America for opportunity, not welfare. However, until they become a citizen, immigrants must support themselves or be supported by a sponsor who signs an affidavit agreeing to meet that immigrant's basic needs. After steep rises in recent years, the number of noncitizens on SSI went from 128,000 in 1982 to 700,000 this year, 60 percent of whom are elderly. Once on SSI, noncitizens are automatically eligible for Medicaid, and, most of the time, food stamps. It is no surprise that we spend around $8 billion per year on welfare benefits for immigrants.

By ending SSI benefits and, in most cases, Medicaid for noncitizens, the Republican bill would substantially reduce the SSI rolls. The Congressional Budget Office estimates that this single reform would save over $15 billion during the next 5 years, and $4.4 billion in the final year.

SSI DISABILITY FOR SUBSTANCE ABUSERS

The second major section of the bill dramatically alters the SSI program for alcoholics and addicts. SSI law stipulates that people with drug or alcohol addictions that are severe enough to interfere with their ability to work are by definition disabled and therefore eligible for SSI benefits. These addicts may be disabled, but they are not too spaced out to recognize a good deal when they see one. The SSI program for addicts has been one of the fastest growing sources of spending in the Federal budget for the past 3 or 4 years. With 4,700 addicts on SSI in 1985, the number of alcoholics and addicts drawing SSI benefits has increased to 78,000 in the last year alone.

Recent Ways and Means hearings have shown that only 10 percent of SSI addicts are participating in treatment programs as required by law. Rather, they appear to be receiving the cash SSI benefit of about $450 per month and using the money to purchase drugs. Once addicts get on SSI, it becomes a permanent source of money to support their drug habit.

The Republican bill would limit receipt of SSI by addicts to 3 years, would require addicts to submit to drug tests and temporarily end their cash benefit if they test positive for illegal substances, would penalize addicts for not sticking with their treatment program, and would strengthen a program requiring that the cash SSI benefit be paid to a third party rather than directly to the addict. These provisions are estimated by CBO to save about $130 million over 5 years.

SSI DISABILITY FOR KIDS

The second demographic group causing SSI spending to mushroom is children. The most sensitive issue of SSI reform is the provision for children in that Members feared being accused of being antichild. However, committee testimony has shown that exclusion of this SSI/kids provision would be more antichild than allowing the following abuses to continue. When SSI was passed back in 1972, a mere 26-word section was slipped in during the House-Senate conference that made children eligible for the benefit. The provision received virtually no discussion by the committees of jurisdiction or on the floor of either House.

Why children are even eligible for SSI is something of a mystery. The underlying concept of SSI is that if people are too old or too disabled to work, SSI provides a substitute for wages. But children are not expected to work; the basic rationale of SSI doesn't fit.

Now there is widespread abuse of the program. Reports have been submitted that parents are tutoring their children to act up in school—particularly attention and behaviorial disorders—so they can qualify for the $450 per month cash benefit, which also carries eligibility for Medicaid health insurance. After a 1990 Supreme Court decision, SSI administrators loosened eligibility requirements for children, especially those who have hard-to-measure impairments such as attention deficit disorders. The result has been a surge in child recipients, from a little over 300,000 in 1990 to nearly 800,000 in 1993.

An additional problem with providing cash to families because they have a disabled child is that there is no assurance that the cash will actually be used to help the disabled child. The concern of Congress is to help disabled children get treatment for their condition at public expense. Therefore, the Republican bill converts the entitlement for cash into vouchers for treatment, thereby removing the incentive to cheat in order to receive the cash benefit.

Republicans are not getting cooperation from Democrats on these provisions. On May 3, 1994 during Ways and Means Committee passage of a bill to clean up the SSI disability program, the Democrats defeated both the provision on immigrants and the provision on children. Similarly, President Clinton has ignored SSI when discussing welfare reform.

The CBO estimates that the Republican bill would save about $16 billion over 5 years.

WELFARE BUREAUCRACY

During the May 12 press conference announcing the introduction of the SSI bill, Minority Whip NEWT GINGRICH commented how SSI is a microcosm for the larger problems of the welfare state.

First, Gingrich says the examples of local bartenders acting as representatives payees would not have been allowed if control of welfare dollars resided in a local agency, not the Federal bureaucracy. Second, a prisoner letter by lawyers showing prisoners how to apply for SSI demonstrates the lengths unscrupulous individuals go to game the system. Third, the SSI/kids problem shows the problem of perverse incentives: children are trained to fail to get crazy checks, and young, healthy low-income males who are ineligible for welfare get diagnosed as disabled because of their drug habit to receive SSI. These problems demonstrate further the aggregate failure of the bureaucratic welfare state.

REMEMBERING THE HOLOCAUST

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 17, 1994

Mr. STOKES. Mr. Speaker, recently, individuals in communities throughout the United States gathered for the Jewish observance of Yom Hashoah, which commemorates the Holocaust. In memorial ceremonies marking this bleak period in modern history, individuals paid tribute to Holocaust victims, survivors, and rescuers.

In my congressional district, more than 1,000 people attended a special memorial service. One of the highlights of the service was the opportunity for school students to express their feelings regarding the Holocaust. I am proud to report that the winning high school entry was submitted by Adam D. Borland, an 11th grade student at Orange High School. His poem is entitled, "The Phone Number." I commend Adam for preparing this moving work and I am pleased to share it with my colleagues and the Nation.

During the observance of Yom Hashoah, the Plain Dealer newspaper published an editorial entitled, "Remember." The editorial states in part, "It is worth taking time * * * to remember the brutality that one people can inflict upon another and to renew the vow of 'never again.'" I want to also bring this important editorial to the attention of my colleagues and the Nation.

Mr. Speaker, many of our families and friends were greatly affected by the Holocaust. During Yom Hashoah, we pause to recognize the tremendous sacrifices made by these individuals and the suffering they endured. At the same time, we gather to renew our commitment to prevent such tragedies in the future.

THE PHONE NUMBER

(By Adam D. Borland)

Daily he quietly sits on the park bench,
warmed by the sun and the sounds of
life.
He hears the sounds that annoy others, hungry baby birds screeching and overtired
babies gently crying.
For a long moment he remembers when
there were no sounds of life only of
cruel death.
He sees the panicked faces, hears the piercing and silent screams, smells the
burning flesh.
The moment abruptly ends and the sun
warms the numbers on his arm, faded
but forever ingrained.
And when the freckle-faced boy asks him
why he wrote his phone number on his
arm, the old man's heart smiles,
warmed by the sun and the sounds of
life, and he gently replies, "So I won't
forget."
And so we don't forget.

[From the Cleveland Plain Dealer, Apr. 7, 1994]

REMEMBER

Sundown tonight through sundown tomorrow marks the Jewish observance of Yom Hashoah, which commemorates the Holocaust. That horror is well worth vigilance and recollection—not just for Jews.

The Holocaust was born of a nation's insecurity, out of a madman's mind and the need for a scapegoat. Twelve million innocents perished in the carefully planned purge. Jewish victims numbered 6 million; the other half included gays, Gypsies, the infirm, and religious and political dissidents.

Those horrific years ended with World War II in 1945. But the factors present then in Germany—insecurity, a madman with power, the need for a scapegoat—still surface around the world. Resentment against foreigners flares in Germany and other European nations, arising in part from economic woes that leave the wounded looking for someone to blame. A nationalist zealot spewing policies of hate and destruction gains credence in Russia.

These are days of conflicting forces. The movie "Schindler's List" and The United States Holocaust Memorial Museum in Washington, D.C., have brought genocide's horror to a broader audience. Yet, as the last survivors and eyewitnesses pass away, so-called Holocaust revisionists try to rewrite history to satisfy their hatred.

If the factors of wartime Germany are ignored, allowed to fester or to be distorted, they could combine to let cruelty reign again, be it another Holocaust or the earlier tragedy of slavery committed against Africans.

It is worth taking time tonight or tomorrow to remember the brutality that one people can inflict upon another and to renew the vow of "never again."

TRIBUTE TO JOSEPH ITALIANO

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 17, 1994

Mr. MINETA. Mr. Speaker, I rise to recognize and congratulate Mr. Joseph Italiano, our editor on the Public Works and Transportation Committee. Joe has spent more than 37 years in Government service, 25 years of which has been on the Public Works and Transportation Committee—first as assistant editor, then as our editor. Joe decided this spring, however, that he will retire and move on to more entertaining and relaxing pursuits.

A native of Washington, DC, Joe Italiano began his career in Government service in 1951 entering the U.S. Air Force where he was stationed for a time at their command headquarters in Anchorage, AK. He went on to accept a position with the Government Printing Office and, in association with GPO, a number of detail assignments with committees on the Hill, before coming to the Public Works Committee in 1968.

As editor, Joe has been entrusted with the thankless, yet vital task of preserving an accurate, historical record of this committee's activities. In the course of his duties, he has earned the respect of our members and staff for his integrity, professionalism and meticulous attention to detail. Joe has always taken great pride in his work. We estimate that in his many years of editing, Joe has reviewed roughly 25,000 hours of hearings and produced more than 3,500 committee documents. With those numbers to his credit, to say that he is a man of great patience and tenacity may be an understatement.

Joe has been a steadfast and valued member of the Public Works and Transportation Committee. On behalf of the members and staff of the committee, I wish Joe and his wife Kathy a retirement filled with good health and happy times.

INTRODUCTION OF BILL REQUESTING JONES ACT WAIVER

HON. JOLENE UNSOELD

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 17, 1994

Mrs. UNSOELD. Mr. Speaker, one of the real pleasures of serving in Congress comes when I get the chance to help a constituent who has run into red tape.

Bob Wolf of Olympia is a retired Army colonel with 30 years service. Shortly before he retired in 1992 he bought a U.S.-built boat. Some time later he decided he would like to start a charter business taking passengers out onto Puget Sound.

The only problem is he can't prove the nationality of one of the boat's previous owners. That gap in the boat's record requires a Jones Act waiver so that Bob can get the license he needs to operate the vessel in a coastwise trade.

Today I am introducing a bill that will allow Bob to get the license he needs. I hope this body will act promptly so that Bob may begin the next chapter in his life.

HONORING DISTINGUISHED MEMBERS OF ST. MATTHIAS APOSTLE CHURCH

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 17, 1994

Mr. HOYER. Mr. Speaker, I rise today to recognize three very distinguished members of the St. Matthias Apostle Church in Lanham, MD. May 15, 1994, was a very special day for the church. First, Mrs. Romaine Pinchback is retiring after 35 years of teaching the Catholic faith as a volunteer catechist. She now becomes catechist emeritus. She has been a dedicated and thorough teacher, as untold numbers of children have learned their prayers from her. She has worked very closely with individual students, designing programs that best suit their needs. Her services will be enormously missed by the church, as well as the entire community of Laurel.

Second, Mr. Speaker, I seek to recognize Bill Pinchback, who is also retiring after 14 years as principal of the St. Matthias Parish Religious Education Program. His support of the catechists was instrumental in developing an atmosphere in which all of the members of the church community truly benefited. He dedicated himself to the safety and well-being of each individual child during the Sunday morning classes. For these, and many more reasons, he too will be greatly missed and difficult to replace.

Mr. Speaker, it is only fitting that as members of our community retire after many years of service, new religious leaders are developing and maturing into the leaders of tomorrow. It is with this in mind, that I proudly rise today to recognize Kevin Butler, an 18-year-old parishioner at St. Matthias Apostle Church.

Mr. Speaker, Kevin is unique in that he has a perfect 12 year religious education class attendance record in his parish's confraternity of Christian doctrine class. He is an altar server, as well as an usher at St. Matthias.

Kevin is also an honor student at DuVal High School and a member of the varsity baseball and soccer teams. Kevin plans to attend college in the fall and major in accounting. Kevin exemplifies all of the qualities necessary to truly lead our country into the 21st century and I am confident that he will do just that.

Mr. Speaker, these special people embody some of the most important elements of our society: Community service, religion, and dedication. I am very proud to represent these people and others who are working hard to make our communities safe, productive, and pleasant places to live, and I am sure that the entire House joins with me today to recognize their service and commitment.

ROLE OF PSYCHOLOGY IN CRIME PREVENTION

HON. TED STRICKLAND

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 17, 1994

Mr. STRICKLAND. Mr. Speaker, I want to alert my colleagues to the critical role that psychologists play in crime prevention throughout the Nation. Extensive research, much of it conducted by psychologists, has identified important factors that predict and influence criminal behavior. Based on this research, psychologists have developed and implemented comprehensive and effective prevention programs to lower the incidence of crime. Further, psychologists working with adjudicated offenders have provided valuable rehabilitative interventions for hard core criminals, and psychological interventions with victims to lower the painful, long-term consequences of violence. In every facet of crime prevention and intervention, psychologists have been active and productive agents for change.

I urge my colleagues to consider the difficult and complex nature of criminal behavior. In deciding how we will deal with criminals, we must acknowledge what puts our young people at risk to become criminals. These include characteristics of families, communities, and schools within which potential criminals exist, as well as qualities of peers and the offenders themselves. Many of these characteristics can be changed by systemic and concerted interventions. They are sound and clear-cut targets for programs seeking to make our Nation a

safer and less-fearful place to live. Psychologists' expertise in addressing these risk factors is a crucial component in preventing crime and violence and providing direct rehabilitative services to offenders and their victims.

I further urge my colleagues to understand that ultimately the most effective solution to crime is prevention. Psychologist researchers and practitioners have identified effective psychological interventions to accomplish this. These interventions—leading to changes in behavior, thinking, and social skills—provide the necessary tools for solving our Nation's crime problem. Among these are school-based programs, such as problem-solving training, conflict resolution programs, social skills training, and interventions to improve school environments, discipline, and safety. Additionally, community-based interventions, such as parenting education and integration of services show great promise in effectively lowering our Nation's crime rates by dealing with the roots of crime. Other important contributions of psychology have included training police, judges, hospital staff, and correctional personnel to deal effectively with the psychological and behavioral aspects of crime; assessment of individuals and situations to promote nonviolent problem solutions; and training school personnel to provide safe, disciplined classroom environments.

The need for real solutions to crime in our Nation is great. Interventions that work are critical to meeting this need, and psychologists are providing the leadership, skills, and expertise required to put these interventions in place. Psychologists' knowledge of mental health and public health provides the crucial underpinnings for prevention programs contained within this bill. Their expertise in attitude and behavior change furnishes important tools for lowering the prevalence and acceptability of guns and drugs in schools and communities.

Psychology has an important role to play in the implementation of the programs authorized by this legislation. Examples would include providing specialized community and school-based knowledge and skills for school components of Assistance of Delinquent and At-Risk Youth, Safe Schools, and Family and Community Endeavor Schools. Psychologists' skills and knowledge in technical assistance, evaluation, and program development are critical to successful implementation of such programs as Employment and Skills Crime Prevention, Violence Against Women, Community Policing, and Juvenile Drug Trafficking. Psychologists' expertise in violence and substance abuse prevention, human development, and behavior change is critical for working with the judicial system on such programs as Alternative Methods of Punishment for Youthful Offenders, Police Partnerships for Children, Drug Courts, Gang Prevention Grants, and Violence Against Women.

As active partners in our Nation's crime initiatives, psychologists are prepared to meet the challenge of effectively and efficiently dealing with the problem. Psychologists' training equips them to be primary participants in programs for preventing criminal behavior, serving young offenders, rehabilitating problem offenders, and healing the scars of victims of crime.

TRIBUTE TO LANSING SCHOOL SUPERINTENDENT BILL SIMPSON

HON. GEORGE E. SANGMEISTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 17, 1994

Mr. SANGMEISTER. Mr. Speaker, it is with pride and sadness that I rise today to salute Bill Simpson. Pride, because of the outstanding job that Mr. Simpson has done as the school superintendent of Lansing, and sadness, because May 20 marks Mr. Simpson's retirement.

Mr. Simpson began his career in Lansing as principal of Memorial Junior High School in August, 1967. Two years later, he was promoted to assistant superintendent of schools, and in April 1970, he was appointed superintendent of schools.

During his tenure, he has provided decisive leadership in numerous difficult situations. These include the demolition of a school building, the closing of two elementary schools, changes in school boundary lines and several construction and remodeling programs. Faced with severe financial constraints, he planned and implemented a budget that maximized resources and was in the best interest of the children of Lansing.

Among Mr. Simpson's many accomplishments is an untarnished record of successfully negotiating every contract with the Lansing Education Association without any disruption to class schedules. for 24 years, his interpersonal skills, coupled with a sincere interest in the welfare of employees and their families, have served to keep morale high among teachers, parents and students. Under his leadership, the district recently passed the first successful tax referendum in almost 30 years.

Mr. Simpson holds a bachelor of arts degree from St. Ambrose University, a master of science degree from Western Illinois University and has done postgraduate work at Purdue University. Prior to his employment in Lansing, he was a teacher and coach in Bettendorf, IA, and Moline, IL, and a school administrator in Davenport, IA. He also served 4 years in the U.S. Air Force, was a salesman for EMCO, and was a realty officer for the General Services Administration.

As his professional career draws to a close, Mr. Simpson is looking forward to spending more time with his wife, Martha, and his five children, Craig, Steve, David, Brian, and Catherine.

Mr. Speaker, Bill Simpson's fingerprints have touched nearly everything we are proud of about the Lansing School System in the last three decades. In appreciation of the work he has done, and in commemoration of his retirement, I would like to declare May 20, 1994, Bill Simpson Day in the village of Lansing, IL.

CELEBRATING EAST BAY CENTENARIANS DURING OLDER AMERICANS MONTH

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 17, 1994

Mr. STARK. Mr. Speaker, I rise today to share with my colleagues news of a special gathering that will take place on Thursday, May 19, in Castro Valley, CA. Over 50 senior citizens, each over 100 years old, will join together at Eden Medical Center for the fifth annual 100+ celebration.

Every one of us has looked to an elder, perhaps a grandparent or great-grandparent, at different times during our lives for the wise counsel that only experience can provide. Their wit and wisdom speak of lessons learned, their knowing smiles are a reflection on decades of experience. I know my own mother, who is just 84 years old, has taught this incorrigible son an encyclopedia of lessons.

While I cannot be there on Thursday, I want to join Eden Hospital in honoring our local centenarians. The most senior of these senior citizens are 105, including Mercedes Hengeveld, Ada Hermans, Vera Sherman, and Anna Simmons. Thee are also four 104-year-olds, including Abdul Khaliqi, Antonio Neito, Mary Souza, and Ethel Stenson.

Nicolasa Alcon, Allie Cox, Elizabeth Denny, Florence Hyde, Jesse "Ed" Lacy, Etta Osborn, Epifania Saldana, Eva Thorton, Catherine Walker, and Lily Wilkinson are 103 this year: The 102-year-olds who will be there on Thursday are: Giorgina Angeli, Mable Boyd, Michael Branden, Lillian Garfias, Mamie McGriff, Antonio Nava, and Huldah Stukaloff.

Addie Abbott, Earl Brush, Lenora Costa, Marie Edwards, Eva Fordan, Wayne Frances, Jim Hendricks, Hinda Jackson, Helen Leandro, Eugenia Liorentzevich, Erminia Oberti, Edna Payne, and Fred von Brethorst, at 101, are the sophomores of this class. The freshmen, young at only 100, are: Marion Boone, Hilda Carr, Olga Cherepanoff, Josephine Corona, Hazel Garard, Olive Gurney, Marianne Hill, Kristina Langas, Ethel Manildi, Helen Minore, Marian Morken, Kishi Noma, Cecil Penberthy, Lillie Seay, Mary Silva, Ernestine Smedman, Charles Ulrich, Leo Valentino, and Marguerite Zugoni. We also remember Mary Haaga, who would have been 100, and Dr. Don Warren, who would have been 104 this year.

Mr. Speaker, I hope my colleagues will join me in honoring these centenarians, especially during Older Americans Month, 1994. Their long and full lives have been a source of inspiration to their friends, family, and us all. I wish them all good health and good cheer.

A SALUTE TO THE ARTISTIC DISCOVERY WINNERS OF OHIO'S 11TH CONGRESSIONAL DISTRICT

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 17, 1994

Mr. STOKES. Mr. Speaker, I am pleased to be among the Members of Congress who have hosted the Artistic Discovery art competition throughout their congressional district. The Artistic Discovery contest not only allows high school students to showcase their artistic ability, but this nationwide art competition also grants Members the opportunity to recognize the creativity of American high school students. This year more than 300 entries representing 13 high schools were received from my district. Of those entries, I can proudly say that each piece of art work reflects tremendous artistic talent and ability.

Recently, participants in, and supporters of, Artistic Discovery assembled at the Cleveland Heights City Hall, for an awards ceremony and reception honoring this year's participants. This served as a culmination to the Salute to Young Artists week-long celebration in recognition of the young artists in Ohio's 11th District.

Mr. Speaker, this year's competition proved to be an intense one. In the end, William Hernandez, a senior at the Cleveland School of the Arts was selected as the winner. William's innovative scratchboard and ink piece, entitled "We Will Overcome" will become part of the mosaic of culturally diverse art work from students nationwide on display in the Capitol.

I join my colleagues in looking forward to the official opening of Artistic Discovery on June 28, 1994. I appreciate the dedication and effort of the principals and art instructors in schools throughout the 11th District. I also thank the Artistic Discovery judges as well as Cleveland Heights mayor, Carol Edwards and her staff for accommodating us at City Hall during the Salute to Young Artists.

Mr. Speaker, the walls of the Capitol are about to be adorned with an array of diverse paintings, representing the creative spirit of our youth, and making the walls of the Capitol more beautiful. I am pleased to have joined with my colleagues in participating in such a worthwhile event, and would once again like to thank the participants and supporters who helped to make this event successful.

BEAUMONT SCHOOL

Alyssa Adams
Stephanie Adams
Susan Ancheta
Catherine Bammell
Ann Bartek
Crystal Bell
Jennifer Blum
Accalia Calabrese
Anne Coburn
Kathleen Conkey
Susan Dernyar
Julie Engstrom
Kathryn Entsminger
Jessica Eppich
Katherine Fitzgerald
Megan Fitzpatrick
Sarah FitzSimons
Erin Gage
Elizabeth Havach
Lori Indriolo
Keisha Jones
Molly Keefe
Lucy Kirchner
Terre Kraus
Margaret Lann
Karen Leach
Kara Lock
Josephine Lombardi
Brandyn-Marie Manocchio
Sarah McCormack
Ann McKeever
Bridgette Meredith
Megan Moore
Lindsey Moriarty
Sherry Peterson
Pamela Pritchard
Nicole Prospal
Eileen Ryan
Jean Smith
Kate Sopko
Terry Strauchon
Ann Tinker
Jennifer Trausch
Amelia Vlah
Vassimo White
Elizabeth Wiemels
Allison Wooley
ART TEACHERS:
Ellen Carreras
Sister M. Lucia, O.S.U.

BEDFORD HIGH SCHOOL

Steve Compton
Melanie Dusek
Nicole Hanusek
Damon Hart
Ayn Riedthaler
Michael Sidoti
Jessica Squire
Heather Takacs
Bryan Wahl
Lia Young
ART TEACHER:
Robert Bush

BELLEFAIRE SCHOOL

Steven Strom
ART TEACHER:
Kelly Gutowitz

CLEVELAND HEIGHTS HIGH SCHOOL

Dan Coate
Matthew Coate
Seriaha Gum
Gabe Lader
Justin McCombs
ART TEACHER:
Shelley Abraham

CLEVELAND SCHOOL OF THE ARTS

Aja Aaron
Andre Adams
Jean Edmonds
Kim Goodman
Albert Hale III
Naijal Hawkins
William Hernandez
Ja'Nitta Marbury
James Miller
Jason Nichols
Jermaine Powell
Gilberto Rivera Jr.
Joseph Sellars
Mai La Thai
Tonia Thomas
Sahara Williamson
ART TEACHER:
Andrew Hamlett

GARFIELD HEIGHTS HIGH SCHOOL

John Dwiers
Becky Fetherson
Audrey Hill
Bernice Kane
Bryan Lewis
Kevin Lucas
Valerie Lubinski
Kelly Markiewicz
Todd Marshall
Leah Roddy
Arthur Stachowicz
Rafal Stachowicz
Ben Svihlik
ART TEACHER:
Christine French

JOHN ADAMS HIGH SCHOOL

Charles Campbell II
Irene Epple
Cameron Walker
ART TEACHER:
Harry Petaway

JOHN HAY HIGH SCHOOL

Christina Bratsch
Karen Burks
Nedra Carter
Tomika Cowan
Pinkie Daniel
Charlene Deberry
Ashaunte Debose
Damien Dix
Arkita Franklin
Terrence Graves
Anthony Greagh
Nura Hakim
Rashaun Hall
Nakeya Henry
Kolithia Johnson
Brian Kline
Danielle Marion
Bryan Mayhugh
Jeffrey Melton
Wendy Mullins
Stanley O'Neal
Dolores Ortiz
Brent Richard
Christine Savage
Marquis Smith
Tamika White
Robert Whittingham
Rachael Weisenseel
Demitrius Williams
Rafeale Woods
Michael Yingst
ART TEACHERS:
Harriet Goldner
Kathleen Yates
Richard Chappini

LUTHERAN HIGH SCHOOL EAST

Tameko Brice
Robin Richmond
ART TEACHER:
Patricia Sears

MAPLE HEIGHTS HIGH SCHOOL

William Abram
Elliott Anderson
Tim Beba
Mark Beccia
Tim Bishop
Jacob Filarski
Greg Gadowski
Jennifer Gedeon
Melissa Lenzo
Katherine Martinez
Tim Matyaszek
Charles Rapp
Jim Rickon
Carla Ruffo
Stefeny Sega
Tamika Skrine
Otis Thomas
Gabriel Trinidad
Mark Unrein
Ann Worth
ART TEACHERS:
Mary Keefe
Karen Mehling

SHAW HIGH SCHOOL

Oscar Alexander

Walter Caldwell
Jamol Coles
Melanie Neal
Chris Young
ART TEACHER:
Susan Lokar

SOUTH HIGH SCHOOL

Tony Evans
Khaleel Khaafidh
Fidelity Murchison
Raynae Pobega
ART TEACHER:
Roman Rakowsky

WARRENSVILLE HEIGHTS HIGH SCHOOL

Angela Brown
Kindu Hughley
Todd Moore
Karlie Newton
Eddie Rox
Billy Sanders
ART TEACHER:
James Evans

TRIBUTE TO MARJORIE MARIE DOWLING

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 17, 1994

Mr. MINETA. Mr. Speaker, I rise in recognition and appreciation of the long years of service to the Public Works and Transportation Committee of Mrs. Marjorie Marie Dowling, a staff assistant with the committee assigned to our Economic Development Subcommittee. Marge is retiring this summer after some 20 years with our committee and an additional 7 years of service to the Federal Government.

Originally from Ohio, Marge worked for a time with her husband in his law practice, and as a secretary in the Office of Education. After dedicating a number of years to raising her family, Marge returned to the work force in 1975 accepting a position with the Public Works and Transportation Committee. Marge has been a valued and dedicated member of our committee staff since that time, and a special friend to each of us who have worked with her over the years. Marge is a devoted professional whose quiet and gentle manner has been an asset during many hectic hours of subcommittee hearings, markups, and preparations for consideration of legislation on the House floor.

I join with Marge's many friends and colleagues on the committee in wishing her, and her husband Garland, good health and an extra measure of happiness in their retirement.

SALUTE TO MILTON A. EISENBERG

HON. THOMAS M. FOGLIETTA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 17, 1994

Mr. FOGLIETTA. Mr. Speaker, I rise to salute Mr. Milton A. Eisenberg, who is being honored by the Hero Scholarship Fund of Philadelphia for his many years of humanitarian service to their organization, the Philadelphia community and to those everywhere who have benefited from his generosity.

Milton Eisenberg helped organize the Hero Scholarship Fund in 1954, to raise money to provide scholarships for the children of police officers and firefighters killed or disabled in the line of duty.

Mr. Eisenberg has demonstrated his dedication to helping those in need through many generous efforts including his leadership over several prominent organizations. Recently named honorary president of the Hero Scholarship Fund, he is also past president of Philadelphia Public Relations Association as well as the former chairman of Police Athletic League and the National Conference of Christians and Jews. Further, Mr. Eisenberg has been honored on numerous occasions by such organizations as the United Way, the Philadelphia Chamber of Commerce, the Federal Bar Association, the American Legion and the City of Philadelphia, illustrating his dedicated efforts and consistent achievements in improving the lives of others.

Therefore, it is with great pride that I join with the distinguished members of the Hero Scholarship Fund of Philadelphia in paying special tribute to this great humanitarian, Mr. Milton A. Eisenberg for his spirited dedication to helping those in need.

TRIBUTE TO LUIS LANIER

HON. HOWARD L. BERMAN

OF CALIFORNIA

HON. HENRY A. WAXMAN

OF CALIFORNIA

HON. ANTHONY C. BEILENSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 17, 1994

Mr. BERMAN. Mr. Speaker, my colleagues, HENRY WAXMAN, ANTHONY BEILENSON, and myself are honored to pay tribute to Luis Lanier, a friend for years and a man who embodies the true meaning of community. Luis' entire life has been devoted to helping the elderly and the poor, as well as to garnering support for Israel and promoting interethnic dialog. His desire above all is to see a more just and compassionate world.

Luis has built a remarkable record of service in this area. For example, he is a cofounder of Bet Tzedek, the Jewish legal services program for the poor and elderly. Luis was its first executive director and, later, served as president of the board of directors. He has also been a member of the board of directors of the Jewish Federation Council, and was chairperson of the Chicano-Jewish Dialog of the JCRC.

Recently Luis completed a 6-year tenure as an international board member of the New Israel Fund. During that time he chaired the program committee and nurtured and fostered the growth of the New Israel Fund. As a result of his work, the New Israel Fund is honoring Luis at its 1994 Tzedakah award dinner.

Luis has always had a deep commitment to Judaism. He applies Jewish values, especially concern for the underdog, to his work in the community. To him this is the essence of being a Jew.

Mr. Speaker, we ask our colleagues to join us today in saluting Luis Lanier, whose life's work consists of helping others. He is an inspiration to all of us.

CELEBRATING THE 100TH ANNIVERSARY OF BETHLEHEM LUTHERAN CHURCH

HON. WILLIAM J. COYNE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 17, 1994

Mr. COYNE. Mr. Speaker, the Bethlehem Lutheran Church of the city of Pittsburgh's Allentown neighborhood is celebrating its 100th anniversary this year. This centennial will be marked with commemorative events throughout 1994, and I am pleased to take this opportunity today to call attention to this remarkable organization.

Although the actual organization of the Bethlehem Lutheran Church took place on January 31, 1994, the beginnings of the congregation date back to 1887 when Pastor Adolf Ebert of Mount Zion Lutheran Church conducted services on Warrington Avenue in Allentown. Over the next several years, attempts were made to organize the congregation but various problems delayed the incorporation until 1894. On January 31, 1894, a meeting was held in the home of Robert Lindemann and a resolution to organize was signed by 17 heads of families. The new congregation took the name of the German Evangelical Lutheran Bethlehem Church and listed 40 baptized members at the time of its inception. The Reverend Franklin Beiswenger served as the first pastor, a position he would hold until his death in 1930.

Since the days of Pastor Beiswenger, six other pastors have served Bethlehem Lutheran Church: The Reverend Fred O. Schuh, 1931–46; the Reverend Dr. O.H. Boening, 1947–51; the Reverend Herbert C. Roth, 1952–69; the Reverend George Lutz, 1971–77; the Reverend Lyall J. Lorez, 1977–88; and the current pastor, the Reverend Jonathan W. Linman, who has served since 1989.

For the past 100 years, Bethlehem Lutheran Church has been a stable force in Pittsburgh's Allentown neighborhood, ministering first to the needs of immigrants from Germany and now to a more diverse population. Its commitment to embracing the residents of its community with service and opportunities for worship, education, and fellowship has remained unchanged during these 100 years, despite the fact that the intervening years have changed the community dramatically.

It is fitting that the House of Representatives should recognize the contributions to the quality of life in American communities made by institutions like the Bethlehem Lutheran Church. I ask the Members of the House gathered in session today to join me in extending our best wishes to the Bethlehem Lutheran Church for many more years of successful service to the members of its congregation.

TRIBUTE TO FLORENCE HONGO

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 17, 1994

Mr. MATSUI. Mr. Speaker, I rise today to pay tribute to Florence Hongo, a truly special individual who has volunteered her time and effort for a quarter of a century to promote the image of Asian-Americans in our country. Florence has worked diligently to foster a general understanding of the Asian-American experience, and on May 21, 1994, she will be recognized by the Japanese American Curriculum project for the many tireless contributions she has made to the project and her community.

Florence Hongo received her B.A., in History from San Francisco State University; she then proceeded to obtain her secondary teaching credential from San Francisco State University. Ever since her graduation, Florence has helped others understand the importance of Asian-American history in our country both as an educator/instructor as well as in numerous advisory roles, and she has devoted her efforts to increasing the public's awareness of Asian-American history, culture, and literature. Through her work, Florence has helped create a more positive self-image for the Asian-American community through her efforts.

Florence Hongo has voluntarily managed the Japanese-American Curriculum Project, or JACP, since its inception. JACP was originally created to educate the public about the Japanese-American experience during World War II from firsthand accounts. Through the help of dedicated volunteers like Florence, the project has grown considerably in scope and importance. Throughout the growth of the JACP, Florence Hongo has worked to ensure that the materials assembled portray an accurate and unbiased account of the different Asian-American experiences.

Mr. Speaker, Florence Hongo has received numerous awards for her hard work and dedication. I highly commend Florence Hongo for her many accomplishments and contributions to educating the public about the Asian-American experience and for her 25 years of service to the JACP. I ask my colleagues to join me in congratulating her for being honored at the JACP's Silver Anniversary. I extend my best wishes to Florence Hongo for continued success in all her future endeavors.

HONORING THE NATIONAL COUNCIL OF JEWISH WOMEN NEW YORK SECTION

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 17, 1994

Mrs. MALONEY. Mr. Speaker, I rise today to bring to the attention of my colleagues the 100th anniversary of National Council of Jewish Women New York Section.

In May 1894, a group of 120 women organized NCJW New York Section, determined to reach out to address the needs of their community. In its early years, New York Section pioneered efforts to help newly arriving immigrants adjust to living in the United States. They opened settlement houses, offered English classes and religious instruction, and provided job training.

The trip to the United States was particularly perilous for young women and girls who were lured by unscrupulous employers. These employers would promise them jobs and housing in America. When the young immigrants arrived in the United States, the employers would often meet them at the docks and take them off to a dreary life in a brothel or a sweatshop. Responding to a plea from President Cleveland, volunteers from New York Section began going to Ellis Island to meet the ships. The young immigrants were provided with assistance in finding a good job and a decent place to live. In addition, New York Section organized classes to help the women acclimate to living in America.

From its inception 100 years ago, New York Section has always been active in providing food, clothing, and compassion to those who are in need. In its early years, New York Section ran a home for unmarried mothers and wayward girls. It opened programs to help patients at the hospitals on Blackwell's Island. Volunteers read to the blind and taught blind children self-sufficiency. Over the years, New York Section opened several community facilities in New York City to house its many programs. In addition, New York Section was a vocal advocate of meaningful child labor laws, minimum wage laws, women's suffrage, anti-discrimination laws and good public housing.

In 1945, New York Section donated their Bronx facility to the community. At the ceremony, Eleanor Roosevelt spoke, and recognized the contributions of New York Section to the community at large. She said: "The example of responsibility displayed by council can well serve as a model to other sectarian agencies in changing neighborhoods and to the nations who are about to meet at San Francisco to lay the groundwork for a United Nations."

In recent years, New York Section has focused on three major problems affecting New York City: hunger, illiteracy, and AIDS. Recognizing the unfortunate fact that too many people in the city are hungry, New York Section maintains several programs that provide meals to the needy. Every Wednesday, they serve dinner to 105 people. People who are unable to be seated for the dinner are provided with sandwiches and fruit at the New York Section food pantry. In addition, every Sunday, volunteers serve brunch to families with children.

New York Section's efforts to combat illiteracy date to its earliest years, when volunteers helped immigrants learn to read English. In the 1960's, volunteers participated in the first Head Start programs. Today volunteers from New York Section's Children's Literacy Program help maintain small libraries in day care centers and public schools. By reading to children and helping them to improve their reading skills, volunteers work to foster a love of books.

In 1982, New York Section founded the Jewish Women's Resource Center, which maintains an extensive research library at 9 East 69th Street in Manhattan, with the intent of establishing a repository of materials on Judaism, materials on the impact of the women's movement on the practice of Judaism, and unique documents that council has collected over the years. The center also plays an important role in the community, sponsoring workshops and readings on a regular basis.

New York Section operates two programs to serve people with AIDS. In one program, volunteers work with AIDS afflicted babies living at the Incarnation Children's Center in Washington Heights. In the other program, volunteers visit AIDS patients at Goldwater Memorial Hospital, providing entertainment, companionship and support to the patients. Volunteers make a special point of celebrating birthdays. Although this may seem like a small thing to do, people with AIDS seem to feel a need to celebrate such milestones more strongly than other people.

New York Section's latest major endeavor is its HIPPY—Home Instruction Program for Pre-School Youngsters—program, which teaches parents of 4- and 5-year-olds how to help their children learn. This program, which was initiated in Israel in the 1960's and brought to the United States in 1984, helps reach families that are at risk. Participants report that both parents and children appear to benefit from the program. Children reach school with better classroom skills than other children. Parents develop a stronger bond with their children and better sense of their own worth. Recognizing the achievements of the HIPPY program, Congress recently voted to provide new funds to begin similar programs across the country.

Because of the tremendous contributions of National Council of Jewish Women New York Section in serving the Jewish community, assisting immigrants, guiding troubled children, helping the sick, providing educational programs and so much more, I would like my colleagues to join me in congratulating them on their 100th anniversary and wishing them another 100 years of good fortune and service to the community.

HONORING THE STEUBENVILLE SUNSET CLUB

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 17, 1994

Mr. APPLEGATE. Mr. Speaker, one of the tremendous aspects of American society and a truly outstanding value of our Nation can be found in the way we look after and care for the senior citizens of the United States.

No finer example of this outstanding commitment exists than in the proven track record of the Steubenville Sunset Club, an association dedicated to providing services and social activities for the older citizens of this community in eastern Ohio. I'm very pleased to inform my colleagues in the House of Representatives that the Sunset Club will be observing its 40th anniversary next Tuesday, May 24th.

Since 1954, the Sunset Club has offered the seniors of Steubenville more than just a place to gather. Most of all, the club has worked at

extending a vital hand to each and every participant who has ever had the experience of working with the Sunset Club and its numerous volunteers. These volunteers fully deserve our utmost recognition and honor, including Mrs. Emma Gorsuch, a co-founder and a continuous member of the club since its beginning. Mrs. Gorsuch, I should add, has also served as a director of the senior citizens components of the Sunset Club.

I also want to pay tribute to the late Frank Linton, another co-founder of the Sunset Club and a longtime recreation director for the city of Steubenville. Mr. Linton and Mrs. Gorsuch have done more than anyone else in paving the way for the Steubenville Sunset Club to become the community success that it has become, and I wish to join with all of my colleagues in bestowing a special honor to the many volunteers who have served and who continue to serve. Mr. Speaker, I wish to extend my very best wishes and hopes to the Sunset Club for yet another 40 additional years and more of dedication and service to our senior citizens. Congratulations.

A SPECIAL SALUTE TO MRS. HELEN PRYOR, 1994 CONGRESSIONAL SENIOR CITIZEN INTERN

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 17, 1994

Mr. STOKES. Mr. Speaker, during the month of May, our Nation celebrates National Senior Citizen Month. In communities throughout the United States, senior citizens will be recognized for their contributions to our communities and the Nation. In observance of Senior Citizen Month, seniors from across the Nation are gathering on Capitol Hill this week for our annual Congressional Senior Intern Program.

During their Capitol Hill internship, seniors receive a firsthand look at the legislative process. They attend meetings, workshops, and issue forums on topics which impact the elderly community. Seniors also have the opportunity for extensive dialog with congressional leaders, administration officials and Washington policymakers.

Mr. Speaker, I am proud to participate in the Congressional Senior Citizen Intern Program. At this time, I rise to salute my congressional senior citizen intern for 1994, Mrs. Helen Pryor. I want to share with my colleagues some information on this outstanding individual who has been selected to represent Ohio's 11th Congressional District on Capitol Hill this week.

Mrs. Pryor is a resident of Euclid, OH. She retired from a management position with the U.S. Postal Service after more than 30 years of service. In the Cleveland community, Mrs. Pryor plays an active role in addressing the needs and concerns of senior citizens. She is the past president of the University Circle chapter of the American Association of Retired Persons. Under Mrs. Pryor's direction, the organization has been a strong voice for seniors in the Greater Cleveland area and throughout the State.

Mr. Speaker, Helen Pryor is a committed individual who has used her talents and energy to make a difference in the lives of others. She is a member of Mount Pleasant Baptist Church in Cleveland, where she serves on the missionary society. In addition, she devotes time to assisting the area Salvation Army. Mrs. Pryor's family proudly notes that, "Wherever help is needed, she is willing to give of her time." Mrs. Pryor is the mother of four children, Arland, Terry, Beverly, and Marc.

Mr. Speaker, I take this opportunity to congratulate Mrs. Pryor upon her selection as my congressional senior citizen intern. I am certain that our community will benefit greatly from her visit to Capitol Hill. I am proud to welcome this outstanding individual to our Nation's Capitol.

GRANT'S TOMB

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 17, 1994

Mr. HYDE. Mr. Speaker, Grant's Tomb, once New York's most popular visitor attraction, has become one of its most tarnished. The sad plight of this important historical figure is more particularly set forth in the accompanying article.

Illinois State Senator Judy Baar Topinka has taken up the cause of moving Grant's Tomb to Illinois, where he once lived in Galena, and where his last resting place will be treated with more respect. She authored an Illinois Senate joint resolution.

This material has been forwarded to the Honorable Rudolph Giuliani, mayor of the city of New York, on behalf of Senator Topinka.

[From USA Today, Apr. 1, 1994]

ONCE GRAND, GRANT'S TOMB NOW GRUNGY

(By Bruce Frankel)

NEW YORK.—The correct question soon may change from "Who's buried in Grant's Tomb?" to "How much longer will Ulysses S. Grant and his wife, Julia, be buried there?"

The imposing New York mausoleum where the Civil War hero and 18th U.S. president is buried has been neglected for decades. Now the Illinois General Assembly wants the National Park Service, which administers the tomb, to surrender unconditionally to these demands:

Show some respect and take care of the century-old tomb—or send the Grants to Illinois, where Grant maintained a residence for 20 years.

"Maybe we're just dumb Midwesterners, but we'd be very proud to take care of him," says Illinois state Sen. Judy Baar Topinka.

But Joe Avery, superintendent of the park service's Manhattan sites, defends the government's maintenance: "It's being sensationalized. We're doing all we can."

The tomb once attracted more visitors than the Statue of Liberty. But crime-wary tourists are afraid to visit the 122nd Street monument, near Columbia University and on the edge of Harlem.

Homeless people sleep on its littered portico and urinate in its corners. Drug addicts loiter in the shadows, leaving crack vials behind.

Graffiti is regularly scrawled on the sepulcher's walls. The roof leaks. Photographs and Grant's Civil War battle flags are missing.

"Grant's Tomb has become the most desecrated presidential burial site in the nation," says Frank Scaturro, a Columbia University history major.

Scaturro, a former volunteer park service guide at the tomb, has been trumpeting alarm across the nation in a 325-page report.

"It's a presidential tomb, and it's being treated as a subway station," says Ulysses Grant Dietz, Grant's great-great-grandson.

The stir is getting results.

About $400,000 has been set aside for contracts being drawn to refurbish the tomb's roof, gutters and ventilation. An additional $50,000 has been approved to open the tomb seven days a week.

Responds Topinka: "We'll give them six months to show they means business."

For Grant to receive such treatment would have been unthinkable a century ago.

One million people lined New York's streets on Aug. 8, 1885, to watch 60,000 marchers in a five-hour funeral procession for the military leader credited with winning the Civil War and saving the country from dissolution.

Grant actually wanted to be buried at West Point. But, because his wife could not be buried there by his side, he requested a burial site in St. Louis, Galena, Ill., or New York City.

New York was chosen because his wife, who lived here, could visit frequently, and because Grant was grateful to New Yorkers for their outpouring of affection when he went broke in his later years.

Grant was born in Ohio. He went to Galena in 1860 to work in his family's harness shop and left the next year to fight in the Civil War. He returned briefly after the war and kept his Galena home.

The park service began managing the monument in 1958. Fewer than 50,000 people a year now visit.

SENATE JOINT RESOLUTION

Whereas, Ulysses Simpson (U.S. "Unconditional Surrender") Grant was the best-known Federal general in the U.S. Civil War, and because of his military prowess and daring, he helped to shorten the time of that great and bitter conflict; and

Whereas, Grant's exploits in the Civil War earned him the Republican nomination and ultimately two terms as the 18th President of the United States where he pushed for conciliation toward the South, sought unconditional readmission of Virginia to the Union, relentlessly opposed the Ku Klux Klan in his ever stalwart detestation of slavery and its aftermath, and established a strong record in foreign affairs; and

Whereas, Although dying of throat cancer, he wrote his now classic memoirs in an effort to support his family and to guarantee that they would be provided for upon his death; and

Whereas, U.S. Grant died at Mt. McGregor, N.Y., on July 23, 1885, and his body was finally laid to rest amidst much pomp, circumstance, parades and speeches in an imposing tomb on Riverside Drive, on New York City's upper West Side, wherein he was ultimately joined by his much beloved wife, Julia Boggs Dent Grant in 1902, and that his tomb has been compared to other notable 19th and 20th century tombs such as that of Napoleon in the Dome des Invalides in Paris; the Lenin Mausoleum in Red Square, Moscow; and the Tomb of the Unknown soldier, at Arlington National Cemetery in Virginia; and

Whereas, Although born in Ohio, U.S. Grant is closely associated with the State of

Illinois, where he lived, worked, and spent many happy days in the municipality of Galena; and

Whereas, It comes to the attention of the Illinois General Assembly that his 8,000 ton tomb in Manhattan has become a hangout for muggers, the homeless and drug dealers and, according to the Chicago Tribune, "graffiti has to be sandblasted regularly from the tomb's walls and columns"; and

Whereas, The same Chicago Tribune would note that "there are few mentions of the monument in tourist brochures. Visitors to the site, which is open only five days a week, find nothing but a few plaques. The lighting is poor, the roof is leaky, there are no tour guides and no bathrooms . . . and in this behemoth city awash with people and problems, the fate of an out-of-the-way memorial to a man from Galena, Illinois, has clearly not been a priority"; and

Whereas, At least one New Yorker has tried in vain to get the National Park Service, which administers the tomb, to make the tomb respectable again, and has sought the help of Civil War buffs around the nation to contribute rehabilitation monies with little result, and that now, only between 40,000 and 100,000 people a year come to the tomb even though, in 1887 when it was built, the cost was more than $800,000 collected from some 90,000 people around the country so that it would command a breathtaking view overlooking the Hudson River and would be in proximity to Grant's widow's home in Manhattan; and

Whereas, At the time of its dedication, speeches by President William McKinley and Mark Twain declared that "New York would always be a famous city because Grant was buried there"; therefore, be it

Resolved by the Senate of the Eighty-Eighth General Assembly of the State of Illinois, the House of Representatives concurring herein, That the Illinois General Assembly respectfully requests that the Mayor of New York City, the Governor of the State of New York, and the National Park Service appropriately honor the memory of Ulysses S. Grant, the 18th President of the United States of America, a man who so gallantly served his country in war and peace, by making all necessary improvements and rehabilitations to his tomb and by providing free and accessible tourist information on the tomb; and be it further

Resolved, That the City of New York and the State of New York, in lieu of making necessary improvements and rehabilitation to Grant's tomb and providing appropriate tourist information, may acknowledge that the memory of U.S. Grant and the maintenance of his tomb now constitute a burden to those two entities; and be it further

Resolved, That if the maintenance of Grant's tomb is too burdensome, the State of Illinois would then request that the City of New York and the State of New York petition the National Park Service to be free of the burden of the Grant's tomb and that the State of Illinois be allowed to appropriately honor this great hero so that he and his wife might find a final resting place with all due respect and tranquility, in a hallowed space in Illinois selected by the Illinois General Assembly in consultation with the Historic Preservation Agency; and be it further

Resolved, That if the National Park Service agrees to move Grant's tomb to a site in Illinois, the cost shall be borne privately; and be it further

Resolved, That Illinois is fully capable of honorably caring for its war heroes and former Presidents' resting places as is illustrated by the outstanding condition of Abraham Lincoln's tomb, located in Springfield, Illinois; and be it further

Resolved, That suitable copies of this preamble and resolution be forwarded to the Mayor of the City of New York and the Governor of the State of New York in an attempt to ask for immediate consideration of the pleas of the people of the State of Illinois to whom Grant brought so much glory.

DEVELOPMENT OF ARTICLES OF RELATIONS AND SELF-GOVERNMENT FOR INSULAR AREAS OF THE UNITED STATES

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 17, 1994

Mr. YOUNG of Alaska. Mr. Speaker, on November 22, 1993, I introduced legislation to provide consultations for the development of Articles of Incorporation for territories of the United States. The intent of that legislation, H.R. 3715, was to establish a mechanism for full self-governance and political empowerment in our territories consistent with international decolonization and the principles of self-determination.

Based on the interest and concerns raised from the insular areas, I am introducing a new proposal. The new legislation has been broadened in scope but retains the same intent of providing full self-governance and political empowerment in the United States insular areas. It enables the insular areas to utilize the same mechanism for options other than incorporation.

Under the new legislation, the governor of an insular area many request the President of the United States to enter into consultations for the development of Articles of Relations and Self-Government to achieve a full measure of self-government through political integration into the United States or through another arrangement with the United States. Political integration refers to the full extension of the United States Constitution and such measures which provide for political empowerment. Alternatively, an insular area may seek "another arrangement with the United States" which could be independence or free association.

At the request of an insular area government, and not later than December 31, 1997, the President would designate a personal representative to consult and develop, with representatives designated by the government of the insular area, Articles of Relations and Self-Government. The proposed Articles and a report on the consultations would be forwarded to the Congress within 1 year after the appointment of the United States Representative. These proposed measures would be submitted to Congress no later than December 31, 1998, to provide time for the Congress to enact implementing legislation before the end of the decade, which has been named the "Decade for the Eradication of Colonialism" by the United Nations.

Upon enactment by the Congress of a resolution approving Artices, the legislation would be submitted to the citizens of the insular area in a plebiscite. The question to approve the resolution would be organized by the government of the insular area and would take effect in accordance with the terms of the resolution upon ratification by a majority vote in the insular plebiscite.

The United States areas included in the proposal are American Samoa, Guam, the Northern Mariana Islands, Puerto Rico, and the Virgin Islands. These United States flag areas are identical to those named in H.R. 3715.

The last section of the bill, General Insular Area Processes, clarifies that the process for developing the status of insular areas provided for by this legislation is meant to be in addition to any other process for addressing issues in relationship between the United States and an insular area. A number of the insular areas have Federal or insular area acts which relate to addressing issues in the U.S.-insular relationship. The enactment of this legislation is not meant to prevent or limit any of these efforts. Consistent with the principle of self-determination, the process is optional on the part of each insular area.

With nearly 4 million U.S. citizens living in U.S.-flag areas without the full extension of the United States Constitution, I feel strongly that it is necessary to provide a clear process agreed to by Congress and the President for our fellow citizens to achieve a full measure of self-government through political integration with the United States or another arrangement for self-government. The time constraints of the proposed process, the deadlines and one year negotiating requirement, are necessary to insure real measurable progress in such matters of fundamental importance to the citizens of the insular areas and the United States.

The following is the text of the bill to provide consultations for the development of Articles of Relations and Self-Government for insular areas of the United States:

H.R.—

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

SECTION 1. FINDINGS.

(a) FINDINGS.—The Congress finds that:

(1) The United States of America has long been committed to making it possible for all peoples to exercise their inherent rights of self-government.

(2) While the nearly four million citizens of the insular areas of the United States of America are United States citizens (or, in the case of American Samoa, United States nationals) and have achieved local self-government, they do not fully participate in the Federal decisionmaking process although they are subject to Federal laws, rules, and regulations.

SEC. 2. PURPOSE.

The purpose of this Act is to provide a process whereby the citizens of United States insular areas can achieve a full measure of self-government through political integration into the United States or through another arrangement with the United States.

SEC. 3. ARTICLES OF RELATIONS AND SELF-GOVERNMENT.

(a) GENERAL AUTHORIZATION.—Before December 31, 1998, the President and the government of an insular area may develop, and submit to the Congress, proposed measures to enable the citizens of the insular area to exercise greater powers of self-government

or greater participation in the Federal system.

(b) APPOINTMENT OF UNITED STATES REPRESENTATIVE.—At the request of the government of an insular area transmitted not later than December 31, 1997, the President shall designate a personal representative to consult and develop in good faith with representatives designated by the government of the area, Articles of Relations and Self-Government.

(c) SUBMISSION DEADLINE.—The proposed Articles and a report on the consultations shall be submitted to the Congress within one year after the appointment of a representative under subsection (b).

(d) RATIFICATION.—Upon enactment of a resolution approving the proposed Articles, the legislation shall be submitted to the citizens of the insular area in a plebiscite organized by the government of the insular area and shall take effect in accordance with the terms of such resolution if ratified by a majority vote in that plebiscite.

(e) INSULAR AREA DEFINED.—For the purpose of this Act, the term "insular area" includes America Samoa, Guam, the Commonwealth of the Northern Mariana Islands, the Commonwealth of Puerto Rico, and the Virgin Islands.

SEC. 4. GENERAL INSULAR AREAS PROCESSES.

The process for developing the status of insular areas provided for by this Act shall be in addition to any other process for addressing issues in the relationship between the United States and an insular area established by or initiated pursuant to any other Federal or insular area Act and enactment of this Act is not intended to prevent or limit such efforts.

JUDGE ABNER MIKVA ON: THE POLITICS OF CRIME

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 17, 1994

Mr. LAFALCE. Mr. Speaker, concerns about crime and how to control and cope with it are topics being widely debated in the legislative hallways and in homes all across America.

The Honorable Abner J. Mikva, Chief Judge of the U.S. Court of Appeals for the District of Columbia Circuit, and a former colleague in the House of Representatives, injected some interesting perspectives, which I largely share, into this debate during a lecture at my alma mater, Canisius College, in Buffalo, NY. The 11th speaker in the Frank G. Raichle Lecture Series, Judge Mikva's topic was: "The Politics of Crime."

Judge Mikva's comments make for some particularly timely reading as we in the Congress continue to labor to forge meaningful anticrime legislation.

THE POLITICS OF CRIME

(By Abner J. Mikva)

When Congressman John LaFalce, one of Canisius's distinguished alumni, first asked me if I would be interested in speaking as part of the Raichle Lecture Series, I accepted with alacrity. First of all, because it was John LaFalce doing the asking. But second, because I knew that some very distinguished personages had been previous lecturers in this series. I have always believed in innocence by association, and so if I can claim identification with the likes of Justice Ruth Ginsburg and Judge Wald of my court, I do it. And so, President Cooke had no trouble getting me to come to Buffalo, especially if it wasn't during the winter time.

I was gerrymandered during my tenure in Congress. I was not the late Mayor Daley's favorite Chicago Democrat, and so after the 1970 census, I found myself running on the North Shore of Chicago, in what was then the richest congressional district in the country. I didn't think that my views on taxation and labor law and social programs, which had been met with approbation in my South Side, University of Chicago district, would fair too well in my new district. And so I tried to make reform of the criminal laws one of the main issues in the campaign. I talked about gun control, and prison literacy programs, and a meaningful prison industry structure. I talked about all the prisons I have visited, and how we had to find alternative means of punishing and treating criminals. I lost that campaign, even though I was sort of the incumbent Congressman, running against a relatively unknown opponent. The criminal laws have been "reformed" several times since then (some would say "deformed"), and none of the ideas that I was then expressing are any more popular now than then. But I am stubborn, and what's more, none of the ideas that are not being offered as solutions to our crime problems make much sense to me. I am convinced that we are moving in the wrong direction. And since Article III protects me from having to persuade anybody that I am right in order to keep my job, let me proceed.

We have been trying to protect ourselves from and avenge ourselves on the evil-doers amongst us since we came out of our caves. Almost never do we recognize that there is great tension between those two purposes—protection and vengeance. In sentencing criminal defendants, there are four objectives traditionally stated:

1. Retribution—getting "even" with the defendant;
2. Deterrence—frightening others from offending;
3. Rehabilitation—reforming the defendant to sin no more.
4. Incapacitation—keeping the defendant from committing other crimes—at least while he is in jail;

Of those four objectives, only incapacitation achieves any of society's expectations. As to the others, they are expensive, foolish, or at war with each other.

Let us start with retribution—getting even, revenge. It's very expensive. It now costs over $30,000 per year to keep a defendant in a federal penal institution. That is more than it costs to send someone to Harvard Law School. While we can contemplate as to which institution does the inmate the most harm, at least Harvard is not financed with tax revenues.

Those who favor the death penalty, and there are many, would say that retribution—an eye for an eye—is a compelling argument for imposing more capital punishments. Be assured that those cost even more. Put together the costs to the judicial system in the endless, but often necessary, appeals, the extra costs of keeping an inmate on death row, the total lack of evidence that the death penalty has any deterrence value, the obvious lack of rehabilitation potential on any of our executed felons, and we are left with a very uncomfortable justification for society engaging in "legalized murder"—and that is that we can make sure that the particular sinner will sin no more.

Many earlier civilizations—and some third world countries today—meted out capital punishment for all kinds of crimes. In early England, it was used against pick-pockets. It did not even deter pick-pocketing at the public hangings of other pickpockets, although it took care of the particular pickpocket being hanged. Today, we are one of the few countries still tolerating capital punishment at all. The European Human Rights Treaty prohibits any signatories from enacting capital punishment, and makes it very difficult for any signatory to cooperate with those countries which use it. Attorney General Meese had to assure the German government that we would not seek capital punishment against an accused terrorist before Germany would even consider the terrorist's extradition to this country.

A frequent historical justification for our "get even" mentality is the Old Testament's "eye for an eye" and "tooth for a tooth" doctrine. Actually, that biblical reference would more appropriately justify restitution, the talmudists tell us, because the ancient Jewish legal system was not strong on capital punishment or vengeance. The idea was that if someone took your eye, he would have to provide restitution by "seeing" for you in your work.

The "deterrence" factor is getting a lot of play in legal literature. It blends in nicely with the cost-benefit analysis that my alma mater, the University of Chicago has touted so highly. If it works for torts, and adoptions, and environmental laws, why doesn't it make sense to apply it to the criminal law. And so we have the sentencing guidelines, which have federal judges poring over a grid system, which factors in all of the elements of the crime—the amount of drugs being carried, the presence of a weapon—as well as the defendant's level of remorse and cooperativeness, and achieves a sentencing range for that person. The sentencing guidelines, coupled with the mandatory minimum sentencing provisions that Congress is fond of, appear to rest on the notion that the criminally inclined carry around one of those sentencing grid tables that judges use. Before he perpetrates his crimes, the putative perpetrator sits down and figure out the costs, finds them higher than the benefits, and thinks better of perpetration.

It has always befuddled me that we can seriously assume that the members of our society who generally behave least rationally are going to engage in the rational process that underlies the deterrence theory. When coupled with the mathematical computations that the sentencing guidelines require, it is hard to believe that anyone is serious about deterrence. A young 16 year old kid in New York is promised $300.00 for delivering a "package" to someone in Washington. He gets one-half in front, and the other half when the package is delivered. On most occasions, he is nabbed at Union Station in Washington, the package and the $150.00 is seized, and he is sentenced on the basis of how large a quantity of drugs was in the package. Whether seized or not, there is nothing in our criminal justice system that will deter the next 16 year old kid from leaping to the same opportunity when it is offered him. And the attractiveness to the next kid will not turn in any way on whether the punishment is 5 years or 10 years or life or death.

A recent survey showed that most black male teenagers, living in the ghettos, did not expect to live until age 30. Most of them had been in jail or had family members in jail. Their life expectations, and life expectancy,

were so bleak that jail held no terrors. Factor that into a deterrence formula.

Then there is rehabilitation. We even name our institutions as if we seriously think that our present punishment system contributes to that end. Of course we reform kids in our reform schools, or course we correct first-offenders in the houses of correction, and of course we make our felons penitent in the penitentiaries. Shall we talk about prison industries? I am always amazed that our prison industry planners are able to anticipate what jobs will become non-existent in our economy, and concentrate our training programs in those fields. In Illinois, for example, prison training concentrated in printing, where there has been chronic unemployment since World War II, in tailoring, where again the unemployment rate has been overwhelming, and in the making of license plates. I always though that license plate making was an especially interesting trade to learn in prison. As far as I know, the only places where there are jobs to make license plates is in—prisons.

There are some literacy programs extant in the penal institutions, but they are very few and poorly-funded. Statistics show that the overwhelming majority of prison inmates have trouble with basic reading and writing skills. How expensive can it be to require literacy training? Nothing near what it costs us not to do it. The recidivism rates throughout our country make it clear that rehabilitation is a bust.

That leaves incapacitation. That works. There are several problems, however, with making that the centerpiece of our criminal justice system. In the first place, if nothing is done to check the flow of new felons, the cost is overwhelming—not just the per capita costs that I referred to earlier—but the additional costs of servicing an ever and ever larger prison population. The cost of building new prisons is much higher than the cost of the old prisons. Older prisoners (and we do have to keep prisoners longer if we are to really incapacitate them from further crime: good, hardened criminals that have been exposed to the penal system for any length of time need to be kept until they "burn out" which may mean keeping them into their 50's and 60's.) cost much more in medical expenses alone.

In addition to cost, there is the national shame factor. We now have more people in jail in relation to our population than any other country in the world. Are we really the most lawless nation around? And in addition to the shame factor, there is the limits factor which in our body politic will impose. Building all of those new prisons, putting more and more policemen on the streets, finding more and more ways to secure our houses and shopping malls and factories and post offices from criminals, and then finding ourselves even more in fear of our lives and safety than before, at a certain point the taxpayers will say incapacitation is not enough. And it isn't.

The fact is that the criminal justice system is not enough—or even the most relevant institution to deal with our crime problems. It makes about as much sense to look to prisons to solve our chronic crime problem as it would be to build more funeral parlors to solve a cholera epidemic. A very distinguished judge of the Superior Court of the District of Columbia, Curtis von Kann, recently made a speech on how to solve the homicide crisis in our nation's murder capital. He said:

"The criminal justice system in America has never been viewed by knowledgeable observers as the principal force in reducing crime. That is not its job. Rather, its job is to apprehend and try alleged offenders, and upon conviction, to sentence them. While all of that, of course, has been thought to have some impact on reducing crime, sociologists will tell you that in any society the far more important factors working to prevent the commission of crime are societal factors—for example, education, widely shared moral and religious codes of conduct, family structure and support and viable lawful opportunities for employment and upward mobility."

And there is the rub. Those "societal factors" are all expensive and exactly what the voters do not want to hear. They cost a lot of money, and they have no "red meat" appeal to the people who have been terrorized by perceptions of more violent crime. The voters want "here and now" answers to the problem, not some goody two-shoes, bleeding heart alternatives. And so the current crime bill that has passed the Senate and is pending in the House of Representatives has 50 new death penalty provisions, a huge number of additional mandatory minimum sentencing provisions, and $22 billion for more police, more jails, more resources to the "output end" of the crime pipeline.

Senator Paul Simon of my home state of Illinois was one of four Senators to vote against the crime bill when it passed the Senate late last year. I admire his courage, but I hope he fares better than I did in 1970 when I was one of 38 members of the House to vote against the Organized Crime Act of 1970. I voted against it for similar reasons to his—the provisions in the 1970 Act—like RICO (Racketeer Influenced Corrupt Organizations) and other programs that did nothing about the serious street crime problems we had even then—were totally irrelevant to the problems we were supposedly addressing. I spent the rest of my political career explaining why I voted "for" organized crime. The majority of Congress know where the politics of this issue lie.

If we really want to get at the input piece of the crime problem, we need to work at the disease. When my wife was teaching school in the inner city of Washington, D.C., some of her fellow teachers said that they could predict at the third grade level which kids would end up in prison. They were probably more right than wrong, and the predictions weren't always self-fulfilling prophecies. Early intervention is possible. It is expensive and it does not satisfy the red meat eaters that I spoke of earlier. But it is not a radical idea to suggest that there must be a substitution source for family values, and parental guidance and societal mores that most kids get at home. We need to give the troubled and anti-societal kids some visions of a good life that includes the good things that our kids aspire to and achieve for. For one third the cost of keeping somebody in jail after the fact, we could send that somebody to a private school, or, better yet, improve the public schools—at a far lower per capital cost and with a great restoration of the historic first principle of our democracy, a universal, free, public school system that promotes the commonality of our nation.

It would help if we took a bite out of the weapons of crime. No other country has more handguns per capita than the United States. We have kids killing kids for a pair of shoes, or because somebody "dissed" somebody on the way to class. Those killings and the overwhelming percentage of street crimes are not done with hunting weapons. They are done with concealable weapons, and a serious effort to reduce the accessibility of handguns would make a substantial difference.

Mostly, it would help if we started looking at real solutions. If we really want to reform the criminal justice system, we have to start at the very first intersection that it has with a rule-breaker. Usually, that is in the juvenile delinquency system. If you saw the rap sheets that I see, you would agree with me that the juvenile institutions are a disaster. The detention facilities are overcrowded, understaffed and without any discernible mission except to act as a finishing school for young hoodlums. The juvenile courts are not much better. Even when there are sensitive judges who are trying to make some reason out of the system, there are no resources available—no counselors, no mental health specialists, no teachers, no nothing. Back when I was practicing law, on those rare occasions when I represented a juvenile in trouble with the law, I would opt for the adult criminal court. At least there, the judge had some experience with notions of due process, and, more important, there were more resources available than at the juvenile court level.

But I am not advocating a "soft approach" to juveniles. On the contrary, I want that first encounter with the law, whether it is at the juvenile level or at the adult level, to be treated with the utmost urgency and stringency. I want to do whatever it takes to break the chain then, when the rule-breaking may be non-lethal. If it means incarceration for a long period to incapacitate the transgressor, and that is the only remedy that will work in that case, let's do it. If it means extensive counseling, that is still a lot cheaper than subsequent institutionalization. If it means changing the milieu of the juvenile (such as removing him or her from the home where the rule-breaking is breeding), let's do it. If it means moving the adult transgressor out of his community to another place—whether it's a boot camp or a job in another city, let's do it. Whatever we do at that early time is much more likely to work, and be much cheaper to implement than anything we do after the perpetrator has accumulated a nice long curriculum vitae of crime.

The President evoked a great response to his "three strikes and you are out" proposal in his State of the Union speech. As he should. It is incomprehensible to let serious three time losers out on the street again. And we don't, with very, very few exceptions. Most of the time, persons who are found guilty of crimes of violence go to jail for very long periods. I don't know many three time losers who judges or jailers turn loose. I don't know many jailers who are soft on crime. I don't know any judges who are soft on crime. I certainly am not one of them. I have to remind myself over and over on reviewing the appeals from the criminal court (that our federal district court has become) that the issue of law involved transcends the heinous facts of the case—or the understandable fear that my fellow citizens—and I—have of the street crime that threatens us all. Judges who see the crime and carnage that are rampant in our big cities are not unaware of the way people feel about the criminals among us. But we have to be equally aware that the answer to the problem will not come from a high bench or a black robe. Nor will it come through more frequent and longer use of the penal institutions to which we sentence those criminals.

Somehow, we need to fashion a political process that breaks the present linkage between crime and punishment and politicians

who are better able to sell the political package that I so poorly hawked during my years as an elected representative. I am hoping that some of those better politicians are sitting right in this room.

Thank you.

DISTRICT OF COLUMBIA PERFORMANCE ACCOUNTABILITY ACT

HON. JOSEPH M. McDADE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 17, 1994

Mr. McDADE. Mr. Speaker, today I am introducing the District of Columbia Performance Accountability Act, in an effort to address a major, underlying problem facing the government of the District of Columbia. That problem is the lack of accountability to the citizens of the District for the efficiency and effectiveness of the District's departments, agencies, and programs.

This lack of accountability—by programs generally, and by program managers specifically—is a fundamental cause of the ongoing litany of waste, fraud, abuse, and mismanagement by the District government to which we have been treated. The governmental scandals of which we read seemingly daily must be only the most egregious examples of what a reasonable person would conclude is a more widespread problem—systemic mismanagement throughout the District's government.

Last year similar concerns about the lack of accountability in the Federal government led Congress to enact the Government Performance and Results Act, legislation I was pleased to cosponsor. This new law requires all Federal agencies to develop annual performance plans, with measurable goals for all programs, and to publish annual performance reports, showing what results were actually achieved.

The legislation I am introducing today imposes a similar accountability requirement on the District government. Efficiency and effectiveness goals would have to be set for significant activity of every program, measuring both the quantity and quality of government service. Every year Congress would get a report on the past year's program performance, and a plan showing those goals for the coming year.

To that I have added two additional requirements. First, next to each program goal shall be listed the name and position of the manager most directly responsible for achieving the goal and that person's immediate superior. This is called personal accountability, something that seems to be missing from the managerial ranks of D.C. government. And second, my legislation ties achievement of minimum and higher level program goals directly into the District's pay and promotion system. Simply put, there will be real consequences suffered for bad management, before it rises to scandalous proportions, and only good management will be rewarded.

For those of my colleagues who are concerned about protecting home rule for the District of Columbia, I would just point out that the greatest threat to home rule is the continued drumbeat of mismanagement arising from that government. It is the District's own demonstrated unwillingness, despite years of widespread managerial misfeasance, to instill serious personal and programmatic accountability in its affairs that has caused this threat to occur. I would urge the friends of the District and anyone who is concerned about the problems of our Nation's Capital, to join me in supporting this long-overdue reform.

IN HONOR OF THE FLORIDA CENTER FOR THE BLIND

HON. CLIFF STEARNS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 17, 1994

Mr. STEARNS. Mr. Speaker, I rise today to pay tribute to the Florida Center for the Blind in my hometown of Ocala, Florida. The mission of this non-profit organization is to facilitate the complete integration of the blind into society on a basis of equality.

I have had the pleasure to learn first-hand about the wonderful work the Florida Center for the Blind has done for the visually-impaired in North Central Florida. The Center was founded in 1987 by a small group of blind persons who realized that the region's blind population were without services that would be of benefit to them.

Mr. Speaker, these dedicated individuals, with the help of the United Way and contributions from the community, have established a remarkable organization over the past several years that has offered the visually-impaired a wide variety of needed services. These include rehabilitation and assistance for the blind in adjusting to their environment; job skills training; establishment of support groups for the blind and their companions; an area resource library on blindness; advocacy for the blind concerning their civil rights; and serving as a liaison between the blind and the social service agencies that can be of assistance to them.

Mr. Speaker, I ask all of my colleagues to join me in congratulating the Florida Center for the Blind for its outstanding service to the visually impaired. They truly are a beacon of light and they serve as an inspiration to the people of Florida.

DON'T KILL THE GOOSE THAT LAYS THE GOLDEN EGGS

HON. CHRISTOPHER COX

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 17, 1994

Mr. COX. Mr. Speaker, recently, one of my constituents, Mr. Earl Griffith of Laguna Hills, sent me a letter he had written about the serious impact of Hillary Rodham Clinton's plan to place price controls on pharmaceuticals. Because his letter aptly illustrates the important role that pharmaceuticals play in helping Americans to live longer and healthier lives, I set it forth for the RECORD.

LAGUNA HILLS, CA,
February 28, 1994.

DEAR REPRESENTATIVE COX, President Clinton's position on drug price controls greatly concerns me, since I consider the drug companies the provider of the "Goose That Lays the Golden Eggs."

May I suggest you look carefully at the statistics on the Elderly? We (I am 75) are living longer because of the research and development of new drugs. When my father was my age, he had been dead for 10 years.

As soon as price controls are applied to drugs, the research and development departments of the drug companies will dry up, since they will be without funds. Price controls were tried during the Nixon administration and failed miserably. I would like to think our people in Washington would take a lesson from past experiences.

I myself am a direct beneficiary of research and development of new drugs. In 1981, I was diagnosed with an aortic aneurysm. I was 63. After four and a half hours of surgery, God's good grace, and the result of R&D of new drugs, after three weeks' hospitalization I survived.

In 1988, I had my gall bladder removed. Following surgery, I was diagnosed with two areas of infection. With God's good grace, and the result of R&D of new drugs, I survived.

In 1989, I was diagnosed with prostate cancer. I was 70. Because of prior surgical scar tissue, my urologist elected to use radiation rather than surgery. After 35 treatments of radiation, the cancer was gone—the result of God's good grace and R&D that developed modern radiation therapy.

In 1992, I was diagnosed with cancer of the esophagus and stomach. My surgeon spent six and a half hours with me and removed all the cancerous tissue. With God's good grace, and R&D of new drugs, I survived 11 days of hospitalization.

Following my surgery, it was mandatory that I undergo chemotherapy to remove any possible microorganisms of cancer. After four months of chemotherapy, and with God's good grace plus R&D that gave me effective new drugs, I survived.

To apply price controls to drugs is like "Killing the Goose That Lays the Golden Eggs." Has it occurred to you, that as people live longer, they are more productive and continue to work and pay income taxes to Uncle Sam? I've already benefited from the research and development of new drugs, so I'm not worried for myself. I am worried for people your age who have children and grand-children. We both know there will be new diseases and new drugs will be needed. If we don't have the drug companies to do the R&D, who will do it? Our government? Whenever our government takes on a project, it invariably costs twice as much as the private sector. You know that and so do I.

Every Congressman in Washington should think twice before he or she makes a decision on drug price controls.

Sincerely,

EARL GRIFFITH.

THE JOHN H. BONER COMMUNITY CENTER

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 17, 1994

Mr. JACOBS. Mr. Speaker, well known in Indianapolis, not so well elsewhere, John H. Boner is an authentic 20th century pioneer.

There are many kinds of reclamation projects, but the kind that reclaims a blighted

part of a city should be considered the most noble. John Boner in 1971, was among the few, and the very few, who had faith and energy enough to begin the Near Eastside Multi-Service Center in Indianapolis. In the words of Kipling, John Boner and his colleagues watched a neighborhood which was broken and stooped to build it up with worn out tools.

Today this multi-service center is one of the best in the Nation and has accomplished the impossible, a fantastic renewal of a large neighborhood.

On April 28, 1994, the board of directors of the Indianapolis Near Eastside Multi-Service Center was named the John H. Boner Community Center. Credit was given where credit was due.

I insert a copy of the resolution by which the center was named.

Whereas: John H. Boner helped open the doors of the Near Eastside Multi-Service Center in 1971 and has been the Executive Director of the Center since 1976;

Whereas: John Boner has devoted his professional career to serving the near east side and the broader Indianapolis community;

Whereas: Under John's leadership, the Near Eastside Multi-Service has become a focal point for creativity, collaboration and coordination of services for thousands of people of all ages;

Whereas: John was among the leaders who established, built the leadership and shaped the work of the Near East Side Community Organization, People's Health Center, Eastside Community Investments and the Near Eastside Community Federal Credit Union;

Whereas: John always perceives opportunities where others may see obstacles;

Whereas: John has inspired and encouraged new leaders, motivated hundreds of volunteers, and conveyed a message of caring throughout the City of Indianapolis; and

Whereas: The Board of Directors wishes to ensure that the Near Eastside Multi-Service Center will forever embody John Boner's wisdom, compassion, enthusiasm, determination, optimism, spirit of cooperation and commitment to community.

Be it resolved: That the Near Eastside Multi-Service Center will be renamed: The John H. Boner Community Center

Approved by the Board of Directors:

Date: April 28, 1994

MERRITT SCOVILLE RECEIVES BAR ASSOCIATION LIBERTY AWARD

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 17, 1994

Mr. SOLOMON. Mr. Speaker, you can measure a man by how much he gives of himself to his community. By that yardstick, Merritt "Mike" Scoville of Glens Falls, New York is a giant.

Scoville is the recipient of the Warren County Bar Association's 1994 Liberty Bell Award, which has been awarded every year since 1966 for outstanding community service. The choice was a good one.

Mr. Speaker, one of the greatest assets in the northern part of the 22nd Congressional District is Adirondack Community College. Mr. Scoville has played a key role in the founding and growth of that institution. It was in the late 1950s when he became part of the committee to establish the college. By 1961, he was a charter member of the college's board of trustees, a position he retained until 1992. He also served as president of the Adirondack Community College from 1983 to 1990.

Merritt Scoville's contributions were not limited to the college. He also served on the governing boards of such organizations as Glens Falls Hospital and the Tri-County United Way.

But it is to the college that Mr. Scoville's name will always be connected. In his three decades as a trustee, Scoville missed only three meetings. Some of his colleagues, in fact, remember the time he attended a meeting bruised, battered, and shaken, having fallen off a church roof he had been working on earlier that day.

ACC President Roger C. Anderson observed recently that with the exception of the late Dr. Charles Eisenhart, the college's founding president, no one has had a greater impact on the growth and direction of the school.

Mr. Speaker, America would not be the great country it is without the contributions of such people, who give so generously of themselves in such a way that the entire community benefits.

That being the case, Mr. Speaker, I would ask all members to join me in a salute to Merritt Scoville in recognition of his selfless service. He is a great American and a man I am proud to call my friend.

A TRIBUTE TO FALLEN HEROES

HON. JOHN BRYANT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 17, 1994

Mr. BRYANT. Mr. Speaker, more than 13,000 American law enforcement officers have been killed in the line of duty since 1794. These men and women are heroes no less than those who have given their lives in service to their country in the armed forces throughout our history.

Law enforcement—whether it is in a big city, in a small community, or on a highway through a rural area—is one of the toughest and most dangerous jobs in our society. And rarely are those who risk their lives in defense of ours accorded the recognition and thanks they so richly deserve.

All Americans owe our local, State, and national law enforcement officers our constant support and encouragement.

But this week—Peace Officers' Memorial Week—we pause to pay tribute to those who unselfish service has cost their lives.

This year the names of 147 slain officers and Federal agents from 38 States, the District of Columbia, and Puerto Rico—14 of them from Texas—have been engraved on the grey marble walls of the National Law Enforcement Officers Memorial in Washington, DC.

Although congressional business requires me to be in the Capitol and prevents my participating personally this week with the people of Henderson County, TX, in honoring five outstanding officers killed in the line of duty, I want to call the attention of my colleagues and the American people to their sacrifice.

At the observance the citizens of Henderson County, at a luncheon and courthouse ceremony sponsored by the Henderson County Peace Officers Association, will honor:

Lieutenant Bennie R. Everett of the Athens Police Department, killed in a jailhouse struggle with a prisoner in 1977;

Deputy Sheriff Charlie Fields, Sr. of the Henderson County Sheriff's Department, killed in a gunfight while arresting a suspect in 1956;

Trooper Kohler C. "K.C." Winn of the Texas Department of Public Safety, killed in an automobile accident in the line of duty in 1974;

Trooper Larry Hobson of the Texas Department of Public Safety, killed in an automobile accident in the line of duty in 1974; and

Texas Ranger Dan McDuffie, who was killed in 1931.

No words can adequately express my appreciation or that of our community to these gallant officers who were killed in the line of duty and their families whose loss we share.

Now, their names have been added, as they so richly deserve, to the roster of law enforcement heroes on the wall of the National Law Enforcement Officers' Memorial in their Nation's capital.

This week and forever, we thank you for your service to your fellow citizens.

TRIBUTE TO PROJECT VISION, INC.

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 17, 1994

Mr. ACKERMAN. Mr. Speaker, I rise today to pay special tribute to Project Vision, Inc., a nonprofit ophthalmic program with volunteer physicians from the United States. This organization has provided services for underprivileged people in Israel which should clearly be acknowledged and commended.

Project Vision's Operation Outreach, along with Kupat Holim Clalit, offers opthalmic diagnosis and treatment to at least 1,000 patients every month. The program is particularly special for its conviction to provide services to people regardless of their ability to pay, as well as its equal treatment to people of all ethnicity, religious conviction, and political background.

Mr. Speaker, I would also like to commend Project Vision on creating a mobile eye clinic on March 14, 1994. In its initial week of operation, the mobile van visited four villages, two Arab Druze, one Jewish, and one Kibbutz, treating approximately 280 patients. In addition, Project Vision sponsors fellowship exchange, a retinal program at Nahariyah Hospital, and a model ambulatory center at the Lin Clinic in Haifa.

I congratulate all the volunteers who have made this organization a success. These fine men and women have made a significant contribution to the people of Israel, and I encourage them to continue their worthwhile deeds.

BAYFRONT WOMEN'S AND CHILDREN'S HEALTH CENTER PROVIDING VITAL PRIMARY CARE SERVICES

HON. C.W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 17, 1994

Mr. YOUNG of Florida. Mr. Speaker, one of the most critical issues facing our Nation is health care and the right and need of every American to have access to quality health care. My colleagues and I in the U.S. Congress, are currently engaged in a major debate to determine the best way to ensure that all families have some form of health care coverage. It is a difficult task which will affect every one of our Nation's household's.

There are many different opinions and approaches to achieve this goal. Yet there is widespread agreement that whatever health care plan Congress considers should place a high priority on primary medical care, including preventive measures and health education.

The Bayfront Women's and Children's Health Center in Pinellas Park, FL, which I had the privilege to help dedicate, is an example of how a creative partnership can be established between a hospital and neighborhood health clinic to serve the community's need for primary care. This new health center at 7955 66th Street in Pinellas Park, is an innovative collaboration of Community Health Centers of Pinellas and Bayfront Medical Center, two health care facilities with a long history of working together for the good of our community.

The need for more prenatal and obstetrical care in an underserved area of Pinellas County caught the attention of officials at both Bayfront and Community Health Centers. Statistics showed that a large number of women living in this area in mid-Pinellas County were receiving late prenatal care or none at all, a contributing factor to low birth weight and premature babies and a factor that had the potential for skyrocketing health care costs.

Bayfront Medical Center, an acute care community hospital that provided more than $28 million in charity care to the community in 1993, and Community Health Centers of Pinellas, a network of neighborhood-based health clinics, saw an opportunity to combine their expertise and make a difference in people's lives. The two should be commended for seeing a health care challenge and responding without the need for tax dollar support.

Now 1 year old, the center continues to provide comprehensive and affordable care to women and children in a convenient neighborhood location. Its philosophy of accepting patients regardless of their ability to pay mirrors the missions of the hospital and Community Health Centers and should be emulated by other communities throughout our Nation.

While Sue Lane, the center's manager, tells me the demand for obstetrical and pediatric care has not lessened since the day the center opened its doors, the real difference the program makes is in encouraging and facilitating regular medical care and preventative screenings for women of all ages. The women who are receiving these important services are the women who were falling through the cracks before and not receiving the proper care. The center's staff has found that many of these women were taking care of their children, they were taking care of their husbands, but they often neglected themselves. Now we are taking care of them and many other Pinellas County women.

The Bayfront Women's and Children's Health Center is served by a tremendously dedicated and compassionate staff dedicated to their cause. It is a program that makes a difference in people's lives every day.

Mr. Speaker, as a member of the House Appropriations Subcommittee on Health and Human Services, I have focused much of my work in Congress on improving the quality and accessibility of medical care for Americans of all ages. In particular though, I have devoted much of my time to programs that emphasize the need for prenatal and pediatric care. This type of primary medical care, which relies on preventative measures and health education, ensures that children are given a strong start which we hope translates into long and healthy lives with bright and successful futures.

U.S. TRADE POLICY

HON. SANDER M. LEVIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 17, 1994

Mr. LEVIN. Mr. Speaker, in the near future, Congress will be asked to approve the GATT Uruguay Round Trade Agreement—the most significant international trade pact in more than 15 years. The rules and obligations agreed to by the parties to the agreement will govern international world trade well into the 21st century. This agreement provides substantial new opportunities for U.S. businesses by breaking down many of the trade barriers that have long prevented free trade throughout the world.

While I believe this trade pact on the whole will expand global trade, many of us are concerned about various specific provisions and whether the U.S. trade laws will be so weakened by the agreement that the U.S. manufacturing base will be exposed to unfair trade practices in our own market without real access to a remedy under our laws. It is very important, as we work on the implementing legislation, that we are careful to ensure strong and effective antidumping, countervailing duty and market access laws.

Recently, Jeffrey E. Garten, Under Secretary of Commerce for International Trade, spoke before the U.S. Chamber of Commerce on the antidumping laws and U.S. trade policy. Mr. Garten's speech, I believe, provided a sound description of the historical and economic rationales for effective antidumping laws. It successfully refuted the notion that products dumped by foreign competitors lower consumer costs by demonstrating that the dumping of products into the U.S. market actually undermines our manufacturing base. As a result, U.S. consumers ultimately are captive to inflated prices imposed by the foreign producers who no longer have any U.S. competition to maintain fair and reasonable pricing.

As we prepare for the debate on the Uruguay Round Trade Agreement, I believe it is helpful for us to read the key points raised by Mr. Garten in his speech. I have excerpted the major elements of Mr. Garten's remarks to be printed in the RECORD at the conclusion of my statement.

NEW CHALLENGES IN THE WORLD ECONOMY: THE ANTIDUMPING LAW AND U.S. TRADE POLICY

(By Jeffrey E. Garten)

SUMMARY

Few areas of American trade policy have become more contentious than the antidumping law. Those firms which have used it have found it essential for their survival, and those who think they may need it are comforted by its existence. Others see the antidumping statute as protectionist and arbitrarily administered; many of them worry, also, that other countries will adopt U.S.-type laws and use them against American exporters abroad. The debate was evident in the recently completed Uruguay Round. It will no doubt be continued in Congress as the legislation implementing the Uruguay Round results is considered.

The proponents and opponents of the antidumping laws often argue in highly legalistic terms which make the stakes appear to be at the fringes of trade policy. This is especially true in a world in which international commerce has grown so fast, and so complex, and become so central to both domestic and foreign policy. Yet the underlying debate is not marginal; in many ways the fundamental issues are central to the maintenance of a liberal trading system.

The most important conclusion is that a strong antidumping law is more important than ever to American interests. It is an essential cornerstone of U.S. support for the kind of liberal and open trading system to which President Clinton is dedicated. The Administration will administer and enforce this law as vigorously and as fairly as possible.

"In the end I will conclude that a strong antidumping statute, vigorously enforced, is more important than ever to America's interest. The Clinton Administration is intensely committed to opening foreign markets, and to keeping our own economy open to fairly priced foreign products. The existence and implementation of our laws against unfair trade are absolutely essential to creating public confidence that we can counteract unfair practices and create a level playing field. Without this concept of fairness, popular support for an open world economy, let alone American leadership towards that goal, would be badly weakened."

THE PURPOSE OF THE ANTIDUMPING LAW

Broadly speaking, dumping refers to price discrimination between national markets, such as the sale in the United States of a product at a price less than is charged for the product in the producer's home market. In these circumstances, U.S. producers may be at a disadvantage because their prices are unfairly undercut. The U.S. law seeks to end such injurious pricing practices that commonly result when the free market is prevented from operating properly because of trade barriers or other reasons. The antidumping law provides for the imposition of duties on imported products that are sold in the United States at "less than fair value" (i.e. dumped) and cause "material injury" to a U.S. industry. Fair value usually is determined by the foreign producer's home-market price of a comparable product or its price

in a third country market. Alternatively, the constructed value (which is the sum of the cost of materials, an amount for general expenses, an amount for profits, and the cost shipping containers) of the foreign producer's merchandise may be used to determine fair value. Constructed value is generally used as the basis for foreign market value when one of two conditions exist. Either there is no home market or third country sales; or, alternatively, the manufacturers home market or third country sales are below his cost of production.

In its simplest form, if a manufacturer in country "X" sells a widget in the United States for a price which is lower than the price charged in the manufacturer's home market, then the manufacturer is dumping. This is rarely a simple determination, for both international agreements and U.S. law mandate a complex series of adjustments to ensure that price comparisons are fair. Thus, if there are physical differences in the products sold in the two markets or differences in selling expenses that logically and directly affect price, adjustments for these differences are mandated to ensure that only actual price discrimination is detected. If imports are dumped and cause or threaten material injury to the completing U.S. industry in the sense that the industry loses sales, suffers profit losses, or is forced to lay off workers, the United States has the right, under international agreements, and the obligation under U.S. law, to impose a duty on those goods equal to the amount of the dumping. That duty is designed to correct the competitive imbalance created by the dumped imports.

While one form of dumping may arise from price discrimination, dumping may also occur when the U.S. producers are unfairly undercut by foreign producers selling below their costs of production. In this case, where the manufacturer is selling below cost in both markets, the U.S. price is compared to the constructed value. However, this alone is not enough to justify the assessment of antidumping duties. Such below cost sales must be shown to be injuring the competing U.S. industry. In other words, during a recession where producers in other countries are selling below cost, that fact alone would not be sufficient to sustain a dumping and impose a duty. It must be shown that such sales are adversely affecting the U.S. industry—i.e., that U.S. producers are bearing a disproportionate share of the burden of the recession because of the selling practices of the foreign industry.

Dumping sends false signals to the market. While free trade increases world wealth, dumping causes resources to be misallocated, ultimately resulting in reduced wealth for the nation in which it occurs. This raises the most basic issue presented by dumping: "Where will investment occur—in this country, or somewhere else?" The ability to dump acts as a disincentive to investment in the country is occurring and fosters excessive investments in the market of the dumper. This is because certain market distortions such as closed market, anticompetitive practices and government subsidization shield investors in the dumping country from normal market risk in the open market where dumping occurs. Accordingly, capital will flow to those industries and markets where investors believe that they are most likely to make money on their investments; and will flow away from industries where this is less likely. Dumping has a dramatic effect on investors decisions.

Other mechanisms, such as Section 301 of the Trade Act of 1974, do not address the problem of dumping and furthermore, do not work fast enough or surely enough to deal with the underlying causes of dumping. The antidumping law deals relatively promptly with the adverse effects of dumping and that is particularly important today, given how quickly the manufacturing processes are changing and how fast import penetration can surge, and how much damage can be done to domestic industry in so short a time. This is especially true in the high technology area, where product life cycles are so short that failure to achieve economies of scale in one product jeopardizes the next generation of products.

The antidumping law seeks to foster a strong, fair, and competitive U.S. market. It seeks no special advantage for U.S. producers, but simply seeks to preserve any natural comparative advantage they have. If a foreign producer sells to the United States at a price no lower than his home market price, and also no lower than his full cost of production, then it is not dumping. However, if the foreign producer dumps, and in so doing injures a U.S. industry, the antidumping law steps in to rectify the imbalance.

ATTACKS ON THE ANTIDUMPING LAW

While the U.S. antidumping law has a long history of enforcement and has been administered in a manner consistent with our GATT obligations, the use of the law has, for some time, been attacked by foreign countries who want to protect their industries' ability to dump in the United States at the expense of U.S. industries. We had to fight hard to obtain acceptable antidumping provisions in the Uruguay Round Agreement.

Authorization to take antidumping actions remains firmly embedded in the multilateral trading system. Further, the U.S. antidumping law will remain an effective remedy against dumped imports. Nevertheless, there are those who argue that while it may be consistent with international law, the antidumping law is not in the best interest of the United States.

THE ARGUMENT THAT THE ANTIDUMPING LAW HARMS CONSUMERS

There are those who argue that the antidumping law serves to keep domestic prices higher, thereby depriving the domestic consumer of the benefits of competitively produced goods from whatever source and placing domestic users of dumped merchandise at a competitive disadvantage in relation to foreign producers.

Such critics tend to focus on the short-term benefits of low-priced imports to consumers and consuming industries, conveniently ignoring the effects of such imports on directly competing U.S. industries.

History has shown that the idea that we should simply accept all low-priced foreign goods would be a disaster for the manufacturing sector. The antidumping law has saved numerous U.S. industries, not from more efficient production or better products, but from competitors who are able to sell in the United States at artifically low prices, supported by government subsidies or profits earned in protected home markets.

When dumping result from price discrimination between the home market of a foreign producer and the U.S. market, the U.S. manufacturer who purchases the dumped input is not put at a disadvantage globally by an antidumping order. That manufacturer is simply required to pay a price comparable to that of its foreign competition.

In the case where dumping exists not because of price discrimination, but because the foreign producer is selling below cost in both the home market and the United States, a different result occurs. An antidumping order only affects prices in the U.S. market. As a result, customers of dumped products may find themselves competing with firms that have purchased the input at a lower price abroad. However, the answer is not to sacrifice one domestic industry for another, a producer for a consumer. In these cases, the trade laws cannot bear all the burden. We must have a broad range of policy devices to create a competitive environment. DRAMS are a good example of this. We not only took trade actions to provide short-term relief to the industry, but we also created SEMATECH, which is a government-industry partnership, to improve development and production processes for use by American producers. This will help to assure the long term competitiveness not only of the DRAMS producers but of the users of DRAMS as well.

In the short run, the consumer may have to pay higher price for individual goods. Let's acknowledge the painful truth. However, without antidumping enforcement, in the long run the consumer will ultimately be the one to pay as reduced competition enables foreign producers to raise prices. Moreover, the consumers as citizens will also pay in terms of high unemployment as well. In the long run, the consumer will ultimately benefit as increased supply by domestic producers ensures a stable and competitive market place, in which industrial users are not forced to rely only on off-shore sources for components which may very well be controlled by their direct competitors. Finally, we need to bring some perspective to this short term picture. Antidumping orders affect very limited amounts of U.S. imports. In 1993, less than one percent, by value, of total merchandise imports were covered by an antidumping duty order. Antidumping orders have only a limited impact on consumers in the short run and provide a long term benefit to the economy.

BASIC HEALTH CARE FOR WOMEN AND CHILDREN

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 17, 1994

Mrs. MALONEY. Mr. Speaker, I strongly support the package of women's and children's health care benefits that are contained in chairman PAT WILLIAMS' version of H.R. 3600, being considered by the Education and Labor Subcommittee on Labor-Management Relations.

For women, the benefits in this package are life-giving, since recovery from cancer depends on early detection. The provisions for screening mammograms—every 2 years for women in their forties, and annually for women 50 and older—are appropriately comprehensive, coupled with annual clinical breast examinations for all women. It is also appropriate that these services, along with annual pap smears and pelvic examinations for all women of childbearing age, be provided with no costsharing.

For children, our most precious resource, the provisions promote healthy development and physical and emotional growth. They expand outpatient rehabilitation services to include coverage for children with chronic and

congenital conditions. They also provide hearing-aid coverage for children under 18, during the crucial years when efficient learning greatly depends on comprehension of spoken language.

In addition, by providing these services that both save lives and help to build healthy lives, we are actually saving money in the long run, because preventive care is far and away the most economical care.

I am proud that this Congress is moving toward health care reform that includes prudent, wise, and humane health services for women and children. I urge my colleagues to insist that any final version include the provisions in the Williams package.

TRIBUTE TO W. GRAHAM CLAYTOR, JR.

HON. AL SWIFT

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 17, 1994

Mr. SWIFT. Mr. Speaker, it was not quite 6 months ago when the Congress overwhelmingly passed House Joint Resolution 294, a resolution to express appreciation to W. Graham Claytor, Jr., for his dedicated and inspired service to our Nation. W. Graham Claytor, Jr., who had a distinguished career in both public and private sectors, died on May 14, 1994, at the age of 82. Don Phillips of the Washington Post wrote a fitting tribute to the great man that I had the privilege of working with when he was president of the National Railroad Passenger Corporation. I insert it in W. Graham Claytor, Jr.'s honor and memory:

W. GRAHAM CLAYTOR JR., 82, EX-AMTRAK PRESIDENT, DIES

(By Don Phillips)

W. Graham Claytor Jr., 82, a six-decade Washington presence who retired last year after 11 years as president of Amtrak, died yesterday at a hospital in Bradenton, Fla., of complications of cancer. He lived in Washington and Holmes Beach, Fla.

He had been a corporate lawyer, president and board chairman of the Southern Railway, and deputy secretary of defense and acting secretary of transportation in the Carter Administration. A World War II Navy veteran, he served as secretary of the Navy from 1977 to 1979, leading it into its first recognition of women's right to serve on ships and of gays' right to leave the service without criminal records.

He was best known for his decade as president of Amtrak, starting in 1982. He is credited with bringing political and operational stability to the nation's passenger train network, keeping the trains running despite repeated attempts by the Reagan and Bush administrations to "zero-out" its funding.

Mr. Claytor was born in Roanoke, Va., and grew up in Virginia and Philadelphia. He was a 1933 graduate of the University of Virginia and a 1936 summa cum laude graduate of Harvard University law school. He had served as a president of the Harvard Law Review.

His first job after law school was as clerk to Learned Hand, a legendary U.S. Court of Appeals judge in New York. In 1937, Mr. Claytor moved to Washington to become law clerk to U.S. Supreme Court Associate Justice Louis Brandeis. Washington was considered a lawyers' backwater in those days, and normally any bright young attorney like Mr. Claytor would crave a job in New York.

"But I didn't like Wall Street law firms," he said in an interview several weeks before his death. "I didn't like the business they did. And I didn't want to live in New York City."

He joined a fledgling Washington law firm, Covington & Burling, becoming the junior associate in a 28-lawyer firm. The firm became one of the city's leading legal establishments.

Mr. Claytor said he saw war coming and tried to join the Navy in 1940. At first, he was rejected as too old for active duty as a Navy officer, but a recruiter discovered a special category for overage volunteers who had once been seamen, such as a tugboat captain.

"So I had been sailing the Chesapeake Bay for four years, had my own boat, won some races, loved it," he said. "So I got in that way."

As commander of the destroyer escort Cecil J. Doyle in the Pacific in July 1945, Mr. Claytor sped without orders to check reports of men floating in the water. As he approached at night, he turned searchlights on the water and straight up on low clouds, lighting up the night and exposing his ship to possible attack by Japanese submarines but rescuing almost 100 survivors of the sunken cruiser Indianapolis.

Turning on the lights violated "all known regulations," he said. "You tried not to thumb your nose at rules, but we didn't let it interfere with our judgment as to what was best.

After the war, Mr. Claytor returned to Covington & Burling, becoming a partner in 1947. Among his clients was Major League Baseball, and he became general counsel under Happy Chandler, the baseball commissioner.

In 1963, he was persuaded to become vice president-law for Southern Railway, headquartered in Washington, Mr. Claytor was a rail fan who began taking photos of trains early in life and who amassed one of the country's outstanding collections of toy trains, which filled shelves from floor to ceiling in his Georgetown home.

One of his duties at Southern was to help rid the railroad of money-losing passenger trains. He became president in 1967 and board chairman and chief executive officer in 1976. He retired in 1977.

After serving as Navy secretary, he briefly was acting secretary of transportation in 1979 after the resignation of Brock Adams. Mr. Claytor was deputy secretary of defense from 1979 to 1981.

As Navy secretary, which he once described as his most fun job, he allowed women to serve on some ships for the first time and ordered that homosexuals be given honorable discharges rather than be subjected to courts-martial. Later, as deputy defense secretary, he persuaded the Defense Department to adopt the homosexual policy service-wide.

When Amtrak was formed to save passenger train service in 1971, Claytor had refused to allow the Southern's New York-New Orleans Southern Cresent to join. At a loss of several million dollars a year, he chose to keep the Crescent running as a Southern train, and he regularly rode it to check on service quality.

"Amtrak, we could see from the initial setup, was going to be an operation run by non-railroad people who were going to screw it up almost beyond redemption," he said.

The Crescent remained a Southern train until after Mr. Claytor's retirement. However, in 1982, the year after he left government, Mr. Claytor assumed control of the Crescent and all the country's other passenger trains as Amtrak president.

He said Reagan White House staffers opposed selection of a Democrat, but then-Transportation Secretary Drew Lewis and Vice President George Bush championed his cause.

At Amtrak, Mr. Claytor set about to put the corporation on a businesslike basis, tightening labor rules and sharply cutting costs. Amtrak was covering about 80 percent of its operating costs from ticket sales when Claytor left, up from 48 percent when he arrived.

Among his achievements was the restoration of Washington's Union Station as a train station. The station passenger concourse was renamed "Claytor concourse" earlier this year in his honor.

Survivors include wife, Frances Murray Claytor of Washington and Holmes Beach, Fla.; a son, W. Graham Claytor III of Alameda, Calif.; a daughter, Murray Claytor of Atlanta; a brother, Richard A. Claytor of Bethesda; and two grandchildren.