SENATE—*Tuesday, June 13, 1995*

(Legislative day of Monday, June 5, 1995)

The Senate met at 9:15 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Almighty God, we praise You that it is Your will to give good things to those who ask You. You give strength and power to Your people when we seek You above anything else. You guide the humble and teach them Your way. Help us to humble ourselves as we begin this day so that there will be no need for life to humiliate us because of any vestige of arrogance in us. We ask for the true humility of total dependence on You.

You know what we need before we ask You, and yet, encourage us to seek, knock, and ask in our prayers. When we truly seek You and really desire Your will, You do guide us in what to ask. We ask for Your indwelling Spirit to empower us.

Our day is filled with challenges and decisions beyond our own knowledge and experience. We dare not press ahead on our own resources. In the quiet of this magnificent moment of conversation with You we commit this day. We want to live it to Your glory. We ask for the wisdom of Your Holy Spirit for the decisions of this day.

Make us maximum by Your Spirit for the demanding responsibilities and relationships of this day. We say with the Psalmist, "Blessed be the Lord, who daily loads us with benefits, the God of our salvation!"—Psalm 68:19. Lord, anoint our minds with the benefits of vision and discernment. Thank You in advance for these blessings. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The acting majority leader is recognized.

SCHEDULE

Mr. LOTT. Mr. President, this morning the leader time has been reserved, and there will be a period for morning business until the hour of 9:45 a.m. At 9:45, the Senate will immediately resume consideration of S. 652, the telecommunications bill.

Under the order, the Senate will vote on the motion to table the Dorgan amendment at 12:30 today. Following that vote, the Senate will stand in recess until the hour of 2:15 for the weekly policy luncheons to meet. Also, Senators should be reminded that under the provisions of rule XXII, Members have until 1 p.m. today to file first-degree amendments.

I yield the floor.

MORNING BUSINESS

The PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 9:45 a.m. with Senators permitted to speak therein for 5 minutes each.

Mr. BYRD addressed the Chair.

The PRESIDENT pro tempore. The distinguished Senator from West Virginia is recognized.

Mr. BYRD. Mr. President, I only need about 10 minutes for my remarks. Would the distinguished Senator from Wyoming be using more than 5 minutes? If not, I will be glad to yield and let him proceed ahead of me.

Mr. THOMAS. I expect to use 5 minutes.

Mr. BYRD. Mr. President, I ask unanimous consent that I may follow the Senator from Wyoming and that I may proceed for 10 minutes.

Mrs. BOXER. Reserving the right to object, and I will not object. I wonder if we can amend that so that I can have 7 minutes following the Senator from West Virginia in morning business.

The PRESIDING OFFICER (Mr. CAMPBELL). Will the Senator from West Virginia amend his request?

Mr. THURMOND. Reserving the right to object. I would like 5 minutes following the Senator from California.

The PRESIDING OFFICER. Does the Senator from West Virginia amend his request?

Mr. BYRD. Yes, I so amend it.

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

SETTING PRIORITIES

Mr. THOMAS. Mr. President, let me move quickly into what I thought might be appropriate. I, of course, spent my time at home during the Memorial Day recess, and I returned again to Wyoming this weekend. I would just like to comment very briefly on my impression of what we are doing here, after having been here nearly 6 months, and the impression that I received from those at home.

First of all, let me say that I think there is an anxiousness in the electorate for the Congress to move forward. I wish, for example, and I want to just observe things as they occurred in 6 months from some previous experiences in the House.

It seems to me we have a difficulty in setting priorities. It is too bad. There are some things surely most Members would agree are more important than others. It would seem we really do not have a set of priorities. I wish we could do that. Priorities on issues are fairly well-defined in the country, not certainly so well-defined here.

It seems to me we ought to be able to manage time better than we do. Time, after all, is the resource that we have here, and certainly we consume too much doing many things. Time becomes sort of a political strategy, not particularly useful in debate, but rather being used to posture ourselves one way or the other.

The balanced budget debate, for example, and certainly the issues, were exhausted relatively early, but the decisions did not come until the Members were exhausted. Perhaps that is the way it works. It does not seem like a good use of time.

I suspect there is a great deal of posturing for the media. I have a hunch, and of course I was not here before the activities of the floor were shown on TV, but I suspect the conversations were somewhat shorter than they are now.

It is difficult, and this is an irony, I do not know what we do about it. We have a better opportunity to communicate much more quickly than we have had in the history. Captain O'Grady shows up, and everyone knows about it 10 minutes afterward. That is wonderful, and that is the kind of communication we have. Yet we still seem to communicate in sound bites, where people really do not know the facts. That is too bad.

I happened to see the Chief of Staff of the White House on "Meet the Press" the other day. It is almost as if a robot pushed a button and the same thing came forward time after time.

I think it is exciting that we have an opportunity. I think there are issues out there. People are still concerned about taxes and spending. They think this Government is too big and costs too much.

I think people sincerely want a balanced budget although there will be some pain. I think people are willing to undertake that pain, to be responsible in a financial area.

I think regulatory relief is something that almost everyone would agree with. Most anyone would say we are overregulated in this country and we

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

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need to move more quickly to do something about that.

Real tort reform. We have played with that some. It is not true yet, but it is real tort reform on the edges. We need to do something. Our folks say we need to do something about that.

Welfare reform, I understand, will come next. I am pleased for that. It is something that surely needs to happen.

Health care has moved off of the highest level of visibility, but it does not mean we do not have to do something. It does not mean that health care does not need some restructuring. We ought to have a chance to do that.

States rights. Everyone understands that, if we can move Government a little closer to people, we will have better decisions, Mr. President.

Those are, I believe, clearly the agenda of people in this country. I think the agenda of this body and the agenda of the Congress ought to more properly reflect that.

I am a little discouraged. We have lots of efforts to block what is going on simply for the purpose of blocking. I am discouraged we do not have more leadership from the White House in terms of issues we are working on.

I am encouraged, on the other hand, that there is a willingness to change. There is a willingness to move forward, particularly, I think, on the part of new Members. I think there is a willingness to make fundamental changes in the way the Government works and, for the first time in a very long time, to analyze some of the programs and say, is there a better way? Can we do it? Indeed, does it need to be done by the Federal Government?

Mr. President, that is a quick, personal analysis of where we are. Obviously, it is thrilling and exciting to be here. I think this session has new opportunities to look at things.

I urge that we do set a priority. I urge we do move forward with full debate, but not skidding our feet and trying to stop things from happening. People expect more of Government than that. I think the real measure of good Government is responding to what the voters have said.

Mr. President, I look forward to the next 6 months. I hope it is at least as productive, and hopefully more productive, than the past. I yield the floor.

Mr. BYRD. Mr. President, under the order I was to be recognized at this point for 10 minutes. The distinguished President pro tempore has an appointment, and I ask unanimous consent that he may precede me, and I may then follow.

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

CONCERNING THE RESCUE OF CAPT. SCOTT O'GRADY

Mr. THURMOND. Mr. President, I wish to thank the able and distinguished Senator from West Virginia for his courtesy and kindness.

Mr. President, I do not think it is an exaggeration to say that each of us breathed a sigh of relief when we learned last Friday of the rescue of Air Force Capt. Scott O'Grady, whose F-16 was shot down over war-torn Bosnia earlier this month.

Probably no one was more relieved by the rescue of Captain O'Grady than the young pilot himself. After spending 6 days eluding hostile forces, enduring the wicked weather of the rugged Bosnian mountains, and surviving on bugs, rainwater, and vegetation, Captain O'Grady summed up his feelings when he yelled to his rescuers, "I'm ready to get the Hell out of here." I am confident that was a sentiment that would be shared by anyone else who went through the experience Captain O'Grady did.

Six days in the woods, hiding from enemy soldiers and surviving on things that you or I would rake up out of our garden or spray to exterminate is certainly an amazing feat. It is primarily thanks to the skills and knowledge that Captain O'Grady learned through Air Force escape and evasion training that he was able to come through this experience alive and unharmed.

At every step of Captain O'Grady's 6 day ordeal, training was key. It was training that allowed Captain O'Grady to beat the Serbs in a high-stakes match of hide and seek; it was training that taught Captain O'Grady how to survive the elements with only the clothes he wore when he ejected from his plane; and it was training in tactical operations that allowed the U.S. Marines to fly into hostile territory and pull Captain O'Grady out of the reach of the Bosnian Serbs. If nothing else, this ordeal has hammered home the maxim "train hard in peace to avoid mistakes in combat."

Mr. President, let me change tack just for a moment to praise the efforts of all the individuals involved in this rescue operation, especially those of the U.S. Marines. Though each of the services have their own special operations forces, each with their important and vital missions, the Marines have once again demonstrated their worth as a force capable of going anywhere at anytime. I have no doubt that Captain O'Grady now has a special understanding of just what exactly the phrase, "The Marines have landed," means.

In many ways, what has transpired over the last week is a testament to the investment the United States has made in its Armed Forces, beginning about 15 years ago. Captain O'Grady's survival efforts were aided by the fact that he wore clothing designed to help withstand the harshest elements and he carried sophisticated communications and homing equipment that aided those searching for the captain in finding him. Had O'Grady actually had to defend himself against the enemy, he was carrying a modern sidearm that packs more than a dozen rounds in its magazine, a far cry from the .38 pistol that pilots of just a generation ago relied on as a survival and defense tool. Perhaps most impressive is that with a minimal amount of preparation and planning time, a rescue operation was mounted that required the combined efforts of at least the Marines, Navy, and Air Force. Such interservice cooperation and efficiency was not in existence just 12 years ago when the United States intervened in Grenada.

Regrettably, all the things that we have worked so hard to achieve—a professional, well educated, well equipped military—that worked so well in Panama, Desert Storm, and now in Bosnia, are being threatened by those who would cut the defense budget. This is simply unacceptable, the United States needs a strong military that is ready and capable of meeting any enemy, anytime, anywhere.

Let us hope that there is one more happy circumstance to come out of Captain O'Grady's survival and rescue—that President Clinton realizes we must keep defense spending at a level which ensures we maintain the best military forces ever known to man. That is the only appropriate course of action for our Nation to pursue.

The PRESIDING OFFICER. The Senator from West Virginia.

THE LINE-ITEM VETO

Mr. BYRD. Mr. President, I noted with interest an article in the June 7th issue of the Washington Times entitled "GOP Puts Line-Item Veto on Slow Track."

The first paragraph of the article reads as follows:

> Republicans are waiting until fall to enact a line-item veto out of concern that President Clinton might try to use it as leverage to reshape the GOP's tax-cut and balanced budget legislation.

As Senators might expect, I was amazed to learn that apparently some Republicans, who have so often in the past urged the Senate to enact a line-item veto, have now decided to withhold its enactment until after Congress completes work on a tax cut and balanced-budget legislation. In other words, the Republican plan is apparently to hold off on final passage of the line-item veto until after completion of congressional action on this year's massive reconciliation bill, which will contain changes in entitlement spending, and on the 13 annual appropriation bills for fiscal year 1996, which will total around $540 billion; and, if the Republicans have their way, on a major tax cut for the Nation's wealthiest individuals and corporations.

The article then quotes two of the Senate's leading proponents of line-

item veto as to why it is that Republicans want to deny this deficit-reducing tool to President Clinton.

"There is a great concern in the Senate. We see this as a once-in-a-generation opportunity to put forward a balanced budget. We would hate to have it threatened for political reasons," said one Republican Senator.

Lo, and behold, we have here a direct quote from a Republican Senator which tells us, in effect, that if President Clinton is given the authority to line out items in appropriation and tax bills, he might use that authority to threaten these Republican bills "for political reasons." Can you imagine that?

The quote goes on to tell us that,

There is a concern that the veto might be used not for its intended purpose, which is to delete extraneous pork-barrel spending from appropriations bills, but used instead to redefine the meaning of tax cuts.

The Senator who has been quoted has put his finger on a problem which I have pointed out to the Senate on a number of occasions in the past; namely, that Presidents will invariably use the line-item veto to affect policy. They will line out items and language in bills which do not comport with their policies and, in so doing, will be able to delete such items from tax, appropriation, and other measures. Under both the House-passed enhanced rescissions bill and the Senate-passed separate enrollment bill, Congress will then have the burden of reenacting items which a President rejects, by a two-thirds vote of both Houses.

The fact that the quoted Senator believes that this authority should only be used for its intended purpose, which, in his words, "is to delete extraneous pork-barrel spending from appropriations bills" is of no consequence. Once we give any President—not just this President but including this President—such authority, it will be used by that President to its fullest extent in ways that will thwart the will of Congress and will enhance that President's agenda. This is precisely the reason why I have so strenuously opposed both enhanced rescissions and item veto bills, such as the Senate-passed separate enrollment bill.

The Washington Times article gives further support to my concerns by quoting another Senator as follows:

Many don't want the line-item veto because it represents the biggest shift of power in this century.

Indeed it does, Mr. President. Precisely. And to give to any President—any President—such a massive increase in authority over spending bills would be a grave mistake. The system of checks and balances and the separation of powers set forth in the Constitution have proved over and over again the wisdom of our Founding Fathers. There is no compelling case to overturn their judgment by handing over to the Executive the power to excise items from appropriations bills, and, in so doing, require a two-thirds override vote of both Houses in order to secure spending decisions approved by Congress.

This is not to say that there are not improvements that could be made in the existing rescissions process. We could, for example, enact legislation that will ensure that Presidents get a vote on their proposed rescissions. We should also broaden the rescission process to include not only appropriations spending, but all spending, whether it is contained in tax bills, or in entitlement legislation. Surely all Senators know by now that the major cause of the deficits is not the appropriations bills. It is the growth in tax expenditures and in entitlement spending. That is what has to be cut if we are to have any real chance of balancing the Federal budget. And yet, nothing in any line-item veto or enhanced rescissions or expedited rescissions or separate enrollment bills would contain the growth in entitlements. Furthermore, and just as importantly, nothing in any of these quick fixes would cut one thin dime from the more than $450 billion in tax breaks that are already in the Tax Code—many of them have been there for decades—and which will continue to exist and to grow until we have the courage to reexamine each of them, and to cut back and eliminate those which no longer can be justified.

I can certainly understand why any President would want line-item veto authority. It gives a President a club which he can wield to beat Members of Congress into submission in support of administration policies. Therein lies the danger in the power shift that is talked about in the Washington Times article.

Be that as it may, developments in the line-item veto saga have certainly taken a strange turn in recent days. On May 8, 1995, President Clinton wrote to the Speaker of the House urging that Congress quickly complete work on the line-item veto legislation, and especially citing the need for the "* * * authority to eliminate special interest provisions, such as the tax benefits that were targeted to individual businesses earlier this year in H.R. 831." The President was apparently referring to a provision of that bill which enabled a very wealthy individual, Rupert Murdoch, to sell a television station to a minority-owned firm and to defer paying any capital gains taxes on that sale.

More recently in the debate on the budget resolution, we heard a lot of sound and fury from the White House about the unfairness of savaging Medicare and Medicaid while building in tax breaks for the rich in the name of deficit reduction.

Lo, and behold, just last week, I was provided with a copy of a letter dated June 7, 1995, wherein the President pledges to the Senate majority leader that he will not use the line-item veto authority on tax expenditures in this year's budget.

Apparently, suddenly those tax breaks for the wealthy, that we have heard so much about, are really not so unfair after all—at least not this year.

Mr. President, I am extremely dismayed with this sudden reversal by the White House.

A 180-degree turn of this sort by the White House on matters which are purported to be of utmost importance to the Democratic Party and to the American people in terms of fairness, good policy, and deficit reduction should leave all thinking Members of Congress and the public wondering just why this administration is willing to make such an outrageous pledge in order to get this new item veto authority in its House-passed form.

What is suddenly so sacrosanct about tax expenditures? Why in the world would this President make such an unwise and damaging pledge to the majority leader of the Senate?

This President campaigned on the need to beef up infrastructure. What is infrastructure? It comes from that portion of the budget which is called non-defense discretionary spending and it is contained in annual appropriations acts. It is that portion of the budget which funds not only roads, bridges, airports, sewer projects, water projects, and all the things that keep American commerce flowing, and promotes the well-being of communities and individuals.

It is also education. It is all the investments we make in our own people. Let us remember that this President just vetoed a rescissions bill because education funding, he said, was cut too much. Now we have this preposterous pledge by the White House, by the President, to use the line-item veto only to cut spending and not to eliminate tax giveaways to the rich. And one can only assume that the President is referring to domestic discretionary spending, since he has ruled Pentagon spending completely out of bounds, off limits and to be sacred from the budget knife. I see that the President has even referred to all congressional spending as "pork" in his unfortunate letter to the majority leader. Apparently there is not one single morsel of "pork" in the military budget, even though a Washington Post story of a few weeks ago reported gross waste, mismanagement, and extreme sloppiness at the Pentagon in handling the people's tax dollars.

Mr. President, over the past 15 years, with the exception of 3 years following the 1990 budget summit, the discretionary portion of the Federal budget has suffered drastic cuts. Yet, under the budget resolution which recently passed the Senate, non-defense discretionary spending will be further decimated. In fact, under the Senate-passed

budget resolution, non-defense discretionary spending over the next 7 years will be cut $190 billion below a 1995 freeze; that is the equivalent of a $300 billion cut below the levels in the President's budget. By the year 2002, nondefense discretionary spending will have been cut by nearly one-third, declining to 2.5 percent of GDP, a record low. Surely the President understands that this will mean that we will have no option but to cut infrastructure spending in all areas and cut it to the bone. Whether it is education, child care, veterans benefits, environmental cleanup, transportation infrastructure, or any other infrastructure investments—they will all—all—suffer wholesale cuts. Certainly these vital investments in our own people cannot all be simply labeled as "pork" and put on the chopping block to protect tax goodies for the rich.

Tax expenditures can certainly be branded with the "pork" label as well. In many cases, tax loopholes are nothing more than "pork" for the rich. And to make matters worse, each tax break for the well-to-do means that other Americans must pay a little more in taxes to make up the lost revenue. Furthermore, every time we give the wealthy individuals or the big corporations a tax break, infrastructure investments that benefit us all have to be cut in order to meet deficit reduction targets.

How can the President capitulate on the matter of tax expenditures after a debate like the one we just had on the budget resolution which highlighted the unfairness of granting tax breaks at the expense of Medicare as a national policy? What could possibly be the motive behind such a direct flip-flop by this administration? I submit that it could only be a burning desire to get the line item veto authority, and especially the authority to cut, to use as a weapon to gain political advantage.

To all Members of Congress regardless of party, I say, read the tea leaves and know that we are about to make a fundamental, monumental mistake by giving this President, or any President, line-item veto in the form in which the House has passed it. It would be an evisceration of the people's power through their elected representatives. It would be a violation of our oath of office to support and defend this Constitution. It would be a world-class blunder and a colossal mistake.

Mr. President, it is not too late for the Senate to come to its senses and to realize the vastness of the mistake it will make should it agree to the enactment of any legislation to give a President the ability to veto spending items and, thereby, to require a two-thirds supermajority of both Houses to ensure that Congress' spending decisions are carried out. If we do so, I fear that we will have started down an inexorable path that will ultimately lead to the destruction of our Republican system of government which our forefathers so wisely and carefully crafted for this great Nation.

Mr. President, I ask unanimous consent that the Washington Post article be printed in the RECORD, and such other material as I will supply.

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

[From the Washington Times, June 7, 1995]

GOP PUTS LINE-ITEM VETO ON SLOW TRACK

(By Patrice Hill)

Republicans are waiting until fall to enact a line-item veto out of concern that President Clinton might try to use it as leverage to reshape the GOP's tax-cut and balanced-budget legislation.

"There is a great concern in the Senate. We see this as a once-in-a-generation opportunity to put forward a balanced budget. We would hate to have it threatened for political reasons," said Sen. Daniel R. Coats, Indiana Republican and co-author of the Senate version of the line-item veto bill.

"This year is unique," Mr. Coats said, because of the extraordinary number of major tax and spending overhaul bills going through Congress, including the House's $354 billion tax-cut bill, $540 billion in appropriation bills and about $650 billion in bills reforming Medicare, Medicaid, welfare and other entitlement programs.

"There is a concern that the veto might be used not for its intended purpose, which is to delete extraneous pork-barrel spending from appropriations bills, but used instead to redefine the meaning of tax cuts," he said.

Sen. John McCain, Arizona Republican and co-author of the line-item veto proposal, confirmed that Congress will put off the legislation until it completes work on this year's massive balanced-budget legislation.

"Many don't want the line-item veto because it represents the biggest shift of power in this century," he said.

Their comments were greeted with surprise and dismay at the White House and by some House Republicans, who in January listed the line-item veto as one of three top items in their "Contract With America" that they hoped to place on Mr. Clinton's desk by his State of the Union address.

The House passed its version of the line-item veto on Feb. 6, but it got stalled in the Senate, where it was substantially rewritten and did not pass until March 23. House and Senate leaders still have not appointed conferees to iron out the differences between the two versions.

Since then, Mr. Clinton has adopted a "veto strategy" against key GOP legislation, including Congress' $16.4 billion spending-cut bill, with veiled or explicit veto threats hanging over the House's tax-cut and welfare-reform bills as well.

"I don't agree" that line-item veto power should be withheld from President Clinton, said Rep. Gerald B.H. Solomon, New York Republican and a House sponsor of the legislation. "I think whoever the president is, we ought to give him this power."

But he agreed that the legislation should be delayed until fall, contending that time will not permit the House and Senate to resolve their differences now.

"Perhaps the best thing is to wait until fall when the budget is finished. There is no sense in going through it now," he said. "They don't have the votes in the Senate for the House bill, and we won't accept their watered-down version."

One White House official said Republican leaders are reneging on their promise to pass the bill.

"We have taken it on good faith that the congressional leadership wanted to pass line-item veto legislation so it could be used as soon as possible," the official said. "It's hard to believe that supporters of the line-item veto are saying it makes sense for every president but a Democratic president. . . . [The Republicans are] delaying the bill for partisan reasons."

"They must be planning a lot of tax loopholes," said Sen. Bill Bradley, New Jersey Democrat. He says he supports the line-item veto because "the one thing it does is allow the President to shine the light on something that's indefensible."

In a letter last month urging House and Senate leaders to move quickly on the legislation, Mr. Clinton cited tax breaks for minority-owned broadcasters as the kind of special-interest tax item he would target for a veto. "The job is not complete until a bill is sent to my desk," he wrote.

Mr. Clinton's emphasis on using the veto authority to eliminate tax preferences, and his enforcement of the House bill as "stronger and more workable" than the Senate bill, many have swayed some in favor of delaying the legislation.

Republicans on Capital Hill have been reeling from Democratic charges that they are cutting spending on welfare, Medicaid and other programs benefiting the poor and the middle class to pay for tax cuts that largely help the wealthy.

Tony Blankley, spokesman for House Speaker Newt Gingrich, Georgia Republican, denied that Republicans are thinking of delaying the line-item veto because of the differences between the parties on tax and spending priorities.

"We have been moving along on front-burner items. The budget has naturally had precedence," Mr. Blankley said. "My suspicion is we haven't focused on going to closure because we've been focusing on the balanced budget."

He wasn't surprised that some Senators were talking abut delay. "The natural instinct for the Senate is to delay," he said.

THE WHITE HOUSE,
Washington, May 8, 1995.

Hon. NEWT GINGRICH,
Speaker of the House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: I am writing to urge that Congress quickly complete work on line-item veto legislation so I can use it—this year—to curb wasteful tax and spending provisions.

We must not let another year go by without the President having authority to eliminate special interest provisions, such as the tax benefits that were targeted to individual businesses earlier this year in H.R. 831.

I am disappointed that six weeks after the Senate passed its version of line-item veto legislation, neither body has appointed conferees. As you may recall, I commended the House and the Senate last month for passing line-item veto legislation. However, the job is not complete until a bill is sent to my desk that provides strong line-item veto authority that can be used this year.

I have consistently urged the Congress to pass the strongest possible line-item veto. While both the House and Senate versions would provide authority to eliminate wasteful spending and tax provisions, the House-

passed bill is much stronger—and more workable.

I appreciate your making passage of line-item veto legislation a priority. I look forward to working with the Congress to enact the line-item veto quickly.

Sincerely,

BILL CLINTON.

THE WHITE HOUSE,
Washington, June 7, 1995.

Hon. ROBERT DOLE,
Majority Leader, U.S. Senate, Washington, DC.

DEAR MR. LEADER: I am deeply alarmed by today's press report that some Republicans in the House and Senate want to continue to hold back the line-item veto so that I don't have it during this year's budget process. The line-item veto is a vital tool to cut pork from the budget. If this Congress is serious about deficit reduction, it must pass the strongest possible line-item veto immediately, and send it to my desk so I can sign it right away.

This is not a partisan issue. Presidents Reagans and Bush asked Congress for it time and again, and so have I. It was part of the Republican Contract with America. It has strong support from members of Congress in both parties and both houses. No matter what party the President belongs to or what party has a majority in Congress, the line-item veto would be good for America.

If Congress will send me the line-item veto immediately, I am willing to pledge that this year, I will use it only to cut spending, not on tax expenditures in this year's budget. I have already put you on notice that I will veto any budget that is loaded with excessive tax breaks for the wealthy. But I need the line-item veto now to hold the line against pork in every bill the Congress sends me.

The American people have waited long enough. Congress should give them and the Presidency the line-item veto without further delay.

Sincerely,

BILL CLINTON.

Mrs. MURRAY. Mr. President, I ask unanimous consent that the Senator from Washington be given 7 minutes.

The PRESIDING OFFICER. In addition to the Senator from California's 7 minutes?

Is there objection? Without objection, it is so ordered.

The PRESIDING OFFICER. The Senator from California is recognized for 7 minutes.

Mrs. BOXER. Thank you very much, Mr. President.

THE NOMINATION OF DR. HENRY FOSTER

Mrs. BOXER. Mr. President, as my mother always told me when I was growing up—as a matter of fact, until I was very grown up—if you have your health you have everything. She said you can face anything, whatever the problem, if you have your health. You can handle it, and you can give it your best. I do not think that anyone disagrees with that, and I think it applies to our country as well. Clearly, if we, as Americans, live longer with a better quality of life, if we have children who are born healthy, who are born wanted, who are born loved, if our work force is healthy, we are more productive and our people can truly enjoy the blessings of liberty.

I do not think there would be much argument with that, even in this Senate where we argue about everything. I really do believe people would agree with that. If America is healthier, America is stronger, more productive.

So let us for the sake of debate agree on that point and move on. And I would think if we were to agree on that point, we would agree that it is time to vote on the Surgeon General, that it would be a good idea to confirm the one person who really is charged with guarding the Nation's health. That person is Dr. Henry Foster, President Clinton's nominee for Surgeon General. Dr. Henry Foster was nominated by President Clinton on February 2. He sent the nomination formally to the Senate on February 28. On May 2 and May 3, the hearings on Dr. Foster's nomination were held in the Senate Labor and Human Resources Committee, and on May 26 the committee favorably reported out the nomination by a vote of 9 to 7. Now it is June 13. This man was sent forward in February. It is June 13. We do not have a Surgeon General. We do not have a No. 1 doctor looking out for the health of this the greatest Nation of all. It is time to bring the nomination forward.

I do wish the majority leader were on the floor now because I had planned to ask him what his plans are for bringing the nomination forward. There have been some confusing signals. Sometimes I think it is going to come forward, and sometimes I am not so sure.

Dr. Henry Foster deserves a vote. It is the American way. We believe in fairness in our Nation. The bar was set very high for Dr. Foster. Why? Because he is an OB-GYN, an obstetrician/ gynecologist and, therefore, yes, he has treated his patients as a good doctor would in this country, respecting their right to choose, guaranteeing their health, bringing thousands of babies into the world. And, yes, a very small percent of his practice involved a woman's right to choose.

Are we going to punish him because he is an OB-GYN? Are we going to be afraid of a few in this country who have tried to destroy Dr. Foster? This is the time to stand up and be counted. Whether you are for a woman's right to choose or not, you do not punish a fine man like this who has brought thousands of babies into the world, who has helped countless people, many too poor to afford to pay.

Now, the majority leader sent out a proposed schedule from May to August. I have it here. I ask unanimous consent that it be printed in the RECORD.

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

PROPOSED SCHEDULE, MAY–AUGUST 4

MAY

Budget resolution.
Supplemental—Rescission conference report.
Anti-terrorism bill.

JUNE

Telecommunications.
Welfare reform.
Regulatory reform.
Defense authorization.
Foreign operations authorization.
State reorganization/reauthorization.
Gift ban.
Appropriations—as available.
[Term Limits?].

JULY

Reconciliation.
Farm bill.
Crime bill.
Securities litigation reform.
Highway bill/Davis-Bacon repeal.
Appropriations—as available.

Mrs. BOXER. We have many things that we have to do, and they are all very important. But, my goodness, May, June, July, and nothing here about a vote on Dr. Foster. Are things so wonderful in our Nation in terms of our health that we can afford to go without a Surgeon General? I think my friend from Washington, immediately following my remarks, is going to show the problems that we face in this Nation in terms of our health.

Have we solved the problem of teen pregnancy—the epidemic, I should say, of teen pregnancy? Clearly not. Have we solved the problem of the resurgence of tuberculosis? Clearly not. Have we solved the problem of the AIDS epidemic? Alzheimer's? Lung cancer? Breast cancer? Parkinson's? Ovarian cancer? Heart disease? I am just naming a few.

Clearly, we have not solved those problems. In many of those areas, they are getting worse. And we deserve a Surgeon General to look after those problems day after day and hour after hour.

We face thousands of issues, you and I, Mr. President, from parks and open space to flood control to crime to foreign policy. The Surgeon General will look after the health of America 24 hours a day. We have a man who is up to the job and has shown his courage and his leadership. Standing up to the harshest and most unfair attacks, he came out of the committee on a 9-to-7 vote.

Why are we not taking up this nomination? I will tell you why. It is politics. It is Presidential politics. And that is wrong. We have lots of time for that. We have terrific candidates, and we have a great President, and it is going to be a great campaign, but we should not bring it to this floor and hold up the nomination of the Surgeon General because everyone is going after some block of voters to prove that they can be more antichoice than the next candidate. That is wrong. A woman has a right to choose in this country.

The fact is we have a Surgeon General nominee who has the greatest record in stopping teen pregnancy.

Mr. President, there are those who say: What does the Surgeon General do anyway? I am going to go through a little of this, and if my time runs out, I will be back tomorrow. I am going to be back every day, every day, asking where is this nomination. It is not the American way to keep a kind and decent man waiting like this since February. We have had Surgeon Generals who have done some incredibly important things in terms of the fight against smoking, syphilis, AIDS—it goes on. I will save that for another time.

So in my remaining moments here, Mr. President, I will summarize in this way. There is no reason not to schedule this vote. This man passed out of the committee on a 9-to-7 vote. He is fully qualified. He has met every test. And, yes, he is an OB-GYN. And I say to my friends, it is about time we had someone with that kind of experience of bringing babies into the world and taking care of women's health in the position of Surgeon General.

I yield the floor.

Mrs. MURRAY addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington, Mrs. MURRAY, is recognized for 7 minutes.

Mrs. MURRAY. I thank the Chair.

THE CLOCK IS TICKING

Mrs. MURRAY. Mr. President, I, too, today rise to urge the majority leader to bring the nomination of Dr. Henry Foster, Jr., for U.S. Surgeon General to the Senate floor for a vote.

I am very excited about the nomination of Dr. Foster to be U.S. Surgeon General. Dr. Foster is an OB-GYN, and I appreciate the importance of his practice area to families and children. For far too long in this Nation, women's health concerns have been neglected by our Government. One example tells a whole story.

A National Heart, Lung, and Blood Institute study of 22,000 physicians begun in 1981 found that men who took aspirin every other day reduced their incidence of heart attacks. The Institute claimed that women were not included in the study because to do so would have increased the cost. As a result, today we do not know whether this prevention strategy would help women, harm them, or have no effect.

Gender equity in medical research has received increased attention over the past few years. We no longer will tolerate a Government-funded heart disease study which includes 22,000 men and excludes women altogether. Given that heart disease is the No. 1 killer of women, we expect women to be included in clinical trials.

We still have a long way to go. Women are the fastest growing demographic group among those diagnosed with HIV. We suffer from clinical depression at rates twice that of men. And we frequently are the victims of domestic violence.

It is imperative that the leading public health official in our Nation be a forceful spokesperson on these issues.

Everyone agrees we need to reduce teen pregnancy because it is a national priority. We need a Surgeon General who understands the link between sexual abuse, adolescent pregnancy, and building self-esteem among at-risk youth.

Dr. Foster has experience in reducing teen pregnancy. His "I Have a Future" program was named a "Point of Light" by President Bush because of its pioneering work. Dr. Foster has successfully demonstrated his ideas about public health strategies that can greatly benefit our Nation. He has focused not only on preventing teen pregnancy but on preventing drug abuse, reducing infant mortality and ending smoking by children. He is a physician with vision, and he is a caring and honorable man.

When I first met with him a few months ago, he mentioned the opening lecture he gives to medical students. He spoke passionately about the importance of obstetrics and gynecology. He told me he reminds new OB-GYN's that without their work there would be no art or architecture; without healthy women and children there would be nothing.

Some politicians would have the Senate exclude Dr. Foster from consideration because he has performed abortions. I disagree. Abortion should not be the determining factor in the selection of a Surgeon General. Let us not tolerate the disqualification of this candidate because of his basic practice area. Dr. Foster has dedicated his life to women's health, the welfare of children, and the well-being of families.

Meanwhile, the clock is ticking. Dr. Joycelyn Elders resigned her post, as was stated, on December 9, 1994. This nomination was sent to the Senate on February 2, the nomination papers were filed February 28, and the committee voted this out on May 26, 1995. Our Nation has now gone 6 months without a Surgeon General, and the clock is ticking.

Every 15 seconds a woman is battered. And that is not all. Let me share with my colleagues that the clock is ticking and every 59 seconds a baby is born to a teen mother. Every year, alcohol causes the death of nearly 20,000 Americans. Every 17 minutes, AIDS takes another American life. Every year, over 144,000 Americans will suffer a stroke. We need a national public health spokesperson, and we need a Surgeon General.

This year alone, 95,400 men will die of lung cancer; 62,000 women will die of lung cancer; 51,000 Americans will die of AIDS; 46,000 women will die of breast cancer; 40,000 men will die of prostate cancer; and 14,500 women will die of ovarian cancer.

Mr. President, we need a national public health spokesperson. We need a Surgeon General, and we need a vote in the Chamber of the Senate on the nomination of Surgeon General.

I, too, will be back on this floor reminding my colleagues it has been 6 months and the clock keeps ticking. We want a vote.

I yield the floor.

TRIBUTE TO W.W. "SON" WEATHERFORD

Mr. HEFLIN. Mr. President, we were greatly saddened on May 24 by the death of W.W. Weatherford. At 81 years of age, "Son," as he was widely know, had lived a life in which he devoted much of his time and energy to his local community.

Son Weatherford served others just by carrying out the activities of his day-to-day life. He ran the family business—the Weatherford Store, in Vina, AL, and was a member of the First Baptist Church of Russellville, serving as both a deacon and a Sunday School teacher.

Son improved his community through the offices he held and the organizations to which he belonged. He was probate judge for Franklin County, eventually becoming president of the Alabama Probate Judges Association. He was the chairman of the Franklin County, Commission, president of the Alabama Association of County Commissioners, and served as State director of the State Mental Health Board. He fought for his country in World War II and became a member of the American Veterans Association and the Red Bay American Legion. Son was also a Mason and a charter member of the Bear Creek Watershed Association. He was president of the Russellville Chamber of Commerce and was once recognized by that community as its Outstanding Citizen of the Year.

W.W. "Son" Weatherford will be sorely missed by the people of the town to which he devoted so much of his energy, the family that he leaves behind, and all those fortunate enough to have known him over the years. I offer my condolences to his wife, Iva Jo, and their entire family in the wake of this tremendous loss.

TRIBUTE TO COMDR. ROBERT MEISSNER, USN

MR. BINGAMAN. Mr. President, I rise to recognize the dedication, public service, and patriotism of Comdr. Robert M. Meissner, U.S. Navy, on the occasion of his retirement after 20 years of faithful service to our Nation.

Today Commander Meissner, a 1975 graduate of the U.S. Naval Academy, is serving his last day of a 12-month assignment as the Director of Senate Affairs for the Secretary of Defense. During this and previous assignments over

the past decade in the legislative affairs offices of the Department of the Navy and the Office of the Secretary of Defense [OSD] and in Senator GRAMM's office, many of us have come to know Bob Meissner well and he has earned the admiration and respect of Members on both sides of the aisle.

Legislative liaison is often a thankless job. Interpreting the Pentagon to the Congress and the Congress to the Pentagon is certainly no easy task. There is a well-known tendency in Washington to shoot messengers of bad tidings. Commander Meissner has had to convey bad news both to Members of Congress and to senior Department of Defense officials on many occasions. The fact that he has survived to his retirement, and not only survived, but thrived and continually advanced in responsibility, is testament to his grace, skill, honesty, and strong commitment to excellence in carrying out his duties.

Commander Meissner also brought a keen sense of humor to the job, which is probably an essential qualification for any legislative liaison officer. I am sure that many of my colleagues would join me in saying that Commander Bob Meissner represents the epitome of the Pentagon legislative liaison officer and we will miss his contributions to our joint effort with the Pentagon to advance our Nation's security.

Let me briefly now summarize Commander Meissner's career as a Naval officer.

Commander Meissner holds a master's degree in government with distinction, from Georgetown University, and is a graduate of Harvard's John F. Kennedy School of Government's Senior Officials in National Security Program. His military experience includes four operational carrier deployments, two with an air antisubmarine squadron and two as a strike operations officer with the ship's company, a staff assignment as aide and executive assistant, post graduate studies, and several joint duty staff assignments. He is an antisubmarine warfare mission commander in the S-3A aircraft and qualified as an underway command duty officer.

In October 1983, as the U.S. task force's only on-scene strike operations officer, Commander Meissner singularly scheduled and planned the weapons for all Navy tactical combat air missions during the first 5 days of the successful Grenada Operation Urgent Fury. Two months later he was cited for his extraordinary contribution in the successful execution of the December 1983 retaliatory air strike over Beirut and the Bekaa Valley. In March 1985, Commander Meissner reported to the Navy's Office of Legislative Affairs as a Senate liaison officer, where he assisted the Office of the Secretary of the Navy on political and legislative issues before the U.S. Senate. In early 1987, he was selected to serve on the Secretary of Defense's Legislative Affairs staff as an Assistant, responsible for weapon systems' procurement legislation.

After the U.S.S. *Stark* was attacked in the Persian Gulf in May 1987, Commander Meissner became Secretary of Defense Weinberger's legislative point of contact to Congress on the Kuwaiti reflagging and escort issue. Within 9 months, he coordinated over 50 congressional briefings and hearings, made 10 trips to the region with 28 Members of Congress, and was cited by Congressmen, U.S. State Department officials, and Middle East foreign leaders for his efforts in promoting the administration's successful Persian Gulf policy. He assisted in writing a section of the Persian Gulf chapter of former Secretary of Defense Weinberger's book, *Fighting for Peace*.

In March 1988, he was selected by the Secretary of Navy as the first naval officer to receive a LEGIS congressional fellowship. He was assigned to the personal staff of Senator PHIL GRAMM, then the ranking member on the Armed Services Defense Industry and Technology Subcommittee, and served as his senior defense advisor and National Security Affairs legislative assistant. Upon completion of his fellowship, Commander Meissner returned to OSD [Legislative Affairs], where he assumed the responsibilities of the assistant for research, development, test and evaluation.

In June 1990, he was promoted to Director for House Affairs, where he provided direct liaison between the Secretary of Defense and the U.S. House of Representatives. In early 1991, Commander Meissner left the OSD staff and reported to the President's General Advisory Committee on Arms Control and Disarmament as its Executive Director. Commander Meissner returned to OSD [Legislative Affairs] in January 1993 and assumed responsibility for the Research and Technology legislative portfolio with particular emphasis on representing the Advanced Research Projects Agency [ARPA] and the administration's dual-use and technology reinvestment programs.

In May 1994, Commander Meissner assumed his current position as the Director of Senate Affairs for the Department of Defense. Commander Meissner has lectured at the Naval Postgraduate School and the Defense System's Management College on civil-military affairs and congressional relations.

His military awards include the Defense Superior Service Medal, the Defense Meritorious Service Medal, the Navy Meritorious Service Medal, the Navy Commendation Medal [fourth award], and several unit commendations, expeditionary, and service ribbons. Bob is married and resides with his wife, Denise, in Falls Church, VA.

Our Nation, the U.S. Navy, the Department of Defense as a whole, and especially his wife, Denise, can truly be proud of Commander Meissner's many accomplishments. A man of his extraordinary talent and integrity is rare indeed. While his honorable service will be genuinely missed in the Department of Defense and here in the Senate, it gives me great pleasure to recognize Comdr. Bob Meissner before my colleagues and send him all of our best wishes in his new and exciting career.

WAS CONGRESS IRRESPONSIBLE? THE VOTERS HAVE SAID YES

Mr. HELMS. Mr. President, the skyrocketing Federal debt, which long ago soared into the stratosphere, is in a category like the weather—everybody talks about it but scarcely anybody had undertaken the responsibility of trying to do anything about it. That is, not until immediately following the elections last November.

When the 104th Congress convened in January, the U.S. House of Representatives approved a balanced budget amendment. In the Senate only one of the Senate's 54 Republicans opposed the balanced budget amendment; only 13 Democrats supported it. Thus, the balanced budget amendment failed by just one vote. There'll be another vote later this year or next year.

As of the close of business yesterday, Monday, June 13, the Federal debt stood—down to the penny—at exactly $4,901,416,297,287.27 or $18,605.86 for every man, woman, and child on a per capita basis.

COL. THOMAS W. SHUBERT

Mr. THURMOND. Mr. President, I rise today to recognize Col. Thomas W. Shubert, a man many of us know through his duties working in the Office of the Secretary of the Air Force, Legislative Liaison, Congressional Inquiry Division.

During his tour in the Congressional Inquiry Division, Colonel Shubert established a reputation for dependability and professionalism, and was firmly committed to helping us resolve issues involving our constituents and the Air Force. Additionally, Colonel Shubert lent support to many Members of both Houses on fact finding trips throughout the world.

Mr. President, Colonel Shubert is an individual who reflects the highest standards of the Air Force and I am confident that he will distinguish himself in his new post as the Senior Military Advisor and Air Attache to Denmark.

COL. MICHAEL V. HARPER

Mr. THURMOND. Mr. President, I rise to recognize the career and accomplishments of Col. Michael V. Harper, who is retiring after 26 years of distinguished service to the Army and the Nation.

Colonel Harper began his career as a Distinguished Military Graduate when he graduated from the Virginia Military Institute in 1969 and was commissioned a second lieutenant of infantry. In the months following his graduation from Infantry Officers Basic School, Lieutenant Harper earned two of the Army's most cherished qualification badges, airborne wings and a Ranger tab. After a tour with America's famed Honor Guard, the 82d Airborne Division, Colonel Harper was ordered to the Republic of Vietnam where he was assigned to the 1st Battalion (Airmobile), 327th Infantry, setting in motion a career that would bring him many commands and responsibilities.

Among his many assignments over the next two decades, the colonel served as: commander, A Company, 18th Infantry; Executive Officer, 1st Battalion (Mechanized) 36th Infantry at Friedberg, Federal Republic of Germany; and, he commanded the 2d Battalion (Mechanized), 16th Infantry at Fort Riley, KS. In addition to his troop leading time, Colonel Harper attended the Command and General Staff College and the Naval War College; served as a staff officer and Chief of the War Plans Division; and finally, as Director of the Chief of Staff of the Army's personal staff group. In his capacity as General Sullivan's staff director, Colonel Harper helped the Chief of Staff transform the Army from a Cold War, forward deployed force into a power projection force ready to defend the Nation anywhere. Colonel Harper's keen insight, sound judgment, and able intellect have made a lasting contribution to the future of the Army and the continued security of the Nation.

Mr. President, Colonel Harper has been a model soldier throughout his career. He embodies the traits that the military expects of those who choose to serve: integrity; loyalty, selfless service: and, concern for soldiers. He is a man who has served the Nation well and he has our appreciation for his dedication and sacrifices over the past 26 years, I join his friends and colleagues in wishing him good health and great success in the years to come.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is now closed.

TELECOMMUNICATIONS COMPETITION AND DEREGULATION ACT

The PRESIDING OFFICER (Mr. DEWINE). Under the previous order, the Senate will now resume consideration of S. 652, the telecommunications bill, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 652) to provide for a procompetitive, deregulatory national policy framework designed to accelerate rapidly private sector deployment of advanced telecommunications and information technologies and services to all Americans by opening all telecommunications markets to competition, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

(1) Dorgan modified amendment No. 1264, to require Department of Justice approval for regional Bell operating company entry into long distance services, based on the VIII(c) standard.

(2) Thurmond modified amendment No. 1265 (to amendment No. 1264) to provide for the review by the Attorney General of the United States of the entry of the Bell operating companies into interexchange telecommunications and manufacturing markets.

Subsequently, the amendment was modified further.

(3) Feinstein-Kempthorne amendment No. 1270, to strike the authority of the Federal Communications Commission to preempt State or local regulations that establish barriers to entry for interstate or intrastate telecommunications services.

Mr. PRESSLER. Mr. President, I believe the Senator from Mississippi is waiting to speak, and I have some business to take care of, which we are going to make some corrections on. I urge all my colleagues to bring their amendments to the floor. We are trying to move this bill forward. We are trying to get agreement on a lot of the amendments, and we are working feverishly on several amendments that we hope we can get agreements on. Those Senators who wish to speak or offer amendments, I hope they will bring them to the floor.

We do have the vote on the underlying Dorgan amendment at 12:30 p.m. and we will be looking forward to having several stacked votes later in the afternoon.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

AMENDMENT NO. 1265, AS MODIFIED

Mr. LOTT. Mr. President, I rise to speak in opposition to the Dorgan-Thurmond amendment that would put the Department of Justice into the middle of this telecommunications entry question. This issue really is being pushed primarily by the Department of Justice but, of course, a number of long distance companies are very much interested in it, and they are asking that the Justice Department be given a decisionmaking role in the process of reviewing applications for the Bell company entry into the long distance telephone service.

A grant of that type of authority to the Justice Department, in my opinion, is unprecedented. It goes far beyond the historical responsibility of Justice. It is a significant expansion of the Department's current authority under the MFJ, and it raises constitutional questions of due process and separation of powers. In short, I think it is a bad idea.

Who among us thinks that after all the other things that we have put in this telecommunications bill that we should have one more extremely high hurdle, and that is the Antitrust Division of the Justice Department, which would clearly complicate and certainly delay the very delicately balanced entry arrangement that is included in this bill, and that is the purpose of the amendment. It is one more dilatory hurdle that should not be included.

The Antitrust Division of the Justice Department has one duty, and that is to enforce the antitrust laws, primarily the Sherman and Clayton Acts. It has never had a decisionmaking role in connection with regulated industries. The Department has always been required to initiate a lawsuit in the event it concluded that the antitrust laws had been violated. It has no power to disapprove transactions or issue orders on its own.

While the U.S. district court has used the Department of Justice to review requests for waivers of the MFJ, the Department has no independent decisionmaking authority. That authority remains with the courts. In transportation, in energy, in financial services and other regulated businesses, Congress has delegated decisionmaking authority for approval of transactions that could have competitive implications with the agency of expertise; in this case, the FCC.

The Congress has typically directed the agency to consider factors broader than simply the impact upon competition in making determinations. This approach has worked well. Why do we want to change it? It contrasts with the role Justice seeks with regard to telecommunications and the telephone entry. Telecommunications is not the only industrial sector to have a specific group at the Justice Department. It has antitrust activity in a transportation, energy and agriculture section, a computers and finance section, a foreign commerce section and a professions and intellectual property section.

The size of the staff devoted to some of these sections is roughly equivalent to that devoted to telecommunications and, I might add, it is too many in every case. If we want to do a favor to the American people, we should move half the lawyers in the Justice Department out of the city and put them out in the real world where they belong, working in the U.S. attorneys' offices fighting real crime. But, no, we have them piled up over in these various sections and, in many cases, in my opinion, not being helpful; in fact, being harmful.

If the Department has special expertise in telecommunications such that it should be given a decisionmaking role in the regulatory process, does it not also have a special expertise in other fields as well? Today's computer,

financial services, transportation, energy and telecommunications industries are far too complex and too important to our Nation's economy to elevate antitrust policy above all other considerations in regulatory decisions.

The Justice Department, in requesting a decisionmaking role in reviewing Bell company applications, for entry into long distance telephone service, seeks to assume for itself the role currently performed by U.S. District Judge Harold Greene. It does so without defining by whom and under what standards its actions should be reviewed.

Typically, as a prosecutorial law enforcement agency, actions by the Department of Justice have largely been free of judicial review. In this case, the Department also seeks a decisionmaking role. As a decisionmaker, would the Antitrust Division's determinations be subject to the procedural protections and administrative due process safeguards of the Administrative Procedures Act? I do not know what the answer is to that question, but it is an important one.

What does this do to the Department's ability to function as a prosecutorial agency? Should one agency be both prosecutor and tribunal? That is what they are trying to do here. This is a power grab. We should not do this. Congress should reject the idea of giving the Justice Department a decisionmaking role in reviewing Bell company applications to enter the long distance telephone business. It is bad policy, bad procedure and clearly a bad precedent.

Mr. President, as Senator EXON of Nebraska very eloquently explained last Friday—I believe it was in the afternoon—Congress has passed many deregulation measures—airlines, trucking, railroads, buses, natural gas, banking, and finance. None of those measures was given executive department coequal status with regulators. What the Justice Department is seeking here is essentially a front-line role with ad hoc veto powers. Justice would be converted from a law enforcement to a regulatory agency, and it should not be. They would end up focusing chiefly on just this sector of the economy. We just do not need to create the equivalent of a whole new bureaucracy and regulatory agency just for telecommunications.

Let us look at the nearly two dozen existing safeguards that are already contemplated and required by this bill. Some people say, "Wait a minute, you were looking at some things like this last year," the VIII(c) test. That was a year ago, and it did not get through. It is a different world. The committee has continued to work with all parties involved, the experts in the field, and we have laboriously come up with what I think is an understandable and fair process to open up these telephone markets.

First of all, a comprehensive, competitive checklist with 14 separate compliance points, including interconnection, unbundling, number portability. That is the heart of what we would do in the entry test.

It also has the requirement that State regulators certify compliance. There is the requirement that the Federal Communications Commission make an affirmative public interest finding. We have already fought this battle. We had an amendment to knock out the public interest requirements and, quite frankly, that was a tough one for me. I really understand that there is some ambiguity and some concern about what is this public interest test. But we have the hurdle of the checklist, we have the State regulators and we also have the public interest test. So that is three hurdles already.

There is the requirement that the Bell companies comply with separate subsidiary requirements. We want some protections, some firewalls, if you will. So there would be this separate subsidiary requirement. There is the requirement that the FCC allow for full public comment and participation, including full participation by the Antitrust Division of the Justice Department and all of its various proceedings. They are not excluded, they have a consultative role. They will be involved, but they just are not going to be a regulator under this interest test.

There is the requirement that the Bell companies comply with all existing FCC rules and regulations that are already on the books, including annual attestation, which is very rigorous in its auditing procedures; second, an elaborate cost-accounting manual and procedure; computer assisted reporting and analysis systems; and all of the existing tariff and pricing rules. There is also still the full participation of the Sherman Antitrust Act and the Clayton Act regarding mergers.

There is the full application of the Hart-Scott-Rodino Prenotification Act, which requires Justice clearance of most acquisitions. So Justice will be involved under the Hart-Scott-Rodino Act. Also the full application of the Hobbs Civil Appeals Act of the Communications Act, which makes the Antitrust Division automatically an independent party in every FCC common carrier and rulemaking appeal.

The approach in this bill was hammered out in the most bipartisan possible way, with great effort by the distinguished chairman and the distinguished ranking member, and it involved give and take. It was not easy. I think the thing that makes me realize it is probably the best test we can probably have is that nobody is perfectly happy with it. Everybody is a little unhappy with it, showing to me that it is probably fair. After all, as I said in my opening speech on this subject, what we are dealing with here is an effort by everybody to get just a fair advantage. Everybody just wants a little edge on the other one. We have tried to say, no, we are going to have a clear understanding here. Here is the checklist, the public interest tests, and all these FCC and Justice Department involvements. This is fair to both sides. And now they want to add one more long jump to the process—to put the Justice Department in a regulatory role. Big mistake. This has strong support on both sides of the aisle. It is not partisan whatsoever.

Let us use our common sense here. You know, that is a unique thing. Let us try to apply some common sense to this law and what we are trying to accomplish. Let us go with the Commerce Committee experts who drafted this bipartisan legislation. There are more than enough safeguards already in this bill and in existing law. Congress is also going to move this slowly. These changes will not happen overnight. It will take a while. And we will find some points that probably need to be addressed later on. We can still do that.

If any competitive challenges arise because the Antitrust Division is not allowed to convert itself into a telecommunications regulatory agency, then Congress can come back and revisit the issue. We are not finishing this once and for all.

I just want to say that of all the bad ideas I have seen around here this year, the idea that we come in here and put the Justice Department in a regulatory role is the worst one I have seen. It attacks the core, the center of this bill. We have addressed the questions of broadcasting and cable and fairness in radio, television, as well as the Bells and the long distance companies. This is a broad, massive bill. But the core of it all is the entry test. If we pull that thread loose, this whole thing comes undone.

Also, I want to say that I am convinced that the leaders of this committee will continue to move it forward in good faith. If we find there are some problems, or if we find when we get into conference that the House has a better idea on some of these things, there will be give and take. But this is the critical amendment.

I urge my colleagues to vote against the Dorgan amendment, vote to table the Dorgan amendment, and do not be confused by the Thurmond second-degree amendment, because it is a smaller version of the Dorgan amendment. It is the old camel nose under the tent. We should not start down that trail at this point.

Mr. HOLLINGS. If the Senator will yield. The distinguished Senator from Mississippi is really analyzing in a most cogent fashion what discourages this Senator even further. I wondered if the Senator from Mississippi agrees that it will not only bring in the Department of Justice in a regulatory

fashion and responsibility, but they actually eliminate the Federal Communications Commission measuring of market competition. Listening to the language: "In making its determination whether the requested authorization is consistent with the public interest, convenience, and necessity, the Commission shall not consider the antitrust effects of such authorization in any market for which authorization is sought."

So when they say antitrust, that means competitive effects. They lock out the word on competition, but that is the intent. You can see how it has been drawn. "* * * shall not consider the * * * effects of such authorization" on competition.

So they insert the word "antitrust" and do not put in "competition". But that is the intent. So where you have the most recent and leading decision here, the U.S. Court of Appeals in Warner versus Federal Communications Commission, where they stated right to the point, "The Commission struck an appropriate balance between the competing interests of the cable companies and their subscribers," giving the good government award to the FCC on measuring market competition.

You see, the thrust of this amendment, where they get this idea, is that somehow the expertise is over in the Department of Justice, and none whatever, no experience or track record whatever in the Federal Communications Commission, which is totally false. They have been doing it. I listed numerous competitive initiatives by the FCC in the past 10 years. And right to the point here, when we told them, look, in regulating the cable TV folks, find out whether or not effective competition has developed within the market. Once the market is permeated with effective competition, no longer is regulation necessary.

So my question is not just the matter of putting the nose of the camel under the tent, he is putting the whole blooming camel in and crowds out the FCC. It said, look, we do not want the FCC measuring competition and the market. "Shall not." Now, say I am a communications lawyer, so I read that and I say, the FCC is doing it, but the law says, by the Congress, you have this betwixt and between. It is really confusion. Do you not see it a danger to the fundamental authority and responsibility of the FCC?

Mr. LOTT. Absolutely, I think you put your finger right on it. In that amendment, they not only want to add Justice Department, they want to supplant the FCC role here. And that, to me, again, as I have said in my remarks, is unprecedented. I think that the FCC clearly is an agency where the expertise exists. We have tried to make this bill as deregulatory and competitive as possible. But as we move toward this more competitive arena, we must have some process to look and see that the requirements of the bill have been met. The FCC is the one that should do that, not the Justice Department. So I thank the former chairman for his comments in this regard.

Mr. PRESSLER. If my friend will yield for a question, my question is, does this go to the very nature of the role of the Justice Department?

It is my understanding that the enabling act that created the Department of Justice, and the enabling legislation that created the Antitrust Subdivision of the Department of Justice, has them as the enforcer of antitrust law, and the Justice Department is the enforcer of law. They have a prosecutorial capability. And under the Administrative Procedures Act, if you go before the FCC, you have certain rights. The FCC has to be open. The FCC gives certain ex parte rights. The Justice Department can operate in secret because it is a prosecutorial agency. The Administrative Procedures Act does not fully apply. So the nature of the two agencies is different.

But, for the first time, under the Dorgan amendment, we would be creating a regulatory role, permanently. Granted, the district court judge, Judge Greene, made a regulatory role for some Justice Department lawyers who actually worked for him, by his orders. But this would be the first time as far as our research can find, that the Justice Department has been given a permanent regulatory decisionmaking role. So does not this go to the very nature of the division of power to the very nature of the Justice Department?

Mr. LOTT. I think it clearly does. I think it clearly is unprecedented. It would give this regulatory authority to an agency that has not been and should not be a regulatory agency. I think there is clearly a conflict here.

For those who do feel like the Justice Department must be involved, for those on the Judiciary Committee that worry about this sort of thing—and I am not one of them, thank goodness, I want to emphasize—this does not take away the existing law.

The Justice Department will have a consultant role. They will have rights under the antitrust laws. The Sherman Act will still be in place, as the Clayton Act will be in place, the Administrative Procedures Act will be in place, the Hobbs will be applicable and the Hart-Scott-Rodino will be in place. All will be there.

The Justice Department will be able to perform its normal role that it performs in all other areas where we have moved toward deregulation. That is what their role should be. Not this new added power.

Just in conclusion, Mr. President, I urge, again, our colleagues to support the chairman's motion to table the Dorgan amendment. That will occur at 12:30.

Mr. PRESSLER. If I could ask a quick question of my colleague. The Justice Department, under the Hobbs Appeal Act, any time somebody goes to the FCC and they get a decision that they do not like and they appeal it, the Justice Department can be a party to that right now and under our legislation. So the Justice Department is a very active participant in every FCC case.

In fact, our legislation requires consultation between the FCC and the Attorney General. But aside from that, is it not true that they have an active, aggressive role in what they are supposed to be, the legal agency of the Government, under the Hobbs Act in appeals so they can be involved as an independent party in every appeal? And just the threat of that would be very great, would it not?

Mr. LOTT. Certainly that threat would be very great.

Here is my question beyond what the Senator is saying. How would the Antitrust Division of the Justice Department handle that Hobbs Civil Appeals Act appeal by the Antitrust Division?

They are automatically an independent party. However, under this amendment, they will have already ruled in a regulatory way. How will they do that? How can you rule in a regulatory decision and then be an independent party under the Hobbs Civil Appeals Act? Would they be acting against themselves? I do not see how we make that work.

I thank my colleague on the committee for the question. I yield the floor.

Mr. PRESSLER. Mr. President, I want to take a few minutes, and if other Senators wish to speak, I will yield immediately. If other Senators wish to come to the floor to offer amendments or to speak, I will eagerly yield. We are trying to move this bill forward.

I know there are some events this morning that have detained some Senators, and there is the Les Aspin memorial service this afternoon that will detain some of our Members.

We are trying to move the tortuous Senate process forward at a faster rate.

I want to take a few minutes to discuss yet another example of why the Justice Department should not be given the burden to carry out the intent of the amendment offered by Senator DORGAN.

I have previously established a clear, unequivocal record. DOJ does not act in a timely manner. Last night I had several charts here showing how the Department, although it was asked to do things within a 30-day period, has dragged things out over 3 years or more.

Additionally and importantly, the Department cannot be trusted to enforce the standard of review. Currently, the DOJ and the court, under the MFJ, are to apply an VIII(c) test. That is

also the standard in the Dorgan amendment. The recent Ameritech plan changes the VIII(c) test.

Now, the Department has announced a plan to delay new competition in long distance until the Department's blueprint for local telephone markets has been implemented. The plan is styled as an agreement with Ameritech.

According to the New York Times, the announcement on Monday is clearly timed to coincide with events in Congress. Perhaps most important from a political standpoint, the Justice Department wants to preserve an important role in determining when the Bells should win freedom—this, according to an article by Edmund Andrews in the New York Times, April 2, 1995.

I think that goes to the heart of it. The Justice Department is trying to preserve a role here. For the first time in my years up here, I see a major Department seeking and demanding a role and lobbying for it. That troubles me a great deal.

Despite its length and complexity, many key details of the blueprint await further Department review and approval. This is the Ameritech agreement. The Department has rushed the announcement prior to the completion of the period for public comments on the plan in an effort to derail legislation pending in Congress that would limit the Department's role in regulating the telecommunications industry.

I see a colleague has arrived. I will yield to any Senator who has an amendment or a speech. We are trying to move this bill forward. I am delighted to yield the floor.

Mr. McCAIN. I will have an amendment in a minute to bring to the floor. I am very pleased that the Senator from South Dakota, the distinguished chairman of the committee, solicits a speech from me. It is not very often. It must be an ample indication of the boredom that has set in here on the floor.

While I am waiting to propose the amendment, I would like to reiterate my appreciation for the enormous effort expended by the chairman of the committee who has done just a superhuman job of trying to shepherd this extremely complex and difficult piece of legislation through this body.

Again, I want to thank him for all of the cooperation and courtesy that he has shown me and other Members of this body as we have gone through this effort. I hope that there is light at the end of the tunnel, to borrow an old Vietnam phrase, that we are nearing the end of the consideration of this very important legislation.

Mr. President, I ask unanimous consent that the pending amendment be set aside.

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

AMENDMENT NO. 1276

(Purpose: To require a voucher system to provide for payment of universal service)

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

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona, [Mr. McCAIN], proposes an amendment numbered 1276.

Mr. McCAIN. Mr. President, I ask unanimous consent further reading be dispensed with.

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

The amendment is as follows:

On page 43, strike out line 2 and insert in lieu thereof the following: Act.

"(k) TRANSITION TO ALTERNATIVE SUPPORT SYSTEM.—Notwithstanding any other provision of this Act, beginning 2 years after the date of the enactment the Telecommunications Act of 1995, support payments for universal service under this Act shall occur in accordance with the provisions of subsection (l) rather than any other provisions of this Act.

"(l) VOUCHER SYSTEM.—

"(1) IN GENERAL.—Not later than 2 years after the date of the enactment of the Telecommunications Act of 1995, the Commission shall prescribe regulations to provide for the payment of support payments for universal service through a voucher system under this subsection.

"(2) INDIVIDUALS ELIGIBLE TO MAKE PAYMENTS BY VOUCHER.—Payment of support payments for universal service by voucher under this subsection may be made only by individuals—

"(A) who are customers of telecommunications carriers described in paragraph (3); and

"(B) whose income in the preceding year was an amount equal to or less than the amount equal to 200 percent of the poverty level for that year.

"(3) CARRIERS ELIGIBLE TO RECEIVE VOUCHERS.—Telecommunications carriers eligible to receive support payments for universal service by voucher under this subsection are telecommunications carriers designated as essential telecommunications carriers in accordance with subsection (f).

"(4) VOUCHERS.—

"(A) IN GENERAL.—The Commission shall provide in the regulations under this subsection for the distribution to individuals described in paragraph (2) of vouchers that may be used by such individuals as payment for telecommunications services received by such individuals from telecommunications carriers described in paragraph (3).

"(B) VALUE OF VOUCHERS.—The Commission shall determine the value of vouchers distributed under this paragraph.

"(C) USE OF VOUCHERS.—Individuals to whom vouchers are distributed under this paragraph may utilize such vouchers as payment for the charges for telecommunications services that are imposed on such persons by telecommunications carriers referred to in subparagraph (A).

"(D) ACCEPTANCE OF VOUCHERS.—Each telecommunications carrier referred to in subparagraph (A) shall accept vouchers under this paragraph as payment for charges for telecommunications services that are imposed by the telecommunications carrier on individuals described in paragraph (2).

"(E) REIMBURSEMENT.—The Commission shall, upon submittal of vouchers by a telecommunications carrier, reimburse the telecommunications carrier in an amount equal to the value of the vouchers submitted. Amounts necessary for reimbursements under this subparagraph shall be derived from contributions for universal support under subsection (c).".

Mr. McCAIN. Mr. President, at the outset, I have no illusions about the ability to adopt this amendment. I do not think it will be adopted. I do, however, think that it is a defining issue in how we view the role of Government and the role of our regulatory bodies.

In an attempt to deregulate telecommunications in America, and I think it is a defining issue very frankly, in whether we want to continue the complex, myriad, incomprehensible method that we are using today to try to attempt to provide access by all Americans to telecommunications facility.

Right now, I do not know of anyone who knows how we subsidize, exactly, people who are in need of the basic telecommunications services in this country. This amendment would make it very clear and very simple. It would be the provision of vouchers for those who need those services. It would replace the current telecommunications subsidy scheme.

Mr. President, both the current system and that envisioned by the pending legislation mandates subsidy flows from company to company. As one former council to the FCC stated, "From one rich person to another rich person."

This amendment would fundamentally change that system.

Sixty-one years ago, the Congress passed the Communications Act of 1934. The Act mandated that every American, regardless of where they lived, receive basic telephone service at approximately the same rate. Therefore, individuals whether they live in urban America or rural America would pay the same rate for telephone service, regardless of disparities in cost of supplying such service.

This concept of urban-rural equality known as "universal service" was predicated on the agrarian/rural based demographics of our Nation at that time. Poorer rural areas required urban subsidies to meet the goal of universal service. However, demographics have changed since 1934. Today, the majority of Americans now live in urban settings. Telecommunications subsidy schemes, however, have not changed and the urban poor are being unfairly forced to pay for telephone service for those who can much better afford it.

It is simply not fair for those living at the poverty level in the inner city to have to pay for telephone service to the ultra wealthy with second homes in places such as Telluride, Vail, Martha's Vineyard, and the Boulders Resort Area of Arizona.

It is time for a fresh look. As we debate communications law reform, we

must step back and ask who is paying for what services. The answer is that those who live in urban areas, as envisioned in 1934, are subsidizing telephone services for those who live in rural areas.

The belief that a universal service subsidy mechanism designed in the 1930's is relevant today and must continue is preposterous. Not only does it unfairly punish lower income, inner city Americans, but it discourages future competition in the local loop.

Vigorous competition with its many benefits to the consumer will only flourish in a free market environment in which entrepreneurs believe they can enter a line of business and make a profit. However, since the current telephone subsidy scheme gives all benefits to the incumbent company, the question arises: What smart businessman or women would want to compete against the entrenched existing company? The answer is none. Thus, if we truly believe in competition for telephone services, we should advocate an end to subsidies.

We should consider a phase out of existing cross-subsidy mechanisms, including long-distance access charges, subsidization of residential rates by business rates, subsidization of rural rates by urban rates, and other rate averaging mechanisms in order to ensure that market prices accurately reflect the true cost of providing service. Eliminating these barriers to the free market will enhance competition and experience has proven that competition causes prices to fall and improves customer service. When as many subsidies as possible are eliminated, when free market economics has substantially replaced depression-era subsidies, the universal service goal that is contained in existing law could be achieved by instituting a means-tested voucher system to ensure that everyone has the ability to receive telephone service.

Under a voucher system, any household, regardless of where they live, who earns under 200 percent of the poverty level would be eligible for telephone vouchers. Recipients could use the vouchers to pay for any local telephone service they desired, including cellular or in the near future, satellite communications systems such as PCS. The States, not the Federal Government should administer the voucher system because they can best respond to local priorities and needs.

Vouchers could be reclaimed for dollars by local telephone companies chosen by the consumer to provide service. Therefore, the economic viability of companies who have benefits from the current subsidy scheme will only be in jeopardy if their customers decide they no longer like their current phone company and seek a new provider, in other words free-market economics at work.

Mr. President, I recognize that a voucher system may not be immediately embraced by small rural telephone companies. They are happy with the status quo that ensures them a steady revenue stream. A voucher system does not recognize incumbency, it recognizes merit.

Reality tells us that the elimination of subsidies and the creation of a voucher system would not only empower individuals but would encourage telephone companies to compete more for local business. A voucher system is still a subsidy, but it is a much more benign subsidy then the anticompetitive one which currently exists.

Although the food stamp program is not embraced by all, it is important to note that we do not send money directly to the local Safeway, telling them to bag a government proscribed list of groceries, and then to deliver them to everyone in a certain neighborhood, regardless of income. However, that is precisely what we do with local telephone service. There is simply no logic in today's society for continuation of the current subsidy mechanisms.

Last, it is important to note that while 99 percent of Americans have purchased televisions without the benefit of a subsidy, only 93 percent of all households have telephones. Perhaps due to the empowerment of individuals that a voucher system would perpetuate, as many American will have telephones as have televisions.

Mr. President, this amendment is a radical change from the status quo, and therefore I am under no allusion that it will pass today. I do believe it lays the groundwork for the future and should be supported by the Senate.

There have been a number of interesting articles written about the voucher system and the present system. One of them was in the Wall Street Journal last January 20. It is by Mr. Adam Thierer, who is an analyst with the Heritage Foundation in Washington.

I would like to quote from some of this article, because I think it frames the issue pretty well. It begins by saying:

Republicans in Congress will soon introduce deregulatory legislation that could revolutionize the way America's telecommunications sector works. An outline of the proposed legislation in the Senate reveals that Republicans plan to eliminate remaining barriers to market entry * * * the Republican plan at least starts off on the right foot.

Yet it is evident from the outline that Republicans are no different from Democrats when it comes to the Holy Grail of telecommunications—universal service. The GOP lawmaker's plan for universal service may place everything else they hope to accomplish at risk.

The desire to create a ubiquitous telecommunications system is indeed noble. The problem is that, by mandating universal telephone service, policy makers effectively required that a monopolistic system be developed to deliver service to all. That meant devising a crazy-quilt of internal industry taxes that force low-cost providers to cross-subsidize high-cost providers. Hence, billions of dollars of subsidies now flow from long-distance to local providers, from businesses to residences, and from urban to rural users.

But, despite these bountiful subsidies, roughly one American out of every 17 still does not have a telephone in his home.

* * * * *

Worse yet, by arbitrarily averaging rates across the nation, policy makers have unintentionally created a remarkably regressive tax. Hence, a poor single mother on welfare in the inner city is often paying artificially high rates to help subsidize service to wealthy families who live in nearby rural areas. There is nothing equitable about a system that arbitrarily assesses billions of dollars of internal industry taxes on consumers while failing to provide service to all.

Yet policy makers continue to support the current cross-subsidy taxes in the mistaken belief that they encourage ever-increasing subscribership levels. Economists David Kaserman and John Mayo have appropriately labeled this belief a "fairy tale," since no causal relationship exists between subsidies and subscribership levels. In fact, the exact opposite is the case. The 1980s saw decreased subsidies and increased subscribership levels.

* * * * *

If a free-market approach is unpalatable, Republicans should consider means-tested telecom vouchers. State and local governments, not the feds, could simply offer poor residents a voucher to purchase service from a provider of their choice. Make no mistake, this is still a subsidy, but at least it is one that will not discourage competitive entry. It would be funded through general tax revenues, to encourage legislators to target the subsidy as narrowly as possible.

One GOP staffer recently told me this approach is "ahead of its time." In fact, this idea is somewhat behind the times, but it is still the only solution that could co-exist with a competitive marketplace. Free markets, open access, and consumer choice are the better guarantors of innovative goods, lower prices, and true universal service. If policy makers instead continue to place faith in the fairy tale of mandated universal service, they will still be discussing how to create a competitive marketplace at the turn of the century.

I am afraid that Mr. Thierer's prediction is, unfortunately, all too true. On January 11, 1995, in the Investors Business Daily, there was an article that I think has some interesting facts in it.

About 6% of all American homes are still without telephones. But the U.S. Census Bureau reports 99% own radios, 98% have televisions and 75% video cassette recorders—a technology barely 20 years old.

Discounting the implied subsidies of free airwaves for broadcasters, radios and TVs haven't been bolstered by anything like the complex web of subsidies and regulations created over the years to foster universal telephone service.

Several federal agencies manage about $1 billion in payments made by big phone companies and put in the pockets of small ones. But the phone companies themselves set aside and transfer funds, as required by federal rules, to subsidize service to the needy and rural communities.

These subsidies, which total billions of dollars, come from three sources: business users, long distance calls and urban customers, including residential. They are used

to artificially reduce the cost of serving rural areas, and to provide below-cost service to poorer households.

But analysts say the administrators of universal service funds, whether at federal agencies or in phone companies, do little to assess the need for assistance. And rate averaging, used by large phone companies, often forces the poorest inner-city households to subsidize rural service for even the richest gentlemen farmers and jet-setting skiers.

"The telecommunications welfare state has been a disaster," asserted Heritage Foundation analyst Adam Thierer in a study published recently. "The regulatory model of the past six decades has failed."

In a study released Jan. 5, for instance, Wayne Leighton of the Center for Market Processes in Fairfax, Va., and Citizens for a Sound Economy in Washington, describes how the tiny resort community of Bretton Woods, N.H., received $22,153 in subsidies last year, because its remote location on the shoulders of the White Mountains makes it a "high-cost" area to serve. That equates to $82 for each of the community's 269 phone lines—many of which serve luxury hotels.

"High-cost is not the same as high need," Leighton said.

"Indeed," Leighton added, "poor inner-city residents rarely benefit from these programs, since their telephone companies spread costs over a great many users. . . . The result is subsidies often help middle- and upper-class subscribers lower their monthly phone bills."

The giant regional telephone monopolies, which want to be allowed to compete with long-distance and cable television companies in those markets, say universal service subsidies cost about $20 billion a year.

Leighton, citing a study by the Telecommunications Industries Analysis Project, estimates the net transfer from urban customers to rural at $9.3 billion a year.

WHO PAYS?

"A lot of money can be pulled from an urban area, without regarding who it's being pulled from," noted Heritage's Thierer.

To see the effects of subsidies, compare the annual average household cost for telephone service in rural and urban areas. According to a Federal Communications Commission study published in July 1994, the average "rural" household spent $549 in 1990, while in big cities like New York, Chicago and Los Angeles, the comparable figures were $770, $660 and $748, respectively.

Interestingly, a majority of the residents in all three of these major cities are either black or Hispanic. In other major cities with large minority populations, like Detroit, Atlanta, Washington and Houston, the pattern is similar—all had substantially higher average household phone bills than did rural households.

I do not understand how we defend a system that charges higher rates for some of the poorest people in America and minorities. We are having a great debate and we are going to continue to have a great debate over affirmative action. But it seems to me that at least we ought to cure what is clearly reverse affirmation actions.

Consider just the poorest Americans, who presumably would qualify for subsidized rates as low as $6 a month. The fact that only 73% of households with annual incomes of less than $5,000 had phones in 1993 again suggests that the subsidies do not reach their intended targets.

Let me point out again that 73 percent of households in America with annual incomes of less than $5,000 had phones in 1993.

* * * But by one government estimate, 91% of all "poor" households owned color televisions by 1990.

The FCC data also show that between 1984 and 1992, America's black households on average spent between 12% and 23% more on phone services each month than did white households.

And according to 1990 census data, 68% of all blacks lived in the nation's 75 largest urban areas—traditionally the source of most phone company revenues.

Broken down by race, 77% of white households in the poorest segment had phones, while just 65% of blacks did. In the next highest income group, from $5,000 to $7,499, the percentages rose to 86% of whites and 78% of blacks.

The sole reason telecommunications is not as competitive as these other high-technology sectors is that, unlike them, it is not governed primarily by consumer choice.

* * * * *

"There are other options," Thierer observed, "but we're just so scared about letting go of the past."

But so much has changed, critics of the current system point out that a wealth of new technologies makes the old ways completely obsolete. Today, cable television, electric power and wireless systems can all compete with telephone networks.

Free-market reformers could grow more optimistic, if they listen to House Speaker Newt Gingrich, R-Ga. In recent testimony to the House Ways and Means Committee, Gingrich suggested new policies should reflect thinking "beyond the norm."

Mr. President, I am first to admit that a system of vouchers would be clearly beyond the norm.

Mr. President, I received a study called "Local Competition and Universal Service, New Solutions and Old Myths."

The mechanism that they propose to address any such "market failure" would be:

. . . an explicit, market-compatible subsidy system with three primary components. (1) universal service subsidies should be provided directly to end users, (2) all subsidies must be clearly defined and designed to terminate over time, and (3) all funding must be raised explicitly as a telephone subsidy.

On the issue of furnishing the subsidy to end users:

There are numerous advantages to this approach. Combined with means testing, it would ensure that only those customers in need of a subsidy would receive money. Therefore, to minimize market interference, subsidies should be provided directly to the end users—in the form of telephone stamps—who are the intended beneficiaries of the subsidy. This is a three-step process: identify end users who cannot afford service; calculate the differential between what they can afford and the price of service; then provide an appropriate amount of subsidy directly to the consumer. Carefully tailored means testing should minimize any abuse of the program.

This approach reduces marketplace interference by permitting the customers to choose how they spend their "telephone stamps." For example, some urban customers might choose among competitively-priced alternatives such as cellular or PCS service rather than ordinary wireline service as better suiting their multiple-job lifestyles, while still being available for use at home. Rural residents individually might also prefer a wireless to a wired service, or might collectively for their region obtain bids from multiple providers of multiple technologies.

And this mechanism of distributing funds directly to end users also avoids the pre-selection of a particular provider. Since customers can spend their "telephone stamps" as they wish, they will choose the technology and provider who best matches their needs and budget. It may be that in some locations, only one provider makes service available; in that case that provider will receive all the subsidy money, but by operation of the marketplace rather than by regulatory fiat. But it may also be that the availability of the pool of money represented by the sum of all the "telephone stamps" acts as an incentive to draw alternative providers and alternative technologies into the area.

The most difficult problem facing direct user subsidization is the design of an appropriately tailored mechanism for distribution which will take many forms such as tax breaks, telephone stamps, or service credits. These credits should be awarded on a needs basis as determined through some more means testing, perhaps by tying it to other means-tested assistance programs in the State; that is, anyone who qualifies for any program on the State's list of means-tested programs also qualifies for a preset level of telephone assistance set to enable them to obtain basic telephone access.

There would be no need to create a separate bureaucracy. Similarly, the State agency that currently issues assistance, such as food stamps, can also issue the telephone stamps. The consumer could use the equivalent telephone stamps to purchase network service capability if they want by mailing in the stamps with their bill.

As competition drives down the price of technological alternatives, consumers could choose from an expanding array of network alternatives. This would allow customers to maximize the use of the network by placing at their disposal the technology best suited to their means, lifestyles, and location. The providers cash in telephone stamps just as grocery stores do with food stamps.

Mr. President, universal service historically has been the subject of more assumptions than studies and discussions of the issue and have generated more heat than light.

The presumptions of the past have governed the debate for far too long. Rethinking these assumptions clears the way and focuses the discussion on the issues that face telecommunications today. The issue today is not the creation of universal service but its preservation. Services are available today to most Americans. The remaining issue is service activation and affordability. Open competition among

fully inoperative networks for local service priced at its true cost, combined with our proposed explicit and targeted approach to any necessary subsidies, is the best way to maintain universal service while bringing the benefits of a competitive marketplace to all telephone customers.

Mr. President, I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays have been requested. Is there a sufficient second? There appears to be a sufficient second.

The yeas and nays were ordered.

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

The PRESIDING OFFICER. Who seeks recognition?

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is the McCain amendment, which is No. 1276.

Mr. GORTON. Mr. President, I ask unanimous consent that we return to the Feinstein-Kempthorne amendment.

Mr. McCAIN. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. McCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. McCAIN. I just proposed an amendment. I had anticipated that we would debate the amendment and vote on it at an appropriate time.

Mr. GORTON. I hope that the Senator will not object. The Senate has almost completed its debate on a Feinstein-Kempthorne amendment which was proposed last night. I have a second-degree amendment for that which I would like to get in so that the body will understand exactly what it is going to be voting on on that issue.

Mr. McCAIN. Let me say to my friend, I was over in a hearing. The request was to come over and propose amendments because amendments were needed in the Chamber. I then left the hearing. I came over here with my amendment, asked that the pending amendment be set aside at the request of the distinguished chairman, proposed the amendment, and fully anticipated debate and a vote on that amendment.

Mr. PRESSLER. If my colleague will yield, we are going to accommodate. The problem, I am told this morning, is that one of our Members is at a Vietnam veterans ceremony. We are going to try to stack the votes, if we could have the vote at 4 o'clock. That is what the leadership tells me, they are going to try to stack votes; that we have votes after the Les Aspin memorial service this afternoon.

I did not create these things, but that is the situation we are in.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington has the floor.

Mr. McCAIN. Who has the floor, Mr. President?

The PRESIDING OFFICER. The Senator from Washington has the floor.

Mr. GORTON. I made a unanimous consent request and the Senator from Arizona objected.

Mr. McCAIN. I object.

Mr. GORTON. I would like to continue with the consideration of the amendment.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. LOTT. 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. GORTON. 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. GORTON. Mr. President, I ask unanimous consent that we return to the Feinstein-Kempthorne amendment.

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

AMENDMENT NO. 1277 TO THE LANGUAGE PROPOSED TO BE STRICKEN BY AMENDMENT NO. 1270

(Purpose: To limit, rather than strike, the preemption language)

Mr. GORTON. Mr. President, I send a second-degree amendment to the Feinstein-Kempthorne amendment to the desk and ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Washington [Mr. GORTON] proposes an amendment numbered 1277 to the language proposed to be stricken by amendment No. amendment No. 1270.

In the matter proposed to be stricken, strike "or is inconsistent with this section, the Commission shall promptly" and insert "subsection (a) or (b), the Commission shall".

Mr. GORTON. Mr. President, last night, our distinguished colleagues from California and Idaho proposed an amendment with respect to a section entitled "Removal of Barriers to Entry." That section in toto says that the States and local communities cannot impose State or local requirements that may prohibit or have the effect of prohibiting the ability of any entity to provide any interstate or intrastate telecommunications services.

Mr. President, that, of course, is a very, very broad prohibition against State and local activities. And so thereafter there follow two subsections that attempt to carve out reasonable exemptions to that State and local authority. One has to do specifically with telecommunications providers themselves and speaks in the general term of allowing States to preserve and advance universal service, protect the public safety and welfare, ensure the continued quality of telecommunications services, and safeguard the rights of consumers, which are, of course, the precise goals of this Federal statute itself.

However, the third exception is "Local Government Authority." That local government authority relates to the right of local governments to manage public rights-of-way, require fair and reasonable compensation to telecommunications providers, the use of public rights-of-way on a nondiscriminatory basis, and so on.

Then the final subsection is a preemptive subsection, Mr. President, and it reads:

If, after notice and an opportunity for public comment, the Commission determines that a State or local government has permitted or imposed any statute, regulation, or legal requirement that violates or is inconsistent with this section, the Commission shall immediately preempt the enforcement of such statute, regulation, or legal requirement to the extent necessary to correct such violation or inconsistency.

Now, our two distinguished colleagues said that that preemption was much too broad, that its effect would be to say to a major telecommunications provider or utility all you have to do, if the city of San Francisco or the city of Boise attempts to tell you what hours you can dig in the city streets or how much noise you can make or how you have to reimburse the city for the damage to its public rights-of-way, that all that the utility would have to do would be to appeal to the Federal Communications Commission in Washington, DC, and thereby remove what is primarily a local question and make a Federal question out of it which had to be decided in Washington, DC, by the Federal Communications Commission. And so the Feinstein-Kempthorne amendment strikes this entire preemption section.

Now, the Senator from California I think very properly tells us what the impact of that will be. It does not impact the substance of the first three subsections of this section at all, but it does shift the forum in which a question about those three subsections is decided. Instead of being the Federal Communications Commission with an appeal to a Federal court here in the District of Columbia, those controversies will be decided by the various district courts of the United States from one part of this country across to every other single one.

Now, Mr. President, in the view of this Senator, there is real justification in the argument for both sides of this question. The argument in favor of the section as it has been reported by the Commerce Committee is that we are talking about the promotion of competition. We are talking about a nationwide telecommunications system.

There ought to be one center place where these questions are appropriately decided by one Federal entity which recognizes the impact of these rules from one part of the country to another and one Federal court of appeals.

On the other hand, the localism argument that cities, counties, local communities should control the use of their own streets and should not be required to come to Washington, DC, to defend a permit action for digging up a street, for improving or building a new utility also has great force and effect, Mr. President. I think it is a persuasive argument.

So in order to try to balance the general authority of a single Federal Communications Commission against the specific authority of local communities, I have offered a second-degree amendment to the Feinstein-Kempthorne amendment. I hope that the sponsors of the amendment will consider it to be a friendly one.

More often than not in this body, second-degree amendments are designed to totally subvert first-degree amendments to move in a completely different direction, sometimes to save Members from embarrassing votes. This is not such a case.

I have read the arguments that were made by the two Senators who sponsored the first-degree amendment. I agree with them, but almost without exception, their arguments speak about the control by cities and other local communities over their own rights of way, an area in which their authority should clearly be preserved, a field in which they should not be required to have to come to Washington, DC, in order to defend their local permitting or ordinance-setting actions.

I agree with those two Senators in that respect, but I do not agree that we should sweep away all of the preemption from an entire section, which is entitled "Removal of Barriers to Entry"; that fundamental removal to those barriers, an action by a State or a city which says only one telephone company can operate in a given field, for example, or only one cable system can operate in a given field, should not be exempted from a preemption and from a national policy set by the Federal Communications Commission.

So this amendment does two things, both significant. The first is that it narrows the preemption by striking the phrase "is inconsistent with" so that it now allows for a preemption only for a requirement that violates the section. And second, it changes it by limiting the preemption section to the first two subsections of new section 254; that is, the general statement and the State control over utilities.

There is no preemption, even if my second-degree amendment is adopted, Mr. President, for subsection (c) which is entitled, "Local Government Authority," and which is the subsection which preserves to local governments control over their public rights of way. It accepts the proposition from those two Senators that these local powers should be retained locally, that any challenge to them take place in the Federal district court in that locality and that the Federal Communications Commission not be able to preempt such actions.

So I hope that it is a way out of the dilemma in which we find ourselves, the preservation of that local authority without subverting what ought to be nationwide authority. It will be a while, I think, before this comes to a vote. I commend this middle ground to both the managers of the bill and the sponsors of the amendment. I hope that they will accept it.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER (Mr. FRIST). The Senator from North Dakota.

Mr. DORGAN. Mr. President, I ask unanimous consent that the pending amendment be set aside so that I may offer another amendment.

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

AMENDMENT NO. 1278

(Purpose: To provide for Federal Communications Commission review of television broadcast ownership restrictions)

Mr. DORGAN. Mr. President, I have an amendment at the desk. I offer a first-degree amendment on the issue of broadcast ownership restrictions.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from North Dakota [Mr. DORGAN], for himself, Mr. HELMS and Mr. KERREY, proposes an amendment numbered 1278.

Mr. DORGAN. Mr. 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:

Strike paragraph (1) of subsection (b) of Section (207) and insert in lieu thereof the following:

"(b) REVIEW AND MODIFICATION OF BROADCAST RULES.—The Commission shall:

"(1) modify or remove such national and local ownership rules on radio and television broadcasters as are necessary to ensure that broadcasters are able to compete fairly with other media providers while ensuring that the public receives information from a diversity of media sources and localism and service in the public interest is protected, taking into consideration the economic dominance of providers in a market and

"(2) review the ownership restriction in section 613(a)(1)."

Mr. DORGAN. Mr. President, I am scheduled to testify before a base closing hearing in the Cannon Building in a matter of minutes, so I must leave the floor. I did want to offer this first-degree amendment. It would essentially eliminate two provisions, the provisions in the underlying bill that now abolish the current ownership restrictions on television stations.

We currently have a 12-station ownership limitation on television stations and a 25-percent-of-the-national-audience cap. I believe we ought to restore that and provide the authority to the FCC to make those determinations. I think it makes no sense to include in this bill a provision that simply withdraws those restrictions on ownership.

This bill talks about competition. If we allow this to continue in this bill, we will see a greater concentration of television ownership in this country, and we will end up with a half a dozen companies controlling virtually all the television stations in America. I do not think anybody can honestly disagree that that is the result of the provision in the underlying bill.

I think we ought to restore the 12-station limit and the 25-percent-national-audience cap and give the FCC the authority to make its own judgment and evaluate what kind of competition exists and what is in the public interest with respect to this competition. This provision makes no sense at all in the underlying bill.

I will ask for the yeas and nays at an appropriate point. I must leave to testify before the Base Closing Commission, and then I will return to debate this legislation. My understanding is the Senator from Nebraska, Senator KERREY, wants to speak on this. I am pleased he will do so while I am absent from the Chamber.

Mr. KERREY. Mr. President, I ask unanimous consent to be added as a cosponsor of this amendment.

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

Mr. KERREY. Mr. President, before the Senator from North Dakota leaves, it is my intent, unless he objects now, after making my comments to ask for the yeas and nays on this amendment, unless the Senator will object to my asking at the end of my remarks.

Mr. DORGAN. I believe Senator HELMS wants to speak on it and probably Senator SIMON as well. The Senator can ask for the yeas and nays, sure.

Mr. KERREY. Mr. President, first, let me say that the central point of this whole legislation has been that we are trying to create a regulatory environment where competition can produce lower prices and higher quality service for the American consumer. The service that is being sold is information. Unlike many other commodities that we buy—natural gas, for example, transportation, and so forth—this is a very unusual commodity that we are buying, information, although maybe commodity is not exactly the precise words like you are buying hardware and other sorts of things.

It really is an issue of giving power to somebody to control to a very great extent the information that we get.

You say, "Well, I have community standards in place." That is true, the FCC does have control over community standards, and there are lots of other regulatory determinations that could be made by the FCC, but it is the power to broadcast, the power to publish, the power to transmit information. It is the word, Mr. President. Unlike other commodities, I have only 24 hours in the day in which I can process this information, in which I can either listen to the radio or watch television or read a newspaper, or go on-line, or call my kids, or listen to my kids, or engage in some manner, shape, or form in purchasing or using the information services or equipment that this $800 to $900 billion industry is out there manufacturing and producing and trying to get me to buy. So I have 24 hours a day. That is all anybody has.

What we have, over the years, understood is that the person who controls that information very often controls a great deal more than just the right to sell to you. The person who controls the right to own a station, radio or television, or who controls the newspaper, who controls some other information source, they are in control of much more than just the right to sell you some product. In fact, rarely—I am not sure I can even cite an owner that does not respect that they have more than just a fiduciary responsibility to shareholders. They understand that they have a responsibility that is larger than that.

This amendment, I believe, maintains what we have traditionally done, and that is to say you can get all the competition you want with 12 stations and all the competition you want with 25 percent—25 percent ownership in a service area. That has worked. Again, I have not heard consumers come to me on this one and say, gee, could you lift the ownership restrictions because we are not getting the kind of quality service we want, and we believe that if we have 35 percent ownership of our television and radio stations in a service area, that that will improve the quality of our product, and if we concentrate this industry even more, we are going to get improved quality of product.

I believe that the amendment before us illustrates this issue that I have been raising a time or two on the floor, which is that at stake here is the power of a business or an individual to do something—the power of an individual or a corporation, mostly, to do something that they are currently prohibited from doing. A corporation that owns radio or television stations currently has certain restrictions placed on them, and the bill, as currently described, would lift a number of those restrictions.

Mr. President, I ask unanimous consent that an article in this morning's Washington Post by Tom Shales be printed in the RECORD at this time.

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

[From the Washington Post, June 13, 1995]

FAT CAT BROADCAST BONANZA

(By Tom Shales)

It's happening again. Congress is going ever so slightly insane. The telecommunications deregulation bill now being debated in the Senate, with a vote expected today or tomorrow, is a monstrosity. In the guise of encouraging competition, it will help create huge new concentrations of media power.

There's something for everybody in the package, with the notable exception of you and me. Broadcasters, cablecasters, telephone companies and gigantic media conglomerates all get fabulous prizes. Congress is parceling out the future among the communications superpowers, which stand to get more super and more powerful, and certainly more profitable, as a result.

Limits on multiple ownership would be eased by the bill, so that any individual owner could control stations serving up to 35 percent of the country (50 percent in the even crazier House version), versus 25 percent now. There would be no limit on the number of radio stations owned. Cable and phone companies could merge in municipalities with populations up to 50,000.

Broadcast licenses of local TV stations would be extended from a five-year to a 10-year term and would be even more easily renewed than they are now. It would become nearly impossible for angry civic groups or individuals to challenge the licenses of even the most irresponsible broadcasters.

In addition, the rate controls that were imposed on the cable industry in 1992, and have saved consumers $3 billion in the years since, would be abolished, so that your local cable company could hike those rates right back up again.

Sen. Bob Dole (R-Kan.), majority leader and presidential candidate, is trying to ram the legislation through as quickly as possible. Tomorrow he wants to take up the issue of welfare reform, which is rather ironic considering that his deregulation efforts amount to a bounteous welfare program for the very, very, very rich.

Dole made news recently when he took Time Warner Co. to task for releasing violent movies and rap records with incendiary lyrics. His little tirade was a sham and a smoke screen. Measures Dole supports would enable corporate giants such as Time Warner to grow exponentially.

"Here's the hypocrisy," says media activist Andrew Jay Schwartzman. "Bob Dole sits there on 'Meet the Press' and says, yes, he got $23,000 from Time Warner in campaign contributions, and that just proves he can't be bought." He criticizes Time Warner's corporate responsibility and acts like he's being tough on them, but it's in a way that won't affect their bottom line at all.

"Meanwhile he is rushing to the floor with a bill that will deregulate cable rates and expedite the entry of cable into local telephone service, and no company is pressing harder for this bill than—guess who—Time Warner."

Schwartzman, executive director of the Media Access Project, says that the legislation does a lot of "awful things" but that the worst may be opening the doors to "a huge consolidation of broadcast ownership, so that four, five, six or seven companies could own virtually all the television stations in the United States."

Gene Kimmelman, co-director of Consumers Union, calls the legislation "deregulatory gobbledygook" and says it would remove virtually every obstacle to concentration of ownership in mass media. The deregulation of cable rates with no competition to cable firmly in place is "just a travesty," Kimmelman says, and allowing more joint ventures and mergers among media giants is "the most illogical policy decision you could make if you want a competitive marketplace."

The legislation would also hand over a new chunk of the broadcast spectrum to commercial broadcasters to do with, and profit from, as they please. Digital compression of broadcast signals will soon make more signal space available, space that Schwartzman refers to as "beachfront property." Before it even exists, Congress wants to give it away.

Broadcasters could use the additional channels for pay TV or home shopping channels or anything else that might fatten their bank accounts.

There's more. Those politicians who are always saying they want to get the government off our backs don't mind letting it into our homes. Senators have been rushing forth with amendments designed to censor content, whether on cable TV or in the cyberspace of the Internet. The provisions would probably be struck down by courts as antithetical to the First Amendment anyway, but legislators know how well it plays back home when they attack "indecency" on the House or Senate floor.

Late yesterday Sens. Dianne Feinstein (D-Calif.) and Trent Lott (R-Miss.) called for an amendment requiring cablecasters to "scramble" the signals of adults-only channels offering sexually explicit programming. The signals already are scrambled, and you have to request them and pay for them to get them. Not enough, Feinstein and Lott said; they must be scrambled more.

The amendment passed 91-0.

It's a mad, mad, mad, mad world.

An amendment expected to be introduced today would require that the infamous V-chip be installed in all new television sets, and that networks and stations be forced to encode their broadcasts in compliance. The V-chip would allow parents to prevent violent programs from being seen on their TV sets. Of course, they could turn them off, or switch to another channel, but that's so much trouble. Why not have Big Brother do it for you?

The telecommunications legislation is being sponsored in the Senate by Commerce Committee Chairman Larry Pressler (R-S.D.), whose initial proposal was that all limits on multiple ownership be dropped. Even his supporters laughed at that one.

Dole is the one who's ramrodding the legislation through, and it's apparently part of an overall Republican plan for American media, and most parts of the plan are bad. They include defunding and essentially destroying public television, one of the few wee alternatives to commercial broadcasting and its junkiness, and even, in the Newt Gingrich wing of the party, abolishing the Federal Communications Commission, put in place decades ago to safeguard the public's "interest, convenience and necessity."

It's the interest, convenience and necessity of media magnates that appears to be the sole priority now. "The big loser in all this, of course, is the public," wrote media expert Ken Auletta in a recent New Yorker piece about the lavishness of media contributions to politicians. The communications industry is the sixth-largest PAC giver, Auletta noted.

Viacom, a huge media conglomerate, had plans to sponsor a big fund-raising breakfast

for Pressler this month, Auletta reported, but the plans were dropped once Auletta started making inquiries: "Asked through a spokeswoman about the propriety of a committee chairman's shopping for money from industries he regulated, Pressler declined to respond."

The perfect future envisioned by the Republicans and some conservative Democrats seems to consist of media ownership in very few hands, but hands that hold tight rein over the political content of reporting and entertainment programming. Gingrich recently appeared before an assemblage of mass media CEOs at a dinner sponsored by the right-wing Heritage Foundation and reportedly got loud approval when he griped about the oh-so-rough treatment he and fellow conservatives allegedly get from the press.

Reuven Frank, former president of NBC News, wrote about that meeting, and other troubling developments, in his column for the New Leader. "It is daily becoming more obvious that the biggest threat to a free press and the circulation of ideas," Frank wrote, "is the steady absorption of newspapers, television networks and other vehicles of information into enormous corporations that know how to turn knowledge into profit—but are not equally committed to inquiry or debate or to the First Amendment."

The further to the right media magnates are, the more kindly Congress is likely to regard them. Most dramatic and, indeed, obnoxious case in point: Rupert Murdoch, the fox mogul whom Frank calls "today's most powerful international media baron." The Australian-born Murdoch has consistently received gentle, kid-glove, look-the-other-way treatment from Congress and even the regulatory agencies. When the FCC got brave not long ago and tried to sanction Murdoch for allegedly deceiving the commission about where he got the money to buy six TV stations in 1986, loud voices in Congress cried foul.

These included Reps. Jack Fields (R-Tex.) and Mike Oxley (R-Ohio). Daily Variety's headline for the story: "GOP Lawmakers Stand by Murdoch." They always do. Indeed, Oxley was behind a movement to lift entirely the ban on foreign ownership of U.S. television and radio stations. He wanted that to be part of the House bill, but by some miracle, this is one cockamamie scheme that got quashed.

Murdoch, of course, is the man who wanted to give Gingrich a $4.5 million advance to write a book called "To Renew America," until a public outcry forced the House speaker to turn it down. He is still writing the book for Murdoch's HarperCollins publishing company. The huge advance was announced last winter, not long after Murdoch had paid a very friendly visit to Gingrich on the Hill to whine about his foreign ownership problems, with the FCC.

Everyone knows that America is on the edge of vast uncharted territory where telecommunications is concerned. We've all read about the 500-channel universe and the entry of telephone companies into the cable business and some sort of linking up between home computers and home entertainment centers. In Senate debate on the deregulation bill last week, senators invoked images of the Gold Rush and the Oklahoma land rush in their visions of this future.

But this gold rush is apparently open only to those already rolling in gold, and the land is available only to those who are already big landowners—to a small private club whose members are all enormously wealthy and well connected and, by and large, politically conservative. It isn't very encouraging. In fact, it's enough to make you think that the future is already over. Ah, well. It was nice while it lasted.

Mr. KERREY. The headline of this article says, "Fat Cat Broadcast Bonanza."

I admit that is a useful headline for me to make my point, but listen to the argument here.

Limits on multiple ownership would be eased by the bill, so that any individual owner could control stations serving up to 35 percent of the country . . .

The House, by the way, goes to 50 percent versus the 25 percent now.

There would be no limit on the number of radio stations owned. Cable and phone companies could merge in municipalities with populations up to 50,000.

Broadcast licenses of local TV stations would be extended from a 5-year to a 10-year term and would be even more easily renewed than they are now. It would become nearly impossible for angry civic groups or individuals to challenge the licenses of even the most irresponsible broadcasters.

In addition, the rate controls that were imposed on the cable industry in 1992, and have saved consumers $3 billion in the years since, would be abolished, so that your local cable company could hike those rates right back up again.

Mr. President, I believe that those, like myself, who want a competitive environment in telecommunications, who want to support a bill that moves us from a monopoly at the local level to a competitive environment, who believe that you can get benefits from competition, that consumers, taxpayers, and citizens, will say, Senator, I am glad you voted for that bill. I believe we can get that kind of competition without changing the ownership rules for our broadcasters. I just do not see a compelling reason for it. I do not see, indeed, increased competition. I think an argument can be made, in fact, that it is moving in the wrong direction, much more toward a concentration and less competition, and thus I support the Dorgan amendment before us now.

I yield the floor.

Mr. PRESSLER addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. PRESSLER. Mr. President, I wish to continue the speech that I began regarding the standard of review in the Justice Department. If other Senators wish to offer amendments—I see that my colleague from Missouri has arrived. If he wishes to speak, I will yield the floor.

Mr. ASHCROFT. Thank you. I would be pleased to speak, but I would like to gather my thoughts.

Mr. PRESSLER. I ask unanimous consent that the speech I am giving will continue at the point I broke off to yield to other Senators.

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

AMENDMENT NO. 1265, AS MODIFIED

Mr. PRESSLER. Mr. President, I am speaking about the role of the Department of Justice. The Department of Justice seems to be seeking a regulatory role, which is unnecessary in this bill—a role that the FCC plays. When we table the Dorgan-Thurmond amendment at 12:30, it will be because of some of the problems. I am citing the Ameritech experience, and I cited an article in the New York Times that said that it appears that the Justice Department is determined to win a permanent role in determining when the Bells should win freedom.

Ameritech may have thought that it had no choice but to accept the deal that was offered. But the Department's ability to force its will upon one company does not render the so-called Ameritech plan a model for the industry. Indeed the plan simply highlights that the 1982 AT&T consent decree has broken down. It is time to return regulation of telephone markets to Congress, the FCC, and the States.

The Ameritech plan, which was agreed to about 2 months ago, has been touted as opening markets, both local and long distance, to increased competition. What it is, in fact, is a sketchy proposal for a complete restructuring of how local telephone service is provided and billed. If it is ever implemented, it will bring about a massive shift of power from State and Federal regulators and the decreeing court to the Department of Justice. At the very least, the plan would compel local telephone companies to change to usage-sensitive billing of the kind that Ameritech has already implemented in Chicago. In other words, all residential subscribers would end up paying a flat up-front fee for every local call they make, plus additional measured charges for every minute of local usage. Ameritech has been filing tariffs since 1992 to move in this direction. Those tariffs have been accepted in Illinois but nowhere else.

Most States and most residential consumers will find this repudiation of price-averaging and universal service wholly unacceptable. What the Department hopes to do is to force these other States, against their better judgment, to go along with its sketchy proposal as the price of ensuring that their local telephone companies are able to provide a full range of services. While the plan may or may not be workable in parts of Ameritech's service area, it would upset the fundamental regulatory schemes of most States if applied more broadly, leading to dramatically higher prices for many residential customers.

Moreover, even after implementing the mandates of the Department, Ameritech will not get long distance relief until the Department of Justice, in its discretion, decides it should. Thus, the Department of Justice will become the Federal regulator, State regulator, and judge, all rolled into one.

For some reason, that seems to be what the Department of Justice wants. It wants to take on this regulating role, which is not in its enabling statute. Its enabling statute is that it is supposed to be an enforcer of law. It is no small wonder the Department favors the plan and strongly favors a similar role under the proposed amendment before us today. Yet, it is the Department itself that is the greatest obstacle to progress under the current decree, and the least capable of taking on such regulatory responsibilities. All requests for waivers of the decree must be processed by the Department before they are presented to the district court. The Department has proven completely incapable of performing that function. Delays of 3 to 5 years in the processing of even simple waivers are commonplace. Yet, the Department is now trying for greatly increased powers and vastly expanded responsibilities.

The Department's new plan, in fact, constitutes a repudiation of the basic tests for relief contained in the AT&T consent decree. Instead of simply demonstrating to the court that it cannot impede competition in the market it seeks to enter—which is all the decree requires—Ameritech must first implement a series of changes in its local telephone operations, all of which are outside of the scope of the decree.

This is a betrayal of the bargain reached in 1982.

The Department, in attempting to take on the roles of State public utility commission, FCC, and decree court, is guilty of gross overreaching. It is also playing into the hands of those who hope to kill the legislation and further delay the opening of telecommunications markets to genuine competition.

It also clearly demonstrates that debate over this amendment is not about the appropriate standard for review, but whether any DOJ role is appropriate given the poor track record at Justice.

Now, the proposed order is a blueprint for additional proposed orders. The order that the Department is proposing for Judge Greene's signature is a long, rambling, and almost impenetrable legal document. It is also not self-effectuating.

Even if Judge Greene signed the order today, nothing would happen. Ameritech would not be permitted to enter any interexchange market. There is no deadline for when it comes.

The order demands many further layers of review by the Department and permits the possibility of Bell having long distance at uncertain future dates at two areas that serve 1.2 percent of the population. The order is 39 pages long and contains 50 main paragraphs.

This decree, the Ameritech decree, is twice as long as the consent decree that broke up the old Bell system in 1984. That is a reflection of lawyers at work, I suppose.

The proposed order is being described as one that will permit a Bell company to enter the long distance market. The order contains no such permission. It does not grant Ameritech the right to provide interexchange services in the temporary waiver territory.

All the order itself achieves is a wholesale transfer of power from Judge Greene to the Department of Justice. If the order is entered, it will be up to the Department in the exercise of its discretion to determine when, if ever, Ameritech will be allowed to provide long distance service in any market.

The order has this effect because key conditions on Ameritech's entry are undefinable, indeed, so vague as to be undefinable, because the order asked the district court simply to let the Department declare when the conditions have been met.

Paragraph 9, for example, states that Ameritech shall not offer interexchange telecommunications pursuant to this order until the Department has approved the offering of such telecommunications pursuant to the standard set forth in paragraph 11.

Paragraph 11, however, simply describes an open-ended process of further review. Among other things, the order empowers the Department to hire experts to review Ameritech's future proposals and declares Ameritech must pay for them. The Department, it appears, expects to spend not only time but significant sums of money in evaluating Ameritech's proposals when they are finally put forward.

The order also allows the Department, in its sole discretion, to condition relief upon any other terms that may be appropriate. When and if some Ameritech plan is ultimately approved and put into effect, the Department retains authority to terminate at will by sending a letter to Ameritech telling them to stop. Ameritech will be permitted to petition Judge Greene for review, a right it already has today.

The proposed order is reflective of nothing so much as the Department's desire to micromanage all aspects of the telecommunications industry.

It seems inconceivable that Judge Greene will approve or could lawfully approve such a wholesale transfer of power from his courtroom to the Department's Assistant Attorney General for antitrust. Under both the standard provisions of district court jurisdiction and express jurisdictional terms, the divestiture decree, the Bell companies are entitled to timely district court review of motions for relief from the line-of-business restrictions.

A district court has a general duty under the Federal rules of civil procedure to entertain motions of parties and rule on them in an orderly and timely fashion. This is clearly a serious and important responsibility, particularly in a case such as this one that has remained under the district court's jurisdiction for 21 years. It is not a duty that can be delegated to anyone else.

I see my friend from Missouri is prepared to speak. I yield the floor.

Mr. ASHCROFT. Mr. President, I rise to oppose the amendment which would place the Department in the process of authorizing the entry by the Bell operating companies into the long distance markets.

Senate bill 652, which was the study result of much activity in committee and a long period of investigation, places the responsibility for making that judgment in the FCC. It is important to understand what the Federal Communication Commission is, how it is composed, why it is the appropriate agency to make those kinds of decisions.

The Federal Communications Commission is a quasi-judicial body not affected by politics. Appointees are appointed for an extended period. There are longer periods of appointments than the President's term is. It is designed to be insulated from politics, to make professional judgments that are technical and appropriate to the field that the Federal Communications Commission oversees, and is technically competent and expert in the area of communications.

The amendment which we are considering now and upon which the Senate of the United States will act at 12:30 today is an amendment which would have the Department come in and second-guess the judgment of the Federal Communications Commission by adding a Department-consent requirement before these companies could move on to compete and extend and enhance the competition in the long-distance market.

I do not believe that kind of layering of the bureaucracies, I do not believe that kind of additional Federal and governmental involvement, would promote competition.

As a matter of fact, that kind of bureaucratic involvement very frequently does the opposite of promoting competition. The more bureaucracy that is involved, frequently the more difficult it is for enterprises to have the kind of flexibility that we really want enterprise to have to be competitive in an international marketplace which demands higher and higher levels of productivity.

Now, the bill as presented to this body by the committee, S. 652, is very clear about the way it expects the decision to be made regarding the entry of these competitors into the long-distance marketplace. As a matter of fact, it says to the FCC that there is a list, a specific recipe of conditions, that have to be met. In addition to the 14 or so conditions that are listed in the bill, there is another interest that is charged to the FCC that they must consider. It is the public interest.

Here what we have in the bill is a governmental body, a quasi-judicial body, the regulatory commission called the FCC, the Federal Communications Commission. The Congress in this body is telling them specifically to make the decision based on these criteria and adds to the 14 criteria the public interest.

Now, that ought to be enough governmental involvement to assure that we make good decisions and the right decisions. However, the amendment which is now being considered would add the Department in a totally new and different and unprecedented role for the Department, one in which they have not been involved before. The Department would be asked to implement a supervisory authority here and to make a final decision about whether these companies could enter the long-distance competitive marketplace.

That final decision is something they have never exercised before. Even under the court orders relating to the divestiture from AT&T of the Bell companies and setting up the Bell operating companies around the country, the regional Bell companies, the Department did not have final authority. The Department went before a judicial decisionmaker and advocated a position.

Now, the Department should not be given a decisionmaking authority in this matter because the decisionmaking authority is given to the FCC. The Department should be given an advisory role just like it has an advisory or advocacy role in the current situation.

One important thing to remember is that Senate bill 652 does, in fact, provide for an advisory role for the Department. The FCC, in making its final determination about whether or not it will release the regional Bell operating companies to participate in the competition of the long-distance markets, the FCC is directed to consult with and to seek the advice of the Justice Department. But, it would be unprecedented for us to move beyond that traditional role of the Justice Department to ask the Justice Department to be making final decisions. Because, as a matter of fact, that has never been its role in any previous situation and should not be its role now. The FCC is that Commission that is a quasi-judicial body that can make those decisions, is trained to make them, is expert in the communications industry, and ought to be the final authority.

So it is pretty clear to me, and I believe it ought to be clear to the U.S. Senate, that the FCC should retain that final authority and that the Department of Justice be maintained in its advisory authority that the bill, S. 652, provides. The amendment which would enhance the advisory authority is unnecessary and would be counterproductive.

The PRESIDING OFFICER. The Senator should be advised that we have controlled debate beginning at the hour of 11:30.

Under the previous order, the hour of 11:30 having arrived, the Senate will now resume consideration of the Dorgan and Thurmond amendments, with 1 hour equally divided prior to a motion to table.

Mr. PRESSLER. Parliamentary inquiry, who controls the time?

The PRESIDING OFFICER. The time is controlled by the two managers of the bill.

Mr. ASHCROFT. Mr. President, I ask unanimous consent for an additional 5 minutes to speak as in morning business.

The PRESIDING OFFICER. Is there objection?

Mr. PRESSLER. Mr. President, I believe under the unanimous-consent agreement I will have to yield 5 minutes off the amendment's time, from what I understand of the parliamentary situation. I am prepared to yield 5 minutes, but I make it clear I will reserve the last 15 minutes for managers of the bill to speak. I believe we should reserve about 15 minutes for Senators DORGAN and THURMOND to speak, if they come to the floor.

So I yield 5 minutes to my friend from Missouri.

Mr. ASHCROFT. In that event, I withdraw my request for unanimous consent to speak as in morning business and ask the Chair to inform me when 5 minutes has expired.

The PRESIDING OFFICER. The Senator from Missouri is recognized.

Mr. ASHCROFT. Mr. President, there has been quite a bit of debate on this issue. It has been suggested that those of us who oppose the Department of Justice having a special and unprecedented role of final decisionmaking in this arena do not trust the Department of Justice.

We trust the Department of Justice. But we trust it to maintain its traditional role. We trust it to be a law enforcement agency and an advisor as it relates to legality and propriety of measures that relate to the law. But we do not trust it to do something totally new, something different, nor do we trust it to second-guess an administrative agency that has expertise in this area, the Federal Communications Commission.

So, this is not a question about whether the Department of Justice will have a role. That question was laid to rest long ago. The FCC is required to consult, according to the language of the bill, with the Attorney General regarding the application during the 90-day period. The Attorney General may analyze a Bell operating company's application under any legal standard, including the Clayton Act, the Sherman Act, and other antitrust laws, and those standards of the Clayton Act and the Sherman Act are the kinds of standards that are suggested by the amendment.

The difference between the bill, this bill, and the amendment which is proposed, is whether or not the Justice Department would have final decisionmaking authority. All of its ability to advise and to argue and to participate by virtue of supplying its views are preserved and protected under this bill. But to say the Department of Justice has separate veto authority over the agency of expertise here would be to inject the Department of Justice at a policymaking level never before provided for the Department of Justice, not only in this arena but in other arenas as well.

I just suggest that we do not need to change the character of the Justice Department from an enforcement arena and prosecutorial arena to a policymaking arena. The policy should be judged by the Congress of the United States and the policy is set forth clearly here, in the kind of guidelines that we would seek to suggest for the Federal Communications Commission. This amendment will make a mandate of the advisory role of the Department of Justice, a mandated final decisionmaking role, and it will provide for confusion with two Federal agencies seeking to make final decisions instead of one.

The Federal Communications Commission is a professional, quasi-judicial organization with 5-year terms. The Department of Justice is an appointed position, appointed by the President of the United States. It has all the benefits of political involvement and has the drawbacks of political involvement. I do not believe we want political decisions to be made, the influence or contamination of politics to find their way into this particular set of decisions.

I believe it is important for us to reject this overlapping, doubling up of enforcement at the Federal level, the duplication of decisionmaking. The professional, trained, expert Federal Communications Commission can make this decision with the advice of the Department of Justice. For us to try to have redundant and duplicative Federal control here is for us to reject the promise of the future. Some look into the future and shrink back in fear. I think this is a great opportunity.

In closing, I would say I do not think the competitors of the United States, as they are working on a framework for operations for telecommunications, are going to be thinking about how many layers of regulation they can place on top of this industry. I do not think they are going to think about how much duplicative and redundant control, or whether they are going to convert what had otherwise been law enforcement agencies into policymaking agencies and to have a tug of war between two agencies of the Federal Government which would stymie expansion and development and growth in the industry.

I think our competitors around the world are going to try to seize and regain the advantage that America currently has in telecommunications. For us to add the Department of Justice, not as an adviser—that is already in the bill—but as a final decisionmaker to compete with another agency trained to get this job done would be unwise.

So I urge the rejection of the amendment which would make the Department of Justice a final decisionmaker in this matter.

The PRESIDING OFFICER. The time of the Senator has expired. Who yields time?

Mr. HOLLINGS. Mr. President, as I understand it, time is divided between the two managers. I take it on this side we would manage the 30 minutes for the proponents. In no way do I propose this amendment. I hope to kill it. But I yield such time as the Senator wishes.

Mr. KERREY. I appreciate the kindness.

I can read the handwriting on the wall, Mr. President. The majority leader opposes this amendment, the Democratic leader opposes it, the Democratic whip, the Republican whip, the manager of the bill, the Republican chairman, the Democratic ranking member—all oppose this amendment.

So what I find interesting is the hyperbole that gets layered upon the argument against that the Department of Justice is overreaching, that they are incompetent. That is an argument that I just heard the Senator from South Dakota use against the Department to demonstrate that they are incompetent. It takes a long time, 1,500 days I heard from the Senator from South Dakota say.

Let me give my colleagues an example of the reason it takes a long time. Maybe the Senator from South Dakota thinks the Department of Justice should have this waiver. In 1994, Southwestern Bell and three other RBOC's filed a request to vacate the final modified judgment to simply completely eliminate its restrictions without replacing those restrictions with any consumer safeguard, with any requirement such as those contained in S. 652. That was the waiver application. The Senator from South Dakota and the Senator from Missouri talk about all this overreaching regulation. Perhaps they would like to have the Department of Justice approve this waiver, get it out of the way in a hurry.

Is that what the Senator from South Dakota has been arguing for when he talks about delays? Is this the sort of thing he wants them to approve? Let us not come to the floor and talk about 1,500-day delays. It is being delayed because of this kind of thing. Nobody, I do not believe anybody; maybe there is; maybe someone down here says what we should have had was the Department of Justice approving this kind of waiver. Then S. 652 would not be necessary. Maybe that is the feeling here, we do not want any consumer protection. We do not care if there is local competition. Forget the checklist. Forget the VIII(c) test, and all that nonsense. Let these guys go out and have at it, take their monopoly and run with it, and use the power in any fashion they want.

I do not think so. I think the structure of this bill implies that we are concerned about this monopoly power and that we want some restraint as we move to a competitive environment. And the Department of Justice has been attempting to measure that as they evaluate these waivers. My colleagues will come down and say, "Oh, no. Another layer of bureaucracy."

Let us not repeat the mistakes of the past. I call my colleagues' attention to the last major deregulation action in airlines when the Department of Justice again was given a consultative role. They basically had the opportunity to file a brief. They would just as well write their opinion on the wall of a bathroom for all the impact it has.

Now we have in this case the airlines being deregulated. Now comes TWA and a hub in St. Louis wanting to acquire Ozark Airlines. The Department of Transportation gets the application as the FCC would in this case. Now we have Northwest Airlines trying to acquire Republic Airlines in the hub serving Minneapolis. The Department of Justice said: In our opinion, you will get less competition. That is our opinion. That is all the law allows, just an expression of their opinion. They vigorously, in fact, said you are going to get less competition. The Department of Transportation says your opinion is as good as anybody else's. We ignore it. Guess what? There is less competition and higher prices in both of those hubs as a consequence of those actions.

We are not talking about another layer of regulation. The Department of Justice is not asking to intervene and get involved in something about which they know nothing.

We are asking with this amendment, which is obviously going to get defeated—the opponents of this deal are lined up, in effect. We have been working long and hard, and are likely to get 40 votes for this thing. But I will stand here and predict that the Department of Justice is going to issue an opinion on an action taken by a local telephone company that the consumers are going to get less competition, not more. They are going to get less competition. They are going to file an opinion. That opinion will be ignored by the FCC, and Members will be up here saying, "Gee, that was not quite what we had in mind."

So we are not asking for increased regulatory authority. Please do not talk about the delays unless you are prepared to identify a specific waiver that you think should be approved. Let us talk about the waiver. I alert my colleagues that we will have an opportunity on additional amendments to revisit this issue.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. PRESSLER. Mr. President, I yield 5 minutes to my friend from Montana.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BURNS. Mr. President, I thank the managers of the bill, and I also thank the chairman of the full Commerce Committee, who has really done a marvelous job, along with the ranking member and former chairman, Senator HOLLINGS.

We are not newcomers to this issue. I do not doubt for a minute the dedication that the Senator from Nebraska has in modernizing telecommunications, because we have been on panels together and we have been to different places together, and understand in his State, where distance learning and telemedicine is becoming very, very important, and also the new technology and the policy it is going to take to force that new technology into the rural areas. That is where our first love lies. I think the same could be said about South Carolina and the same could be said about South Dakota. But S. 652 already gives the Justice Department a role. It is spelled out clearly.

It says, before making any determination:

> The Commission shall consult the Attorney General regarding the application. In consulting with the Commission, the Attorney General may apply any appropriate standard.

That is the language that is in this bill. Do we start talking about those who have the expertise in regulating or do we talk about an organization that has the expertise in litigating? What is the primary purpose of the Department of Justice? I would say if the administration in their view thinks that some Federal law has been broken, they advise the Department of Justice to look into it. The same with the Congress. That is what the Department of Justice does. They are not in the process of rulemaking. I think that is left to the FCC and, of course, those of us who want to take the responsibility of setting policy where it should be set, here in this body, and not shirk our responsibilities or our duties in order to set that policy.

The Senator from Nebraska says that there should be a larger role. That is what he is advocating. All we have to do is look back at the modified final judgment. How is it being administered today? It is being administered by the court, by Judge Greene, who has done an admirable job? Nobody can criticize Judge Greene. But the U.S. district

court retains jurisdiction over those companies that were party to the MFJ. The court then asked the Justice Department, the Antitrust Division, to assume postdecree duties—"post," after it is all over, it is asked to do those duties. The antitrust division provides Judge Harold Greene of the district court with the recommendations regarding waivers and other matters regarding the administration of MFJ.

Before we can do anything to deal with new technology, to force those new technologies and those tools out to the American people, yes, there have to be rules of entry. But we do not have to add layer upon layer of bureaucracy. If there is one thing that is being talked about around this town right now, it is the budget and spending. What do we spend our money for? It is my determination, after being here about 6 years, that if there is one thing that absolutely costs the taxpayers more money and the waste of money in Government, it is not that they are not doing a good job. It is called redundancy. Everybody wants to do the same thing. Everybody wants their finger in the same pie. Just look at the Department of the Interior. It is probably the greatest example. Every Department has a wildlife biologist. Wildlife biologists, by the way, are kind of like attorneys. If you get three of them together, you are not going to get an agreement. Everybody has a different approach.

So basically what my position and my opinion is is that this is just another layer, another hoop to jump through before we finally deregulate. We want to be regulatory in nature and not more regulation or redundancy.

Mr. President, I ask that this amendment be defeated. I thank the Chair.

The PRESIDING OFFICER. The Senator from South Dakota has 18 minutes.

Who yields time?

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the time for the proponents be managed by the distinguished Senator from North Dakota and the Senator from South Carolina, Senator THURMOND. They are the proponents.

The PRESIDING OFFICER. The Senator has the right to designate the manager.

Who yields time?

Mr. KERREY. Mr. President, will the Senator from North Dakota yield to me 15 seconds to correct a statement?

Mr. DORGAN. I am happy to yield.

Mr. KERREY. Earlier I said that the opponents of this included the Democratic leader. The Democratic leader is on our side. He is against the law in its current form, and is in support of the Dorgan-Thurmond amendment.

Mr. DORGAN. Mr. President, I yield myself such time as I may consume, and I might say that when Senator THURMOND comes, he will want to be able to speak. So I will speak for 5 minutes.

Mr. PRESSLER. Mr. President, how much time does each side have?

The PRESIDING OFFICER. The Senator from South Dakota has 18½ minutes. The Senator from North Dakota has 23 minutes.

Mr. DORGAN. Mr. President, a lot of statements have been made in this debate about the role of the Justice Department. Many of the statements that were made were surprising to me.

Let us back up just for a moment and ask ourselves who investigated and sued to break up the Bell system monopoly which resulted in the very competition that is extolled here on the floor of the Senate as driving down prices in the long distance market? Who did that? It was the Justice Department that did that. Yet, we are confronted with the debate today that says, "Gee, the Justice Department is a roadblock. The Justice Department is a problem. We are talking about layers of bureaucracy and layers of complexity."

If you stand here and extol the virtues of competition in long distance and talk about the fact there are now over 500 companies from which you can choose to get long distance service and therefore lower prices because there is such robust competition, you must, it seems to me, recognize we got to that point because of the Justice Department. And if you recognize we got there because of the Justice Department, you cannot stand on this amendment and say somehow the Justice Department is a roadblock. I am telling you it is interesting to me to hear people preach about competition but then not be willing to vote for the things that promote the very competition they preach about.

Competition works when you have many competitors in a competitive environment with the price as the mechanism for competition. Competition works in a free market when the market is free. But competition does not work when you have concentrations such that some can begin to control portions of the marketplace.

Now, all we are asking in this amendment that is now a second-degree amendment supported by Senator THURMOND, myself, Senator DEWINE, Senator KERREY, and others, is that the Justice Department have a role to play on the issue of antitrust, on the Clayton 7 standard, and we have delineated the difference between the FCC role and the Justice role.

Next time somebody stands up and says there is overlapping responsibilities, that is nonsense, total nonsense. There is not an overlap here. It is precisely the purpose of this amendment. So it just does not work to claim that this is overlap and complexity. It is not true. It is not the case. But you cannot preach about competition and then indicate that you support taking the agency out of this process that is the agency which evaluates competition and makes sure there is competition in the marketplace. It just does not square with good logic that if you are a friend of the free marketplace you would not support the things that are necessary and important to keep the marketplace free.

I offered an amendment earlier, and I was not benefited by hearing the Senator from Nebraska speak on it. I am sure he says it was wonderful and eloquent, and I am sure that may well have been the case, but I missed it, nonetheless. It is likely he will repeat it, I am sure, so I will probably have the benefit of hearing it in the future. But I offered the amendment on broadcast ownership, and it is exactly the same principle as the issue of the Justice Department. Those who say let us have robust competition in telecommunications and then say, by the way, we are going to eliminate the ownership restrictions—you can go out and buy 85 television stations if you like; it does not matter to us what kind of concentration exists—well, they are no friend of competition. That is not being a friend of the free marketplace.

I am just saying on these amendments, especially this Justice amendment but also, when that is done, the amendment on broadcast ownership, if you really believe—and I do—in the free marketplace, then you have to be a shepherd out here making sure that the marketplace remains free. There are all kinds of natural economic circumstances that move to attempt to impinge on the free marketplace. Concentration, concentration of assets and concentration of ownership is always, I repeat always, a circumstance where you see less competition and a marketplace that is less free. Concentration is, in my judgment, the kind of circumstance that tends to erode free markets and tends to undermine competition. The underlying amendment that we are going to discuss and vote on as the Justice Department amendment is simply an amendment that says when you are evaluating when there is competition in the local exchanges so then that the regional Bell operating companies are free to go compete in long distance, we want the Justice Department to have a role in that evaluation because they are the experts in antitrust. That is the issue here.

Now, one can vote against this amendment, I suppose, and claim, well, this bill is a free market bill that frees the free market forces; it stokes the juices of competition; it is going to be wonderful for the American people; it is nirvana in the future.

It is nonsense. It is all doubletalk if one does not support the basic tenets of

keeping the free market free. And one of those basic tenets, in my judgment, is to make sure that the Justice Department has a role in this circumstance.

So I have been involved in these discussions before, as has the Senator from Nebraska, and others in this Chamber about deregulation. "Deregulation," they just chant that. They ought to wear robes and chant it around here—deregulation, deregulation.

So we deregulated airlines. Guess what, we deregulated the airlines. Wonderful. I said it before. If you are from Chicago, God bless you; you sure got the benefits from deregulation. If your cousin lives in Los Angeles, boy, you got a great deal. If you go out of O'Hare and fly to Los Angeles, you get dirt cheap prices. You have all kinds of carriers competing. That is competition. But go to Nebraska and see what you get from deregulation of airline service, or go to North Dakota and see what you get, or go to South Dakota and see what you get from deregulation of the airline service. It is not pretty. You do not have robust competition. You do not have prices, a competitive allocatur here. What you have is less service and higher costs.

And in the airline deregulation, it is interesting; we have, in my judgment, a parallel because in airline deregulation, when we talk about whether airlines should be allowed to merge and whether we should have these concentrations, the issue was should the Department of Transportation allow the merger to happen. And the Department of Justice was asked in a consultative role.

Well, what we see as a result of airline deregulation is that big airlines have gotten much, much bigger. How? They have gotten bigger by buying all of their regional competitors, and the Department of Justice in some of those cases said it is not in the public interest. And the Department of Transportation said tough luck; we are going to allow the merger anyway.

We have experience directly on this point, and if in the rush to deregulation we do not have the kind of care and patience to make certain that the free market is free and that robust competition exists, we will do the consumers of this country no favor, I guarantee you. We will have had a lot of dialog; we will have used a lot of slogans; and we will have waved our hankies around talking about competition and all the wonderful words that have been focus grouped and tested, and so on, but all of them will not be worth a pile of refuse if we do not do the right thing to make sure that competition exists.

You cannot preach competition and then be unwilling to practice it in terms of the safeguards that are necessary to assure that free markets are free, and that is the purpose of this amendment. I hope those who care about real competition and care about real free markets and those who are willing to make sure the guardians of free markets are able to have a role here, I hope they will come and vote yes on the Thurmond-Dorgan second-degree amendment. I understand the motion will be to table, so I guess in that case I will hope that they will come and oppose the motion to table so that we can pass our amendment.

Mr. President, I reserve the remainder of the time, and I understand Senator THURMOND will wish to access some of the time when he arrives in the Chamber.

The PRESIDING OFFICER. Who yields time?

Mr. PRESSLER. Mr. President, I ask unanimous consent that, notwithstanding the previous order, at 12:30 I be recognized to make a motion to table the Thurmond amendment 1265, as modified and, if the amendment is tabled, amendment 1264 be automatically withdrawn.

The PRESIDING OFFICER. Is there objection?

Mr. DORGAN. Mr. President, reserving the right to object, I did not understand the last portion of the unanimous consent request.

Mr. PRESSLER. Amendment 1264 be automatically withdrawn. That will be the Senator's underlying amendment.

Mr. DORGAN. The Senator is talking about if the motion to table prevails.

Mr. PRESSLER. That is correct. I ask unanimous consent that notwithstanding the previous order, at 12:30 I be recognized to make a motion to table the Thurmond amendment, as modified and, if the amendment is tabled, amendment 1264 be automatically withdrawn.

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

Mr. PRESSLER. Mr. President, this has been a long debate and many speakers have come to the floor on each side. I strongly believe that we should vote to table the Thurmond amendment because it creates a new role, an unprecedented, unnecessary role for the Department of Justice.

Presently, there are many safeguards to consumers and to companies and to the public built into this legislation. This legislation was the result of meeting after meeting for over 3 months, every night and Saturday and Sunday among Republicans and Democrats, to come together to reach a bipartisan bill. We came up with a plan that the regulatory agency, the FCC, would be the decisionmaker while the Justice Department would still be involved.

In the first step, when a company is applying, the State certifies compliance with a market-opening requirement. So that is a safeguard. Second, the FCC affirms public interest, necessity, and convenience.

We had a vote here the other day on this floor preserving public interest, so the FCC can use the public interest standard.

Third of all, the FCC certifies compliance with a 14-point checklist. I have the 14 points listed here in another chart. The point is that in the bipartisan meetings and building on the legislation of last year and building on efforts of many Senators—indeed, all 100 Senators were consulted during this process leading up to the markup in the Senate Commerce Committee—there was a question: Shall we use the VIII(c) test, which is a complicated test, or shall we use the Clayton 7 test, and we decided to come up with a checklist, a competitive checklist.

Mr. DORGAN. Mr. President, will the Senator from South Dakota yield for one quick moment?

Mr. PRESSLER. Yes.

Mr. DORGAN. I shall not interrupt at length. I did want to point out the Senator from South Dakota is correct, an enormous amount of work went into the construct of the compromise. It is also true, is it not, that the Commerce Committee held this legislation up? The intent was to want to move this along quickly, and many of us were cooperative with that. But we at the committee hearing indicated that we were uncomfortable with several of these provisions and intended to deal with them on the floor of the Senate. So these issues, many of them, were raised in the markup of the Commerce Committee and only with the cooperation of Members who decided to raise the issues on the floor rather than in the committee was the bill able to be brought to the floor.

(Mr. ASHCROFT assumed the Chair.)

Mr. PRESSLER. That is correct. I welcome amendments. I welcome this amendment. I am giving a history of how we came to this checklist. I think the point I am making is that we have had a very bipartisan effort here, and we welcomed amendments there in the committee, and we welcome amendments here. Obviously, every member of every committee can bring something to the floor. But this checklist was worked out an a bipartisan basis. Before the local Bell company can be declared as having an open market, it has to interconnect. That is the first point. That is, they have to open up their wires so others can come in. They have to show the capability to exchange telecommunications between Bell customers and competitor's customers, access to poles, ducts, conduits and rights-of-way; the three unbundling standards, where they have to unbundle the system so other people can get in; access to 911 and enhanced 911; directory assistance and operator call completion services; white pages directory listing; access to telephone number assignment; access to data bases and network signaling; number

portability; local dialing parity; reciprocal compensation, and the resale rules.

That is a checklist that the FCC must go through to determine if the Bell company has opened up its business so other competitors have a fair opportunity to compete in the local telephone business. I have not heard anyone criticize this checklist. It seems to be universally accepted. Also, the Bells have additional requirements on them to open their markets. This is done at the FCC level and not Justice, and the Bells must comply with a separate subsidiary requirement, nondiscrimination requirement and a cross-subsidization ban. The FCC must allow the Department of Justice full participation in all of its proceedings. So the Department of Justice is already present without the Thurmond amendment.

Now, the Bells must comply with existing FCC rules and rigorous annual audits, elaborate cost accounting, computer-assisted reporting, and special pricing rules. So there is much involvement. The Sherman Antitrust Act is in place. The Clayton Act is in place. The Hart-Scott-Rodino Act is in place. So the Justice Department has plenty to do. I find this debate very unusual because it implies we are going to get the Justice Department involved. They are involved at every stage. In addition, under the Hobbs Civil Appeals Act, the Department of Justice is involved as an independent party in all FCC appeals.

The Justice Department is involved every step of the way. If there is disagreement and there is an appeal, the Justice Department can be a party to that.

Mr. President, the Justice Department is meant to be, under its enabling legislation, an enforcer of law. It is trying to become a Government regulation agency. Now, it did become that to some extent under Judge Greene's 1982 order. That order arose because Congress failed to act. Congress failed to do what we are trying to do now. Congress failed to require that the local exchanges be opened up, as the checklist requires. But we are doing that now in this legislation. We are finally doing it. Meanwhile the Department of Justice is very much intent, it seems, upon becoming a regulatory agency.

I have pointed out the length of time it takes the Department of Justice to get these things done. Judge Greene suggested 30 days. They are up to almost 3 years. I know they have given this excuse or that excuse, but the point is that Judge Greene thought it could be done in 30 days, originally, in 1982. A bureaucracy such as that will take a long time to produce a piece of paper. That will slow down the process and hurt consumers.

It is my feeling that if we can pass this bill in a deregulatory fashion, it will cause an explosion of new investment in activities and devices. I frequently have compared it to the Oklahoma Land Rush—if we can pass it. Right now, our companies are investing overseas, and they are not investing here.

People are trying to say this is anticonsumer. That is nonsense. Look at what happened when competition opened up the market for cellular phones. The price has dropped. Look at what happened when we deregulated natural gas. Prices have dropped. It is my opinion that a long distance call should cost only a few cents. It is my opinion that cable television rates should drop when there is more competition from DBS and video dial tone. If we get yet another regulatory agency involved, we can delay this thing 2 or 3 years. In fact, based on the Justice Department's performance, it will delay this whole operation for 2 to 3 years before we have competition and deregulation.

This is a deregulatory, procompetitive bill. We are trying to put everybody into everybody else's business. Mr. President, there has been a lot of talk about corporate activity on these bills. There is an implication that the Commerce Committee bill has a lot of corporate input. But I say to you, read the newspapers of the last 3 weeks, and you will see all those full-page ads. They are paid for by corporations, and I admire them. They are fine corporations, members of the so-called Competitive Long Distance Coalition, which is headed by a person whom I respect very much, a former leader of this body, with whom I disagree on this matter. A vast amount of the corporate advertising in the last month has been by corporations opposed to my position. I point that out because there seems to be some suggestion that S. 652 simply represents corporate thinking. Well, all the ads I have seen in the papers—the full-page ads—have been run by corporations that oppose my position and want the extra Justice Department role. That is because some corporations want to use Government regulation against competition. That is what is going on here.

I think that we should defeat the Thurmond amendment because it is, as my colleague from South Carolina said, not only the camel's nose under the tent, it is the whole camel under the tent, so-to-speak, because once the Justice Department gets in, they will try to expand their regulatory role, as in the Ameritech case. I cited specifically the regulatory approach they have taken in that case. They want to have people over there writing telephone books—literally writing telephone books. They are supposed to be lawyers enforcing the antitrust laws in the Justice Department.

So I hope that we defeat this amendment. I reserve the remainder of my time.

Mr. THURMOND addressed the Chair.

Mr. THURMOND. Mr. President, how much time do the proponents have?

The PRESIDING OFFICER. The Senator from South Carolina has 13 minutes 10 seconds.

Mr. THURMOND. I yield 5 minutes to the distinguished Senator from Ohio, Senator DEWINE.

Mr. DEWINE. Mr. President, it has been argued on this floor time and time again that, under this bill, the Department of Justice could still enforce the antitrust laws. That is true. That is technically true.

But the facts are that under the bill, the Department could still enforce the antitrust laws after—after—the phone companies move into the new markets.

That is the problem. That is exactly the problem. It is like, Mr. President, enforcing the law after the fox has been allowed to guard the chicken coop. At that point, the damage is done. The fox has already eaten the chickens. We can stop the fox, but we cannot get the chickens back. It is too late.

In this particular case, we would be enforcing the law after competition has been driven out, after choices have been eliminated. So while the argument is technically true, it certainly falls short and does not disclose the full story.

Mr. President, we should enforce the law and ensure competition before competition is driven out.

I rise today, Mr. President, in support of the Thurmond second-degree amendment. The goal of the bill we are considering today is to promote competition in the telecommunications industry. The Thurmond amendment is an attempt to make sure that we use the most effective means toward this end.

Mr. President, the American people know when we have competition two good things happen: consumers have more choice, prices go down. This is as true in telecommunications as in any other sector of the economy.

What we are really debating today is how best to make competition take root in the telecommunications industry. The question is, what agency is best equipped to undertake the task of policing competition in these markets?

It is my belief, Mr. President, that the Thurmond amendment offers the most logical answer to that question.

Under this amendment, two agencies of Government play a role. Each of the agencies is to play an important role, a role for which it is extremely well suited and in which it has a great deal of relevant expertise. The Federal Communications Commission sets communications policy. That is what the FCC does best. That is what they know how to do.

Under the Thurmond amendment, that is what they will be doing. The Antitrust Division of the U.S. Department of Justice enforces competition.

That is what the Justice Department does. That is what they will do under the Thurmond amendment. The Thurmond amendment makes the best possible use of each of these agencies. We do not need the FCC to hire a new staff of antitrust lawyers, a new layer of bureaucracy, to do something the Justice Department is already equipped to do. We need to liberate the FCC to do what it does best. That is what the Thurmond amendment does.

Equally important, Mr. President, in my opinion, is what the Thurmond amendment does not do. It does not duplicate functions of Government. It is emphatically not a question of simply adding the Justice Department on top of the FCC. The FCC has a role. The Justice Department, under the Thurmond amendment, has another distinctive, different role, not duplicating.

The system envisioned under the Thurmond amendment, Mr. President, will not cause delays in the licensing process. We have heard that time and time again. From the moment an application is made under the Thurmond amendment, both the FCC and the Justice Department will have exactly 90 days, according to law, to make their ruling. These 90-day periods will run concurrently, not sequentially.

The Department has experience in this area. They do it for a period of time. The Clayton Act sets a 30-day limit. They hit that timeframe. Under this amendment, no layering of bureaucracies, no delays, just an intelligent division of labor in U.S. telecommunications policy.

In conclusion, Mr. President, that is what the Thurmond amendment will accomplish. I thank the Senator from South Carolina for his bold leadership in this area with this specific amendment. I urge the adoption of the amendment.

Mr. WELLSTONE. Mr. President, I wish to speak today in support of the Dorgan amendment, an amendment, I firmly believe, that is so key for the protection of consumers that frankly I must wonder how this bill got out of committee without its inclusion.

Now Mr. President, on the substance of the amendment, I could do no better than to defer to the comments already made on this issue by my two colleagues, the distinguished Senators from Nebraska and North Dakota, both of whom demonstrate a penetrating understanding of this very difficult topic. I would, however, like to take a moment to address this amendment from a perspective we've only occasionally heard in the debate on this bill—that of telephone and cable-TV rate-payers, both in my State of Minnesota and across this Nation.

I would hazard a guess that all of my colleagues would join with me in supporting the stated goal of this legislation: increasing competition in local phone service as well as cable TV. All of us likely agree that if competition is allowed to flourish, the biggest winners will be the consumers, the ratepayers, the millions of citizens who power the entire industry.

But, and here's where some of my colleagues and I part company, not all of us are ready simply to throw our trust to the companies that stand to profit from deregulation. Competition doesn't just happen, sometimes it must be nurtured to protect consumers against monopoly control. The Dorgan amendment, by providing a role for the Department of Justice, recognizes this economic fact: this amendment is nothing more than a circuit breaker which will trip only if—let me repeat, only if—it is found that it would not be in the consumer's interest for a local phone company to begin to expand its service. That's all that it is.

Mr. President, the need for the continuation of consumer protections and antitrust circuit breakers is clear. With every passing day, we see more integration in the telecommunications and information marketplace. On Sunday, Mr. President, we saw the Lotus Corp. agree to a friendly takeover by IBM. AT&T and McCaw Cellular will be joining forces, as will other companies, in preparing for this newly de-regulated telecommunications environment.

This integration at the top corporate level and the market position of many of these companies demands that consumers be given a voice—a trusted voice—to speak for them in the coming years. No more trusted voice could be found on this subject than that of the Department of Justice. It was through that Department's courageous leadership that the old AT&T Ma Bell monopoly of old was broken apart—it was a long, tough fight, but this experience gained by the DOJ has been invaluable in guiding the breakup of the Bell system, and the development of competition in long distance and other services. It only makes sense that we allow the DOJ to put this experience to use again as we move into an exciting, but potentially risky, new market.

The Dorgan amendment, as modified by the Thurmond second-degree amendment, prescribes how this experience will be put to use. The amendment uses the expertise of both the FCC and the DOJ to their best advantage. Under the amendment, the FCC will conduct a more focused public interest test to review whether the Bell companies face competition and adequately meet the checklist of services called for in this bill—topics the FCC is well accustomed to dealing with. The DOJ will conduct an analysis to ensure that a monopoly will not be created—again, a task that the DOJ is particularly qualified for. In this way, responsibilities are clarified and redundancies between the FCC and the DOJ are elminated, and the consumer is protected.

Now for those who say this is a partisan issue, or those who would charge that such protections are no longer needed, Mr. President I turn to the comments of Judge Robert Bork, a distinguished jurist and conservative commentator of the highest regard. Mr. President, Judge Bork writes:

> These restrictions [on the Bell companies] are still supported by antitrust law and economic theory and should be retained. The Bell companies' argument is that the decree's line-of-business restrictions are relics of the 1970's, the industry has changed dramatically, and the restrictions are the product of outmoded thinking. To the contrary, the basic facts of the industry that required the decree in the first place, basically the monopolies of local service held by the Bell companies, have not changed at all.

Without this amendment, Mr. President, this bill asks the Senate to announce the equivalent of unilateral disarmament—the disarmament of the consumer. As it stands right now, this bill says: Mr. and Ms. Consumer, you should give up the rate protections you've had over the years, you should give up any Department of Justice role in this process, you should give up the years of antitrust experience built by those who slew the multitentacled AT&T monopoly in the first place. And what are we going to replace them with? The promise made to consumers by all these unregulated, multinational, multibillion-dollar corporations, that they will do what's in your best interest. A promise that the monopolies of old will behave. A promise that consumers will be protected, that service will be good and that rates will be reasonable.

Mr. President, I don't buy it. Without this amendment, the public will be stripped of one of the key consumer protections they will ever have in the coming years—the voice of the Department of Justice.

Mr. FEINGOLD. Mr. President, I rise in support of the amendment offered by Senators THURMOND and DORGAN. I applaud them for their leadership in the effort to provide the Department of Justice with a strong decisionmaking role in the approval of regional bell operating company entry into long-distance telephony.

The importance of this amendment is underscored by the fact that S. 652 terminates the modified final judgment which settled an antitrust case against AT&T. The MFJ provided a framework by which the regional bell operating companies could enter alternative lines of business. The Department of Justice has had an integral role in protecting consumers by applying the 8(c) test to the RBOC application for a waiver to enter into restricted lines of business. The Department of Justice has ensured that the RBOC's could not use their monopoly power to impinge upon the competition that has developed in long distance. However, S. 652 vitiates the MFJ without providing any substantial safeguards for consumers.

Had it not been for the antitrust efforts of the Department of Justice, which have been consistent through both Republican and Democratic administrations over the last 25 years, we would not have the competitive environment which exists today in long distance. DOJ has been the watchdog for consumers in telecommunications and that is because antitrust laws are intended to be pro-competition and pro-consumer. I urge my colleagues to keep in mind that antitrust laws exist not for the benefit of the competitors but for the benefits which true competition yields to consumers.

Now, as Congress is working toward deregulating telecommunications markets we must keep in mind that true competition will not prevail if one group of players hold all the cards. The power of the local monopoly is without equal in telecommunications markets. The advantages provided to them over those with lesser market power, fewer resources, and limited opportunities to control entry by their competitors are without bounds. As we speak of competition, we must keep in mind that competition cannot exist in markets in which one player has a substantially better hand than his rivals—particularly when those trump cards have been provided by the Federal Government in the form of regulated monopolies.

The Department of Justice is the proper agency to make sure that the deck is not stacked against those attempting to compete fairly in the markets—that is to be sure that RBOC entry into long distance will not substantially lessen competition or tend to create a monopoly in any line of commerce in any section of the country. This test, as contained in section 7 of the Clayton Act, is one that has withstood the test of 80 years of antitrust law. While it is not as strong as the test currently used by the Department of Justice which I would have preferred, known as the 8(c) test, it is a sound test to determine the appropriateness of RBOC entry into long distance.

Mr. President, this compromise amendment offered by my colleagues addresses many of the concerns which have been raised by the opponents of a decisionmaking role for the Department of Justice. First, by requiring the Department of Justice to complete their review and make their recommendation in 90 days from receipt of the application, the RBOC's will be assured of an expeditious review of their request. That should alleviate the concerns of those who fear that DOJ will drag their feet and impede the advancement of competitive telecommunications markets. It will also provide the RBOC's with an incentive not to submit overly broad applications that would not likely be approved.

Second, by narrowing slightly the breadth of the public interest test to be conducted by the Federal Communications Commission, the amendment offered by Senators THURMOND and DORGAN should also assuage the concerns of the RBOC's who claim that a Department of Justice would only duplicate the efforts of FCC.

Mr. President, I also reject the notion that the Department of Justice should only become involved after the damage has been done. Some contend that the appropriate role of the Department of Justice is only to take antitrust actions against those engaging in anticompetitive behavior. That is, we should have more litigation tying up the resources of our Federal courts. I find that argument astonishing in a year in which so many of my colleagues are seeking legislation which attempt to reduce unnecessary litigation. Mr. President, if litigation resulting from inadequate preventative measures is not unnecessary litigation I don't know what types of lawsuits might be categorized unnecessary.

Mr. President, I continue to support the initial amendment offered by my colleagues from North Dakota which would have used a stronger test to ensure there is no possibility that a monopolists could use its power to impede competition in the market it seeks to enter. However, the compromise they have presented is a far more appealing than S. 652 in its current form which reverse the progress we have made toward greater competition in long distance over the last 25 years. The amendment before us employs a time-tested standard from the Clayton Act which should ensure that consumers are protected while RBOC's receive the expeditious review they seek without unnecessary duplication of the functions of the FCC.

I ask unanimous consent that a letter from the Wisconsin's attorney general, James Doyle, supporting a decisionmaking role for the Department of Justice be printed in the RECORD.

Mr. President, this is a sound compromise and I urge my colleagues to support it.

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

STATE OF WISCONSIN,
DEPARTMENT OF JUSTICE,
Madison, WI, May 3, 1995.

Hon. RUSSELL D. FEINGOLD,
U.S. Senator, Hart Senate Office Building, Washington, DC.

DEAR SENATOR FEINGOLD: I understand that the antitrust subcommittee of the Senate Judiciary Committee today is considering S. 652, Senator Pressler's bill that would lift the court-ordered restrictions that are currently in place on the Regional Bell Operating Companies, allowing RBOC's to enter the fields of long distance services and equipment manufacturing at such time as sufficient local competition exists in their service areas.

Several antitrust issues loom large in S. 652. For one thing, despite (or, perhaps, because of) its unmatched skill and expertise in evaluating competition in the telecommunications field, the U.S. Department of Justice is given no role whatsoever under S. 652 in assessing in advance whether local competition exists in each region of the country sufficient to, in turn, give the go ahead to the relevant RBOC to enter the markets for long distance services and equipment manufacturing. Moreover, the Pressler bill repeals the current restriction on cross-ownership of cable and telephone companies in the same service area by permitting telephone companies to buy out local cable companies, their most likely competitor, thereby allowing movement to a "one-wire world" with only antitrust litigation to prevent it. In addition, the bill would preempt states from ordering 1+ intraLATA dialing parity until such time as an RBOC was permitted to enter the interLATA long distance market.

I am not alone in strongly opposing these features of the bill. For example, a letter dated April 5, 1995, from Congressman Henry Hyde, Chairman of the House Judiciary Committee, to Congressman Thomas Bliley, Jr., chairman of the House Committee on Commerce, stresses the need for a strong role for the Antitrust Division of the U.S. Department of Justice in any telecommunications legislation:

"[L]egislation directed at changing or replacing an antitrust consent decree, needs to encompass an antitrust law, competition perspective as well as a communications law, regulatory perspective.

"[T]here will * * * have to be an evaluation of marketplace conditions on a case-by-case basis. That is, the actual and potential state of competition—in individual states, metropolitan areas and rural areas—will have to be analyzed.

"Using relevant factors as an administrative checklist [as proposed in S. 652] makes sense, but the key will be the decision-making mechanism regarding whether these conditions are actually present in a particular case. This review should be undertaken simultaneously by both the Justice Department and FCC, with DOJ applying an antitrust standard and FCC applying a communications law test. The statute should contain firm deadlines for review by both agencies.

"DOJ is far less likely to challenge Bell entry if they are involved in the decision-making process leading up to Bell entry."

Significantly, on April 3, Ameritech, the U.S. Department of Justice, AT&T, MCI and the Consumer's Union announced that they had all agreed (subject, of course, to approval by Judge Greene) to a waiver of the Modified Final Judgment allowing two Ameritech local service areas—Chicago, Illinois, and Grand Rapids, Michigan, to be used as "test sites." At such time as the U.S. Department of Justice determines that actual competition exists in those areas, Ameritech may then enter the market for long distance services originating from those areas. Significantly, both of these developments—the Hyde letter and the Ameritech agreement—occurred in the few days immediately following the Senate Commerce Committee's March 31 action on S. 652.

The April 3 agreement demonstrates that the most forward-thinking of the RBOC's, Ameritech (branded a "traitor" by its fellow RBOC's, all adamantly opposed to a "gate keeper" role for the U.S. Department of Justice), appreciates the importance of a meaningful U.S. Department of Justice role in the decision-making process leading to the opening of new telecommunications markets.

In my opinion, S. 652 is flawed in certain other respects, not relating to competition law, and I will comment on those features of the bill in due course. Because, however, S. 652 is before your antitrust subcommittee today, I wish to be on record as opposing those features of the bill that offend sound antitrust principles: the elimination of any decision-making role for the U.S. Department of Justice; the repeal of the prohibition against mergers of telephone companies and cable television companies located in the same service areas, and preemption of the state's ability to order 1+ intraLATA dialing party in appropriate cases.

It is critical that federal law ensure a competitive environment in telecommunications for the good of the public. Responsibility for making determinations of sufficient competition should remain in the hands of the Antitrust Division of the U.S. Department of Justice.

Sincerely,

JAMES E. DOYLE,
Attorney General.

Mr. CRAIG. Mr. President, at a time when we are trying to address the deregulation of the telecommunications industry, to further enhance the role of the Department of Justice would be counterproductive.

The Federal Communications Commission [FCC] regulates the communications industry. The Department of Justice [DOJ] enforces antitrust laws.

The pending legislation, S. 652, supersedes the provisions of modification of final judgment [MFJ], that govern Bell Co. entry into businesses now prohibited to them. Once legislation is signed into law, a continued DOJ role in telecommunications policy is no longer necessary except in the area of enforcing the law.

The Department of Justice does not need an ongoing regulatory role as part of an update of our Nation's communications policy. Actual regulatory oversight is not what DOJ is equipped to provide.

DOJ's claim that "it alone among government agencies understands marketplace issues as opposed to regulatory issues," is inaccurate. The FCC has a long history of reviewing and analyzing communications markets. Besides, S. 652 already gives the Justice Department a role which is clearly defined in the language of the bill.

S. 652 states that:

Before making any determination, the Commission shall consult with the Attorney General regarding the application. In consulting with the Commission, the Attorney General may apply any appropriate standard.

Dual DOJ and FCC bureaucracies to regulate the communications industry delays the benefits competition brings consumers. if we are going to strengthen the role of DOJ, why even bother trying to reform the 1934 act? After all, one of the main purposes for passing telecommunications reform legislation is to establish a national policy so that the MFJ can be phased out.

Mr. President, providing this authority to the Justice Department is unprecedented. The Antitrust Division of the Justice Department has never had decision-making authority over regulated industries—or any industry. In addition, assigning a decision-making role to the Department of Justice establishes a dangerous precedent that could be expanded to other industries.

Mr. President, more regulation is not what this bill needs. Again, dual roles for the DOJ and FCC will only delay competition. It will only delay the benefits of competition such as: Lower prices, new services, and more choice for communications services and new jobs. The only jobs that this amendment will provide is new jobs for lawyers at the Department of Justice.

For those who may consider this necessary, let's briefly take a look at the job the DOJ has done in administering the MFJ. It is important to note that the Antitrust Division at Justice does not currently have decision-making authority over the MFJ. That sole authority is held in the U.S. District Court, in the person of Judge Harold Greene. The Antitrust Division essentially serves to staff Judge Greene on the MFJ, providing him with recommendations on waivers and other matters under the administration of the MFJ.

In 1984, the average age of waiver requests pending at year end was a little under 2 months. By the end of 1993, the average age of pending waivers had grown to 3 years. Delays such as these are simply inconsistent with an evolving competitive market.

In addition, the Justice Department is responsible for conducting reviews every 3 years, known as the triennial review, at which recommendations to the court are made regarding the continued need for restrictions implemented under the MFJ.

These reviews were to provide the parties to the MFJ a benchmark by which they could gain relief.

Mr. President, since 1982, only one triennial review has been conducted.

In short, Mr. President, the Department of Justice's track record in fulfilling its obligations under the MFJ is poor. Therefore, I would question the advisability of giving the DOJ an unprecedented role, above and beyond what they currently have under the MFJ.

Mr. President, S. 652 contains clear congressional policy. There is no reason why two Federal entities should have independent authority over determining whether that policy has been met. Again, let us not lose sight of what we are trying to achieve here.

The ultimate goal of reforming the 1934 act should be to establish a national policy framework that will accelerate the private sector deployment of advanced telecommunications and information technologies and services to all Americans by opening all telecommunications markets to competition, which will create jobs, increase productivity, and provide better services at a lower cost to consumers.

Mr. THURMOND. Mr. President, I yield myself such time as may be required.

Mr. President, I rise today in opposition to the motion to table the Thurmond-D'Amato-DeWine-Inhofe second degree amendment.

Many things have been stated in this Chamber over the last several days about my amendment to protect competition and consumers by providing that antitrust principles will be applied by the Department of Justice in determining when Bell operating companies should be allowed to enter long distance. Now that we are about to vote on a motion to table, it is my belief that we must focus on just three basic points in deciding how to proceed on this pivotal issue.

First, the opponents of my amendment assert that I am trying to add a second agency into the antitrust analysis of Bell entry. In fact, just the opposite is true—my amendment removes an agency. S. 652 currently provides that the FCC shall determine the public interest in consultation with the Justice Department. FCC consideration of the public interest requires antitrust analysis, as indicated by the courts and reiterated by FCC Chairman Hundt in testimony last month before the Congress.

As drafted, therefore, S. 652 already requires antitrust analysis by both the FCC and Department of Justice. My amendment will reduce this redundancy, by prohibiting the FCC from conducting an antitrust analysis when determining the public interest. Instead, the antitrust analysis will be conducted exclusively by the Department of Justice, the antitrust agency with great expertise and specialization in analyzing competition.

Second, the antitrust role of the Justice Department in analyzing entry under my amendment is in no way unusual or inappropriate. It is the same analysis that the Justice Department conducts routinely in determining whether companies should be able to proceed into new lines of business through mergers and acquisitions. Even the standard—section 7 of the Clayton Act—is identical. Considering whether entry will "substantially reduce competition" prior to any harm occurring is equally important here as in other section 7 cases involving a merger or acquisition. This process protects competition and the American public from harm which can be avoided.

Mr. President, we all strongly support competition. The question we are resolving today is whether we will continue to rely on antitrust law administered by the expert agency to protect competition, as we have since the early part of this century. I fear that failure

to support my amendment will harm competition, which ultimately harms our constituents.

These issues are critically important, and I believe that it is highly desirable to have an up or down vote on my modified second degree amendment. For all of these reasons, I urge my colleagues to vote against the motion to table.

I reserve the remainder of my time.

How much time is remaining?

The PRESIDING OFFICER. The Senator has 4 minutes 10 seconds remaining.

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

The PRESIDING OFFICER. The Senator from South Dakota has 6 minutes 32 seconds.

Mr. PRESSLER. I yield 3 minutes to the Senator from Texas.

Mrs. HUTCHISON. Thank you, Mr. President. I appreciate so much the Senator from South Carolina. I hate to differ with him, but on this issue I do.

The reason is because I sat on the committee and I saw how difficult it was to get to the goal of deregulation and to try to take the harassment off the businesses that we are trying to encourage to come into the marketplace rather than add yet another hurdle that they must jump before they can get into the marketplace to provide the competition that gives the consumers the best choices for the lowest prices.

This amendment is a gutting amendment. That is why I think it is so important that we stick with the FCC and not add one more layer of the Department. We have made the decision that the FCC is the one that must protect the diversity of voices in the market. We have said the FCC can be the one that knows when there is competition at the local level so that we can go into long distance. It is that agency that has the expertise, that we have given the expertise. There is no reason to come in and add another layer.

Antitrust will be taken care of if we increase competition. That is what this amendment will stop from happening.

The committee labored not hours, not days, not weeks; the committee has labored for years to try to level the playing field among all the competitors that want to be in the telecommunications business. What we have found are some very strong competitive companies that want to jump into local service, to long distance service.

We are trying to create that level playing field. We are trying to take the regulators out of the process so that our companies can compete and give consumers the best prices and the best service.

If we stick with the committee, that is what we will have: more competition, easier to get into the competition. We will not put up more hurdles in the process. This is a deregulation bill, not a reregulation bill.

That is why it is very important for my colleagues, as they look at these choices, to know that the committee has done the work, the committee has worked for years to try to create this level playing field.

I have voted for the long distance companies in some instances. I have voted for the Bells in some instances, to try to make sure that that balance is there.

The committee has struck the balance. I thank the Senators who have worked so hard, the distinguished chairman of the committee, the distinguished ranking member. On this one, I think we must stick with the committee that has done so much work.

Thank you, Mr. President.

Mr. THURMOND. Mr. President, I yield 3 minutes to the distinguished Senator from Nebraska.

Mr. KERREY. Mr. President, the choice before Members on the tabling motion will be: Trust the 14-point checklist, basically, that the committee has offered as an indication; or do we want, in a parallel process, the Department to make a determination as to whether or not competition exists at the local level. That is all we are discussing and debating. I believe we want the Department of Justice to make that determination. I do not have the confidence in the 14-point checklist that others do. It is as simple as that.

Many of the statements that have been made about what this amendment attempts to do have simply not been true. Many of the statements that have been made about what the Department of Justice is trying to accomplish here simply are not true. We are simply saying, with this amendment, to Members of Congress, the Department of Justice should have a determination role. They should say, "We have determined that there is competition," or "We have determined that there is not competition."

I will cite, in a repetitive example, two instances that ought to give, I think, Members of Congress a pause. The Senator from South Dakota gets up and says all these delays occur. I cited an application for a waiver of the MFJ that was made in 1994 by Southwestern Bell. I ask the Senator from South Dakota, did he wish that would have been approved in 30 days? That waiver application would strike all the MFJ requirements, strike all the restrictions with no determination of local competition whatsoever. Perhaps the Senator from South Dakota does not like that delay. Perhaps the Senator from South Dakota and other Members would like to have a situation where there is no determination being made by the Department of Justice. If that is the case, vote to table.

But if you want the Department of Justice to have the determination role rather than just "Here is our opinion about this proposal," then you have to vote for this amendment.

I believe if you do vote for this amendment, you will be happy you did. At the end of the day you do not want to just try to make sure these folks are happy who are outside the hallway out here, adding up votes trying to figure whether this amendment is going to pass or fail. You want the consumers and the citizens and the taxpayers and the voters of your State to be happy. And the only way they are going to be happy, the only way they are going to say this thing works, is if we get real competition at the local level. With real competition at the local level, there will be choice and there will be decreases in price and increases in quality. And that is the only way in my judgment that S. 652 is going to produce the benefits that have been promised.

Mr. PRESSLER. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from South Dakota controls 3½ minutes.

Mr. PRESSLER. Mr. President, I yield myself 2½ minutes. I yield the last minute to the Senator from Alaska.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. PRESSLER. I conclude this by saying I love my colleague from South Carolina, Senator THURMOND. This appears to be a difference over jurisdiction. I plead with my colleagues, do vote this amendment down. It is a gutting amendment. It will add more bureaucracy. It goes against the procompetitive, deregulatory nature of the bill.

I respect my colleague from South Carolina so much, but I see this as a jurisdictional difference. On this occasion I will have to vote to table the Thurmond amendment and continue to love the senior Senator from South Carolina.

I yield to the Senator from Alaska for the last word.

Mr. STEVENS. Mr. President, I believe this is a balanced bill we have here now. The Department of Justice has a statutory consultative role. If it has concerns, the FCC will hear those concerns. The basic thing about this bill is it gets the telecommunications policy out of the courts and out of the Department of Justice and back to the FCC to one area. We hope to transition sometime so we do not even have them involved.

I oppose striking the public interest section because it upsets the balance we have worked out. It upsets the balance in favor of the wrong parties.

I urge support of this motion of the chairman to table.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, how much time remains?

The PRESIDING OFFICER. The proponents of the amendment have a

minute and 35 seconds. The opponents of the amendment have a minute and 58 seconds.

Mr. THURMOND. I will use 30 seconds. The Senator can take the rest.

Mr. DORGAN. Mr. President, if I might take just 1 minute and ask unanimous consent Senator FEINGOLD be added as a cosponsor to the Thurmond-Dorgan second-degree amendment.

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

Mr. DORGAN. Mr. President, let me again say, those who say this upsets the balance, this adds layers of bureaucracy, this adds complexity—in my judgment, respectful judgment, they are just wrong. They are just wrong.

This does not have balance unless it has balance in the public interest on behalf of the American consumer making certain the free market is free. Free market and competition are wonderful to talk about but you have to be stewards, it seems to me, to make sure the free market is free. The only way to do that is to vote for this amendment.

So vote against tabling the Thurmond-Dorgan amendment and give the Justice Department the role they should have to do what should be done for the consumers of this country.

Mr. President, I reserve the remainder of the time.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, I want to say to the Senate this. This amendment protects consumers and enhances competition. It does not gut this bill. That is an error. It provides for the Department of Justice to carry out the antitrust analysis of Bell company applications to enter long distance. This is the special expertise of the Department of Justice. My amendment limits the FCC to reviewing other areas and not duplicating DOJ. I am confident that this will reduce bureaucracy and eliminate redundancy of Government between roles of the DOJ and FCC. In other words, it leaves with the FCC to determine issues in which they have expertise. It leaves to the Justice Department determinations in which they have expertise. And that is the way it ought to be.

The PRESIDING OFFICER. The Senator from South Dakota has 2 minutes—a minute and 58 seconds.

Mr. PRESSLER. Mr. President, I yield the remainder of my time.

Mr. THURMOND. Mr. President, I yield any time I have left.

Mr. PRESSLER. Mr. President, I make a motion to table the Thurmond amendment, No. 1265.

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.

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The PRESIDING OFFICER. The question is on agreeing to the motion. The clerk will call the roll.

The legislative clerk called the roll.

The result was announced—yeas 57, nays 43, as follows:

[Rollcall Vote No. 250 Leg.]

YEAS—57

Abraham	Faircloth	Lott
Ashcroft	Ford	Lugar
Baucus	Frist	Mack
Bennett	Gorton	McCain
Biden	Gramm	McConnell
Breaux	Grams	Moynihan
Brown	Gregg	Murkowski
Bryan	Hatch	Murray
Burns	Hatfield	Nickles
Byrd	Heflin	Nunn
Campbell	Helms	Packwood
Chafee	Hollings	Pressler
Coats	Hutchison	Roth
Cochran	Jeffords	Santorum
Coverdell	Johnston	Simpson
Craig	Kassebaum	Smith
Dole	Kempthorne	Stevens
Domenici	Kerry	Thomas
Exon	Kyl	Warner

NAYS—43

Akaka	Glenn	Pell
Bingaman	Graham	Pryor
Bond	Grassley	Reid
Boxer	Harkin	Robb
Bradley	Inhofe	Rockefeller
Bumpers	Inouye	Sarbanes
Cohen	Kennedy	Shelby
Conrad	Kerrey	Simon
D'Amato	Kohl	Snowe
Daschle	Lautenberg	Specter
DeWine	Leahy	Thompson
Dodd	Levin	Thurmond
Dorgan	Lieberman	Wellstone
Feingold	Mikulski	
Feinstein	Moseley-Braun	

So the motion to lay on the table the amendment (No. 1265), as modified, was agreed to.

Mr. HOLLINGS. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Although my amendment was tabled, we will be back. It is very important to have an up and down vote on this amendment. I have filed my amendment at the desk, and it will be in order after cloture. We will then get to the direct vote on this important amendment.

AMENDMENT NO. 1264 WITHDRAWN

The PRESIDING OFFICER. Under the previous order, the underlying amendment has been withdrawn.

RECESS UNTIL 2:15 P.M.

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

Thereupon, at 12:55 p.m., the Senate recessed until 2:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. KYL).

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

AMENDMENT NO. 1275

(Purpose: To provide means of limiting the exposure of children to violent programming on television, and for other purposes)

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

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from North Dakota [Mr. CONRAD] proposes an amendment numbered 1275.

Mr. CONRAD. 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 146, below line 14, add the following:

TITLE V—MISCELLANEOUS

SEC. 501. SHORT TITLE.

This title may be cited as the "Parental Choice in Television Act of 1995".

SEC. 502. FINDINGS.

Congress makes the following findings:

(1) On average, a child in the United States is exposed to 27 hours of television each week and some children are exposed to as much as 11 hours of television each day.

(2) The average American child watches 8,000 murders and 100,000 acts of other violence on television by the time the child completes elementary school.

(3) By the age of 18 years, the average American teenager has watched 200,000 acts of violence on television, including 40,000 murders.

(4) On several occasions since 1975, The Journal of the American Medical Association has alerted the medical community to the adverse effects of televised violence on child development, including an increase in the level of aggressive behavior and violent behavior among children who view it.

(5) The National Commission on Children recommended in 1991 that producers of television programs exercise greater restraint in the content of programming for children.

(6) A report of the Harry Frank Guggenheim Foundation, dated May 1993, indicates that there is an irrefutable connection between the amount of violence depicted in the television programs watched by children and increased aggressive behavior among children.

(7) It is a compelling National interest that parents be empowered with the technology to block the viewing by their children of television programs whose content is overly violent or objectionable for other reasons.

(8) Technology currently exists to permit the manufacture of television receivers that are capable of permitting parents to block television programs having violent or otherwise objectionable content.

SEC. 503. ESTABLISHMENT OF TELEVISION VIOLENCE RATING CODE.

(a) IN GENERAL.—Section 303 (47 U.S.C. 303) is amended by adding at the end the following:

"(v) Prescribe, in consultation with television broadcasters, cable operators, appropriate public interest groups, and interested individuals from the private sector, rules for rating the level of violence or other objectionable content in television programming, including rules for the transmission by television broadcast stations and cable systems of—

"(1) signals containing ratings of the level of violence or objectionable content in such programming; and

"(2) signals containing specifications for blocking such programming.".

(b) APPLICABILITY.—The amendment made by subsection (a) shall take effect 1 year after the date of the enactment of this Act, but only if the Commission determines, in consultation with appropriate public interest groups and interested individuals from the private sector, on that date that television broadcast stations and cable systems have not—

(1) established voluntarily rules for rating the level of violence or other objectionable content in television programming which rules are acceptable to the Commission; and

(2) agreed voluntarily to broadcast signals that contain ratings of the level of violence or objectionable content in such programming.

SEC. 504. REQUIREMENT FOR MANUFACTURE OF TELEVISIONS THAT BLOCK PROGRAMS.

(a) REQUIREMENT.—Section 303 (47 U.S.C. 303), as amended by this Act, is further amended by adding at the end the following:

"(w) Require, in the case of apparatus designed to receive television signals that are manufactured in the United States or imported for use in the United States and that have a picture screen 13 inches or greater in size (measured diagonally), that such apparatus—

"(1) be equipped with circuitry designed to enable viewers to block the display of channels during particular time slots; and

"(2) enable viewers to block display of all programs with a common rating.".

(b) IMPLEMENTATION.—In adopting the requirement set forth in section 303(w) of the Communications Act of 1934, as added by subsection (a), the Federal Communications Commission, in consultation with the television receiver manufacturing industry, shall determine a date for the applicability of the requirement to the apparatus covered by that section.

SEC. 505. SHIPPING OR IMPORTING OF TELEVISIONS THAT BLOCK PROGRAMS.

(a) REGULATIONS.—Section 330 (47 U.S.C. 330) is amended—

(1) by redesignating subsection (c) as subsection (d); and

(2) by adding after subsection (b) the following new subsection (c):

"(c)(1) Except as provided in paragraph (2), no person shall ship in interstate commerce, manufacture, assemble, or import from any foreign country into the United States any apparatus described in section 303(w) of this Act except in accordance with rules prescribed by the Commission pursuant to the authority granted by that section.

"(2) This subsection shall not apply to carriers transporting apparatus referred to in paragraph (1) without trading it.

"(3) The rules prescribed by the Commission under this subsection shall provide performance standards for blocking technology. Such rules shall require that all such apparatus be able to receive transmitted rating signals which conform to the signal and blocking specifications established by the Commission.

"(4) As new video technology is developed, the Commission shall take such action as the Commission determines appropriate to ensure that blocking service continues to be available to consumers.".

(b) CONFORMING AMENDMENT.—Section 330(d), as redesignated by subsection (a)(1), is amended by striking "section 303(s), and section 303(u)" and inserting in lieu thereof "and sections 303(s), 303(u), and 303(w)".

Mr. CONRAD. Mr. President, I rise today to offer an amendment to the telecommunications bill, which is a bill that is designed to do two things. One, it is designed to empower parents to help make the choices of what their children see on television coming into their homes.

Mr. President, several years ago, I became very involved in the issue of violence in the media, because I became convinced that violence in the media is contributing to violence in society; it is contributing to violence on the streets of America. So I worked to form a national organization, which is now some 37 national organizations, all involved in an attempt to reduce violence in the media. This is a national coalition that involves organizations like the American Medical Association, the PTA, the National Council of Churches, the sheriffs, police chiefs, the school psychologists, the school principals, the National Education Association—37 national organizations who are committed to reducing violence in the media.

It is for that reason that I offer what I call the Parental Choice and Television Act of 1995.

Mr. LIEBERMAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

AMENDMENT NO. 1347 TO AMENDMENT NO. 1275

(Purpose: To revise the provisions relating to the establishment of a system for rating violence and other objectionable content on television)

Mr. LIEBERMAN. Mr. President, I send a second-degree amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Connecticut [Mr. LIEBERMAN] proposes an amendment numbered 1347 to amendment No. 1275.

Mr. LIEBERMAN. 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 3, strike out line 12 and all that follows through page 4, line 16, and insert in lieu thereof the following:

SEC. 503. RATING CODE FOR VIOLENCE AND OTHER OBJECTIONABLE CONTENT ON TELEVISION.

(a) SENSE OF CONGRESS ON VOLUNTARY ESTABLISHMENT OF RATING CODE.—It is the sense of Congress—

(1) to encourage appropriate representatives of the broadcast television industry and the cable television industry to establish in a voluntary manner rules for rating the level of violence or other objectionable content in television programming, including rules for the transmission by television broadcast stations and cable systems of—

(A) signals containing ratings of the level of violence or objectionable content in such programming; and

(B) signals containing specifications for blocking such programming;

(2) to encourage such representatives to establish such rules in consultation with appropriate public interest groups and interested individuals from the private sector; and

(3) to encourage television broadcasters and cable operators to comply voluntarily with such rules upon the establishment of such rules.

(b) REQUIREMENT FOR ESTABLISHMENT OF RATING CODE.—

(1) IN GENERAL.—If the representatives of the broadcast television industry and the cable television industry do not establish the rules referred to in subsection (a)(1) by the end of the 1-year period beginning on the date of the enactment of this Act, there shall be established on the day following the end of that period a commission to be known as the Television Rating Commission (hereafter in this section referred to as the "Television Commission"). The Television Commission shall be an independent establishment in the executive branch as defined under section 104 of title 5, United States Code.

(2) MEMBERS.—

(A) IN GENERAL.—The Television Commission shall be composed of 5 members, of whom—

(i) three shall be appointed by the President, as representatives of the public by and with the advice and consent of the Senate; and

(ii) two shall be appointed by the President, as representatives of the broadcast television industry and the cable television industry, by and with the advice and consent of the Senate;

(B) NOMINATION.—Individuals shall be nominated for appointment under subparagraph (A)(i) not later than 60 days after the date of the establishment of the Television Commission.

(D) TERMS.—Each member of the Television Commission shall serve until the termination of the commission.

(E) VACANCIES.—A vacancy on the Television Commission shall be filled in the same manner as the original appointment.

(2) DUTIES OF TELEVISION COMMISSION.—The Television Commission shall establish rules for rating the level of violence or other objectionable content in television programming, including rules for the transmission by television broadcast stations and cable systems of—

(A) signals containing ratings of the level of violence or objectionable content in such programming; and

(B) signals containing specifications for blocking such programming.

(3) COMPENSATION OF MEMBERS.—

(A) CHAIRMAN.—The Chairman of the Television Commission shall be paid at a rate equal to the daily equivalent of the minimum annual rate of basic pay payable for level IV of the Executive Schedule under section 5314 of title 5, United States Code, for each day (including traveltime) during which the Chairman is engaged in the performance of duties vested in the commission.

(B) OTHER MEMBERS.—Except for the Chairman who shall be paid as provided under subparagraph (A), each member of the Television Commission shall be paid at a rate equal to the daily equivalent of the minimum annual rate of basic pay payable for level V of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including traveltime) during which the member is engaged in the performance of duties vested in the commission.

(4) STAFF.—

(A) IN GENERAL.—The Chairman of the Television Commission may, without regard to the civil service laws and regulations, appoint and terminate an executive director and such other additional personnel as may be necessary to enable the commission to perform its duties. The employment of an executive director shall be subject to confirmation by the commission.

(B) COMPENSATION.—The Chairman of the Television Commission may fix the compensation of the executive director and other personnel without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay for the executive director and other personnel may not exceed the rate payable for level V of the Executive Schedule under section 5316 of such title.

(5) CONSULTANTS.—The Television Commission may procure by contract, to the extent funds are available, the temporary or intermittent services of experts or consultants under section 3109 of title 5, United States Code. The commission shall give public notice of any such contract before entering into such contract.

(6) FUNDING.—Funds for the activities of the Television Commission shall be derived from fees imposed upon and collected from television broadcast stations and cable systems by the Federal Communications Commission. The Federal Communications Commission shall determine the amount of such fees in order to ensure that sufficient funds are available to the Television Commission to support the activities of the Television Commission under this subsection.

Mr. LIEBERMAN. Mr. President, at this point, I will yield the floor and look forward to hearing the remainder of the statement of my friend and colleague from North Dakota.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. CONRAD. I thank my friend. He has an amendment he is offering in the second degree to refine my amendment. We have worked closely together on the underlying amendment. I appreciate very much the second-degree amendment he is offering to make a further refinement that I think will improve the underlying amendment. I greatly appreciate the hard work the Senator from Connecticut has put forward on this issue.

As I was saying, several years ago, I became deeply involved in this subject. Frankly, I became involved because of an incident involving my wife when she was attacked outside of our home here in Washington, DC.

At that time, I concluded that I ought to do everything I can do to help reduce violence in society. There are many things that contribute to violence in this country—drugs, gangs, and a whole series of issues that relate to people that do not have an economic chance. Also, we have to get tough on crime in this country. We have to insist that those who commit crimes do their time. They have to be punished. They have to know they are going to be punished and that punishment ought to be swift and severe.

In addition to all of those things, I also am persuaded that violence in the media is contributing to violence in our society. That is not just my conclusion, that is the conclusion of the vast majority of people in this country. That is the conclusion of the American Medical Association, who, as I indicated earlier, is one of the charter members of the national coalition I have put together on this question of violence in the media.

Mr. President, what this amendment does is really two things. It provides that television manufacturers will include in new television sets, at a time that they, in consultation with the FCC, determine is the workable time, to require a choice chip in the televisions. Just as we have chips in the television now that provide for closed captioning, we would provide choice chips in new televisions, which would be able to empower parents to exclude programming that comes into their homes, programming that they find objectionable—not any Member of Congress, not the FCC, not anybody else, but what parents find objectionable or something they do not want to come into their homes. These choice chips that are now under development—in some cases, already well-developed—would enable parents to be involved in their children's viewing habits.

As we know, children are watching, in some cases, 27 hours of television a week—27 hours of television a week. And all too often they are seeing things that their parents find objectionable. They are watching things that their parents would like to prevent them from watching.

Mr. President, many of us believe that parents ought to have that right. They ought to be able to determine what comes into their homes. They ought to be able to determine what their kids are watching. They ought to be able to determine what they find objectionable, not any Government censor—what the parents find objectionable.

So this legislation would create that opportunity. I just point to this USA Weekend Poll that was done from June 2 through June 4. These survey results are very interesting. Ninety-six percent are very or somewhat concerned about sex on TV; 97 percent are very or somewhat concerned about violence on television. When it comes to the two issues included in this amendment, overwhelmingly, they say: Let us do it. Let us have a choice chip in the television set at a cost of less than $5 per television set. In fact, we have just been told that when it is in mass production, it may cost as little as 18 cents per television set.

Should V-chips or choice chips be installed in TV sets so parents could easily block violent programming? That was a question in the USA Today poll. The American people responded "yes" 90 percent. Mr. President, 90 percent want to have the opportunity to choose what comes into their homes.

On the second matter that is in this amendment, that is the creation of a rating system so that parents can have some idea before the programming airs what the programming includes, the question was asked: Do you favor a rating system similar to that used for movies? Yes, 83 percent; no, 17 percent.

Overwhelmingly, the American people want choice chips in television, and they want a rating system.

Mr. President, we heard objections from some that the rating system ought not to be something determined in the first instance by Government. The Government should not make this decision. We have heard that complaint. We have heard that criticism. We heard that suggestion.

In the amendment that I am offering, we give the industry, working with all interested parties, parent-teacher groups, school administers, other interested parties, churches, and others, a 1-year window of opportunity to make a decision on what that rating system ought to be. We give the industry, working with all interested parties, a chance, a 1-year chance. Let them decide what the rating system should look like.

I might just say, Mr. President, we gave another industry a chance to do that. We gave the recreational software industry a chance to create a rating system. They went out and did it.

Here is the rating system they came up with. On violence, their advisory has a thermometer with a 1, 2, 3, 4 scale. We can tell what is the level of violence in that program. We can tell on nudity/sex in the same way. That is the rating. And the same way with respect to language that is used.

In Canada, the industry, on a voluntary basis, established a rating system. They did it. It is in place. It is working. We should give our industry, working in cooperation and in conjunction with all other interested parties—with the parents, with the church leaders, with all others in the community who are interested—a chance to establish a rating system so that parents and other viewers have a chance to know just what is this program going to be like with respect to violence? What is it going to be like with respect to sexual activity? What is it going to be like with respect to language?

Then let the viewers decide what it is they want to watch. Let the parents decide what the children are going to be exposed to.

Mr. President, I believe this is an important question and an important issue. When I started on this in North Dakota, I called the first meeting, and I was expecting 10 or 15 people to show up. The place was packed. We had every kind of organization represented there in my hometown of Bismarck, ND.

One of the things they decided to do was have a national petition drive, to send to the leaders of the media a request that they tone down the violence that is in the media, that is in television, that is on the movies. Overwhelmingly at that meeting, individual after individual, stood up and said, "You know, I am absolutely persuaded that violence in the media is contributing to violence on our streets."

I remember very well a school principal standing up in that meeting. He had been a school principal for 20 years in North Dakota. He said, "Senator CONRAD, I have seen a dramatic change in what our children write about when we ask them to do an essay." He said, "It is so different now than when I started in schools 20 years ago. Twenty years ago people would write about their experiences on the farm; they would write about their experiences in a summer job; they would talk about going to camp in the summer. Today when you ask them to write an essay, they write about what they have seen on television. All too often, the images are images of violence and brutality." He said, "Senator, this is affecting our children. It is affecting the way they see life."

We, as adults, ought to do something about it. So the question comes before the Senate, what do we do? Do we have censors? Do we set up a censorship system? Not in America. That violates the first amendment. That is not in tune with American values.

What we can do, what we should do, what we must do, is empower parents, give them a chance to intercept this process, give them a chance to decide what their kids are going to be exposed to. We already know the children in this country, by the time they are 12 years old, have witnessed 8,000 murders, have witnessed 100,000 assaults. Everyone knows that has an effect on those children.

Mr. President, we have gone to great lengths to make sure that what we are offering here today is a voluntary system, voluntary in the sense that we give the industry a chance to establish that rating system, voluntary in the sense that the parents are the ones to decide what comes into their homes for viewing by their children.

Again, I ask unanimous consent to have printed for the RECORD a series of letters from organizations supporting this legislation: the National Foundation to Improve Television; the American Academy of Pediatrics, the American Medical Association Alliance, the National Alliance for Nonviolent Programming, the National Coalition on Television Violence, the National Association of Secondary School Principals, Parent Action, the National Association for the Education of Young Children, the National Association of Elementary School Principals, the American Academy of Child and Adolescent Psychiatry. All of these organizations are supporting this amendment.

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

NATIONAL FOUNDATION
TO IMPROVE TELEVISION,
Boston, MA.

STATEMENT OF WILLIAM S. ABBOTT, PRESIDENT OF NATIONAL FOUNDATION TO IMPROVE TELEVISION, IN SUPPORT OF SENATOR CONRAD'S PARENTAL "CHOICE CHIP" AMENDMENT, JUNE 12, 1995

I am the president of the National Foundation to Improve Television—a nonprofit educational foundation with an exclusive focus on remedies to the problem of television violence. We have worked for 25 years to alleviate the impact that television violence has on young people. On behalf of the millions of children and parents who are desperately calling for help to rid their homes of brutalizing images of murder and mayhem, we applaud Senator Conrad's introduction of this amendment.

The introduction of this amendment is an important step in empowering parents with the help they need to protect their children from the scientifically proven harmful effects of television violence. This amendment does not signal that the government is becoming involved in dictating program content. This amendment does not tell the entertainment industry what kinds of stories they can and cannot tell nor does it trample on anyone's First Amendment rights or creative freedoms.

Senator Conrad's amendment requires the installation of a "choice chip" in all television sets. While its critics in the TV industry have labelled it a "blocking chip", it is important to remember that this chip merely identifies a program as containing harmful violence. It is the individual parent who must actually elect to block violent programs from coming into their home. The introduction of this "choice chip"—and the development of an accompanying "violent program ratings system" devised by the television industry—will be a big step forward for two reasons. First, it will give all parents—including those who must work long hours outside the home and, therefore, cannot constantly supervise their children's viewing—the assistance they need to shield their children from harmful programming, in effect a long-overdue right of self-defense. A concerned parent need only activate the "choice chip" and he or she can be certain that the television will no longer assault their children with images of "Dirty Harry", "The Terminator" and the like. Second, it will unquestionably result in many advertisers pulling their advertising budget from programs with glamorized or excessive violence. Few advertisers will spend their precious dollars running commercials on programs which millions of Americans will have elected to tune out of their homes.

The introduction of this new parental choice technology is not revolutionary. It is simply an extension of the current opportunities many parents and viewers have to use their television's cable converter to block out particular cable channels either completely or during a particular time of the day. With this new capability, parents would simply be further empowered to block out all programming which the industry has determined contain harmful depictions of violence. This violence-specific blocking capability, rather than channel-specific capability, is essential when we recognize that in a very short time parents will be confronted with 500 or more channels entering their homes.

The industry's response, in order to stave off this new form of parental empowerment which will cost it advertising dollars if they continue to program glamorized violence, will be that such a system is too rigid, that it will impact programs ranging from "Texas Chainsaw Massacre" to "Roots". This is, of course, not the case. This plan leaves it to the industry to determine which programs would be tagged with the violence signal. We would trust that the industry would exercise its good judgment in attaching such signal. "I Spit on Your Grave" will warrant the signal, which the "Civil War" documentary, for example, will not. The television industry is currently placing violence warnings on particular programs which it judges to contain excessive or otherwise harmful violence, so it is clear that it can exercise this kind of judgment if it so chooses.

It has been reported that this new technology would add as little as $5 to the price of a new television set. Thus, it is empowerment affordable by all. Properly publicized through an ongoing nationwide public service announcement and parental notification campaign, the technology will become increasingly popular over time. Since television has long contended that the "public interest" is simply what interests the public, and that the ultimate responsibility for children's viewing lies with the parents, it should have no quarrel with a mechanism which gives parents the unprecedented opportunity to supervise effectively their children's viewing.

For the last 30 years, the American public has told the television industry to lead, follow or get out of the way with regard to reducing the level of glamorized and excessive violence on television. To date, they have certainly not led the way toward resolving the problem. They clearly haven't followed either—as they continue to program high levels of violence despite growing public anger with the amount of violence on television. Through their overwhelming support for Senator Conrad's parental empowerment proposal, the American people are effectively telling the television industry "Get out of the way"—we're ready to address their problem ourselves. Give us the tools and, with the industry's cooperation, we'll do the job.

AMERICAN ACADEMY OF PEDIATRICS,
601 THIRTEENTH STREET, NW.,
Washington, DC, June 13, 1995.

Hon. KENT CONRAD,
U.S. Senate,
Washington, DC.

DEAR SENATOR CONRAD: On behalf of the American Academy of Pediatrics, whose 49,000 members are dedicated to promoting the health, safety, and well-being of infants, children, adolescents and young adults, I want to commend you for your strong leadership in the area of children's television. Pediatricians have long been concerned about the effects of television on children—from the lack of educational programs, to the high level of violence which we clearly believe has a role in aggression in children, as well as the continual bombardment of advertisements aimed at them. Children are fortunate to have you working so diligently on their behalf.

While we don't believe that television is solely responsible for all the violence in our society, we do believe that violent programs contribute to the violence in our society. In our practices, pediatricians observe first-

hand that such programming tends to make children more aggressive and more apt to imitate the actions they view.

Parents should be responsible for monitoring what their children are viewing. However, over the past years a dramatic alteration of the American family portrait has taken place. To assist families in determining appropriate television programming, we strongly support installation of a micro-chip in all new televisions to allow parents to block violent programs. This provision will allow parents some degree of control of the programs their children watch—an important option for today's programming environment.

Thank you again for your staunch advocacy in creating a better television environment for America's children. We look forward to working with you on this important legislation.

Sincerely yours,

GEORGE D. COMERCI, M.D.,
President.

AMERICAN MEDICAL ASSOCIATION ALLIANCE, INC.,
Chicago, IL, June 12, 1995.

The American Medical Association Alliance, Inc., is pleased to join the AMA and other members of the Citizens' Task Force Against TV Violence in wholeheartedly supporting the parental choice amendment to the Telecommunications Competition and De-regulation Act of 1995 (S. 652).

As a national organization of more than 60,000 physicians' spouses, the AMA Alliance fully supports v-chip technology allowing parents and other adults to block programs they deem objectionable, and arming them with a standard violence rating system by which they can make those choices.

As a member of the Citizens' Task Force Against TV Violence, the AMA Alliance is committed to curbing the effects of violence in the media as one dimension of its nationwide SAVE Program to Stop America's Violence Everywhere.

NATIONAL ALLIANCE FOR NON-VIOLENT PROGRAMMING SUPPORTS CONRAD AMENDMENT

The National Alliance for Non-Violent Programming, a network of national women's organizations comprising more than 2700 chapters and 400,000 women, works at the grassroots to counter the impact of media violence without invasion of First Amendment rights. The Alliance's approach, media literacy education as violence prevention, is collaborative and non-partisan. The Alliance lends strong support to the Parental "Choice Chip" Amendment to the Telecommunications Act S 652 to be introduced by Senator Kent Conrad of North Dakota.

Rapidly developing technologies are ensuring greater and greater access to all forms of electronic media. A non-censorial solution to the widely-acknowledged problem of the influence of television violence, Senator Conrad's amendment would provide parents and caregivers with the information to make responsible decisions about children's television viewing and the technology to block programming they consider objectionable.

The Conrad amendment calls on the FCC to act in conjunction with the networks, cable operators, consumer groups and parents to establish a system to rate the level of violence on television. The process itself is therefore inclusive and educational. As consumers informed about what is coming into their homes then utilize circuitry to block out the programs they consider objectionable, parents and caregivers will be able to exercise responsibility rather than feeling uninformed or powerless to bring about positive change.

NCTV SUPPORTS CONRAD AMENDMENT

WASHINGTON, DC.—The National Coalition on Television Violence [NCTV] strongly supports the Parental "Choice Chip" Amendment to the Telecommunications Act to be introduced by Senator Kent Conrad of North Dakota.

Dr. Robert Gould, psychiatrist and president of NCTV, commented about the amendment: "The technological explosion has made it impossible for parents to keep abreast of the media: music, movies and television."

With this in mind, Senator Conrad has taken the leadership in the question of Children's Television, especially the effect of violence on our young people. He has worked long and hard to seek reasonable solutions to this pressing problem. He has pulled together an impressive task force of national organizations from which he has sought information and input to a problem which lends itself to wild rhetoric but no action. The amendment that he proposes is both effective and in no way impinges on anyone's freedom of speech as protected by the First Amendment.

Senator Conrad's amendment effectively addresses two of the most pressing problems a parent faces, i.e. how to turn off objectional programming, and how to know what to turn off. A rating system established by the FCC in conjunction with the TV networks, cable operators, consumer groups and parents will give parents necessary information to make informed judgments as to what is appropriate for their children. The technological equipment will allow parents, in their homes, to choose what they wish their children to watch. Technology will finally allow parents to "If you don't like it, turn it off," as has been smugly suggested by the industry for years. The Parental "Choice Chip" will make this a real possibility.

In supporting this amendment, NCTV draws on years of experience monitoring television violence. While there has been, of late, recognition of the influences of television violence, there is still a serious attempt by the broadcast industry to exempt cartoon violence from the discussion. As a last line of defense, the happy violence of cartoons is still deemed by the broadcast industry as not affecting our children. Now, with the passage of this amendment, we do not have to wait for the broadcast industry to clean up their act in regard to cartoons. Parents who understand and see the effects of cartoon violence will be able to simply block out the offending programs.

Dr. Gould further states, "The rating system is a means of informing parents about what is coming into their homes and the Parental "Choice Chip" empowers them to fulfill their proper role as parents."

THE NATIONAL ASSOCIATION OF SECONDARY SCHOOL PRINCIPALS,
Reston, VA, June 12, 1995.

Hon. KENT CONRAD,
U.S. Senate,
Washington, DC.

DEAR SENATOR CONRAD: The National Association of Secondary School Principals [NASSP] and its 42,000 members strongly supports your parental "choice chip" amendment to S. 652, the Telecommunications Competition and Deregulation Act of 1995. Your amendment would greatly enhance the national movement to monitor and ultimately decrease violence in television by:

Enabling parents to program their television sets to block out objectional or violent television shows; and

Calling on the Federal Communications Commission (FCC) to work with television networks, cable operators, consumer groups, parents, and others to establish a system to rate the level of violence.

Our nation is experiencing an unrivaled period of juvenile violent crime perpetrated by youths from all races, social classes, and lifestyles. Without question, the entertainment industry plays a role in fostering this anti-social behavior by promoting instant gratification, glorifying casual sex, and encouraging the use of profanity, nudity, violence, killing, and racial and sexual stereotyping.

NASSP urges Congress to support the parental "choice chip" amendment, and commends you, Senator Conrad, for your efforts to protect our children and youth from unnecessary exposure to violence in television and the media.

Sincerely,

DR. TIMOTHY J. DYER,
Executive Director.

PARENT ACTION,
Baltimore, MD, June 12, 1995.

Hon. KENT CONRAD,
U.S. Senator,
Washington, DC.

DEAR SENATOR CONRAD: Parent Action of Maryland, a statewide grassroots organization dedicated to helping parents raise families, endorses your Parental Choice and Television amendment to the Telecommunications Act (S. 652).

Our children are bombarded with negative and violent images giving them a disturbing view of the world in which we live. By the time a child leaves school, he or she will have witnessed more than 8,000 murders and 100,000 acts of violence on television. This unceasing and relentless barrage of violence serves only to inure our children to the results of violence, hinder their ability to learn and teach them that conflicts can be solved by violence.

Parents, concerned about the effects of television violence on their children, are looking for ways in which they can make good programming choices for their children. Your amendment makes important strides in that direction.

A rating system would provide parents with the information they need to make informed choices of whether a program is appropriate for their children. Installation of a "Choice Chip" in television sets then would allow parents block out the programming they find objectionable. The beauty of your amendment is that it protects the First Amendment and gives parents real power at the same time.

If we truly believe that our children are America's most valuable resource, then we must begin valuing them. We must treasure and respect their minds and development—not assault them with gratuitous violent images.

Sincerely,

K.C. BURTON,
Executive Director.

NATIONAL ASSOCIATION OF ELEMENTARY SCHOOL PRINCIPALS,
Alexandria, VA, June 12, 1995.

Hon. KENT CONRAD,
U.S. Senate,
Washington, DC

DEAR SENATOR CONRAD: The National Association of Elementary School Principals,

representing 26,000 elementary and middle school principals nationwide and overseas, is pleased to endorse your Parental Choice Amendment to the Senate telecommunications bill, S. 652.

NAESP supports the effort to create a procedure for establishing a ratings system that involves input from interested parties in the public and private sectors. The violence rating code will help parents to gauge the content of individual television programs and thus make informed decisions about which shows they allow their children to see.

The requirement that a "choice chip" be installed in most new televisions is also an excellent idea. This device will enable parents to have more control over their impressionable children's viewing habits when the parents are unable to monitor television watching directly.

Thank you for your ongoing efforts on this important matter.

Sincerely,

SALLY N. MCCONNELL,
Director of Government Relations.

NAEYC SUPPORTS CONRAD AMENDMENT TO PROMOTE PARENTAL CHOICE IN CHILDREN'S TELEVISION VIEWING

The National Association of Young Children [NAEYC] strongly supports Senator Kent Conrad's amendment to the telecommunications bill to reduce children's exposure to media violence. The amendment would require television sets to be equipped with technology (V-chip) that allows parents to block objectionable programming and establish a violence rating code. These steps are valuable tools that provide parents greater power in controlling the nature of television programs to which their children are exposed.

The negative impact of media violence on children's development and aggressive behavior is clear. Research consistently identifies three problems associated with repeated viewing of television violence:

1. Children are more likely to behave in aggressive or harmful ways towards others.
2. Children may become less sensitive to the pain and suffering of others.
3. Children may become more fearful of the world around them.

In addition, more subtle effects of overexposure to television violence can be seen. Repeated viewing of media violence reinforces antisocial behavior and limits children's imaginations. Violent programming typically presents limited models of language development that narrow the range and originality of children's verbal expression at a time when the development of language is critically important.

Of all of the sources and manifestations of violence in children's lives, media violence is perhaps the most easily corrected. NAEYC believes that the Conrad amendment is an important step—long overdue—to reduce children's exposure to media violence, and it does so by empowering parents. We strongly urge passage of this amendment.

AMERICAN ACADEMY OF CHILD AND ADOLESCENT PSYCHIATRY,
Washington, DC, June 12, 1995.

Senator KENT CONRAD,
U.S. Senate,
Washington, DC.

DEAR SENATOR CONRAD: The American Academy of Child and Adolescent Psychiatry is pleased to endorse your telecommunications bill amendment providing for new television sets being required to contain a v-chip that would permit parents to block television programming that includes programming not suitable to their family. The harmful effects of media violence on children and adolescents have been established, and this amendment will empower parents, whether they are at home or not, to monitor and control access to programs. This is one amendment among many, but it is an important commitment by legislators to parents and to child advocates.

WILLIAM H. AYRES, M.D.,
President.

Mr. CONRAD. Mr. President, I would like to add Senator MIKULSKI as a cosponsor of the amendment.

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

Mr. CONRAD. We will be happy to debate this issue and answer questions.

I want to summarize and say this amendment does two things: It provides for the parental choice chips to be in all new televisions, after the FCC and the industry consult on when is the appropriate time for that requirement to go into effect.

Second, we provide for the establishment of a rating system so that parents and other consumers have a chance to know what the programming contains before they watch it. Again, we do that on the basis of allowing the industry, in consultation with all other interested parties, to establish that rating system within 1 year. If they fail to do it within 1 year, we would ask the FCC to become involved in that process. We see no reason that the industry in 1 year could not arrive, on a voluntary basis, at an appropriate rating system.

Mr. President, I thank my colleagues, Senator MIKULSKI and Senator LIEBERMAN, who have worked with me on this issue.

Senator LIEBERMAN now would like to discuss his second-degree amendment.

Mr. LIEBERMAN. Mr. President, I thank the Chair.

Again, I want to thank my friend and colleague from North Dakota, Senator CONRAD, for his leadership on this matter and to tell him how pleased I am to join with him in this effort.

This is a complicated problem, to which there is not a clear, perfect solution. What we know is that the values of our society, of our children, are being threatened, and that the entertainment media too often have sent messages to our kids that are different than what we as parents are trying to send.

I think Senator CONRAD has taken a real leadership role here and stepped out, stepped forward, with a response that will force this Senate, I hope the television industry, and indeed the country, to face the reality of what we and our kids are watching over television and what we can do about it.

Mr. President, the growing public debate over the entertainment industry's contribution to the degradation of our culture could not have come at a more fortuitous time for the Senate Calendar. We are in the process here of considering the most comprehensive rewrite of the Nation's telecommunications law in 60 years. We are making some pivotal decisions about the future of a most powerful force in American culture. That is television.

Up to this point in the floor debate, we have heard mostly about the wonders of the new technology that will be at our disposal, who will control it, and how much it will cost. What has not been heard that much in all the talk about the wiring, however, is discussion of what exactly those wires are going to carry into our homes. Few questions have been asked about the substance of the programs that will be shown over the proverbial 500 channels we expect once the road map of American telecommunications has been digitized. Even fewer questions have been asked about the quality of programs, of products, to which we will be exposing our children.

Now, in many ways, that is understandable. We, as elected officials, are traditionally and understandably reluctant to set limits of any kind on broadcasters, out of deference to their first amendment freedoms we all are committed to.

That is as it should be. Legislators should make laws, not programming decisions. But we also must remember that we are leaders as well as lawmakers, and we must lead in dealing with America's problems. That is why, again, I commend my colleague, Senator CONRAD, for forcing this body to consider and weigh carefully the ramifications of this legislation for America's families and for our moral health.

Why is this so important now? Because at the very moment that new technologies are exploding through the roof, the standards of television programmers are heading for the floor dropping with the velocity of a safe dropped off a cliff in a vintage Road Runner cartoon. Except, instead of Wile E. Coyote, it is the values and sensibilities of our children that are put in peril.

More and more these days, the television aimed at our sons and daughters either numbs their minds or thumbs its nose at the values most parents are trying to instill in them. Turn on the TV at night, and it's hard to avoid the gratuitous sex and violence that has become the bread and butter of prime time television. The Wall Street Journal recently carried a report detailing how even the 8 p.m. timeslot, once the last bastion of family-oriented shows, has become a hotbed of sex and other spicy fare. That is all the more disturbing when you realize that 35 percent of all American children ages 2 to 11 are watching during that hour.

If you tune in after school, you have your pick of the parade of talk shows edging ever closer toward pornography,

often dwelling on abnormality, perversion. On Saturday morning, you will be treated to a litany of glossy toy commercials masquerading as real programming. The industry's regard for children and families has grown so low that one network, it happened to be ABC, recently announced that it was adding a cartoon version of the movie "Dumb and Dumber" to its Saturday morning lineup. Television has now officially, with this act, crossed the threshold from covertly encouraging thoughtless behavior to openly celebrating it.

Given the direction television is heading, and given the overwhelming evidence showing that TV's affinity for violence is a real threat to the development of our children, I think we, as Members of the U.S. Senate, should be seriously concerned with where these new technologies will take us. Do we, as a nation, really want to invest billions into building an information superhighway only to turn it into a cybernetic garbage disposal? Are we making progress if we offer consumers 500 different talk shows rather than just a few dozen? Do we not owe our children and our country more than that?

These are questions we, as a society, must address as we try to make sense of the ongoing information revolution, and as we try to deal with the decline in values in our country and our culture. Technology is not a good in itself, but a tool. The information superhighway could potentially help speed the recovery of America's public education system. It could help elevate our culture and our values. But it also could help accelerate the moral breakdown of our society, and that is something I believe we need to talk about openly as we go about reforming of our telecommunications laws.

I recognize that the issue of content, especially as it relates to television, is a difficult one. In this case, we are faced with contradictory goals—protecting the right of the media to speak freely and independently, and allowing the community to influence them when they go too far. In the past, we have erred on the side of free speech, which is a testament to our commitment to the first amendment.

But in a great constitutional irony, our determination to avoid any hint of censorship has been so great that we have effectively chilled the discussion about how we might properly, hopefully working with the television industry, improve the quality of television programming. That neglect has come at a heavy cost to society, for we have opened the door to an anything-goes mentality that is contributing significantly to the crisis of values this country is experiencing.

There is no better—or worse, shall I say—example of this mentality than the proliferating legion of sensationalistic talk shows. They are on the air constantly—by my staff's count there were 23 separate hour-long offering on Washington-area stations in one 9-hour period.

You can see this for yourself, Mr. President, on this chart, with the boxes colored in with the yellow or orange, however it looks from your vantage point, being hour-long talk shows. For the most part, if you turn your TV on to these shows you are not going to find wholesome family fare that you would like your kids to watch.

I should point out, in an expression of appreciation of my staff, that "Regis & Kathie" Lee are not colored in on this chart. Many of these programs air in the afternoon, when many children are home alone because their parents are at work, or home with their parents but the parents may be doing something else.

But it is the quality—or lack thereof—that is more disturbing than the quantity. Many of these programs are simply debasing. Their growth has turned daytime television into a waste site of abnormality and amorality, as Ellen Goodman so aptly put it, which is on the its way toward stamping out any last semblance of standards, and shame when those standards are broken, in this country.

The greatest indictment of these shows, as well as the gamut of programming aimed directly or indirectly at children, comes from kids themselves. A recent poll conducted by the California-based advocacy group Children Now showed that a majority of youths between 10 and 16 said that television encourages them to lie, to be disrespectful to their parents, to engage in aggressive and violent behavior, and, perhaps most disturbing of all, to become sexually active too soon.

I am the father of a 7-year-old daughter. When I hear about these programs or see them, I can only wonder if those responsible for this junk appearing on television are parents themselves. Would they allow their children to watch the garbage that they are putting on display?

Mr. President, I have watched my daughter come home and watch one of the cable networks which has a lot of children's material in it. And suddenly you turn in the afternoon to adolescent fare, which may be OK for adolescents, but certainly is not for a 7-year-old. The same is true of some of the evening programming, whose content, even in early evening hours, is inappropriate for children.

I wonder the same thing about those responsible for deciding to target a version of "Dumb and Dumber" to young children. Especially the studio spokesperson who described the upcoming series by saying, "It's going to so dumb it's smart. Or so smart it's dumb. I don't know which"

The case of "Dumb and Dumber" is particularly distressing, because on the same day that ABC announced that it was adding "Dumb and Dumber" to its lineup, the network said it was canceling one of its few quality educational programs for kids. That move would be alarming in its own right. By all accounts the program ABC was abandoning—a science-oriented show called "Cro" that is produced by the same highly regarded group that gave us "Sesame Street"—was an inventive and thought-provoking series.

Like too many of the choices made in our entertainment industry these days, this one mocks the efforts of mothers and fathers who are struggling to create a healthy environment for their children to learn and grow. There is a place for fun, for laughter, for cartoons. But at the same time, there has to be a place about respecting values, intelligence, and good family fare.

Sadly, ABC's decision is typical of the priorities set by America's big four broadcast networks, and those carried out by their local affiliates. According to a congressional hearing held last June, ABC, NBC, CBS, and Fox combined to show a total of 8 hours of educational programming a week in 1993, whereas in 1980, 11 hours was the average for just one network. If that is not distressing enough, a study conducted by the Center for Media Education showed that the clear majority of children's educational shows are broadcast when kids were usually asleep. That raises real doubts about the commitment of the networks and the affiliates to these programs.

The ritual defense and industry uses to justify their growing irresponsibility is that they are providing what the market demands. In some ways it is a persuasive argument in this country, and in most cases I am willing to abide by the market and let it be. But when it is used to shield behavior that potentially puts America's children at risk, I think we have to figure out a reasonable way to set up some warning signs so parents can protect their own children. As Washington Post TV critic Tom Shales said, "Just because people are willing to come is no defense. There's an audience for bloody traffic accidents too."

Our colleague Senator BRADLEY spoke forcefully about this issue in an excellent speech he delivered earlier this year at the National Press Club. Yes, we must remain committed to upholding freedom, Senator BRADLEY said, but we must also guard against the corrosive effect of the liberties we afford the markets, especially the entertainment industry. "The answer is not censorship," he said, "but more citizenship."

The Senate majority leader spoke out just within the last week or 10 days on this subject forcefully, and I think appropriately. The Senator from Illinois [Mr. SIMON] has been a long-time critic of television programming, and

has appealed to those involved to give better fare to our kids. What Senator BRADLEY and Senator DOLE said about this not being about censorship but citizenship is absolutely right. That is what H.L. Mencken was talking about when he said long ago that the cure to whatever ails democracy is more democracy. Parents must exercise their primary responsibility and hold television programmers accountable and remind them that profits accrued at the expense of our children are really fool's gold. That means speaking out—loudly—and acting as informed consumers. The networks and their local affiliates, the programmers and the syndicators need our help in hearing the call that we expect more in the way of citizenship. And advertisers should recognize their responsibility to the larger civil society that allows us all to exist and grow in this great democracy of ours.

But the question remains, though, what should the proper response of Congress and the law be? I have come to the conclusion myself that talk or jawboning is not enough. Talk is not only cheap, as the proliferation of talk shows has demonstrated. It also is apparently not sufficiently effective in changing the programming climate. Without adequate relief in sight, I believe we have an obligation to provide parents with the help they need to reduce their children's exposure to programs that the parents find offensive and harmful. And that is what Senator CONRAD's amendment puts at issue, confronts, and that is why I am pleased to be supporting his efforts to make the expanding communications technology family friendly and to empower parents to control the programs that enter their own homes. Rather than placing any restraints on content and encroaching on any first amendment freedoms, the Conrad amendment would simply give parents the ability to block programming they do not want their children to see.

This technology is readily available, and its addition as a standard feature in televisions sold today would come at a very small cost, by one estimate less than 5 additional dollars per television set. That is a small price to pay for gaining control over influences that a lot of American families do not want to commit to their home.

For this technology to work, network programming must come with some form of ratings. With his amendment, Senator CONRAD is calling on the television industry to do nothing more than the movie makers and the video game manufacturers have done, and that is to establish a voluntary rating system to evaluate programming for objectionable content.

This amendment, which I am pleased to support, will give the industry a year to develop such a system on their own. If the broadcasters and cable networks for some reason do not respond to this call, then under the proposal of the Senator from North Dakota the FCC would be required to promulgate ratings that would trigger the use of the blocking technology called for in the proposal.

While I share Senator CONRAD's commitment to ratings, I also recognize that some people have first amendment concerns regarding the FCC's direct involvement in developing ratings, and that those concerns may prevent them from supporting this amendment even though they may strongly support its goals.

So with that in mind, I have proposed the second-degree amendment that would limit the Government's role, the FCC's role, should the industry refuse to comply to the invitation to self-restraint that is at the heart of this amendment. Instead of the FCC stepping in, if the television industry fails to develop a voluntary set of standards after 1 year, this amendment would bring about the creation of an independent board, a joint independent ratings board, comprised of representatives of the public and representatives of the television industry to create the ratings necessary under the amendment.

The panel would be a mechanism of last resort, if you will, because I think Senator CONRAD and I both want to work cooperatively with the television industry to see that a truly voluntary system is put in place. That is the best way for this to happen. But if it does not happen, then this second-degree amendment will ensure that the ratings system that emerges will be born from a true public-private partnership, and will be the product of a broad-minded consensus. Based on my recent experience with the video game industry, I am optimistic that we can reach a constructive solution that would avoid any Government intervention.

As some of my colleagues may recall—and Senator CONRAD made reference to it—a little more than a year and a half ago, Senator KOHL and I held a series of hearings to call attention to the increasingly graphic violent, sometimes sexually abusive, nature of video games played by our kids. From the outset we appealed to the producers' sense of responsibility to give parents information necessary to make the right choice for their children. As an incentive, we gave them a choice between rating the games themselves or having an independent board do it.

To the credit of the video game makers, and the producers of recreational software that will enable games to be played on personal computers, the industry itself developed a voluntary system that actually was in place less than a year after Senator KOHL and I held our first hearing. Now I am pleased to say that almost 600 video game titles have been rated. By this year's Christmas shopping season, we hope and believe, based on conversations with the industry itself, that almost all of the video games in the stores will be rated, and, therefore, parents will know the content of the games that they are buying for their children.

Mr. President, finally, it is my hope that the television industry will respond similarly to this initiative by the Senator from North Dakota, by Senator MIKULSKI from Maryland, and by myself, and accept that it has not only obligations but opportunities as a very important member of the greater American community. I can assure the folks in the television and broadcast industry that we stand ready to work with them in a cooperative fashion to do what is best for America's families. Yes, but also ultimately what is best for the American television industry without infringing on any of the freedoms all of us rightly cherish and protect. This is not about censorship. It is about choices. We do not want to take away a network's choice to air offensive material if that is their choice. We just want to make sure that parents and citizens have the choice to prevent their kids or their families or, indeed, themselves from watching that material.

Mr. President, I thank the Chair. I yield the floor.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I would like to just put into the RECORD a number of statements from prominent Americans involved in important national organizations who have been a part of supporting this legislation.

First, I would like to quote from Dr. Robert McAfee, the national president of the American Medical Association, who said with respect to the larger legislation from which this amendment is drawn, and I quote. This is Dr. McAfee speaking:

> It is estimated that by the time children leave elementary school, they have viewed 8,000 killings and more than 100,000 other violent acts. Children learn behavior by example. They have an instinctive desire to imitate actions they observe, without always possessing the intellect or maturity to determine if the actions are appropriate. This principle certainly applies to TV violence. Children's exposure to violence in the mass media can have lifelong consequences.
>
> We must take strong action now to curb TV violence if we are to have any chance of halting the violent behavior our children learn through watching television. If we fail to do so, it is a virtual certainly the situation will continue to worsen * * *.

That from the head of the American Medical Association.

Samuel Sava, executive director of the National Association of Elementary School Principals, said, and I quote:

> The effect of television on children is of great concern to school principals. The family room television is more a persuasive and

pervasive educator than all the teachers in America's classrooms. There's no question that the overdose of media violence American children receive is linked to their increasingly violent behavior. But more troubling for parents and educators is the fact that the violence children see, hear, and are entertained by makes them insensitive to real violence.

From Timothy Dyer, executive director of the National Association of Secondary School Principals, said, and I quote:

Our nation is experiencing an unrivaled period of juvenile violent crime perpetrated by youths from all races, social classes, and lifestyles. Without question, the entertainment industry plays a role in fostering this anti-social behavior by promoting instant gratification, glorifying casual sex, and encouraging the use of profanity, nudity, violence, killing, and racial and sexual sterotyping.

Mr. President, that is really at the heart of the amendment we are offering today. This amendment says parents—parents—ought to be able to choose what comes into their homes. Parents ought to be empowered to help decide what their children view. Parents ought to have a role in making these choices.

We can help parents have that choice by putting choice chips in the new television sets. The technology is available. It is very low cost. Let us give the parents of America what they say they want.

Again, I go back to this USA Today poll that was just published: Should these kinds of choice chips be installed in TV sets so parents could block violent programming? Yes, 90 percent. Ninety percent of the American people say we ought to do this.

We have done it in the least intrusive way imaginable. We have done it by saying, look, industry, get together with FCC. We are not going to tell you when to do it. We leave it up to your judgment. You work together, FCC and the industry. You get together on when you are technologically ready to have these available in the television sets.

And on a rating system, in the same way we have said, industry, you have a year to work with all interested parties to come up with a rating system that makes sense for the American people. And only if you fail to act does anything else happen. We give you a year to go forward in good faith and get this job done.

We think they will do it. Look at the answer to the question: Do you favor a rating system similar to that used for movies? Eighty three percent in the USA Today poll say, yes, we want a rating system—83 percent. And 90 percent said they wanted the new choice chip in their new television sets.

That is what this amendment offers. It does it in a way that is fully constitutional. It does it in a way that is the least intrusive as possible, and yet it responds to the real wants of the American public, to have parents be able to choose what comes into their homes, to have parents be able to decide what their children want.

Mr. President, I hope that my colleagues would respond favorably to this amendment. I would be happy to answer questions or engage in further debate.

Mr. PRESSLER. Mr. President, we are studying this amendment. We have just seen the Conrad amendment in the second degree to the Lieberman amendment for the first time. In the Commerce Committee, there have been many bills introduced on this subject, including one by the distinguished former chairman, Senator HOLLINGS.

It was the intention and is the hope that we could hold full committee hearings, in fairness to all those Senators. There are so many Senators who have introduced bills on this subject. And when we finish this telecommunications bill, we are in hopes of turning to hearings for a number of reasons to give those Senators who have introduced a bill and been waiting a chance to have their bills considered but also to allow industry and consumer groups to give an analysis of this.

We have just seen this amendment in the second degree to the Lieberman amendment, and I know there is great passion at the moment about this subject throughout our land. I feel very strongly about this subject matter, and we are struggling with trying to find a fair way to deal with this amendment, which Senators have just seen, and dealing with Senator Hollings' bill which was introduced earlier. He had already asked for hearings, and also several other Senators. Also, in fairness to industry groups and parents and children, it would seem that testimony at full committee hearings would be a good first step.

Mr. President, I would like to yield to anyone else who has comments at this time.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER (Mr. GREGG). The Senator from North Dakota.

Mr. CONRAD. I thank the Chair.

We have had hearings for years around here on this subject. Everybody wants to have more hearings. Frankly, the American people want us to act. They want us to work together to achieve something. We have had all the hearings we need on this question.

I introduced a bill that contained these provisions on February 2 of this year. So it is not the first time anybody has seen this. This has been in this body since February 2.

I just say that these are the national organizations that say vote for this now, no more delay, no more talk. Let us do something. Let us do something that makes sense. Let us do something that is constitutional. Let us do something that empowers parents. Let us do something that gives a rating system that the industry, on a voluntary basis, is able to create along with all interested parties. We give them a year to get this job done on their own.

Let me just read into the RECORD the national organizations that support this amendment: the National Association for the Education of Young Children, Future Wave, the American Medical Association, the American Medical Association Alliance, the National Association of Elementary School Principals, the American Psychiatric Association, the National PTA, Parent Action, the National Foundation To Approve Television, the National Association of Secondary School Principals, the American Academy of Child and Adolescent Psychiatry, the National Coalition on Television Violence, the American Academy of Pediatrics, the National Association for Family and Community Education, the Alliance Against Violence in Entertainment for Children, the American Nurses Association, the National Council for Children's TV and Media, the National Alliance for Nonviolent Programming, the National Association of School Psychologists, the Orthodox Union, the National Education Association, and the United Church of Christ.

Now, in the broader coalition we also have the sheriffs, police chiefs, and many others.

These organizations have all studied this issue and studied it and studied it and participated in hearing after hearing after hearing. They say now is the time to act. They are not alone. Ninety percent of the American people say, let us have these choice chips in our television sets; 83 percent of them say that they favor a rating system. We have tried to do this in the least intrusive way possible. We have done it by saying, with respect to choice chips, we will not say by when it should be done. We leave it up to the industry in conjunction with the FCC to determine the time at which it is practical to have this requirement go into effect. We leave it up to the experts: When is the time to have it go into effect?

With respect to the question of a rating system, we give the industry a year to work in conjunction with all interested parties on a voluntary basis to determine a rating system. They have done it in Canada. As I indicated earlier, the software industry, we gave them the same chance and they responded. They did a good job. So we are saying we believe this industry can do the same thing.

I wish to applaud the television manufacturers. They have gone a long way toward developing this technology. But clearly, if it is going to be widely disseminated in this country, it is going to require us to do a little something, just do a little something. The American people want us to act.

I thank the Chair.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I feel like Frank Clement at the 1956 convention. How long, 0, America, how long will we continue to debate and not act? I share the same frustration that the distinguished Senators from Connecticut and North Dakota share on this particular score.

Over 2 years ago, getting right to one of the main points about the least intrusive manner—and the Senator from North Dakota is right on target there relative to constitutionality because he has read the cases, and we have all studied them, and that is what you have to do in order to qualify constitutionally in this particular measure—the least intrusive measure is with respect to children.

Yes, the courts have held you could not regulate violence with respect to the distinguished Presiding Officer and this particular Senator as adults. It is unconstitutional to try to even attempt it. So we found that you could do it with children. So having found that it could be done with children, then the least intrusive measure is not as suggested in this particular amendment, plus its perfection by the Senator from Connecticut; the least intrusive is limited to that period of time during the day when children are a substantial or majority portion of the viewing audience. That does not get them all. I feel, as the Senator sponsoring this measure, that I would like to get it all. I would like to get it all the time, but constitutionally I cannot. I think there is too much violence for all of us.

But constitutionally, not being able to, that would be one particular defect, as I see it, in the approach that has been brought out in hearings heretofore, and hearings heretofore incidentally back in 1993 that we had the present Attorney General study S. 470, which is now before our committee, a bill by Senator INOUYE, myself, and others. And Attorney General Reno attested to the fact that she thought it would definitely pass constitutional muster.

There is another feature with respect to this—and I am not just nit-picking because, if they call the amendment and we vote it, I would still vote for the amendment, I say to the Senator. Do not worry about that.

But what happens is you have a fee in here, also. When we had a fee 2 years ago, Senator Bentsen—no, this was 4 years ago, because 2 years ago he was the Secretary of Treasury—but 4 years ago when we had a similar hearing, he said, "Wait a minute, the fee belongs in the Finance Committee," and someone later on would raise that point. I would still vote for it.

There are these kinds of misgivings. I remember the distinguished chairman of the Communications Subcommittee on the House side—the distinguished Presiding Officer would know and be familiar with the honorable Congressman ED MARKEY, of Massachusetts. He had what he called then the V-chip. They are calling this the choice chip. He ran into these similar problems. But it is not my argument.

So we have had problems. Like I said, how long, America, are we going to consider and do nothing because there is a problem for every solution?

I would prefer—it would be up to the sponsors of the bill; I am confident our distinguished chairman would prefer—to take these perfecting amendments, with a matter of a fee there, and otherwise, to have a hearing on this and guarantee we will bring out a bill of some kind that we think is constitutional.

I do not want them to think it is a putoff. I do know there is an inherent danger here that I immediately feel, having been in this particular discipline now for a long time. I started off last week in the opening statement I made that evening—I think it was last Wednesday evening—that any particular entity or discipline in communications has the power to block the bill.

I can see the broadcasters, when they see fees, running around trying to block this bill. That, again, is not necessarily a valid argument against the amendments of the Senators from North Dakota and Connecticut. But there are these inherent dangers that immediately arise. I can think of several others.

I have the opportunity to distinguish what we have pending before the committee. I implore the authors to go along with it, but if they want to vote, I am convinced the majority leader is ready to vote for them. Is it the desire of these Senators, irregardless, as my Congressman Rivers used to say down home, irregardless, you are going to want to vote one way or the other, period, because I do not know whether it is our duty to argue further, I say to the chairman.

I yield the floor.

Mr. CONRAD. Mr. President, I say to the distinguished managers of the bill, Senator HOLLINGS and Senator PRESSLER, that we do intend to get a vote on this matter. We have many national organizations that have waited years to have Congress speak on this question. We have gone through draft after draft after draft to address the legitimate concerns of people to make this as reasonable and unintrusive as possible.

I just say to the Senator from South Carolina, there is no fee in the underlying Conrad amendment. None. There is no fee here. The second-degree amendment has a fee. But the Conrad amendment has no fee; none, zero.

As I say, we have done this in the least intrusive way possible. We are trying to respond to what is the legitimate concern voiced by the Senator from South Carolina. I might say, the Senator from South Carolina [Senator HOLLINGS] has been a great leader on this issue. He has been someone who is concerned and has repeatedly raised the issue of violence in the media. He has said we ought to do something about it, and he has been willing to do that.

The American people want something done, and the least intrusive way to do it is to have choice chips on the televisions. American people overwhelmingly want it. It costs less than $5 a television set, and industry representatives just told us this morning that when it is in mass production, they believe some of these chips will cost as little as 18 cents—18 cents—a television set, to provide parents the right to choose what their kids see.

In addition, we create a rating system so that parents have some idea of what the programming will contain before they see it. Eighty-three percent of the American people say they want such a rating system. Again, we have done it in the least intrusive way possible. We do not let the Government decide it. We say, "Industry, you meet with all industry parties, meet with the parents and teachers, meet with the school principals, meet with all the people who are concerned about this issue, meet with the church leaders and, on a voluntary basis, come up with a rating system and you have a year to do that without any Government interference or action."

Again, I say to the chairman, who has the difficult challenge of managing this bill, we would like a vote. I, at this point, ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. PRESSLER. I would like to reserve the right to table.

The PRESIDING OFFICER. There is not a sufficient second.

Is there a sufficient second? The Chair did not hear the Senator from South Dakota. The Chair is asking if there is a sufficient second.

There is a sufficient second.

The yeas and nays were ordered.

Mr. PRESSLER. Let me make a request here. I see the Senator from Vermont here. If we can lay this aside—the problem we have is the memorial service for Les Aspin. Some Members want to speak, particularly the Senator from Illinois has requested a chance to speak on this amendment before we made any decision about it. So we already made one decision about it. I am wondering if the Senator from Vermont could offer his amendment, if he will allow us to do that. We have been working under the tortuous process of having all these conflicts.

Mr. LEAHY. I had discussed with the distinguished Senator from South

Carolina the possibility of going with one of my major amendments. I understand we have some votes at 4 o'clock, or something to that effect. Mr. President, I advise my colleagues and friends that I would be perfectly willing to go forward with the so-called interLATA amendment, if that would be helpful, right after the vote. I have to speak with some of the other cosponsors, but I would be happy to enter into a relatively short time agreement and an agreed-upon time to vote on it.

As my colleagues know, I rarely bring up anything that is going to take very long. I do not want to hold up people, and I have another amendment. So I would be very happy, once I bring it up, to enter into a relatively short time agreement with a time certain for a vote.

Mr. PRESSLER. I am trying to help Senator SIMON.

Mr. LEAHY. I will do it right after the 4 o'clock vote.

Mr. PRESSLER. I do not think Senator SIMON is going to be able to speak until 4:15, when the bus gets back from the Les Aspin service. If my friends agree, I ask unanimous-consent that this amendment be laid aside until Senator SIMON can speak and we go to the Bumpers amendment.

Mr. CONRAD. Reserving the right to object, Mr. President.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. I say to the chairman and the ranking member, I will not object, but I just want to say that I ask for the opportunity to answer Senator SIMON if he makes a statement in opposition to the amendment.

Mr. PRESSLER. I am just trying to accommodate that side of the aisle. I do not know if he is for the amendment or against the amendment.

Mr. CONRAD. I do not either. I do not need a unanimous-consent agreement or anything of the kind. I just ask the chairman for his acknowledgment that we will have a chance to debate it.

Mr. PRESSLER. Yes, yes; absolutely. You shall always have a chance to speak on anything you want as far as I am concerned.

Mr. CONRAD. We will be happy to lay it aside.

Mr. LIEBERMAN addressed the Chair.

The PRESIDING OFFICER. The Senator is reserving the right to object.

Mr. LIEBERMAN. Reserving the right to object, and I will not object, I just want to take this moment to respond to the remarks of the Senator from South Dakota, to thank him for his support of the concept, to acknowledge that he has been on the frontier of this one and has been a pioneer for quite a while, and also to say, in the interim, while this amendment is being laid aside, I am going to pursue the suggestion that he made to modify the amendment to remove the fee provision from my second-degree amendment. It was put in there to make this ratings board self-financing. If the distinguished ranking member thinks that may complicate the future of the proposal, I will be happy to modify it. So I will not object.

The PRESIDING OFFICER. Without objection, the unanimous consent request of the Senator from South Dakota is agreed to.

AMENDMENT NO. 1348

(Purpose: To protect consumers of electric utility holding companies engaged in the provision of telecommunications services, and for other purposes)

Mr. BUMPERS. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Arkansas [Mr. BUMPERS], for himself and Mr. DASCHLE, proposes an amendment numbered 1348.

Mr. BUMPERS. Mr. 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 76, after line 10, insert the following new subsection: "AUTHORITY TO DISALLOW RECOVERY OF CERTAIN COSTS.—Section 318 of the Federal Power Act (16 U.S.C. 825q) is amended—

(A) by inserting "(a)" after "Sec. 318."; and

(B) by adding at the end of thereof the following:

"(b)(1) The Commission shall have the authority to disallow recovery in jurisdictional rates of any costs incurred by a public utility pursuant to a transaction that has been authorized under section 13(b) of the Public Utility Holding Company Act of 1935, including costs allocated to such public utility in accordance with paragraph (d), if the Commission determines that the recovery of such costs is unjust, unreasonable, or unduly preferential or discriminatory under sections 205 or 206 of this Act.

"(2) Nothing in the Public Utility Holding Company Act of 1935, or any actions taken thereunder, shall prevent a State Commission from exercising its jurisdiction to the extent otherwise authorized under applicable law with respect to the recovery by a public utility in its retail rates of costs incurred by such public utility pursuant to a transaction authorized by the Securities and Exchange Commission under section 13(b) between an associate company and such public utility, including costs allocated to such public utility in accordance with paragraph (d).

"(c) In any proceeding of the Commission to consider the recovery of costs described in subsection (b)(1), there shall be a rebuttable presumption that such costs are just, reasonable, and not unduly discriminatory or preferential within the meaning of this Act.

"(d)(1) In any proceeding of the Commission to consider the recovery of costs, the Commission shall give substantial deference to an allocation of charges for services, construction work, or goods among associate companies under section 13 of the Public Utility Holding Company Act of 1935, whether made by rule, regulation, or order of the Securities and Exchange Commission prior to or following the enactment of the Telecommunications Competition and Deregulation Act of 1995.

"(2) If the Commission pursuant to paragraph (1) establishes an allocation of charges that differs from an allocation established by the Securities and Exchange Commission with respect to the same charges, the allocation established by the Federal Energy Regulatory Commission shall be effective 12 months from the date of the order of the Federal Energy Regulatory Commission establishing such allocation, and binding on the Securities and Exchange Commission as of that date.

"(e) An allocation of charges for services, construction work, or goods among associate companies under section 13 of the Public Utility Holding Company Act of 1935, whether made by rule, regulation, or order of the Securities and Exchange Commission prior to or following enactment of the Telecommunications Competition and Deregulation Act of 1995, shall prevent a State Commission from using a different allocation with respect to the assignment of costs to any associate company.

"(f) Subsection (b) shall not apply—

"(1) to any cost incurred and recovered prior to July 15, 1994, whether or not subject to refund or adjustment;

"(2) to any uncontested settlement approved by the Commission or State Commission prior to the enactment of the Telecommunications Competition and Deregulation Act of 1995"; or

"(3) to any cost incurred and recovered prior to September 1, 1994 pursuant to a contract or other arrangement for the sale of fuel from Windsor Coal Company or Central Ohio Coal Company which has been the subject of a determination by the Securities and Exchange Commission prior to September 1, 1994, or any cost prudently incurred after that date pursuant to such a contract or other such arrangement before January 1, 2001.".

Mr. BUMPERS. Mr. President, this amendment is being offered by Senators DASCHLE and KERREY and myself. I hope that we might get the managers of this bill to accept this amendment. It is precisely the language that was in last year's telecommunications bill. I do not know what happened on the way to the forum this year.

Somehow or another it did not make it. Since it is the same language that was in last year's bill, perhaps by the time we get around to finishing the debate the floor managers might see fit to accept it.

Now, Mr. President, here is what this amendment is about: any company that owns 10 percent of a utility company is considered a utility holding company. In 1935, because some public utility holding companies were very big and very powerful, we passed the Public Utility Holding Company Act [PUHCA].

Holding companies that operate essentially on a multistate basis, 11 electric utility holding companies and three natural gas utility holding companies—are what we call registered public utility holding companies. They must act and conduct themselves in accordance with PUHCA.

In my State, Arkansas Power & Light is owned by Entergy, a registered

utility holding company. Entergy also owns utility subsidiaries in Louisiana, Mississippi, and Texas.

The other public utility companies have a similar number of utility subsidiaries. These 14 registered public utility holding companies serve approximately 50 million households in the United States.

The chart I have here contains a map of the affected States. All the States in dark blue, are served by registered utility holding companies. The States in light blue, including North Dakota, South Dakota, Minnesota, and Wisconsin, will be served by registered holding companies following the completion of proposed mergers.

Under the telecommunications bill, PUHCA will be amended to permit these public utility holding companies to get into telecommunications activities. Unlike the baby Bells, they can enter into these businesses immediately after the President puts his signature on this bill. No questions asked.

Here is what I am trying to address with this amendment. In 1971, a utility subsidiary of a registered public utility holding company, American Electric Power, the Ohio Power Co., which is an electric utility company, entered into a contract with a sister affiliate, called Southern Ohio Coal Co.

In 1971, 24 years ago, Southern Ohio Coal Company agreed to sell coal to Ohio Power under a contract. They said, "We will sell you coal at our cost." Think about that. One sister company is saying to another sister company "We will sell you coal at our cost." The only agency with authority to scrutinize that contract as to whether it is a good contract or a bad contract for consumers is the Securities and Exchange Commission [SEC], as is required by PUHCA.

The SEC looked at the contract in 1971 and said "this is just hunky-dory. Fine contract. Off you go." The coal company sold its coal to its sister company—both of them owned by the same parent—Ohio Power, which generated electricity and obviously passed the cost of the coal as a part of its costs to the ratepayers in Ohio.

If you are sitting around at night in your house worrying about your electric bill and that air-conditioner is going full-time because it has been a hot day, you worry about the price of the power, but you assume that somebody, somewhere, is making sure what you are paying for that air-conditioning that day is a fair price.

Electric rate regulation in this country is conducted at both the Federal and State levels. The Federal Energy Regulatory Commission [FERC] is the only body that regulates the rates charged for power sold at the wholesale level. Everybody here knows what FERC is. FERC regulates wholesale sales of power.

What is a wholesale sale of power? That is the sale of power to a utility which in turn will sell it to the people who buy its power. Only FERC can set those rates.

Back to the guy sitting in his living room with the air-conditioning going. He does not realize that Southern Ohio Coal Company is selling coal to Ohio Power, who is generating electricity for his air-conditioner. He did not realize that the coal company was charging Ohio Power as much as twice as much as that coal could be bought for on the open market. That is right—100 percent more than their cost.

So, the municipalities that bought power from Ohio Power Company got to thinking, "We are getting ripped off." So they go to FERC and they say, "Listen, FERC, we are paying a utility rate for electricity that has been generated with coal from Southern Ohio Coal Co. and Ohio Power is giving them as much as 100 percent profit." That is right. Ohio Power is paying the coal company 100 percent more than they can buy from anybody else in southern Ohio.

They go to FERC and say, "how about giving us a break on our rates? Check this out and see if it is right." So FERC sends a bunch of investigators out to find out if this is a true story. What do we get? It is. It is true.

Ohio Power has been paying up to 100 percent more for coal than they could have bought it from anybody. And they have been putting it in their rates, and the poor guy sitting in his living room wondering how he will pay for his electricity bill that month suddenly realizes he has been taken.

So FERC says, "This is not right. This is not fair by any standard. Stop it. We are going to give you people a new rate. We will not sit by and tolerate something like this."

What do you think Ohio Power did? Why, they did what any big fat-cat corporation would do that has all the money in the world—they appealed the FERC decision. Who did they appeal it to? The U.S. Court of Appeals for the District of Columbia Circuit.

The court of appeals decided that FERC had no jurisdiction. They did not have a right to delve into this issue. The court said the only agency with authority to look at this issue is the Securities and Exchange Commission. They approved the original contract. They said, it was just fine. And 21 years have gone by and they never looked at it again.

Incidentally, the poor little municipalities were continuing to get ripped off. They filed a petition with the SEC in 1989. Guess what the SEC has done in the last 6 years with their petition? You guessed it, Mr. President, nothing. Nothing.

When they saw that SEC was not going to do anything, that is the reason they took it to FERC and said, "FERC, why don't you help us? You have the jurisdiction to do it."

FERC said, "We do, and we will."

The court of appeals said, "No dice."

Now, Mr. President, my amendment is simple, straightforward, and fair. There are a lot of people in this body who are apprehensive about this bill. Know why they are apprehensive? Because they are afraid that it will wind up being anticompetitive, instead of procompetitive.

There is one thing in this bill that everyone should understand. The bill addresses public utility holding companies. It talks about public utility holding companies. It talks about FERC.

And Senator D'AMATO, to his credit, put a little proconsumer language in this bill. But his language will not ensure that poor old Joe Lunchbucket sitting in his living room worrying about his air-conditioning bill will be protected. TOM DASCHLE, BOB KERREY and DALE BUMPERS, we care about what his electric bill will be this month.

We are offering this amendment to prohibit cross-subsidization between affiliates of a public utility holding company. We are saying, "We are not going to allow these people to charge 100 percent more than their cost and charge it to this poor guy sitting in his living room watching television."

This amendment is directly related to the telecommunications bill. These public utility holding companies, serving more than 50 million households, want to get involved in the telecommunications business. I am for them. I want them in the cable television business. I want competition in the cable television business.

As I said in my opening statement, if the President signs this bill the public utility holding companies can immediately go into the telecommunications business—telephone, cable television, you name it.

So what I am saying is I do not want one utility company that generates electricity ripping off their sister affiliates and charging it to poor old Joe Lunchbucket. I do not want sister affiliates inflating their costs from one company to another and passing it on to any ratepayers.

Let me give an illustration. This chart explains precisely what I am talking about. Here is the registered holding company—let us assume this is American Electric Power. Here is a subsidiary which sells both fuel and telecommunications services. This subsidiary, we will say, is Southern Ohio Coal Co. They are mining coal and selling it to these utilities. But let us assume they are also in the telecommunications business, all of a sudden. They start shifting their costs from telecommunications to their coal operations, so they can compete better in the telecommunications market. They shift their costs over to the coal company, knowing that nobody is guarding the store, and that they can charge it to these utility companies

and put it right back on old Joe Lunchbucket again. Not only are they going to charge them this exorbitant rate for coal and make him pay for it through his electric bill, now they are going to go to the telecommunications business and shift the cost from the telecommunications to coal, so their telecommunications cost will be so much less nobody can compete with them here in Washington, DC, or in Little Rock, AR.

Here is another example. Here is the same registered utility holding company. They form a telecommunications subsidiary. In addition, the holding company already has a service company which performs certain functions for the utility subsidiaries.

Let us assume that the telecommunications company is going to provide telecommunications services to the service company. They are going to charge them just like the coal company did, a 100 percent profit. And then what is going to happen? They are going to pass it right down to the utility companies through the service company contracts and the utilities are going to pass it down to old Joe Lunchbucket again.

Mr. President, this gets a little complicated for people who have not dealt with it for the past 3 years, as I have. As I say, I am still a little nonplused about why my amendment was in the bill last year and is not in the bill this year. I guess somebody just felt they had a little more clout this year. They might not have liked it last year. I am not rocking the boat, but a lot of people, as I say, are worried about how the consumer comes out in all of this. If my amendment is not adopted, I can tell you exactly how the consumer is going to come out if he buys any services from a registered public utility holding company.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

Mr. HOLLINGS. 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. KERREY. 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. KERREY. Mr. President, I have an amendment that is already at the desk that I have discussed with the managers of this bill. It is similar to an earlier amendment that was offered by the Senator from Pennsylvania and adopted, I believe 90-something to something, dealing with incidental interLATA relief.

Mr. President, I ask unanimous consent that the Bumpers amendment be laid aside temporarily so that we may consider this amendment.

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

Mr. KERREY. Mr. President, on this chart I am going to show the problem. We also have an illustration of why this amendment is needed or why we need to change the current method of regulation.

We have in the United States of America, since the divestiture in AT&T, created these local access transport areas (LATA's) throughout the country defining what local telephone service is. In northeast Nebraska, we have two—644 and 630. The red line down the center separates one from the other.

We have established a method to get our K through 12 schools hooked up to the Internet that requires us to go through a central hub. There are a number of them called educational service units.

Unfortunately for schools up in the northeastern part of the State, they have to cross one of these artificial boundaries, these LATA boundaries, in order to get to this little red dot here which represents the Wakefield, NE, educational service unit. All of these school districts here—Jackson, South Sioux City, Dakota City, Homer, Hubbard, Winnebago, Walthill, Macy, Rosalie—all have to cross that LATA in order to be able to connect to the educational service unit in Wakefield. It is about 17 miles total, somewhere in that range, from one of these towns to this central hub.

This problem was identified to me originally by a principal, Chuck Squire, of Macy School, as he was trying to get his school hooked up to the Internet. The requirement was again, as I said, to go through Wakefield. Because it crosses that interLATA boundary, it is no longer a local call. You have to pay an access charge when you are going from here to any one of these schools over here. The cost for dedicated Internet service if the local Bell company could provide the service would be approximately $180 a month, with an $800 installation charge. But for a long distance company, it ends up being almost $1,100 a month with a $1,000 installation charge, because the traffic needs to be routed across the State boundary.

What happens is the schools end up with about $10,000 to $12,000 more per year in the monthly charge. These are very small school districts, most of them, and $12,000 ends up being a lot of money. They get nothing more for it.

And this amendment, as I said, that I have discussed both with the chairman of the committee and with the ranking member, would grant incidental LATA relief to the Bell Operating Companies to provide dedicated two-way video or Internet service for this dedicated purpose, in this case the K through 12 environment.

The hope is, of course, that the legislation itself will eventually obliterate the need to ask for this kind of incidental relief. The hope is that these kinds of restrictions that make it difficult for prices to come down—you can see in a competitive environment, if you had competition at play here, these prices would go down. This price was not high as a consequence of some cost. It is a consequence entirely of the current regulatory structure.

So again, I am finished describing what the amendment does. I hope that the amendment can be simply agreed to at this time.

Mr. HOLLINGS. Mr. President, if the distinguished Senator from Nebraska is waiting for a response from this side, there is an amendment on interLATA rates which I discussed with the distinguished Senator at the time. We wanted to make absolutely clear that we did not open up a big loophole. The distinguished Senator now has it limited. It is dedicated, and I think in good order. We are prepared to accept the amendment on this side.

The PRESIDING OFFICER. Will the Senator from South Carolina wait for a second?

We do not have the amendment of the Senator from Nebraska at the desk.

Mr. KERREY. I will send a copy that I have here to the desk.

AMENDMENT NO. 1335

(Purpose: To provide that the incidental services which Bell operating companies may provide shall include two-way interactive video services or Internet services to or for elementary and secondary schools)

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

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nebraska [Mr. KERREY] proposes an amendment numbered 1335.

Mr. KERREY. 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 94, strike out line 16 and all that follows page 94, line 23, and insert in lieu thereof the following:

"(B) providing—

"(i) a telecommunications service, using the transmission facilities of a cable system that is an affiliate of such company, between LATAs within a cable system franchise area in which such company is not, on the date of enactment of the Telecommunications Act of 1995, a provider of wireline telephone exchange service, or

"(ii) two-way interactive video services or Internet services over dedicated facilities to or for elementary and secondary schools as defined in section 264(d),".

Mr. PRESSLER. Mr. President, we just saw this amendment about 30 minutes ago for the first time. We have been juggling six amendments. We would ask that the Senator withhold

asking for a vote on it until we have a chance to study this amendment. I commend the Senator from Nebraska. It looks like something that I am taking a favorable look at. But we have not run it through all the hoops over here.

Mr. KERREY. I do not quite follow. I thought earlier we had discussed it.

Mr. PRESSLER. We discussed it last night, and had not agreed to accept it. But we just saw it for the first time 30 minutes ago. At that time, the Senator said he was going to supply us with a different copy. Do we have the final copy of the amendment?

Mr. KERREY. We just sent a copy to the desk.

Mr. PRESSLER. Do we have a final copy of the amendment?

Mr. KERREY. The Senator should have the final copy now.

Mr. PRESSLER. Will the Senator agree to set it aside and give us a chance to look at it? It will take us 15 minutes. We want to take a look at it.

Mr. KERREY. Sure. I would be pleased to.

The PRESIDING OFFICER. Without objection, the amendment is set aside.

Mr. PRESSLER. 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. SIMON. 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. PRESSLER. Will my colleague yield? I have a unanimous-consent request. May I make this unanimous-consent request?

Mr. SIMON. I have no objection to that at all.

Mr. PRESSLER. By the way, we are looking forward very much to hearing the Senator's views on this. We have been holding the option open.

I ask unanimous consent that at 4 p.m. today, the Senate proceed to vote on the McCain amendment 1276, to be followed immediately by a vote on the motion to table the Feinstein amendment number 1270, and that the time between now and 4 p.m, which is 1 minute, be equally divided in the usual form for debate on either amendment. So there would be no further debate. I think we have debated both amendments.

Mr. HOLLINGS. Reserving the right to object, Mr. President, do I understand the Senator moved to table the McCain amendment?

Mr. PRESSLER. No; we are proceeding to vote on the McCain amendment.

Mr. HOLLINGS. I move to table the McCain amendment, and I ask for the yeas and nays.

Mr. DOMENICI. Reserving the right to object, the Chair has not ruled on that request, have you?

The PRESIDING OFFICER. No, I have not.

Mr. HOLLINGS. I object.

Mr. DOMENICI. Will the Senator yield me 1 minute?

Mr. PRESSLER. Sure.

Mr. HOLLINGS. Sure.

(The remarks of Mr. DOMENICI pertaining to the introduction of S. 917 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Several Senators addressed the Chair.

The PRESIDING OFFICER. The unanimous-consent request is pending.

Is there objection? Without objection, it is so ordered.

Mr. SIMON. Mr. President, reserving the right to object, the request is that we vote at 4 o'clock; is that correct?

Mr. PRESSLER. Yes; I am trying to get two votes out of the way so we can get moving along, so to speak. We still have some Senators coming back from the Les Aspin function. Then we will have a full force, and we will then do some business.

Mr. SIMON. Will the manager agree that after that, I be recognized? I have no objection.

The PRESIDING OFFICER. If there is no objection, the unanimous-consent request is agreed to.

There is 1 minute of time divided equally between the manager of the bill and the ranking member.

Who yields time?

Mr. MURKOWSKI addressed the Chair.

Mr. PRESSLER. There must be no time.

The PRESIDING OFFICER. The manager has control of the time.

Mr. PRESSLER. I suggest that the hour of 4 p.m. has arrived and there would be no time to divide.

The PRESIDING OFFICER. The Senator is correct.

The Chair notes that the Senator from Alaska is seeking recognition. Does the manager wish to yield him his time?

Mr. MURKOWSKI. If I may. I simply want to speak very briefly, about 3 minutes, in opposition to the Ohio Power amendment.

Mr. PRESSLER. Then I ask unanimous consent that at the end of 3 minutes the Senate will vote on the two votes that have been requested.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The Senator from Alaska is recognized.

Mr. MURKOWSKI. I thank my friend, the floor manager.

Mr. President, I rise in opposition to the pending amendment to overturn the Ohio Power court case. I am opposed to it simply because it is bad policy, and I will explain briefly why.

In the Ohio Power case, the U.S. court of appeals held that the Congress gave a single Federal agency—the Securities and Exchange Commission—jurisdiction over the interaffiliate transactions of registered electric utility holding companies. Those utilities sell power to an estimated 50 million households in 30 States.

The court said that a second Federal agency, the Federal Energy Regulatory Commission, cannot also regulate the same matter. No dual regulation, the court said.

So, Mr. President, good public policy is that if something must be regulated, then one and only one agency should do it, not two, which is the provision in the amendment before us. Utilities should not be whipsawed between the conflicting decisions of two different regulatory agencies. Unfortunately, that is precisely what this amendment does.

Mr. President, the proponent of the amendment argues that the FERC is a better regulator than the SEC; that we ought to overturn Ohio Power so that the FERC can regulate these transactions. But rather than take jurisdiction away from the SEC and give it to the FERC, the pending amendment allows both agencies to regulate the same matter.

I question the claim that FERC has been a better regulator than the SEC. I am less concerned about which agency regulates than having only one agency regulate. If both agencies use the same statutory standard for making their decisions and if both made their decisions at the same time, then the problems created by dual regulation might be manageable. But that is not how it will work if the pending amendment is adopted.

First, the SEC will regulate pursuant to the Public Utility Holding Company Act, and the FERC will regulate pursuant to the Federal Power Act. These two laws have different statutory standards, and the result will be conflicting regulatory decisions.

Second, because of differences in the two statutes, the decisions made by the SEC and the FERC cannot take place at the same time. The Public Utility Holding Company Act requires preapproval by the SEC, whereas the Federal Power Act provides for post-transaction review by the FERC. In the Ohio Power case, for example, the FERC acted 11 years after the SEC made its regulatory decision.

In short, the two regulatory systems are incompatible. Neither is inherently better than the other, they are simply different. The Ohio Power court recognized that fact; the pending amendment ignores it.

Mr. President, I am also concerned that the pending amendment does not respect the sanctity of contracts. It is intended to allow the FERC to retroactively overturn longstanding, SEC-approved contracts. Some of these contracts have been in place for more than a decade, and the parties have invested

many hundreds of millions of dollars. Those investments will be placed in jeopardy if the pending amendment is adopted.

Mr. President, the proponent of the amendment also claims that it is needed to restore State public utility commission jurisdiction to where it was prior to Ohio Power. However, in some respects, the amendment actually has the opposite effect. It specifically prohibits State public utility commissions from using a cost allocation method different from one the SEC uses. In short, the pending amendment will require State public utility commissions to do what the SEC tells them to do.

Perhaps the most troubling aspect of the amendment is its resurrection of the very cost trapping the Ohio Power court found unacceptable. This will happen when a utility incurs costs pursuant to an SEC-approved contract but the FERC subsequently denies the passthrough of those approved costs.

In summary, Mr. President, the amendment would create a complex, overlapping, and confusing regulatory maze. It would allow electric agencies to be squeezed between the conflicting agency decisions. That is bad public policy.

Mr. President, the amendment should be rejected, and I urge my colleagues to vote against it.

I thank the floor managers for the opportunity to speak in opposition to the Bumpers amendment.

I yield the floor.

The PRESIDING OFFICER (Mr. THOMPSON). The Senator's time has expired.

VOTE ON AMENDMENT NO. 1276

The PRESIDING OFFICER. The question is on agreeing to amendment No. 1276. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

The result was announced—yeas 18, nays 82, as follows:

[Rollcall Vote No. 251 Leg.]

YEAS—18

Abraham	Gorton	McCain
Ashcroft	Gramm	Nickles
Brown	Helms	Packwood
Coats	Hutchison	Santorum
DeWine	Kyl	Specter
Dole	Mack	Thompson

NAYS—82

Akaka	Coverdell	Harkin
Baucus	Craig	Hatch
Bennett	D'Amato	Hatfield
Biden	Daschle	Heflin
Bingaman	Dodd	Hollings
Bond	Domenici	Inhofe
Boxer	Dorgan	Inouye
Bradley	Exon	Jeffords
Breaux	Faircloth	Johnston
Bryan	Feingold	Kassebaum
Bumpers	Feinstein	Kempthorne
Burns	Ford	Kennedy
Byrd	Frist	Kerrey
Campbell	Glenn	Kerry
Chafee	Graham	Kohl
Cochran	Grams	Lautenberg
Cohen	Grassley	Leahy
Conrad	Gregg	Levin
Lieberman	Pell	Simpson
Lott	Pressler	Smith
Lugar	Pryor	Snowe
McConnell	Reid	Stevens
Mikulski	Robb	Thomas
Moseley-Braun	Rockefeller	Thurmond
Moynihan	Roth	Warner
Murkowski	Sarbanes	Wellstone
Murray	Shelby	
Nunn	Simon	

So the amendment (No. 1276) was rejected.

Mr. PRESSLER. I ask unanimous consent that the next vote be set aside temporarily.

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

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

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

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PRESSLER. 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. PRESSLER. Mr. President, I ask unanimous consent the Bumpers amendment be voted on in 10 minutes and the Senator from Mississippi have 10 minutes to speak on it—5 minutes each. At that point we will move to table the Bumpers amendment.

The PRESIDING OFFICER. Is there objection?

Mr. LOTT. Mr. President, reserving the right to object, and I do not intend to object, I would like to ask the distinguished chairman of the committee if he would add that, after the vote on the Bumpers amendment, Senator SIMON then be recognized for an amendment that he has been seeking recognition on.

Mr. PRESSLER. That is fine.

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

Who yields time?

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator is recognized for 5 minutes.

Mr. LOTT. Mr. President, under the unanimous consent agreement I believe we have 10 minutes, now.

Mr. DOMENICI. Could we have order, Mr. President?

The PRESIDING OFFICER. There will be order in the Chamber.

AMENDMENT NO. 1348

Mr. LOTT. I believe that we do have 10 minutes now of debate on the Bumpers amendment, and then we would go to a vote at that point. So I would like to be heard briefly in opposition to the Bumpers amendment.

First, before I do that, I thank the Senator from Arkansas. Although I cannot support his amendment, I appreciate his willingness to work with me and Senator D'AMATO in developing appropriate safeguards as registered utilities enter this telecommunications area. I also thank him for working last year to resolve these issues in the Energy Committee. Of course it involves the Banking Committee as well as the Energy Committee. He was very cooperative in that effort.

The amendment he raises today should be considered, but not on this legislation. The Energy Committee has rightfully asked that such amendment first go through the Energy Committee where it was considered last year in preparation for the telecommunications bill being voted on by the Commerce Committee. So I must honor Senator MURKOWSKI's request as chairman of the committee on that matter and oppose the amendment on that basis, if no other. Having said that, I want to point to the substantial safeguards that were included in the managers' amendment to address the concerns of Senators D'AMATO and BUMPERS.

I would also like to take just a moment to point out the critical importance of this provision to the legislation and in particular to our region of the country, because it is going to provide an opportunity for tremendous services through the utility companies in our area and really will go a long way to providing the smart homes we have been talking about in addition to the new smart information highways.

What this all involves is the now famous Ohio Power case, and it deals with a Supreme Court ruling that restricts a State's right to disallow certain costs between companies in a registered holding company system for the purposes of ratemaking. With respect to such transactions related to telecommunications activities, this matter has already been addressed with language that prevents cross-subsidization between the companies. To the extent there remain unresolved issues regarding the broader application of the Ohio Power case, they should be dealt with by the Congress as part of its overall review of the Public Utility Holding Company Act, PUHCA.

Senator D'AMATO has indicated he will hold hearings on it and consider comprehensive PUHCA legislation later this session. I feel very strongly that is needed.

For these reasons the Bumpers amendment is not necessary at this time and I urge my colleagues to vote against it.

The purpose of the telecommunications bill is to allow competition in the broadest sense possible in the provision of telecommunications services. Most utility companies are already

able to participate in the market. However, current law prevents the 14 registered utility holding companies from fully participating in telecommunications markets. With appropriate consumer protections, this amendment allows registered utility holding companies to enter this important market on the same footing as other utilities and new market entrants. The amendment would allow a registered holding company to create a separate subsidiary company that would provide telecommunications and information services.

The amendment contains numerous consumer protection provisions—the bill itself—which would be substantially altered by what the distinguished Senator from Arkansas is trying to do here.

So the public utility company subsidiary of a registered holding company may not issue securities and assume obligations or pledge or mortgage utility assets on behalf of a telecommunications affiliate without approval by State regulators. Also, protections in the bill say a telecommunications subsidiary of a registered holding company must maintain separate books, records and accounts and must provide access to its books to the States. State regulators may order an independent audit and the public utility is required to pay for that audit. If ordered by State regulators, a public utility may file a quarterly report, if that is ordered by the State regulators. Also, the public utility company must notify State regulators within 10 days after the acquisition by its parent company of an interest in telecommunications.

So there are very strong protections here. I think what we are talking about is making sure these registered utility holding companies can provide these services. It greatly enhances the opportunity for information and for competition, and I do not believe we need this amendment for there to be adequate protections for the consumer. They are in the bill.

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

Mr. LOTT. We took great precautions to make sure those protections were included in the bill. So for these reasons outlined, I urge defeat of the Bumpers amendment and I yield the floor.

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

Mr. BUMPERS. Mr. President, for the benefit of my colleagues who were not here for the earlier part of this debate, let me just say that my amendment is what I would call the do-right amendment. It was precipitated by an incorrect decision issued by the D.C. Circuit Court of Appeals in the Ohio Power case. In 1992, a bunch of cities who bought power from a utility subsidiary of a registered utility holding company, named Ohio Power. They were buying power from Ohio Power and Ohio Power was buying coal to generate that power from a sister company called Southern Ohio Coal.

The municipalities went to FERC, because FERC sets wholesale rates; that is power sold from a utility company to a city, for example. And they say, "We think Ohio Power's rates are too high and the reason they are too high is because this coal company is charging its sister company an exorbitant rate for coal." FERC sends their investigators out and what do they find? They found Ohio Power is charging 100 percent more for coal than that coal can be bought from anybody else in southern Ohio. What is happening is Ohio Power is paying twice as much for coal and what are they doing? They are passing it right on down to the municipalities who, in turn, have to pass it right on down to Joe Lunchbucket, who is worried about how he is going to pay his air-conditioning bill this month. It is just that simple. That is all there is to this.

Mr. JOHNSTON. Will the Senator yield for a question?

Mr. BUMPERS. I will be happy to yield.

Mr. JOHNSTON. Is this the identical amendment which was passed out of the Energy Committee after a great deal of hearings and work last year, I believe it was 14 to 5?

Mr. BUMPERS. Mr. President, this amendment is the precise language reported out of the Energy Committee, 14 to 5 last year. And it was incorporated in this bill precisely that way. There is nothing new about it.

Mr. JOHNSTON. I thank my colleague.

Mr. BUMPERS. The problem with the Court of Appeals' decision in Ohio Power is that the court said that the SEC is the only regulatory body with authority to protect consumers. And the problem is, the SEC will not, and possibly can not, do it.

They approved the original contract and for 24 years have refused to look at it. So what happens? The consumers are paying twice as much for coal as the coal can be bought from anyplace else.

I am just simply saying cross-subsidization of these affiliate companies held by public utility holding companies is wrong. There is not a person within earshot of my voice today who believes it is right. Why would you not vote to stop that? Why would you not give poor old Joe Lunchbucket a little bit of a break out of this? If you do not, these same holding companies are going to go into telecommunications, and unlike Pacific Bell, Bell South, Southwestern Bell, they go in the day the President puts his signature on this bill. They can be in the cable business. They can go into anything they want to. They do not have to go to the FCC and the Justice Department.

They can also orchestrate transactions between sister companies. Who is going to sell what to whom? One sister sells telecommunications products to another. And maybe that company also sells coal to a utility company. They pass it on. Even the telecommunications cost goes right down to the utility, right down to poor old Joe Lunchbucket. Nobody here believes that is right.

Do you know who favors my amendment? Every State public service commission. The Consumer Federation of America, the industrial energy consumers, including General Motors and Dow Chemical are even for it. The National Association of State Utility Consumer Advocates, the Ohio Wholesale Customers Group, and on and on. They all support the Bumpers amendment.

Mr. President, I do not know of anything further that I can say. This is an opportunity to protect consumers. If you want competition, you cannot have it unless you support this amendment because, if you do not, these anticompetitive practices will continue. It is just that simple.

I yield the floor.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. PRESSLER. I move to table, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from South Dakota to lay on the table the amendment of the Senator from Arkansas. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The result was announced—yeas 52, nays 48, as follows:

[Rollcall Vote No. 252 Leg.]

YEAS—52

Abraham	Gorton	Murkowski
Ashcroft	Gramm	Nickles
Bennett	Grams	Packwood
Bond	Grassley	Pressler
Brown	Gregg	Roth
Burns	Hatch	Santorum
Chafee	Heflin	Shelby
Coats	Helms	Simpson
Cochran	Hutchison	Smith
Cohen	Inhofe	Snowe
Coverdell	Kassebaum	Specter
Craig	Kempthorne	Stevens
D'Amato	Kyl	Thomas
DeWine	Lott	Thompson
Dole	Lugar	Thurmond
Domenici	Mack	Warner
Faircloth	McCain	
Frist	McConnell	

NAYS—48

Akaka	Bryan	Dorgan
Baucus	Bumpers	Exon
Biden	Byrd	Feingold
Bingaman	Campbell	Feinstein
Boxer	Conrad	Ford
Bradley	Daschle	Glenn
Breaux	Dodd	Graham

Harkin	Kohl	Nunn
Hatfield	Lautenberg	Pell
Hollings	Leahy	Pryor
Inouye	Levin	Reid
Jeffords	Lieberman	Robb
Johnston	Mikulski	Rockefeller
Kennedy	Moseley-Braun	Sarbanes
Kerrey	Moynihan	Simon
Kerry	Murray	Wellstone

So the motion to lay on the table the amendment (No. 1348) was agreed to.

Mr. PRESSLER addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota.

ORDER OF PROCEDURE

Mr. PRESSLER. Mr. President, I ask unanimous consent that the Senate now return to the Dorgan amendment No. 1278 and that there be 20 minutes for debate to be equally divided in the usual form, with no amendments in order to the Dorgan amendment; that at the conclusion or yielding back of time I will be recognized to move to table the Dorgan amendment 1278, which deals with the 35 percent for national markets being lowered to 25 percent of the national media market, and this would move us forward. The Dorgan amendment is ready for voting. I would plead with everybody to let us vote on this and then proceed.

My motion would ask that we go to the Dorgan amendment 1278.

Mr. CONRAD. Reserving the right to object.

The PRESIDING OFFICER. Is there objection?

Mr. CONRAD. Mr. President, what is the pending business?

The PRESIDING OFFICER. The Lieberman amendment to the Conrad amendment.

Mr. CONRAD. The Lieberman amendment or the Dorgan amendment?

The PRESIDING OFFICER. The Lieberman amendment to the Conrad amendment.

Mr. CONRAD. Is the pending business?

The PRESIDING OFFICER. Is the pending business.

Mr. CONRAD. Mr. President and chairman of the committee, I would be reluctant to agree to this request if we cannot get some agreement on when our amendment would be handled. We are the pending business, the Lieberman second-degree amendment to the Conrad amendment. We would like to get this matter resolved. We have had a lengthy discussion, and I would hope that we could move to a vote on that. And so I would be constrained to object unless there was some meeting of the minds with respect to when we would get to our amendment.

Mr. PRESSLER. Let me say that the Dorgan amendment came up first, and we are struggling to move forward here. Several Senators are seeking agreements that I am not in a position to give. This is something we could get done and behind us in the next 30 to 35 minutes. It is a major amendment involving the percentage of national media that one company or group can control. It is now set at 35 percent in the bill. The Dorgan amendment, as I understand it, would strike that and bring it back to 25 percent.

There has been debate on it. I think there is only one more speaker. I ask that we lay aside the amendment of the Senator from North Dakota, Senator CONRAD, if he will be kind enough to let us do that, and go to the Dorgan amendment, get a vote on it, and keep on going from there.

Mr. CONRAD. I just say to the chairman, if I could, I have to register objection if there is not some agreement reached——

Mr. DOLE. Will the Senator yield?

Mr. CONRAD. I will be glad to yield.

Mr. DOLE. We can bring the Dorgan amendment back by regular order. We can do it that way. Senator SIMON has an amendment relating to violence. We would like to have debate on all three amendments—the CONRAD amendment, the second-degree amendment, and then an amendment I am offering with Senator SIMON, a sense-of-the-Senate amendment, that all relates to TV violence. I wonder if we might have the debate on all of those before we start voting. That is the only problem we have.

Mr. CONRAD. As I understand, the pending business before the Senate is——

Mr. DOLE. Regular order brings back the Dorgan amendment, so I call for the regular order.

The PRESIDING OFFICER. The regular order is amendment No. 1278.

Mr. PRESSLER. Mr. President, I ask unanimous consent that there be 20 minutes for debate equally divided on amendment No. 1278, and at the conclusion or yielding back of time, I be recognized to table the Dorgan amendment No. 1278.

The PRESIDING OFFICER. Is there objection?

Mr. CONRAD. Reserving the right to object. Again, can we not find some way of having a meeting of the minds on what the order will be? I will be happy to accommodate other Senators if there is some understanding of what the order is going to be.

Mr. DOLE. I think the order is, after this, we go back to the Senator from North Dakota. If you do not have any objection, the Senator from Illinois would like to at least be heard on his amendment.

Mr. CONRAD. Actually, the previous agreement was the Senator from Illinois would be recognized, and we certainly want to accommodate that. But could we have an understanding with respect to what the order is then after that? If we can have a unanimous consent agreement, we certainly would be open to entering into a time agreement, whatever else, so there is some understanding, given the fact there are many Senators who are interested in this matter.

Mr. DOLE. I will just say, what we are trying to do is finish the bill. All these amendments would fall if cloture is invoked. We could go out and have the cloture vote at 9:30 in the morning. I am not certain cloture would be invoked.

I think there has been some agreement. We heard the Conrad amendment, the Lieberman second-degree amendment, some agreement on the Simon amendment. As far as I am concerned, it is up to the managers. I think they are prepared to vote on all three. I do not know what order.

Mr. PRESSLER. I make a plea again to my friend from North Dakota, let us go to the Dorgan amendment for 20 minutes and vote on it, and meanwhile have intense discussions so we can cover everyone's needs. That would allow us to accomplish one more amendment. I think we are in a very friendly position trying to work this out.

Mr. FORD. Mr. President, reserving the right to object.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. Mr. President, could we have the unanimous consent request agreed to by the chairman of the committee, the manager of the bill, that we go to Conrad-Lieberman and then go to Simon without putting a time limit on it?

I ask unanimous consent that following the motion by the distinguished chairman, that the Conrad-Lieberman amendment be next in order and the Simon amendment follow that with any second-degree amendment in regard to it.

Mr. PRESSLER. Reserving the right to object. I appreciate what the Senator is doing. We also have to work in an agreement for debate on the Simon-Dole amendment, if that is to occur.

Mr. FORD. There is no agreement as far as time is concerned. I recognize the majority leader would have the right to second-degree the sense of the Senate, if that is what he wants to do. You are getting a pecking order here. A time agreement has not been worked out. The majority leader would not need much time.

Mr. DOLE. If the Senator will yield, we can have the vote on the Dorgan amendment and work this out during the vote.

Mr. FORD. I was trying to work it out so my colleagues on this side will be accommodated. I know the majority leader is trying to do that. We want to get the bill finished as much as he does. If my friends from North Dakota and Illinois are satisfied, I will be glad to yield the floor.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, may I inquire, is there then before us a suggestion by the Senator from Kentucky

that we hear from Senator Simon after the Dorgan amendment has been offered, and then we would vote on the Lieberman amendment, then we would vote on the Conrad amendment, then we would vote on whatever amendments will be offered by Senator Simon and Senator Dole?

Mr. PRESSLER. I do not know. We all need to have a little meeting about that and work that through. Is it possible to go to the Dorgan amendment for the 20 minutes, get that voted on, and during that time, when people are speaking on it, we will try to work all this out in good faith? And I will act in very good faith.

Mr. CONRAD. All right.

The PRESIDING OFFICER. Is there objection?

Mr. DORGAN. Reserving the right to object. I have not yet spoken on my amendment because I had to leave for another meeting. I am to speak for 10 minutes. I would like to reserve 5 minutes for Senator Helms as a cosponsor. He is not in the Chamber at the moment, but I think he would like some time.

The PRESIDING OFFICER. Is there objection?

Mr. PRESSLER. He is in the Cloakroom and ready to go.

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

The Senator from North Dakota.

Mr. DORGAN. My understanding is we have a unanimous-consent agreement for 20 minutes. My understanding is I will take 10 minutes and 5 minutes is reserved for the Senator from North Carolina, Mr. Helms.

AMENDMENT NO. 1278

Mr. DORGAN. Mr. President, my amendment is very simple. The legislation that comes to the floor of the Senate changes the ownership rules with respect to television stations. We now have a prohibition in this country for anyone to own more than 12 television stations comprising more than 25 percent of the national viewing audience.

My amendment restores the 12-television-station limit and the 25-percent-of-the-national-audience limit. Why do I do that? Because I think the proper place to make that decision is at the Federal Communications Commission. They are, in fact, studying those limits, and I have no objection to those studies. I think that they are useful to do because we ought to determine when is there effective competition or when would there be control or concentration such that it affects competition in a negative way.

But I do not believe that coming out here and talking about competition, competition being something that benefits the American people in this legislation on telecommunications, and then saying, "By the way, we will essentially restrict competition by allowing for great concentration in ownership of television stations," represents the public interest.

I can understand why some want to do it. I can understand that we will end this process with five, six, or eight behemoth corporations owning most of the television stations in our country. But, frankly, that will not serve the public interest.

Mr. President, I respectfully tell you the Senate is not now in order.

The PRESIDING OFFICER. Will the Senate please come to order? We will not continue until the Senate has come to order. The Senator from North Dakota will proceed.

Mr. DORGAN. Mr. President, the Senate is not yet in order. I do not intend to proceed until the Senate is in order.

The PRESIDING OFFICER. Those wishing to continue their conversations, please take them off the floor. The Senator from North Dakota.

Mr. DORGAN. Thank you, Mr. President.

Mr. President, raising the national ownership limits on television stations resulting in concentration of corporate ownership of television stations in this country will represent, in my judgment, a dramatic shift in power from the local affiliates in our television industry to the national networks. The provision in this bill threatens, in my judgment, local media control, both in terms of programming and in terms of news content, in favor of national control.

One of the amendments that will follow me will be an amendment on television violence. I will tell you how to make television more violent, especially in terms of the local markets, and that is have your local television station sold to the networks, and there will not be any local control or discussion about what they are going to show on that local television station, because it will not be a local station anymore. You will remove local control, you will remove local decisionmaking, you will concentrate ownership in the hands of a few and, in my judgment, that is simply not in the public interest.

These changes will result in a nationalization of television programming and the demise of localism and program decisions made at home in local areas.

The bill changes of broadcast ownership rules that now exist at the Federal Communications Commission will lead to greater concentration and less diversity. I, for the life of me, cannot understand being on the floor of the Senate for 5 or 6 days talking about competition and deregulation being the engine of competition in our country and then seeing a provision in a bill like this that says, "Oh, by the way, you know that limit that limits somebody to no more than 12 television stations, you can own no more than 12 television stations in the country; by the way, that limit is gone. You can own 25 television stations; in fact, buy 50 of them if you wish; just fine."

Well, it is not fine with me.

Concentration does not serve the public interest. Go read a little about Thomas Jefferson. Read a little about what he thought served the public interest in this country—broad economic ownership serves the public interest in America. Broad economic ownership serves the free market and serves the interests of competition. Not concentration. Not behemoth corporations buying up and accumulating power and centralizing power, especially not in this area.

I know outside of our doors are plenty of people who want this provision. It is big money and it is big business. I am telling Senators the country is moving in the wrong direction when it does this.

There are not many voices that cry out on issues of antitrust or issues of concentration. There are not many voices raised in the public interest on these issues. I just cannot for the life of me understand people who chant about competition and chant about free markets, who so blithely ignore the threats to the free market system that come from concentration of ownership. I feel very strongly that the provision in this bill that eliminates the restriction on ownership is a provision that is bad for this country.

Senator SIMON from Illinois, I know, has probably spoken on this, and is a cosponsor of this amendment; and Senator HELMS from North Carolina. Maybe we are appealing to the schizophrenics today. Somebody on that side of the aisle who has a vastly different political outlook on things than I do, but, frankly, my interest in this is not the economic interests of this conglomerate or that conglomerate or that group, it is the interest of the public.

The public interest is served in America when there is competition and broad-based ownership. The public interest, in my judgment, is threatened in this country, especially in this area, when we decide it does not matter how much you own or who owns it.

We have always served the interests of our country in this area by limiting ownership. I think we serve the interests again if we pass my amendment and restore those sensible provisions in communication law that restrict the ownership of television stations to no more than 12, reaching no more than 25 percent of the American populace.

Mr. President, I have agreed to a time limit. This is a piece of legislation that on its own should command a day's debate. It is that important to our country. Yet it is reduced to 20 minutes because we are in a hurry and we are busy.

My hope is that people who look at this will understand the consequences of what we are doing. I am delighted

that the Senator from North Carolina and some others feel as I do, that there is a way to restore a public interest dimension to this bill by passing this amendment this afternoon.

I yield the floor.

I yield 5 minutes to the Senator from North Carolina.

The PRESIDING OFFICER. The Senator from North Carolina controls 5 minutes.

Mr. HELMS. Mr. President, as a former executive at a television station, I am an enthusiastic supporter of the Dorgan amendment which is now pending. This amendment would ensure that local television news and programming decisions remain in the hands of local broadcasters.

It is a worthy amendment. The Senate ought not to hasten to vote to table it. I will tell Senators why.

There is now a delicate balance of power between the network and their affiliates. I am concerned that if we allow the networks to acquire even more stations, the balance will be unwisely tilted. Media power should not be concentrated in the hands of network broadcasters. I say this as a former broadcaster who has been there.

The networks will kick the dickens out of an affiliate if the affiliates do not toe the line. On one occasion, my television station switched networks because of the dominance of an overbearing network. It was one of the smartest decisions we ever made. This bill increases what is known as the national audience cap from the current 25 percent to 35 percent. I oppose this increase, because it will allow the networks to acquire more stations. This, in turn, could very well increase domination by the networks and enhance their ability to exercise undue control of television coverage on local events and news reports.

Mr. President, I am also concerned about the negative impact of allowing cable companies to buy television stations. Consider, if you will, the possibility that Time Warner might buy up local cable station companies and local television stations.

The Dorgan amendment, which I cosponsor, restores, one, the 25 percent audience cap; and two, the restriction on cable broadcast cross-ownership.

If Congress increases the audience cap and thus the number of stations a network can acquire, it will be more difficult for a local affiliate to preempt a network program.

Mr. President, affiliates serve as a very good check against the indecent programs being proliferated these days by the networks. The "NYPD Blue" program is an example. Many affiliates consider this show to be too violent and otherwise unacceptable because of its content of offensive material. When the affiliates objected to the program, the network lowered the boom. There are too many indecent, sexually explicit programs on television already.

Some time back, Mr. President, I sponsored an amendment to restrict the level of indecent material on television. Guess who fought that amendment down to the ground and fought it in the courts? Of course, the networks. The networks resent being limited in the amount of indecent material they can pump out over the airwaves. Do we really want to give the networks more power? I say no, and the Dorgan amendment says no.

The children of America, have spoken out about indecent material. In a recent survey, 77 percent of the children polled said TV too often portrays extramarital sex, and 62 percent said sex on television influences children in that direction.

Mr. President, affiliate stations often preempt programming and carry instead regional college sports and such things as Billy Graham's Crusade. These are important programs, and they should not be inhibited by network power.

We should not concentrate too much power in the hands of four national networks. The current provision in S. 652 would make possible just that kind of concentration. If this ownership rule had not been in place 10 years ago, the Fox Network could never have been created.

Local stations must have the freedom in the future to create and select and control programming, other than programming provided by the networks.

I urge Senators to support this amendment to restore local control of broadcasting decisions. I reserve the balance of my time.

Mr. PRESSLER. Mr. President, I rise in opposition to this amendment.

I believe we have reached a point where, through competition, we can achieve more than by Government regulation to keep certain competitors down.

I rather doubt that any one competitor is going to get a huge dominance in the American television market, because we have so many competitors. We have an increasing number.

When we have dial video, cable, PBS, the networks, I have here listed before me, the percentage of national coverage now by the top TV groups, they will face increasing competition.

Frequently, business comes to Washington seeking regulation to avoid competition. To those people who want to put arbitrary limits on how much success one company can have, I would say that they should be prepared to compete.

Now, a 25-percent limitation may well force some groups or individuals or companies to operate regionally, or to seek a niche market.

I believe we have enough competition to give a variety of voices. That is particularly true if we pass this bill. There will be an explosion of new services and alternatives.

In fact, I would even raise the limit to 50 percent or higher if I were doing it myself. The Commerce Committee worked out a 35-percent compromise—the Democrats and Republicans—on the committee, as well as in consultation with many other Senators.

I think 35 percent is a good compromise for the Senate. I expect that the House will probably come with 50 percent. I look upon going back to 25 percent as a move away from competition.

Why not 20 percent? Why not 10 percent? Why not 15 percent? All these percentages are anticompetitive, because it is businessmen coming to Washington who are seeking regulation to keep their competitors out. What they need to do is to compete, and they will find that they will do well.

Mr. President, the broadcasters in cable are not the only means by which video programming, for example, is distributed to consumers. More than 2 million households receive programming utilizing backyard dishes, availing them of numerous free services.

SMATV services are utilized by another million subscribers, wireless cable has attracted over half a million subscribers.

Recently direct broadcast satellite systems began offering very high-quality services. It is estimated that these services will attract more than 1 million subscribers in 1995.

Looming large on the fringes of the market are the telephone companies. The telephone companies pose a very highly credible competitive threat because of their specific identities, the technology they are capable of deploying, the technological evolution their networks are undergoing for reasons apart from video distribution, and, last but by no means least, their financial strength and perceived staying power. In 1993, the seven regional Bell operating companies [RBOC's] and GTE had combined revenues in excess of $100 billion. All of the major telephone companies in the United States have plans to enter the video distribution business, and several are currently striving mightily to do so in the face of heavy cable industry opposition, opposition which speaks for itself in terms of the perceived strength of the competition telephone companies are expected to bring to bear.

Recently three of the RBOC's—Bell Atlantic, Nynex, and Pacific Telesis—announced the formation of a joint venture, capitalized initially to the tune of $300 million, for the express purpose of developing entertainment, information and interactive programming for new telco video distribution systems. This group has hired Howard Stringer, formerly of CBS, to head the venture and Michael Ovitz of Creative Artists Agency of Los Angeles to advise on programming and technology.

A key aspect of this effort is development of navigator software that eventually could replace VCR's and remote control units to help customers find programs and services. Three other RBOC's—BellSouth, Ameritech, and SBC Communications are forming a joint venture with Disney, with a combined investment of more than $500 million during the next 5 years. The goal of this venture is specifically to develop, market and deliver video programming.

On top of all this activity involving the creation of new distribution paths and delivery of new entertainment and information services to the home, there has been a simultaneous revolution in the sophistication of the communications equipment employed in the home. Today more than 84 million U.S. households have VCR's. In 1994, U.S. households spent as much money purchasing and renting videos, $14 billion, as the combined revenues of all basic cable, $4.6, and the three established broadcast networks, $9.4, in 1993. In 1994, 37 percent of U.S. households owned personal computers. In 1993, estimated retail sales of North American computer software sales were $6.8 billion.

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

Mr. PRESSLER. Mr. President, I move to table the amendment.

The PRESIDING OFFICER. Time remains to the sponsors.

Mr. HELMS. Mr. President, all time has not been yielded back.

The PRESIDING OFFICER. The Senator from North Carolina is correct.

Mr. PRESSLER. I move to table the amendment.

Mr. HELMS. I wish to speak for 60 seconds.

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

Mr. HELMS. Mr. President, I ask unanimous consent the aspect of the unanimous consent requiring a tabling motion be vitiated and that we have an up-or-down vote on this amendment.

The PRESIDING OFFICER. Is there objection?

Mr. PRESSLER. I object.

The PRESIDING OFFICER. Objection is heard.

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

The PRESIDING OFFICER. The Senator from North Carolina does not control sufficient time to do that. All time must be yielded back at this point for a quorum call to be in order.

Mr. HELMS. Please repeat that.

Mr. PRESSLER. I move to table.

The PRESIDING OFFICER. The Senator from North Carolina does not control sufficient time to call for a quorum. All time would have to be yielded back in order for a quorum call.

Mr. HELMS. I did not use all of my time, that 60 seconds. I reserve that so I can suggest the absence of a quorum at that time.

The PRESIDING OFFICER. The Senator from North Dakota has 2 minutes 55 seconds remaining.

Mr. DORGAN. Mr. President, I yield 1 minute to the Senator from Illinois, Senator SIMON.

Mr. SIMON. Mr. President, I support the Dorgan amendment for the reason Senator DORGAN and Senator HELMS have outlined, but one other important reason. Economic diversity is important, but diversity in terms of news sources for the American people is extremely important.

I used to be in the newspaper business. Fewer and fewer people own the newspapers of this country. We are headed in the same direction in television. It is not a healthy thing for our country. I strongly support the Dorgan amendment and agree completely—it is not often I can stand up on the Senate floor and say I agree completely with Senator JESSE HELMS, but I certainly do here today.

Mr. HELMS. Right on.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Has all time been yielded back except for my time?

The PRESIDING OFFICER. The Senator has 14 seconds remaining.

Mr. HELMS. Is there any other time outstanding?

The PRESIDING OFFICER. The Senator from North Dakota has 2 minutes remaining.

The Senator from North Dakota.

Mr. DORGAN. Let me use just a minute of that. If the Senator from North Carolina needs another minute, I will be happy to yield to him. There is not much remaining to be said.

As I indicated earlier, this could be a discussion that should take a day and we are going to compress it into 20 minutes. If you look at the landscape of ownership of our television stations 10 years or 20 years from now, you will, in my judgment, if you vote against this amendment, regret the vote. Because I think what you will see is that at a time when we brought a bill to the floor talking about deregulation and competition, we included a provision in this bill that will lead to concentration of ownership in an enormously significant way in the television industry in this country, and I do not think it is in the public interest.

That is the position the Senator from Illinois took, the position the Senator from Nebraska discussed, and the Senator from North Carolina, too. I feel so strongly this is a mistake I just hope my colleagues will take a close, hard look at this and ask themselves, if they are talking about competition, if they are talking about local control, if they are talking about diversity, do they not believe it is in the public interest to have broad-based economic ownership of television stations spread around this country? Of course they do.

Do they want to see a future in which a half dozen companies in America own all the television stations and local control is gone, diversity is gone? I do not think so. And that is exactly what will happen if my amendment is not enacted.

So I very much hope my colleagues will understand the importance of this amendment despite the brevity of the debate.

Does the Senator from North Carolina need additional time?

Mr. PRESSLER. Mr. President, I ask unanimous consent the request to table this amendment be vitiated.

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

Mr. HELMS. No, no. What was the unanimous consent request?

The PRESIDING OFFICER. To vitiate the motion to table.

Mr. PRESSLER. Mr. President, I ask unanimous consent—the Senator from Montana has just arrived. He wishes to speak on this. All of my time is used, but I ask unanimous consent Senator BURNS be given 5 minutes to speak on this.

I have made the request to vitiate the yeas and nays.

Mr. HELMS. I thank the Senator.

Mr. PRESSLER. The Senate will vote in 5 minutes, but I also ask unanimous consent Senator SIMON be recognized—following this upcoming vote, Senator SIMON be recognized to speak for up to 10 minutes.

Mr. DORGAN. Mr. President, reserving the right to object.

Mr. PRESSLER. I have more to it. I will go on. I was hoping to get that approved. Relax. It is coming.

I ask unanimous consent that following the remarks of Senator SIMON, the Senate resume consideration of the Conrad amendment No. 1275 and there be 20 minutes for debate to be equally divided in the usual form; and that following the conclusion or yielding time, I be recognized to make a motion to table the Conrad amendment.

Mr. DORGAN. Mr. President, reserving the right to object, may I inquire, is there additional time left on my original time allocation?

The PRESIDING OFFICER. The Senator from North Dakota still controls 15 seconds. The Senator from North Carolina has 14 seconds left.

Mr. DORGAN. Mr. President, if the Senator from Montana is going to be given by unanimous consent 5 minutes to address this subject in opposition to this amendment, then I ask we be added an additional 5 minutes.

Mr. PRESSLER. I point out as manager of the bill I cut my time down to about 4 minutes to speak against it, to try to keep things moving. But I think the Senator from Montana is so eloquent that his argument——

Mr. DORGAN. If the Senator from Montana wishes to speak in favor of my amendment, I would have no objection.

Mr. SIMON. Parliamentary inquiry. Have we disposed of the unanimous consent request of Senator PRESSLER?

Mr. PRESSLER. I further ask that Senator SIMON be recognized following the disposition of the Conrad amendment No. 1275. Does that take care of the Senator? Then we have all the problems taken care of.

Mr. LEAHY. Reserving the right to object, I note for Senators it is customary if at the time—it has been a long custom here—if all time has expired and somebody asks for additional time to speak on something that is about to be voted on, it is customary to ask for an equal amount of time for somebody on the other side. They may or may not use it, but that is the customary practice.

Mr. PRESSLER. Fine. I will point out I gave the opposition 15 minutes. I just took 5 to try to move this thing along. But, fine, we will give each side 5 more minutes.

I ask unanimous consent that occur.

The PRESIDING OFFICER. Without objection, it is so ordered. Is that to be added to the 14 seconds remaining of the Senator from North Carolina and the 15 seconds remaining to the Senator——

Mr. PRESSLER. To the 14 seconds and 15 seconds.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Montana.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Did we also grant the unanimous consent request for the rest of the sequencing that the Senator indicated? That was done also?

The PRESIDING OFFICER. Yes, it was.

Mr. BURNS. I ask the Senator from New Mexico, did he want to speak in opposition to this?

Mr. DOMENICI. No; I am afraid if I were to speak, I might not speak in opposition, so I do not choose to speak.

Mr. BURNS. That is fine.

The PRESIDING OFFICER. The Senator from Montana has 5 minutes.

Mr. BURNS. Mr. President, I shall not take 5 minutes. I would say the way the trend has been in radio and television station ownership in the last 5 or 10 years, this actually, I think, would stymie any development of further stations in the market.

I rather doubt that any one owner wants to own both radio stations or three television stations in the market of Billings, MT. I do not think they want to own all of them. We are not talking about just network stations; we are talking about independent stations. We are talking about stations that are not affiliated with any kind of a network on the limits of ownership that you can have in a specific market but across the Nation.

So, I am going to yield my time back. I am opposed to this amendment just for the simple reason of its effect on the sale of a station. When one retires or wants to sell a station, then you are going to have to go over and maybe you have a willing buyer that will give so much money for it and then that is closed out because he already owns too many stations? Maybe nobody else wants to get into the broadcast business. This also limits your ability to market a station, if you are lucky enough to own one.

This does not pertain just to television stations. This also pertains to radio stations, radio stations as well as television stations.

So I would oppose this amendment and I ask my colleagues to oppose it also.

I yield the floor and reserve the remainder of my time.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. PRESSLER. Mr. President, in executive session, I ask unanimous consent that the Senate immediately proceed to the consideration of the following Executive Calendar nominations:

Calendar No. 175, Robert F. Rider; Calendar No. 176, John D. Hawke, and Calendar No. 177, Linda Lee Robertson.

I further ask unanimous consent that the nominations be considered en bloc, the motions to reconsider be laid upon the table en bloc, that any statements relating to the nominations appear at the appropriate place in the RECORD, that the President be immediately notified of the Senate's action, and that the Senate then return to legislative session.

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

The nominations were considered and confirmed en bloc, as follows:

U.S. POSTAL SERVICE

Robert F. Rider, of Delaware, to be a Governor of the United States Postal Service for the term expiring December 8, 2004. (Reappointment)

DEPARTMENT OF THE TREASURY

John D. Hawke, Jr., of New York, to be Under Secretary of the Treasury.

Linda Lee Robertson, of Oklahoma, to be a Deputy Under Secretary of the Treasury.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now return to legislative session.

THE TELECOMMUNICATIONS COMPETITION AND DEREGULATION ACT

The Senate resumed with the consideration of the bill.

AMENDMENT NO. 1278

Mr. DORGAN. Mr. President, I yield 2 minutes to the Senator from Nebraska, Senator KERREY.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. KERREY. Mr. President, thank you.

As I indicated earlier, this amendment simply conforms with the underlying theme of S. 652 which is that if we have competition the consumers will benefit. The current language of the bill moves us in the direction of less competition. You cannot go from 25 percent ownership of stations in a service area to 35 percent without decreasing the competition. Inescapably the consequence is decreasing the number of broadcast owners in a particular area.

So, in addition to the localism argument, which was very eloquently made by both the Senator from Illinois and the Senator from North Carolina, the important issue when you are dealing with news—I point out a very important issue—when you are dealing with the question of how does the electorate, how does the public, how do the citizens themselves acquire information, is the issue of concentration of ownership. That is a very important issue.

So in addition to the idea that this shifts us away from local control of stations, there is also the very important idea of concentration in the industry, and lack of competition. It is highly likely that companies that we currently see as networks, or companies that we currently see as broadcasters, will be coming in at the local level saying we would like to provide what we previously regarded as dial tone and vice versa. This whole thing is going to get jumbled up in a hurry. As the Senator from South Dakota said several times, we allow people to get into each other's business. That is basically what the bill does.

So I hope Members who want competition, who want the consumers to benefit from that competition, will support the Dorgan amendment.

Mr. DORGAN. Mr. President, I will not use all of the remaining time. I am going to send a modification to the desk.

If I might have the attention of the Senator from South Dakota, who I think is now looking at the modification, the modification is purely technical in order to conform the amendment to the manner in which the underlying bill is drafted.

The PRESIDING OFFICER. Is there objection?

Mr. DORGAN. I have a right to modify the amendment without consent.

Mr. PRESSLER. We have a problem with one portion, which is to modify or remove such national or local ownership of radio and television broadcasting.

Mr. DORGAN. Radio has never been a part of the amendment that we offered today. It was not intended to be a part. I described the amendment earlier

today as only affecting television stations. That is the intent of the amendment.

Mr. PRESSLER. In the amendment we have national or local ownership of radio and television broadcasting.

Mr. DORGAN. It is not the intent of the amendment to include radio. It is the intent to only include television, and that is the way I described it earlier today just after the noon hour.

Mr. PRESSLER. As I understand it, every Senator can modify his amendment at any time. That changes the amendment based on my understanding. The amendment I have in my hand reads radio and television broadcasting.

Mr. DORGAN addressed the Chair.

Mr. PRESSLER. A Senator has a right to modify his amendment.

The PRESIDING OFFICER. The Senator from North Dakota needs to ask unanimous consent in order to modify his amendment.

Mr. PRESSLER. In view of the fact that the amendment I have in my hand is to modify or remove such national or local ownership of radio and television broadcasting, and just on the very moment of the vote to take out radio, and I want to consult with some of my colleagues, 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. DORGAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. DORGAN. Mr. President, my understanding of the parliamentary situation is that once all time is yielded back, under the unanimous-consent request, I would then be allowed to modify my amendment, which I sought to do. Is that correct?

The PRESIDING OFFICER. It still would require unanimous consent to proceed under that scenario.

AMENDMENT NO. 1278, AS MODIFIED

Mr. DORGAN. Mr. President, I ask unanimous consent that I be allowed to modify my amendment, and I send the modification to the desk.

The PRESIDING OFFICER. Is there objection?

Mr. BURNS. Mr. President, I reserve the right to object.

I have 2 minutes remaining. In order to accommodate my friend from North Dakota, I would yield back the remainder of my time so that will put his request to modify in correct parliamentary procedure. Is that a correct assumption?

The PRESIDING OFFICER. It will not be necessary for the Senator to yield back time in order for the unanimous-consent modification of the amendment.

Mr. BURNS. Then I reserve the remainder of my time.

I thank the Chair.

The PRESIDING OFFICER. Is there objection to the request to modify the amendment? Without objection, it is so ordered.

The amendment (No. 1278), as modified, is as follows:

Strike paragraph (1) of subsection (b) of Section (207) and insert in lieu thereof the following:

"(1) REVIEW AND MODIFICATION OF BROADCAST RULES.—The Commission shall:

"(A) modify or remove such national and local ownership rules only applying to television broadcasters as are necessary to ensure that broadcasters are able to compete fairly with other media providers while ensuring that the public receives information from a diversity of media sources and localism and service in the public interest is protected taking into consideration the economic dominance of providers in a market and

"(B) review the ownership restriction in section 613(a)(1)."

Mr. DORGAN. Mr. President, I have 2 minutes remaining?

The PRESIDING OFFICER. The Senator has 2 minutes remaining.

Mr. DORGAN. Mr. President, I shall not use the entire 2 minutes. Let me just say that when I proposed this amendment earlier today, I indicated the amendment was about removing the provision in the bill that eliminates the restrictions on broadcast ownership on television stations. The bill is drafted that way. The first two sentences strike those provisions dealing with television stations and there was some ancillary language that relates to the rules that will have to be redrawn at the FCC. That referred to the set of rules in which they were dealing with both television and radio stations, so the word "radio" was there but it had nothing to do with the strike. So we have since corrected that so that no one can misunderstand what the discussion is.

The discussion is that we believe the elimination of the ownership rules, the ownership restrictions, 12 stations and 25 percent of the market, the elimination is not in the public interest, and we believe very much that the provision that strikes those prohibitions ought to be taken out of this bill, and the provisions of the 12 television stations and 25 percent of the market ought to remain. That is the purpose of it. I already described what I think is the importance of it, and in the interest of my friend from South Dakota, who has been very cooperative on this, in the interest of his moving this along, I would yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. BURNS addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Montana.

Mr. BURNS. When you start talking about, I guess, broadcast companies, I find it unlikely, coming out of that business, that any one company would come to buy all the broadcast stations, especially in television, in a specific market.

Now, we have limited it nationally to 25 percent by law under the cable rereg bill, 25 percent of the market to a specific company, but we did not say that you were limited to a certain amount of cable systems. In other words, you just do not own so many cable systems if that adds up to 25 percent.

What we are saying here is that you are limited not only as to the number of stations you can own but also a limit on the number of listeners or people who might be in that specific market nationally.

So I just think it is bad policy right now. We do not limit any other media on the amount of ownership nationally across this country.

The local station, if it is owned locally, does a much better job in competing against an absentee owner. And that question came up in the hearings. I said even though I might do business in Georgia—and there was a Georgia businessman who owned a station in my State of Montana—it is still tough to do business against a local owner of a local station whenever the investment is there and the money is spent there.

So again I would say that even the marketplace itself limits ownership in television and, of course, I am objecting to any kind of an ownership restriction on radio stations altogether.

I reserve the remainder of my time. I yield the floor.

Mr. PRESSLER. 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. Is all time yielded back?

Mr. BURNS. I yield the remainder of my time.

The PRESIDING OFFICER. Does the Senator from North Carolina yield back his time?

Mr. HELMS. I certainly do. Yes.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to amendment No. 1278, as modified. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. MACK (when his name was called). Present.

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

The result was announced—yeas 51, nays 48, as follows:

[Rollcall Vote No. 253 Leg.]

YEAS—51

Akaka	Boxer	Campbell
Baucus	Bradley	Conrad
Biden	Bumpers	D'Amato
Bingaman	Byrd	Daschle

DeWine	Harkin	Lieberman
Dodd	Hatfield	McConnell
Domenici	Heflin	Mikulski
Dorgan	Helms	Moseley-Braun
Exon	Johnston	Murray
Faircloth	Kassebaum	Pell
Feingold	Kennedy	Pryor
Feinstein	Kerrey	Reid
Glenn	Kerry	Rockefeller
Gorton	Kohl	Sarbanes
Graham	Lautenberg	Simon
Grams	Leahy	Thomas
Grassley	Levin	Wellstone

NAYS—48

Abraham	Frist	Nickles
Ashcroft	Gramm	Nunn
Bennett	Gregg	Packwood
Bond	Hatch	Pressler
Breaux	Hollings	Robb
Brown	Hutchison	Roth
Bryan	Inhofe	Santorum
Burns	Inouye	Shelby
Chafee	Jeffords	Simpson
Coats	Kempthorne	Smith
Cochran	Kyl	Snowe
Cohen	Lott	Specter
Coverdell	Lugar	Stevens
Craig	McCain	Thompson
Dole	Moynihan	Thurmond
Ford	Murkowski	Warner

ANSWERED "PRESENT"—1

Mack

So the amendment (No. 1278), as modified, was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The majority leader.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. D'AMATO. 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. D'AMATO. Mr. President, I move to reconsider the vote by which the amendment, as modified, was agreed to.

Mr. DOLE. I ask for the yeas and nays on the motion to reconsider.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. DORGAN. Mr. President, I move to table the motion, and 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.

VOTE ON MOTION TO TABLE THE MOTION TO RECONSIDER

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider. On this question, the yeas and nays were ordered, and the clerk will call the roll.

The bill clerk called the roll.

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

The result was announced—yeas 48, nays 52, as follows:

[Rollcall Vote No. 254 Leg.]

YEAS—48

Akaka	Feingold	Lautenberg
Baucus	Feinstein	Leahy
Biden	Ford	Levin
Bingaman	Glenn	Lieberman
Boxer	Gorton	McConnell
Bradley	Graham	Mikulski
Bumpers	Grassley	Moseley-Braun
Byrd	Harkin	Murray
Campbell	Heflin	Pell
Conrad	Helms	Pryor
Daschle	Inouye	Reid
DeWine	Johnston	Robb
Dodd	Kennedy	Rockefeller
Dorgan	Kerrey	Sarbanes
Exon	Kerry	Simon
Faircloth	Kohl	Wellstone

NAYS—52

Abraham	Gramm	Nickles
Ashcroft	Grams	Nunn
Bennett	Gregg	Packwood
Bond	Hatch	Pressler
Breaux	Hatfield	Roth
Brown	Hollings	Santorum
Bryan	Hutchison	Shelby
Burns	Inhofe	Simpson
Chafee	Jeffords	Smith
Coats	Kassebaum	Snowe
Cochran	Kempthorne	Specter
Cohen	Kyl	Stevens
Coverdell	Lott	Thomas
Craig	Lugar	Thompson
D'Amato	Mack	Thurmond
Dole	McCain	Warner
Domenici	Moynihan	
Frist	Murkowski	

So, the motion to lay on the table was rejected.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Madam President, I ask unanimous consent that the yeas and nays be vitiated on the motion to reconsider.

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

Mr. DOLE. So then the vote will be, again, on the issue. We can adopt the motion to reconsider by voice vote.

VOTE ON MOTION TO RECONSIDER

The PRESIDING OFFICER. The question now is on agreeing to the motion to reconsider the vote by which the Dorgan amendment was agreed to.

So the motion was agreed to.

VOTE ON AMENDMENT NO. 1278, AS MODIFIED, UPON RECONSIDERATION

The PRESIDING OFFICER. The question is on agreeing to the Dorgan amendment No. 1278, as modified, upon reconsideration.

Mr. DORGAN. Madam President, I ask for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays have already been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. MACK (when his name was called). Present.

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

The result was announced—yeas 47, nays 52, as follows:

[Rollcall Vote No. 255 Leg.]

YEAS—47

Akaka	Biden	Boxer
Baucus	Bingaman	Bradley
Bumpers	Gorton	Levin
Byrd	Graham	Lieberman
Campbell	Grassley	McConnell
Conrad	Harkin	Mikulski
Daschle	Heflin	Moseley-Braun
DeWine	Helms	Murray
Dodd	Inouye	Pell
Domenici	Johnston	Pryor
Dorgan	Kennedy	Reid
Exon	Kerrey	Rockefeller
Faircloth	Kerry	Sarbanes
Feingold	Kohl	Simon
Feinstein	Lautenberg	Wellstone
Glenn	Leahy	

NAYS—52

Abraham	Gramm	Nunn
Ashcroft	Grams	Packwood
Bennett	Gregg	Pressler
Bond	Hatch	Robb
Breaux	Hatfield	Roth
Brown	Hollings	Santorum
Bryan	Hutchison	Shelby
Burns	Inhofe	Simpson
Chafee	Jeffords	Smith
Coats	Kassebaum	Snowe
Cochran	Kempthorne	Specter
Cohen	Kyl	Stevens
Coverdell	Lott	Thomas
Craig	Lugar	Thompson
D'Amato	McCain	Thurmond
Dole	Moynihan	Warner
Ford	Murkowski	
Frist	Nickles	

ANSWERED "PRESENT"—1

Mack

So the amendment (No. 1278), as modified, was rejected.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. PRESSLER. Madam President, I thank my colleagues. I think we are holding the committee bill together and moving forward.

There is now, under the unanimous consent as I understand it, to be a speech from Senator SIMON, which he has been waiting to give. He is prepared to go.

The PRESIDING OFFICER. May we have order in the Chamber, please?

The Senator from Illinois.

AMENDMENT NO. 1347 TO AMENDMENT NO. 1275

Mr. SIMON. Madam President, I rise in opposition to the amendment offered by my friend and colleague from North Dakota and the Senator from Connecticut, Senator LIEBERMAN. I do this reluctantly, in part because I agree with them in terms that we have a real problem and we have to confront that problem. The question is how we confront it.

Let me commend him, Senator CONRAD, Senator DORGAN, also from North Dakota, and Senator LIEBERMAN, in terms of video games and what he has been able to do there. Senator HOLLINGS has been a leader in this. Senator HUTCHISON has shown leadership. The problem is real and there are those in the industry, just like there are those in the cigarette industry, who deny there is a real problem. But the research is just overwhelming. There is no question that a cause—not the cause, because there are many causes—but a cause of violence in our society is the violence people see on entertainment television.

I stress entertainment television because on news television —sometimes

it is more violent than I would like—but on news television when you see that scene from Bosnia, you see relatives crying, you see violence in its grimness. In entertainment television, there is a tendency to glorify violence.

When even the President of the United States uses a phrase like "make my day," using it against Saddam Hussein, what he is saying is violence is a way of solving problems and violence is fun. Those are precisely the wrong messages.

We have been working on this for some time. This body, I am pleased to say, unanimously passed a bill saying the industry can get together without violating the antitrust laws to deal with the problem of violence. Since that has happened, there have been steps—major steps, frankly, by the broadcast industry; very small steps by the cable industry—in moving in a more positive direction. That ultimately is going to have an effect on our society.

If you look back at the old television series and movies, you will see our heroes and heroines smoking a great deal, drinking very heavily. That just quietly changed. The same thing is happening on broadcast television, but it is not happening, frankly, in the cable field as much as we would like. I applaud the steps that have been taken, but we need to do more.

I am also very reluctant to see Government get excessively into this problem. I spoke in Los Angeles in August 1993 to a unique gathering of 800 television and movie producers and talked about this issue of violence in our films. It was received about as favorably out there as Senator Bob DOLE's recent comments. Let me just add that I agree with the general thrust of Senator DOLE's comments.

But one of the things I said in August 1993 was, if the industry was willing to set up monitoring where we could find out what is happening, independent monitoring that is recognized as solid, I would oppose any legislative answers. At first we got a very negative response from the industry. Finally, both the broadcast and cable industries have established—or have contracted with respected entities, UCLA and Mediascope, to do this. The first report on broadcast will come in September. The report on cable will come in January. And tentatively we will have that for 3 years.

I think it is important that we let the industry try to correct its problems on its own, that we applaud the steps that have been taken, that we say more steps are needed. I have a sense-of-the-Senate resolution which will be voted upon immediately after we vote on the Conrad-Lieberman amendment—it is cosponsored by Senator DOLE and Senator PRESSLER—which urges the industry to do more in this area but does not get the Federal Government involved directly. When you start moving in the direction of getting the Federal Government involved—for example this deals with "the level of violence or objectionable content." When you talk about "objectionable content," you are talking about something that is not very precise. When you talk about content, I think the Federal Government has to be very, very careful.

If the industry on its own gets into this V-chip field, I applaud that. I welcome that. I am reluctant to have the Federal Government start moving into this field of content.

Let me add, it is not a substitute for the industry policing itself and having good programming, positive programming. Even if this is agreed to, we will still face the reality, for example, that in the high crime areas of our country young people watch a great deal more television than they do in the suburbs and rural areas of our country. And they are going to continue to see much too much violence and programs that I think are objectionable.

So my hope is that, frankly, we will defeat the Conrad-Lieberman amendment because we do not want the Federal Government getting its fist in there too heavily. I think we have to be careful. But let us pass the sense-of-the-Senate resolution, which will send a signal, a very clear signal, a sense-of-the-Senate resolution that I assume will pass unanimously, that sends a signal to the industry: Let us do better. We have serious concerns.

Madam President, I reserve the remainder of my time.

Mr. PRESSLER. Will the Senator yield?

The PRESIDING OFFICER. The Chair recognizes the distinguished Senate majority leader.

Mr. DOLE. Madam President, I will just take a few minutes, I say to Senator SIMON.

First, I ask unanimous consent the vote on the motion to table the Conrad amendment occur at 8:10 p.m. to be followed immediately by a vote on the Simon amendment.

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

Mr. DOLE. Mr. President, I support the goals of the amendments offered by my distinguished colleagues, Senator CONARD and Senator LIEBERMAN.

Both Senators are absolutely right to criticize the television industry for programming that too often glorifies mindless violence and casual sex. One recent study commissioned by USA Weekend magazine recorded 370 instances of "crude language or sexual situations" during a 5-night period of prime-time programming, or 1 every 8.9 minutes; 208 of these incidents occurred between 8 and 9 p.m., the so-called family hour.

According to one study, children will have been exposed to nearly 18,000 televised murders and 800 televised suicides by the time they reach the ripe old age of 18.

Clearly, on the issue of violent and sexually oriented programming, the television industry has much, much to explain to concerned parents throughout the country.

So, Mr. President, Senator CONARD, Senator LIEBERMAN, and I are in total agreement when it comes to identifying the problem that his amendment seeks to address. We part ways, however, when it comes to how best to resolve this problem in a way that is both effective and consistent with our free-speech traditions.

Senator CONRAD's amendment, as modified by the Lieberman second-degree, may not amount to censorship, but by establishing a 5-member Presidential Commission to create a "violence rating system," it takes us one step closer to government control over what we see and hear on television. As I have said on numerous occasions, we have more to lose than to gain from putting Washington in charge of our culture.

I am also concerned about the provisions in Senator CONRAD's amendment that would direct TV stations to transmit the ratings developed by the Presidentially appointed Commission as well as require that all TV sets be equipped with chip technology in order to block out programming found objectionable under the government-rating system.

These provisions are inconsistent with the general deregulatory approach of this bill—that less government control, less government regulations are what is needed most for a strong, competitive, consumer-oriented telecommunications industry.

The real solution to the problem of television's corrosive impact on our culture lies with concerned parents, informed consumers who have the good sense to turn off the trash, and corporate executives within the entertainment industry who are willing to put common decency above corporate profits.

That is why I have cosponsored the sense of the Senate amendment offered by my distinguished colleague from Illinois, Senator SIMON. This amendment is right-on-target: It states that "self-regulation by the private sector is * * * preferable to direct regulation by the Federal Government." And it urges the entertainment industry "to do everything possible" to limit the amount of violent and aggressive programming, particularly during the hours when children are most likely to be watching.

In other words: No regulation. No government involvement. No censorship. Just focusing the moral spotlight where it is needed most.

Mr. President, the television industry has tremendous power. In fact, television is perhaps the most dominant

cultural force in America today. But with this power comes responsibility. It is my hope, and it is the hope of millions of Americans across this great country, that the television industry will finally get the message and preform a much-needed and urgent house-cleaning.

Let me also add that when I made a statement about the entertainment industry a couple of weeks ago it did get the attention of a lot of people. But I notice in all the surveys that followed that speech there were about as many people concerned about Government censorship as there were about the violence, the mindless violence, and casual sex in movies and TV.

I have been criticized, maybe with some justification, by some who say, "BOB DOLE, Senator DOLE, wants censorship." I never suggested censorship. I did not suggest the Government do anything. I suggested that shame is a powerful weapon, and that it ought to be used.

I also suggested that, while the entertainment industry has its first amendment rights, we have our first amendment rights to express outrage, as the Senator from Illinois has done, the Senator from New Jersey, Senator BRADLEY, and many others, in this Senate.

So I would hope that we would not let the Government take one inch, make one effort that would indicate that we are headed towards Government regulation, Government involvement, censorship, if you will, and give the industry a chance to clean up its act. The last thing we want is more Government, particularly in a bill. As I have suggested, we are trying to deregulate and be more competitive.

I hope that the Conrad amendment and the underlying amendment will be tabled, and that the amendment of the Senator from Illinois would then be adopted.

The PRESIDING OFFICER. Does the Senator from Illinois wish to use his final minutes?

Mr. SIMON. Madam President, I would like to reserve the 2 minutes for later, if I could.

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

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. I ask that Senator LIEBERMAN, Senator EXON, Senator BYRD, Senator NUNN, and Senator FEINSTEIN be shown as cosponsors of my amendment.

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

Mr. CONRAD. I thank the Chair.

Madam President, the amendment that I am offering is not governmental choice in television. It is parental choice in television. There is a world of difference, and it is an important difference.

The amendment that I am offering provides for choice chips in new television sets so that parents can decide what comes into their homes—not the Government; parents. That is what the American people want, and that is what this amendment provides. It says when we start building new television sets let us include the new technology that will permit parents to decide what their children see—no Government bureaucrat, no Government agency; parents. That is precisely where the choice ought to lie.

Madam President, we do not dictate when the industry should provide the choice chip. We provide that there should be consultation between the industry and the FCC to determine the appropriate time for the choice chip to be included in new television sets. But we did say those chips ought to be available, and ought to be included in new sets, whether they are manufactured abroad or in this country for use in America. The American people want to be able to make these decisions.

I would direct my colleagues' attention to a USA Today poll that was taken on June 2 through the 4th. They asked the question:

> Should "V-chips" be installed in TV sets so parents could easily block violent programming?

Yes, 90 percent; 90 percent said yes. They want to have the ability to choose. They want to have the ability to make the determination about what their kids see—not Government, parents.

This amendment empowers parents. Let parents decide. It leaves the decision where it belongs, with American families—not some Government agency, not some Government authority, but the American parents.

Second it provides for a rating system.

Mr. BREAUX. Will the Senator yield?

Mr. CONRAD. I would prefer not to. I would like to conclude my statement because I have very limited time.

Consumers would like to know the content of programming. So we provide for a rating system. In my amendment, it is not determined by any Government board. It is determined by industry getting together with all interested parties. They are given 1 year on a voluntary basis to determine a rating system—not some Government fiat, not some Government dictate, but the industry working together with all interested parties on a voluntary basis for 1 year to establish a rating system.

Do you know? I believe they could do it without any Government interference, without any Government involvement. But if they fail after 1 year, then, yes. We provide that the FCC step in and oversee the creation of the rating system.

Do you know what? We have seen this done in other industries. We asked the industry that is involved with recreational software to develop on a voluntary basis a rating system. They did it. They did an excellent job. This is what they came up with—a thermometer that shows levels of violence, shows sexual activity, shows language so that people can make a judgment for themselves. That is what we are calling for here—parental choice, not governmental choice.

Madam President, I ask my colleague, Senator LIEBERMAN, for his comments.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. PRESSLER. Madam President, how much time remains, and who is it allocated to?

The PRESIDING OFFICER. The Senator from South Dakota has 9 minutes, and the Senator from North Dakota has 4 minutes and 40 seconds.

Mr. CONRAD. I give 3 minutes to my colleague from Connecticut.

The PRESIDING OFFICER. The Senator from Connecticut.

AMENDMENT NO. 1347, AS MODIFIED, TO AMENDMENT NO. 1275

Mr. LIEBERMAN. I thank the Chair.

Madam President, I first want to exercise my ability to send a modification of my second-degree amendment to the desk.

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

Mr. LIEBERMAN. I thank the Chair.

The PRESIDING OFFICER. The amendment is so modified.

Mr. LIEBERMAN. This is a technical amendment which in part——

Mr. PRESSLER. Reserving the right to object——

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. LIEBERMAN. Madam President, I exercised, I say to the chairman of the committee, my right to modify my second-degree amendment. It is a technical modification which in part responds to the suggestion of the ranking member of the committee to remove the section of the original amendment that would have established a system of fees to finance the grading board.

Mr. PRESSLER. What is the parliamentary situation? Does this take unanimous consent?

The PRESIDING OFFICER. It does require unanimous consent.

Does the Senator object?

Mr. PRESSLER. I must reserve the right to object.

Mr. LIEBERMAN. I am happy to proceed with my statement.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. LIEBERMAN. I thank the Chair.

Mr. PRESSLER. I withdraw my objection.

The PRESIDING OFFICER. The amendment is so modified.

The amendment (No. 1347), as modified, is as follows:

> On page 3, strike out line 12 and all that follows through page 4, line 16, and insert in lieu thereof the following:

SEC. 503. RATING CODE FOR VIOLENCE AND OTHER OBJECTIONABLE CONTENT ON TELEVISION.

(a) SENSE OF CONGRESS ON VOLUNTARY ESTABLISHMENT OF RATING CODE.—It is the sense of Congress—

(1) to encourage appropriate representatives of the broadcast television industry and the cable television industry to establish in a voluntary manner rules for rating the level of violence or other objectionable content in television programming, including rules for the transmission by television broadcast stations and cable systems of—

(A) signals containing ratings of the level of violence or objectionable content in such programming; and

(B) signals containing specifications for blocking such programming;

(2) to encourage such representatives to establish such rules in consultation with appropriate public interest groups and interested individuals from the private sector; and

(3) to encourage television broadcasters and cable operators to comply voluntarily with such rules upon the establishment of such rules.

(b) REQUIREMENT FOR ESTABLISHMENT OF RATING CODE.—

(1) IN GENERAL.—If the representatives of the broadcast television industry and the cable television industry do not establish the rules referred to in subsection (a)(1) by the end of the 1-year period beginning on the date of the enactment of this Act, there shall be established on the day following the end of that period a commission to be known as the Television Rating Commission (hereafter in this section referred to as the "Television Commission"). The Television Commission shall be an independent establishment in the executive branch as defined under section 104 of title 5, United States Code.

(2) MEMBERS.—

(A) IN GENERAL.—The Television Commission shall be composed of 5 members appointed by the President, by and with the advice and consent of the Senate, of whom—

(i) three shall be individuals who are members of appropriate public interest groups or are interested individuals from the private sector; and

(ii) two shall be representatives of the broadcast television industry and the cable television industry.

(B) NOMINATION.—Individuals shall be nominated for appointment under subparagraph (A) not later than 60 days after the date of the establishment of the Television Commission.

(D) TERMS.—Each member of the Television Commission shall serve until the termination of the commission.

(E) VACANCIES.—A vacancy on the Television Commission shall be filled in the same manner as the original appointment.

(2) DUTIES OF TELEVISION COMMISSION.—The Television Commission shall establish rules for rating the level of violence or other objectionable content in television programming, including rules for the transmission by television broadcast stations and cable systems of—

(A) signals containing ratings of the level of violence or objectionable content in such programming; and

(B) signals containing specifications for blocking such programming.

(3) COMPENSATION OF MEMBERS.—

(A) CHAIRMAN.—The Chairman of the Television Commission shall be paid at a rate equal to the daily equivalent of the minimum annual rate of basic pay payable for level IV of the Executive Schedule under section 5314 of title 5, United States Code, for each day (including traveltime) during which the Chairman is engaged in the performance of duties vested in the commission.

(B) OTHER MEMBERS.—Except for the Chairman who shall be paid as provided under subparagraph (A), each member of the Television Commission shall be paid at a rate equal to the daily equivalent of the minimum annual rate of basic pay payable for level V of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including traveltime) during which the member is engaged in the performance of duties vested in the commission.

(4) STAFF.—

(A) IN GENERAL.—The Chairman of the Television Commission may, without regard to the civil service laws and regulations, appoint and terminate an executive director and such other additional personnel as may be necessary to enable the commission to perform its duties. The employment of an executive director shall be subject to confirmation by the commission.

(B) COMPENSATION.—The Chairman of the Television Commission may fix the compensation of the executive director and other personnel without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay for the executive director and other personnel may not exceed te rate payable for level V of the Executive Schedule under section 5316 of such title.

(5) CONSULTANTS.—The Television Commission may procure by contract, to the extent funds are available, the temporary or intermittent services of experts or consultants under section 3109 of title 5, United States Code. The commission shall give public notice of any such contract before entering into such contract.

(6) FUNDING.—There is authorized to be appropriated to the Commission such sums as are necessary to enable the Commission to carry out its duties under this Act.

Mr. LIEBERMAN. I thank the chairman of the committee.

Madam President, again, I am privileged to join with my colleague from North Dakota in this amendment. The fact is that every study we have seen shows the extraordinary unacceptable amount of violence on television. It affects our children. It makes them more violent. The fact is that it is hard to believe that amount of inappropriate, objectionable material that the majority leader has referred to as casual sex on television which affects the violence of our kids.

One survey I quoted in an earlier statement here said the kids themselves admitted that what they saw on television encouraged them to be involved in sexual activity earlier than they should have.

It is time finally in our society that we focus on some of the major forces that affect our values and our children's values. We are confronting the difficult question of the impact of the entertainment media which is so powerful on our values and on our lives in our society.

This amendment gives the Members of this Chamber the opportunity to do more than talk about this problem. This is an opportunity to do something about it—not to create censorship, far from it—but under the terms of this amendment to basically get the attention of the television industry.

Senator SIMON, our colleague, has been a leader in this. But the fact is, as I understand it, that it is because of his understanding of the television industry that he has offered his sense of the Senate. The fact is that the industry has not gotten the message.

The programs that our kids are seeing are giving them the wrong message, and it is affecting their behavior and challenging the ability of parents in this country to raise their kids the way they want to raise them. This amendment, modified by my second-degree amendment, simply gives the industry a year to create its own standards; if they do not, then sets up a rating board, two members from the industry, three from the public, to do the job.

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

Mr. LIEBERMAN. I thank the Chair. This Senate ought to act on this problem.

I yield the floor.

Mr. PRESSLER addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. PRESSLER. Madam President, it is the intention of the Commerce Committee to hold hearings on this subject in the near future. Indeed, Senator HOLLINGS and many others have bills that they have filed, and they have been patiently waiting to have hearings so that we can start a legislative process.

For example, this amendment, before it was amended, said we would have had to look at the impact of assessing fees on broadcasters for funding a national commission on TV.

Now, that has been modified, but there still are many questions that I have about this. And I would inform Members that a Simon-Dole-Pressler amendment will be coming calling for renewed efforts by the broadcast industry to regulate violent programming. It is my strongest feeling that we should vote down the first amendment and adopt the sense-of-the-Senate amendment so that we can clearly state our views on this matter and proceed with legislation in a proper way with hearings and a markup.

I thought the Senator from Louisiana wished to speak. I would like to yield as much time as the Senator from Louisiana would consume.

Mr. BREAUX. I thank the chairman. I would just like to ask a question of the Senator who is the sponsor of the amendment. He spoke of the—what was it, the choice chip? It would seem to me that the TV sets already have choice chips. It is called the off and on switch, and when the parent thinks

that the program is not proper for a small child in their home, they just go turn it off. And that is a choice chip by a different name. But they have the right to control what their children see right now.

I am not sure why we have to order companies to build some other kind of switch to regulate what children see. It is a parental responsibility, I think, to say this is a program that is suitable for my child or it is not. And if it is not, you take the little off-on switch and you go "flick" or you can take the remote control and go "push" and the program is gone—poof, it is gone, like we already have a choice chip on the TV right now.

I would like to ask, what is the problem with the existing chip?

Mr. CONRAD. The Senator asks a very good question, and the problem is very often the parents are not home to help participate in that choice. Millions of American families have both parents working. Millions of American families are so busy that they do not have a chance to monitor every minute of what their children are watching. And so what we are providing is when the parent is absent, they are able to program that television to exclude programming they find objectionable. Why not? Why should not parents have an ability to say that not just anyone can come into their home, uninvited, and give any message to their kid that they want to give without the parents being able to stop it?

Mr. BREAUX. I thank the Senator.

Mr. CONRAD. I think the American people want the chance to say no.

Mr. BREAUX. I think it is a valid response.

I thank the Senator for yielding. I thank the Chair. I yield the floor.

Mr. SIMON addressed the Chair.

The PRESIDING OFFICER (Mr. ASHCROFT). The Senator from Illinois.

AMENDMENT NO. 1349

Mr. SIMON. Mr. President, I would like to take my remaining time. I have an amendment at the desk I would offer.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Illinois [Mr. SIMON], for himself, Mr. DOLE, and Mr. PRESSLER, proposes an amendment numbered 1349.

Mr. SIMON. 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:

At the appropriate place add the following.

SEC. : FINDINGS.

The Senate finds that—

Violence is a pervasive and persistent feature of the entertainment industry. According to the Carnegie Council on Adolescent Development, by the age of 18, children will have been exposed to nearly 18,000 televised murders and 800 suicides.

Violence on television is likely to have a serious and harmful effect on the emotional development of young children. The American Psychological Association has reported that children who watch "a large number of aggressive programs tend to hold attitudes and values that favor the use of aggression to solve conflicts." The National Institute of Mental Health has stated similarly that "violence on television does lead to aggressive behavior by children and teenagers."

The Senate recognizes that television violence is not the sole cause of violence in society.

There is a broad recognition in the U.S. Congress that the television industry has an obligation to police the content of its own broadcasts to children. That understanding was reflected in the Television Violence Act of 1990, which was specifically designed to permit industry participants to work together to create a self-monitoring system.

After years of denying that television violence has any detrimental effect, the entertainment industry has begun to address the problem of television violence. In the Spring of 1994, for example, the network and cable industries announced the appointment of an independent monitoring group to assess the amount of violence on television. These reports are due out in the Fall of 1995 and Winter of 1996, respectively.

The Senate recognizes that self-regulation by the private sector is generally preferable to direct regulation by the federal government.

SEC. : SENSE OF THE SENATE.

It is the Sense of the Senate that the entertainment industry should do everything possible to limit the amount of violent and aggressive programming, particularly during the hours when children are most likely to be watching.

Mr. SIMON. Mr. President, in closing the argument, let me say if the industry on its own moves in this direction, I will applaud the industry for doing it. But let us not make any mistake, we are moving beyond anything Government has ever done before. We are saying, if the industry in 1 year does not get this resolved, then a Government commission is going to determine violence and objectionable content. That is an intrusion that I hope we can avoid. And my reason for hoping we can avoid it is that, frankly, we are making some progress in the television industry. On the broadcast side, we are clearly making progress. No one denies that. On the cable side, frankly, very little progress has been made. And there I hope the industry can move ahead. But we are going to have monitoring. We are going to have our first report come in September of this year on broadcast, January of next year on cable. Let us let the industry try to resolve this matter on their own. It is a genuine problem. I agree with Senator CONRAD and Senator LIEBERMAN on that. But I think we have to be careful how far the Federal Government goes.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

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

The PRESIDING OFFICER. The Senator has 1 minute 29 seconds.

Mr. CONRAD. Mr. President, I just have to correct the record with respect to the statement Senator SIMON made. My amendment does not have any Government agency determining what is objectionable content. It is not a governmental decision. It is parental choice. Parents have a right to decide. The only involvement of Government is if the industry does not move forward with putting in chips, the choice chips that will allow parents to make these decisions, it will be required on new television sets.

Second, with respect to a rating system so that parents can determine what is coming into their homes, if the industry, together with all interested parties, does not reach a determination within 1 year, then a commission will determine a rating system. They will not determine that something is objectionable and should be blocked from people's homes. Not at all. People can produce anything they want, but parents will have a right to choose what comes into their homes.

Under the Dole-Simon amendment, they are saying that the networks can come into your home, talk to your children, say anything they want, and you cannot stop them. We say that is wrong. We say that parents ought to be able to choose what their children see.

I hope my colleagues will support this commonsense amendment that gives parents the right to decide what comes into their homes.

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

Mr. PRESSLER addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota.

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

The PRESIDING OFFICER. The Senator from South Dakota has 3 minutes 50 seconds.

Mr. PRESSLER. I will use my time to urge Members to vote to table the Conrad amendment. And I urge Members to express their concern on this subject by voting for the Dole-Simon-Pressler amendment, which will be a sense-of-the-Senate, so Members will have an opportunity for a followup vote.

I urge all Members of the Senate to vote to table the Conrad amendment No. 1275.

Mr. BRADLEY. Will the Senator yield?

Mr. PRESSLER. The Senator from New Jersey wants 1 minute. Even though he is not on my side, I will give him 1 minute but then I want the floor to make my motion.

Mr. BRADLEY. I thank the distinguished Senator.

Mr. President, this is the opening round of a very important debate. Nobody disputes that too much violence is coming into the home. It is coming into the home because it sells, because the market works, because people buy it.

So the question is, how do you stop it from coming into the home? My first preference would be to shame those who are making money out of selling trash. But if that fails, Mr. President, then clearly there has to be another way to try to prevent the trash from coming into the home. The amendment offered by the distinguished Senators from South Dakota and Connecticut is the beginning of saying, well, what if the market will not be subject to shame? What if it will continue to put forth trash?

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

Mr. BRADLEY. Therefore, Mr. President, I think this is a very important Senate decision.

Mr. PRESSLER. Mr. President, I must now move to table the Conrad amendment. The hour of 8:10 has arrived. I know the Senator from Florida wanted 1 minute. I do not know that that can be worked out, but I do now move to table the Conrad amendment No. 1275, 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.

Mr. GRAHAM. Mr. President, I would like to ask if the Senator from South Dakota will yield 1 minute of his time to me.

Mr. PRESSLER. I do yield 1 minute.

The PRESIDING OFFICER. Without objection, the Senator from Florida is recognized for 1 minute.

Mr. GRAHAM. Mr. President, I ask unanimous consent to be listed as a cosponsor of the Conrad-Lieberman amendment.

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

Mr. GRAHAM. Mr. President, this is not an issue of censorship or excessive Government intrusion. This is essentially an issue of empowerment. We are empowering the parents of children to make an intelligent choice, which the children by their immaturity often are unable to make. Who better to ask in our society to be responsible for what comes into the minds of young people than those who love them the most and have the responsibility for their nurturing and upbringing?

I believe that we ought to be encouraging responsibility beyond just the pure dictates of the marketplace from many aspects of our society. I am very pleased that three Federal agencies—the Department of Defense, Amtrak, and the Postal Service—have joined together to establish some standards that will not place Federal advertising into programs that are excessively violent.

I hope that would be a standard of social responsibility that other sponsors would look to and that we would allow parents to exercise that responsibility by empowering them to control what their children see.

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

Mr. PRESSLER. I yield back all my time. This will be a vote on a motion to table.

VOTE ON MOTION TO TABLE AMENDMENT NO. 1275

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table amendment No. 1275 offered by the Senator from North Dakota [Mr. CONRAD]. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. MACK (when his name was called). Present.

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

The result was announced—yeas 26, nays 73, as follows:

[Rollcall Vote No. 256 Leg.]

YEAS—26

Ashcroft	Glenn	Packwood
Burns	Grassley	Pell
Craig	Jeffords	Pressler
D'Amato	Kempthorne	Robb
Dodd	Kyl	Santorum
Dole	Leahy	Simon
Faircloth	Lott	Specter
Feingold	Moseley-Braun	Thomas
Frist	Moynihan	

NAYS—73

Abraham	Exon	Lieberman
Akaka	Feinstein	Lugar
Baucus	Ford	McCain
Bennett	Gorton	McConnell
Biden	Graham	Mikulski
Bingaman	Gramm	Murkowski
Bond	Grams	Murray
Boxer	Gregg	Nickles
Bradley	Harkin	Nunn
Breaux	Hatch	Pryor
Brown	Hatfield	Reid
Bryan	Heflin	Rockefeller
Bumpers	Helms	Roth
Byrd	Hollings	Sarbanes
Campbell	Hutchison	Shelby
Chafee	Inhofe	Simpson
Coats	Inouye	Smith
Cochran	Johnston	Snowe
Cohen	Kassebaum	Stevens
Conrad	Kennedy	Thompson
Coverdell	Kerrey	Thurmond
Daschle	Kerry	Warner
DeWine	Kohl	Wellstone
Domenici	Lautenberg	
Dorgan	Levin	

ANSWERED "PRESENT"—1

Mack

So the motion to lay on the table the amendment (No. 1275) was rejected.

VOTE ON AMENDMENT NO. 1347, AS MODIFIED, TO AMENDMENT NO. 1275

Mr. PRESSLER. Mr. President, I ask unanimous consent that the yeas and nays be vitiated on amendment No. 1347.

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

Several Senators addressed the Chair.

The PRESIDING OFFICER. The question occurs on the second-degree amendment No. 1347 offered by the Senator from Connecticut.

If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 1347), as modified, was agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote.

Mr. PRESSLER. I ask for the yeas and nays on amendment No. 1349.

VOTE ON AMENDMENT NO. 1275, AS AMENDED

The PRESIDING OFFICER. The question occurs on amendment No. 1275 as amended.

The amendment (No. 1275), as amended, was agreed to.

Mr. LIEBERMAN. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. PRESSLER adressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota.

VOTE ON AMENDMENT NO. 1349

Mr. PRESSLER. Mr. President, I ask for the yeas and nays on amendment No. 1349.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question occurs on amendment No. 1349, offered by the Senator from Illinois [Mr. SIMON].

The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

The result was announced, yeas 100, nays 0, as follows:

[Rollcall Vote No. 257 Leg.]

YEAS—100

Abraham	Feinstein	Mack
Akaka	Ford	McCain
Ashcroft	Frist	McConnell
Baucus	Glenn	Mikulski
Bennett	Gorton	Moseley-Braun
Biden	Graham	Moynihan
Bingaman	Gramm	Murkowski
Bond	Grams	Murray
Boxer	Grassley	Nickles
Bradley	Gregg	Nunn
Breaux	Harkin	Packwood
Brown	Hatch	Pell
Bryan	Hatfield	Pressler
Bumpers	Heflin	Pryor
Burns	Helms	Reid
Byrd	Hollings	Robb
Campbell	Hutchison	Rockefeller
Chafee	Inhofe	Roth
Coats	Inouye	Santorum
Cochran	Jeffords	Sarbanes
Cohen	Johnston	Shelby
Conrad	Kassebaum	Simon
Coverdell	Kempthorne	Simpson
Craig	Kennedy	Smith
D'Amato	Kerrey	Snowe
Daschle	Kerry	Specter
DeWine	Kohl	Stevens
Dodd	Kyl	Thomas
Dole	Lautenberg	Thompson
Domenici	Leahy	Thurmond
Dorgan	Levin	Warner
Exon	Lieberman	Wellstone
Faircloth	Lott	
Feingold	Lugar	

So, the amendment (No. 1349) was agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. PRESSLER addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. PRESSLER. Mr. President, I have 2 or 3 unanimous consent requests.

AMENDMENT NO. 1335

Mr. President, I ask unanimous consent that the Senate now resume consideration of amendment 1335—it is the Kerrey of Nebraska amendment—the amendment be agreed to and the motion to reconsider be laid upon the table, all without any intervening action or debate.

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

So the amendment (No. 1335) was agreed to.

AMENDMENT NO. 1350

(Purpose: To assure that the national security is protected when considering grants of common carrier license to foreign entities and other persons)

Mr. PRESSLER. I ask that the pending amendments be laid aside, and I send an amendment to the desk on behalf of Senator EXON.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The legislative clerk read as follows:

The Senator from South Dakota [Mr. PRESSLER], for Mr. EXON, for himself, Mr. DORGAN, and Mr. BYRD, proposes an amendment numbered 1350.

Mr. PRESSLER. 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 49, line 15 after "Government (or its representative)" add the following: "provided that the President does not object within 15 days of such determination"

On page 50 between line 14 and 15 insert the following:

"(c) THE APPLICATION OF THE EXON-FLORIO LAW.—Nothing in this section (47 U.S.C. 310) shall limit in any way the application of 50 U.S.C. App. 2170 (the Exon-Florio law) to any transaction."

Mr. EXON. Mr. President, I rise to offer an amendment related to the foreign ownership provisions of the telecommunications bill.

S. 652, the pending bill, adds new procedures to permit foreign ownership of common carrier licenses if the Federal Communications Commission [FCC] determines that the home country of the proposed foreign owner offers reciprocal and equivalent market opportunities to Americans.

The Exon-Dorgan-Byrd amendment clarifies that nothing in the new section limits or affects the application of the Exon-Florio law (50 App. 2170) which gives the President the power to investigate and if necessary prohibit or suspend a merger, takeover or acquisition of an American company by a foreign entity when the national security may be affected by such transaction.

Where the proposed FCC procedure would permit the foreign acquisition of a U.S. telecommunications company and its common carrier licenses, it is important to make clear that the new FCC procedure does not pre-empt existing law affecting foreign mergers, acquisitions and takeovers.

Most importantly, our proposed amendment would give the President 15 days to review actions of the FCC. Under this provision, the license could be granted only if the President does not object within 15 days. As Commander in Chief, and the conductor of foreign policy, there may be information available to a President which would not or should not be available to the FCC in making its findings under the proposed procedure in S. 652. The Exon-Dorgan-Byrd amendment assures that the President gets the final say if a common carrier license is granted to a foreign entity.

This amendment should be non-controversial and in no way undermines the foreign investment and ownership reforms of S. 652. It preserves important national security, foreign policy and law enforcement powers of the President.

I urge my colleagues to support this short but critically important amendment.

Mr. BYRD. Mr. President, I strongly support the amendment offered by the distinguished senior Senator from Nebraska [Mr. EXON], and am a co-sponsor of it along with the distinguished Senator from North Dakota [Mr. DORGAN]. The international marketplace in telecommunications equipment and service is a very robust, lucrative one, and the opportunities for U.S. companies abroad are vast. However, this marketplace is subject to many of the same kind of barriers to entry as has been the case for other American business sectors. Currently, the US Trade representative, Ambassador Kantor, has initiated a 301 case against the Japanese in the area of automobile parts, after years of frustration in trying to gain fair entry into the Japanese market. The Senate has strongly endorsed this action by a vote of 88–8 on a resolution offered by myself, the two leaders, and other Senators on both sides of the aisle.

Similar problems of access to foreign markets exist in the telecommunications sector, and the bill as reported from the Commerce Committee includes a provision to protect our country and our companies from unfair competition. The bill as reported by the Committee supports an incentives-based strategy for foreign countries to open their telecommunications markets to U.S. companies. It does this by conditioning new access to the American market upon a showing of reciprocity in the markets of the petitioning foreign companies. Current law, that is section 310 of the Communications Act of 1934, provides that a foreign entity may not obtain a common carrier license itself, and may not own more than 25 percent of any corporation which owns or controls a common carrier license. This foreign ownership limitation has not been very effective and has not prevented foreign carriers from entering the U.S. market. The FCC has had the discretion of waiving this limitation, if it finds that such action does not adversely affect the public interest.

Nevertheless, maintaining restrictions on foreign ownership is generally considered by U.S. industry to be useful as one way to raise the issue of unfair foreign competition and to maintain leverage abroad. Therefore, the bill established a reciprocal market access standard as a condition for the waiver of Section 310(b). It states that the FCC may grant to an alien, foreign corporation or foreign government a common carrier license that would otherwise violate the restriction in Section 310(b) if the FCC finds that there are equivalent market opportunities for U.S. companies and citizens in the foreign country of origin of the corporation or government.

Even though Section 310 has not prevented access into our market, the existence of the section has been used by foreign countries as an excuse to deny U.S. companies access to their markets. The provision in S. 652, applying a reciprocity rule, makes it clear that our market will be open to others to the same extent that theirs are open to our investment. This is as it should be.

The amendment offered by the distinguished Senator from Nebraska ensures that important factors of national security and the overall best interest of the U.S. from the perspective of law enforcement, foreign policy, the interpretation of international agreements, and national economic security are protected. The FBI has indicated to me its grave concerns over foreign penetration of our telecommunications market. Foreign governments whose interests are adverse to the U.S., foreign drug cartels, international criminal syndicates, terrorist organizations, and others who would like to own, operate, or penetrate our telecommunications market should be prohibited from doing so. Therefore, the Exon-Dorgan-Byrd amendment gives the president the authority to overturn an FCC decision to grant a waiver of the restrictions of Section 310. This is based, of course, on the superior information available to the President by virtue of the resources available to him across the board in the Executive branch. The president must have a veto in this field, and he should not hesitate to exercise this authority.

Mr. President, my second degree amendment provides that, in the event that the President should reject a recommendation by the FCC to grant a license to a foreign entity to operate in our market, the President shall provide

a report to the Congress on the findings he has made in the particular case and the factors that he took into account in arriving at his determination. The Congress needs to be kept in the loop on the evolution of our telecommunications market. The reports can be provided in classified and/or unclassified form, as appropriate, since many of the national security factors that might pertain in a particular case are sensitive and should be protected.

In addition, Mr. President, my amendment has a second section which deals with the issue of the actual nature of the foreign telecommunications market place. Given the highly lucrative nature of the telecommunications marketplace, the stakes of gaining access to foreign markets are high. It should be no surprise that securing effective market access to many foreign markets, including those of our allies, such as France, Germany and Japan, has been very difficult. Those markets remain essentially closed to our companies, dominated as they are by large monopolies favored by those governments. In fact, most European markets highly restrict competition in basic voice services and infrastructure. A study by the Economic Strategy Institute, in December 1994, found that "While the U.S. has encouraged competition in all telecommunication sectors except the local exchange, the overwhelming majority of nations have discouraged competition and maintained a public monopoly that has no incentive to become more efficient. U.S. firms, as a result of intense competition here in the U.S., provide the most advanced and efficient telecommunications services in the world, and could certainly compete effectively in other markets if given the chance of an open playing field." The same study found that "U.S. firms are blocked from the majority of lucrative international opportunities by foreign government regulations prohibiting or restricting U.S. participation and international regulations which intrinsically discriminate and overcharge U.S. firms and consumers." This study found that the total loss in revenues to U.S. firms, as a result of foreign barriers, is estimated to be close to $100 billion per year between 1992 and the end of the century.

As my colleagues are aware, the negotiations which led to the historic revision of the GATT agreement, and which created the World Trade Organization, were unable to conclude an agreement on telecommunications services. Thus, separate negotiations are underway in Geneva today to secure such an agreement, in the context of the Negotiating Group on Basic Telecommunications. In the absence of such an agreement, we must rely on our own laws to protect our companies and to provide leverage over foreign nations to open their markets. To forego our own national leverage would do a great disservice to American business and would be shortsighted—the result of which would be not only a setback to our strategy to open those markets, but to pull the rug out from under our negotiators in Geneva seeking to secure a favorable international agreement for open telecommunications markets. Indeed, tough U.S. reciprocity laws are clearly needed by our negotiators to gain an acceptable, effective, market-opening agreement in Geneva in these so-called GATT (General Agreement on Trade in Services) negotiations.

The standard for access into the American market in the reported bill requires that the FCC find that market opportunities in the home market of the applicant be equivalent to those desired in the U.S. in the specific telecommunications market segment involved. Thus, if an applicant wants to get into the American mobile telephone market, the mobile telephone market of the applicant must be open. I expect that the FCC will be very tough, and the President will be very tough, as provided for in the underlying amendment pending here, in making a determination that the home market of the applicant is really open for our investment and/or operations. My second degree amendment would also require the FCC and the President to look beyond that specific telecommunications market segment, and make an evaluation of the accessibility of the whole range of telecommunications market segments for American investment and/or operations. This is because the telecommunications market between the U.S. and our trading partners is often very asymmetrical. For instance, if a German company wants to get into the U.S. mobile phone market, we might find, and indeed we would find, that the German mobile phone market is open to U.S. business access. But the rest of the German market is mainly closed up tighter than a dry drum to U.S. investment or entry. So we at least need to inform ourselves of the real nature of the international marketplace, and I would expect that these evaluations would be made available to the public, in detail and in a timely way. Over the long run, if we determine a persistent pattern of imbalance and unfairness, as a whole, exists in telecommunications markets, further action to force foreign markets open will have to be considered.

Mr. President, this is an effort to advance our understanding of the nature of the evolving international marketplace for the range of exploding technologies in the telecommunications field, and to ensure that America is treated fairly and in a reciprocal manner. I congratulate the committee for the reciprocity provision and I hope that the modest contribution that Senators EXON, DORGAN, and I make with this amendment will add something of value to that provision.

AMENDMENT NO. 1351 TO AMENDMENT NO. 1350

(Purpose: To require a report on objections to determinations of the Federal Communications Commission for purposes of termination of foreign ownership restrictions and to revise the determinations of market opportunities for such purposes)

Mr. PRESSLER. I send a second-degree amendment to the desk on behalf of Senator BYRD.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from South Dakota [Mr. PRESSLER], for Mr. BYRD, for himself and Mr. EXON, proposes an amendment numbered 1351.

Mr. PRESSLER. 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 1 of the amendment, line 4, strike out "determination." and insert in lieu thereof the following: "determination. If the President objects to a determination, the President shall, immediately upon such objection, submit to Congress a written report (in unclassified form, but with a classified annex if necessary) that sets forth a detailed explanation of the findings made and factors considered in objecting to the determination."

On page 49, line 17, insert after the period the following: "While determining whether such opportunities are equivalent on that basis, the Commission shall also conduct an evaluation of opportunities for access to all segments of the telecommunications market of the applicant."

Mr. EXON. Mr. President, I am pleased to support and cosponsor Senator BYRD's amendment to the Exon-Dorgan-Byrd foreign investment amendment. This friendly amendment would require the President to report to the Congress in a classified and unclassified form.

This report mirrors the reporting provisions of the 1993 Exon-Byrd amendment to the Exon-Florio law. I am pleased to lend my full support to my friend and colleague from West Virginia.

Mr. PRESSLER. I ask unanimous consent that the amendment be agreed to and the motion to reconsider be laid on the table.

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

So the amendment (No. 1351) was agreed to.

Mr. PRESSLER. Mr. President, I ask unanimous consent that the Exon amendment be agreed to and the motion to reconsider be laid upon the table.

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

So the amendment (No. 1350), as amended, was agreed to.

Mr. PRESSLER. Mr. President, I believe that that brings our activities on

the telecommunications bill to a close today. I think we have made good progress, and I think the committee bill has held together. I know there are Senators present with speeches, but I wish to thank all Senators.

The PRESIDING OFFICER. The Senator from Mississippi.

CLOTURE MOTION

Mr. COCHRAN. Mr. President, I send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The bill clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on Calendar No. 45, S. 652, the telecommunications bill:

Trent Lott, Larry Pressler, Judd Gregg, Don Nickles, Rod Grams, Rick Santorum, Craig Thomas, Spencer Abraham, Bob Dole, Ted Stevens, Larry Craig, Mike DeWine, John Ashcroft, Robert Bennett, Hank Brown, and Conrad Burns.

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 sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT OF THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT FOR CALENDAR YEARS 1993—MESSAGE FROM THE PRESIDENT—PM 55

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Banking, Housing, and Urban Affairs.

To the Congress of the United States:

Pursuant to the requirements of 42 U.S.C. 3536, I transmit herewith the 29th Annual Report of the Department of Housing and Urban Development, which covers calendar year 1993.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *June 13, 1995.*

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-969. A communication from the Director of the Institute of Museum Services, transmitting, pursuant to law, the report under the Federal Managers' Financial Integrity Act; to the Committee on Governmental Affairs.

EC-970. A communication from the Comptroller General of the United States, transmitting, pursuant to law, notice of the reports and testimony for April 1995; to the Committee on Governmental Affairs.

EC-971. A communication from the Executive Director of the Federal Retirement Thrift Investment Board, transmitting, a draft of proposed legislation to amend Title 5, United States Code, to provide additional investment funds for the thrift savings plan; to the Committee on Governmental Affairs.

EC-972. A communication from the Director of the Office of Personnel Management, transmitting, a draft of proposed legislation entitled "The Federal Employees Emergency Leave Transfer Act of 1995"; to the Committee on Governmental Affairs.

EC-973. A communication from the Director of the Office of Personnel Management, transmitting, pursuant to law, the report under the Chief Financial Officers Act of 1990; to the Committee on Governmental Affairs.

EC-974. A communication from the Chief Operating Officer/President of the Resolution Funding Corporation, transmitting, pursuant to law, a report relative to internal controls for 1993 and 1994; to the Committee on Governmental Affairs.

EC-975. A communication from the Chair of the Federal Energy Regulatory Commission, transmitting, pursuant to law, the 1994 annual report under the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC-976. A communication from the Executive Director of the Neighborhood Reinvestment Corporation, transmitting, pursuant to law, the 1994 annual report under the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC 977. A communication from the chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11-51, adopted by the Council on May 2, 1995; to the Committee on Governmental Affairs.

EC 978. A communication from the chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11-52, adopted by the Council on May 2, 1995; to the Committee on Governmental Affairs.

EC 979. A communication from the chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11-53, adopted by the Council on May 2, 1995; to the Committee on Governmental Affairs.

EC 980. A communication from the chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11-54, adopted by the Council on May 2, 1995; to the Committee on Governmental Affairs.

EC 981. A communication from the chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11-55, adopted by the Council on May 2, 1995; to the Committee on Governmental Affairs.

EC 982. A communication from the chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11-56, adopted by the Council on May 2, 1995; to the Committee on Governmental Affairs.

EC 983. A communication from the chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11-59, adopted by the Council on May 2, 1995; to the Committee on Governmental Affairs.

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. DOMENICI (for himself and Mr. BOND):

S. 917. A bill to facilitate small business involvement in the regulatory development processes of the Environmental Protection Agency and the Occupational Safety and Health Administration, and for other purposes; to the Committee on Small Business.

By Mr. EXON:

S. 918. A bill to prohibit the payment of certain Federal benefits to any person not lawfully present within the United States, and for other purposes; to the Committee on Finance.

By Mr. COATS (for himself and Mrs. KASSEBAUM):

S. 919. A bill to modify and reauthorize the Child Abuse Prevention and Treatment Act, and for other purposes; to the Committee on Labor and Human Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DOMENICI (for himself and Mr. BOND):

S. 917. A bill to facilitate small business involvement in the regulatory development processes of the Environmental Protection Agency and the Occupational Safety and Health Administration, and for other purposes; to the Committee on Small Business.

THE SMALL BUSINESS ADVOCACY ACT OF 1995

Mr. DOMENICI. Essentially, Mr. President, this bill will establish the process whereby small business in each of our respective States will be involved in the process of writing the rules and regulations for both OSHA and EPA. I think it is an exciting idea that came right from small business.

I note that the chairman of the Small Business Committee, Senator BOND, is a cosponsor. I thank him for his assistance. Mr. President, on behalf of the small business women and men in America, I am pleased to offer a bill to create a Small Business Advocacy Review Panel. This bill has been developed because of the suggestions of a committed group of New Mexican small business people. I am also pleased that the distinguished chairman of the Senate Committee on Small Business is joining me as an original

cosponsor of this measure. I am also pleased to say that the National Federation of Independent Business supports this bill.

This week, the White House Conference on Small Business is convening here in Washington. This is an event I am particularly interested in since I introduced the legislation that authorizes these national conferences with small business men and women. I would like to welcome all the delegates from New Mexico and ask unanimous consent to place a list of their names in the RECORD at the conclusion of my remarks.

In early 1994, I formed a Small Business Advocacy Council in New Mexico. I asked this group to advise me about the problems of small businesses and how Congress might address some of their concerns. This council held 7 meetings in 6 locations throughout the State of New Mexico with more than 400 businesses participating. The consistent theme at all of these meetings was the appearance of an adversarial relationship between the Federal Government and business, and the lack of accountability of regulatory agencies in their dealings with business.

A few months ago the Senate Small Business Committee kicked off a series of field hearings entitled "Entrepreneurship in America," with the first hearing in Albuquerque. These hearings focused on 7 issues affecting American small businesses: the Federal tax burden, cost of employment, environmental compliance, OSHA compliance, government intrusion on the family farm, banking system restrictions, and unreasonable legal exposure costs. Many members of the Small Business Advocacy Council testified at the Albuquerque field hearing of the Senate Small Business Committee chaired by my good friend and distinguished colleague, KIT BOND.

The concerns vetted in this field hearing were not unique to New Mexico. In fact, the Washington Post insert of June 6, ran a very illustrative story on the Small Business White House Conference. This story focused on Sal Risalvato, a White House Conference delegate from New Jersey. Mr. Risalvato runs a gasoline service station in Morristown, NJ, and he relates a familiar tale of struggling to cope with a continuous stream of new EPA regulations. He cites that these regulations are difficult to understand and require the constant expenditure of capital—capital that could have been otherwise used to expand the business and create more jobs. I ask unanimous consent that a copy of this article be inserted in the RECORD at the conclusion of my remarks.

In June 1994, the General Accounting Office delivered a report to the House Committee on Education and Labor entitled "Workplace Regulation—Information on Selected Employer and Union Experiences."

I recently discussed this report with the GAO because I found its results so strikingly similar to the findings of the New Mexico Small Business Advocacy Council and the gentleman from New Jersey cited in the Post article. The objective of the GAO report was to: First, identify and analyze the characteristics of the major statutes comprising the framework of workplace regulation and, second, describe the actual experiences of a wide range of employer and employee representatives with workplace regulation.

The GAO identified 26 statutes and one Executive order on workplace regulation and sought comments, on a confidential basis, from a broad range of 36 employers and union representatives. Those interviewed generally accepted the importance of workplace regulations. There were frequently voiced concerns, however, with the operation of the overall regulatory process of many agencies and about whether the agencies' regulatory goals were being achieved. Last year there were over 8,000 rules and regulations that were promulgated. Obviously, not every rule can, or needs to be, reviewed. However, there are currently approximately 46 rulemakings pending at EPA that are termed significant, with an economic impact exceeding $100 million.

The small business men and women of America aren't asking to abolish regulations, they are asking for an opportunity to work with agencies to establish an effective mechanism for drafting regulations. The New Mexico Small Business Council members, as well as Sal Risalvato from New Jersey, have said they agree regulation is necessary and everyone benefits from reasonable regulations on health and safety. The small business men and women are pleading for a vehicle of cooperation to act in an advisory capacity to the government on regulatory impacts and costs.

So, at their suggestion, I am pleased to introduce the Small Business Advocacy Act of 1995. This act will establish a small business review panel to facilitate small business involvement in the regulatory development process within the EPA and OSHA. These panels will be responsible for providing technical guidance for issues impacting small businesses, such as applicability, compliance, consistency, redundancy, readability, and any other related concerns that may affect them. This panel will then provide recommendations to the appropriate agency personnel responsible for developing and drafting the relevant regulations. Why EPA and OSHA? They were repeatedly cited as the most onerous and costly agencies to small business.

The panel will be chaired by a senior official of the agency and will include staff responsible for development and drafting of the regulation, a representative from OIRA, a member of the SBA advocate office, and up to three representatives from small businesses especially affected. This will allow the actual small business owners, or their representative associations, to have a voice in the massive regulatory process that affects them so much. The panel has a total of 45 days to meet and develop its recommendations before a rule is promulgated or a final rule is issue. This panel's recommendations, both the majority and minority views, will be reported to the appropriate agency personnel before the rulemaking and the agency will ensure that the panel's recommendations, and the agency's response to them, are included in any notice of final rulemaking.

Finally, this act will also provide for a peer review survey to be conducted on regulations. This idea is analogous to what the private sector routinely practices. A customer survey, contracted and conducted with a private sector firm, will sample a cross-section of the affected small business community responsible for complying with the sampled regulation. This valuable input on regulatory issues impacting small businesses will be made available to the Small Business Advocacy Review Board to assist in their review processes and will also be made available to interested parties and organizations upon request.

I believe that this panel, working together so all viewpoints are represented, will be the crux of reasonable, consistent and understandable rulemaking. I am very concerned about the adversarial manner in which our small businesses perceive their government. Much of this adversarial relationship has grown from years of misunderstanding of impacts and effects and a lack of communication. I want to improve our rulemaking and regulatory process through cooperation and collaboration and I urge my colleagues to support this act.

Mr. President, I ask that unanimous consent that additional material be printed in the RECORD.

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

[From the Washington Post, June 6, 1995]

A TALE OF PUMPING GAS WITH ONE HAND, HOLDING OFF GOVERNMENT WITH THE OTHER

(By Sal Risalvato)

I wonder if my small business can survive another onslaught of excessive federal regulations. And if it can't, what will happen to my livelihood and that of my employees who depend on me for jobs?

I have learned through firsthand experience how the burden created by federal regulations can hurt a small business.

Since 1987, when I bought Riverdale Texaco, a gasoline service station in Morris County, N.J., costly regulations have touched every aspect of my small business, from the sale of petroleum products to the repair service my employees provide.

My first experience with federal regulations occurred even before I bought the station. Because of the government's response

to rising environmental concerns, I had to assemble additional financing in order to make sure that the station I bought had underground storage tanks that were in good shape. The tanks in my new station, for which I did pay a premium, had been installed just a year earlier.

However, within five years, the Environmental Protection Agency (EPA) altered the regulations for underground storage tanks, requiring me to spend another $95,000.

Although it wasn't the government's fault, this $95,000 was especially difficult for me to come by. I had been left virtually broke after losing my first service station in 1986 when my landlord wouldn't renew my lease because he believed he could put his rapidly-appreciating property to more profitable use than as a service station.

In fact, while operating my new station, I was still paying debts from the station I had lost to its landlord. So, coming up with an additional $95,000 to meet new and unexpected governmental regulations meant borrowing from family members. My father borrowed the money he lent me, using his home as collateral.

Fortunately, Texaco also provided me with funds in exchange for a supply contract.

To me, this was government extortion because I would have been forced out of business if I hadn't met the EPA's new requirements. Many service station owners without the money to meet the new requirements have gone out of business or have stopped selling gasoline and are trying to get by on the income from other products and services.

I had thought the EPA had inflicted enough pain and torture on my business, but the federal government now is attempting to blackmail me, my governor, the motorists of my state, and my fellow service station owners in New Jersey.

New Jersey probably has one of the best motor vehicle inspection systems in the country. Under current law, motorists must have their car emissions systems and safety items such as brakes inspected annually, either at a state inspection site or a licensed private repair facility such as mine.

In order to meet EPA requirements, the State of New Jersey will have to invest millions of dollars for new equipment at the state inspection sites. And I, along with other private businesses that want to continue performing inspections, will each have to spend $40,000 to $100,000 for new equipment.

Since many service stations, including mine, can't afford to buy the new, mandated equipment, we small business owners will be forced to give up an important profit center.

I am running out of family members who have money to lend, and those family members who do have money are running out because they always have been lending it to me.

N.J. Gov. Christine Todd Whitman has been negotiating with the EPA to lessen the burden on our state. But ultimately, if the state refuses to adopt an inspection system suitable to the EPA, the Department of Transportation will withhold $217 million in federal highway funds.

This would hurt the whole state.

There's no doubt that if these regulations were less stringent or if they were eliminated altogether, I would have more money to expand my business and to create jobs.

When I bought my business, my dream was to add on three or four service bays, a sales room, an employee room, and storage and office space to meet what I hoped would be my growing business' needs.

Now, to make the best use of space inside the main building, our offices are housed in a trailer on the side of my building. Twice in the past seven years, the local board of adjustment has granted us temporary permission to keep our office. Each time, I explained to the board that costly government regulations are slowing down my expansion plans. And that once I'm able to expand, I'll hire at least seven more people.

Anyone can see how federal regulations are stifling my small business. Some people say small-business owners don't care about health and safety or that we are anti-environment. Nothing could be further from the truth.

The small-business community agrees that some regulation is necessary. We, too, benefit from reasonable regulations, and I care about employee safety and environmental protection. I drink the same water and breathe the same air as everyone else. I have no desire to see the quality of either jeopardized.

But federal bureaucrats need to step back and re-evaluate the damage their actions inflict on the free enterprise system.

Congress must make sure that no new requirements are put on the books unless the benefits outweigh the costs, and there should be a clear understanding of what the nation is getting in return.

The regulatory situation for small business is approaching crisis proportions.

Each year, I spend many hours and dollars completing government paperwork and trying to comply with all the regulations. Besides the time I spend actually filling out the forms, there's the time spent trying to understand the paperwork and identify the information needed.

These requirements take valuable time away from running a small business and deplete limited resources that could better be used to expand the business.

Among other changes, my fellow small-business owners want paperwork reduction, a review process for regulations and the right to challenge excessive or unnecessary regulations in court.

If the burdens of excessive regulations are lifted from our backs, we can do even better what we already are the best at—creating jobs.

LIST OF NEW MEXICO DELEGATES TO THE WHITE HOUSE CONFERENCE ON SMALL BUSINESS, JUNE 12–14

1. Angela Atterbury, Atterbury and Associates, Inc.
2. Lynne K. Behnfield, Lynfield Consulting, Inc.
3. Diane D. Denish, The Target Group.
4. Maria Estela de Rios, ORION Int'l. Technologies, Inc.
5. Joyce Freiwald, F2 Associates, Inc.
6. Scott Garrett, New Mexico Sports and Wellness.
7. Jim Greenwood, Greenwood Consulting Group.
8. Janet Kerley, Monteverde, Inc.
9. Chet Lytle, Communications Diversified, Inc.
10. Annique Malm, Healthcare Business Solutions, Inc.
11. Ioana McNamara, Permacharge Corp.
12. James M. Parker, Modrall Law Firm.
13. George Shaffer, Insurance Center.
14. Carolyn Sigstedt, Tewa Enterprises.
15. Larry Scheffield.
16. John Lorentzen, Southwest Realty Investment.

By Mr. EXON:

S. 918. A bill to prohibit the payment of certain Federal benefits to any person not lawfully present within the United States, and for other purposes; to the Committee on Finance.

THE ILLEGAL ALIEN BENEFITS PROHIBITION ACT OF 1995

Mr. EXON. Mr. President, I introduce a bill intended to eliminate the payment of Federal benefits to illegal aliens. I spoke on this issue in detail yesterday and I rise to formally introduce the bill today.

I believe that as we begin to debate the welfare reform bill, we have a golden opportunity to stop, once and for all, paying benefits to illegal aliens. I also believe that we can forge a new compact between the States and the Federal Government. If the States can stand with us and help to identify and verify alien status, we will provide them the necessary funds. We can also allow States to deny benefits to illegal aliens.

I intend to pursue this matter to the end, and I urge my colleagues to support this measure.

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

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

S. 918

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 "Illegal Alien Benefits Prohibition Act of 1995".

SEC. 2. PROHIBITION ON PAYMENT OF FEDERAL BENEFITS TO CERTAIN PERSONS.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subsection (b), Federal benefits shall not be paid or provided to any person who is not a person lawfully present within the United States.

(b) EXCEPTIONS.—Subsection (a) shall not apply with respect to the following benefits:

(1) Emergency medical services under title XIX of the Social Security Act.

(2) Short-term emergency disaster relief.

(3) Assistance or benefits under the National School Lunch Act.

(4) Assistance or benefits under the Child Nutrition Act of 1966.

(5) Public health assistance for immunizations with respect to immunizable diseases and for testing and treatment for communicable diseases.

(c) DEFINITIONS.—For purposes of this Act—

(1) FEDERAL BENEFITS.—The term "Federal benefit" means—

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

(B) any retirement, welfare, Social Security, health, disability, veterans benefit, public housing, education, food stamps, unemployment benefit, or any other similar benefit for which payments or assistance are provided by an agency of the United States or by appropriated funds of the United States.

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(2) VETERANS BENEFIT.—The term "veterans benefit" means all benefits provided to veterans, their families, or survivors by virtue of the service of a veteran in the Armed Forces of the United States.

(3) PERSON LAWFULLY PRESENT WITHIN THE UNITED STATES.—The term "person lawfully present within the United States" means a person who, at the time the person applies for, receives, or attempts to receive a Federal benefit, is a United States citizen, a permanent resident alien, an asylee, a refugee, a parolee, a national, or a national of the United States for purposes of the immigration laws of the United States (as defined in section 101(a)(17) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(17)).

SEC. 3. STATE OBLIGATION.

Notwithstanding any other provision of law, a State that administers a program that provides a Federal benefit (described in section 2(c)(1)) or provides State benefits pursuant to such a program shall not be required to provide such benefit to a person who is not a person lawfully present within the United States through a State agency or with appropriated funds of such State.

SEC. 4. VERIFICATION OF ELIGIBILITY.

(a) IN GENERAL.—Not later than 18 months after the date of the enactment of this Act, the Attorney General of the United States, after consultation with the Secretary of Health and Human Services, shall promulgate regulations requiring verification that a person applying for a Federal benefit, including a benefit described in section 2(b), is a person lawfully present within the United States and is eligible to receive such benefit. Such regulations shall, to the extent feasible, require that information requested and exchanged be similar in form and manner to information requested and exchanged under section 1137 of the Social Security Act.

(b) STATE COMPLIANCE.—Not later than 24 months after the date the regulations described in subsection (a) are adopted, a State that administers a program that provides a Federal benefit described in such subsection shall have in effect a verification system that complies with the regulations.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out the purpose of this section.

By Mr. COATS (for himself and Mrs. KASSEBAUM):

S. 919. A bill to modify and reauthorize the Child Abuse Prevention and Treatment Act, and for other purposes; to the Committee on Labor and Human Resources.

THE CHILD ABUSE PREVENTION AND TREATMENT ACT AMENDMENTS OF 1995

• Mr. COATS. Mr. President: I introduce the Child Abuse Prevention and Treatment Act Amendments of 1995.

Child abuse is an issue which provokes our anger and anguish, and which demands our attention as legislators. Our Nation's outrage on this Topic was renewed with the murder of Susan Smith's children. It is impossible to comprehend how those who are entrusted with protecting children can hurt them, maim them, and even take their lives. In fact, it was cases just like this—involving the severe abuse and death of children—which led to Senate hearings in 1973, and eventually to the development of the Child Abuse Prevention and Treatment Act.

CAPTA was first authorized in 1974 and is the only Federal program specifically aimed at child abuse prevention and treatment. CAPTA has served as a catalyst, encouraging States to do some important things: Develop programs of prevention and treatment; educate law enforcement and judicial personnel; and to develop crisis hotlines, self-help groups, volunteer training, and public awareness campaigns.

In 1993, the National Committee for the Prevention of Child Abuse and neglect reported that there were 2,898,000 child maltreatment reports. This represents a twentyfold increase from 1963, when there were about 150,000 reports. Federal and State expenditures for child protection programs and associated foster care programs now exceed $6 billion a year. The heightened awareness in the public regarding the issue of child abuse, and the corresponding increase in Federal and State dollars, is partially due to the passage of mandatory reporting laws—required by CAPTA—and the media campaigns that have accompanied them. Certainly, many thousands of children have been saved from serious injury, and even death, during the last 20 years.

Unfortunately, a byproduct of this heightened public awareness has been an explosion in the number of unfounded reports of child abuse and neglect. The staggering number of reports that are determined to be unfounded tell a disturbing tale. According to the annual 50-State survey of the National Committee To Prevent Child Abuse, only 34 percent of the reports received by child protective services were substaintiated. This means that two-thirds of all abuse and neglect reports are unsubstantiated. When you take into account the number of families involved and the numbers duplicate reports, we know that each year as many as 700,000 families are being unnecessarily investigated—their children are being questioned and family life disrupted.

This is a concern, but the most important problem is this: unnecessary investigations are overwhelming the child protection system, and thereby preventing caseworkers from getting to those children who are truly in need of help.

It is important to note that few of the unfounded reports are made maliciously. The reporter is usually well-intentioned, but unclear as to what constitutes maltreatment. A vague suspicion that something may be wrong sets in motion a legal obligation on the part of child protective services to investigate.

This burden of empty accusations helps explain why between 25 to 50 percent of child abuse deaths involve children previously known to the authorities. With caseworkers spending significant amounts of time investigating every allegation of child maltreatment, no matter how tenuous, it is understandable that children who are truly in need of help are missed or ignored.

Mr. President, the legislation that I am introducing today addresses some of the failings in the current system, and addresses ways that we can better target attention to those children in desperate need of protection. The legislation proposes to encourage the States through the development of risk assessment protocols, improved training of child protection workers, and enhanced community awareness and public education.

The legislation was drafted following a fruitful hearing that examined some of the critical child protection issues facing our Nation today and particularly their impact on the families and children who come in contact with the child protective system.

A great deal is at stake in these matters. The protection of children from abuse is a demand of our conscience and a demand of our laws. Our concern and compassion should be broad. But the system charged with protecting children must be focused to be effective. And that is the only measure of our success—when a child is effectively shielded from abuse and neglect.

This requires a serious revision of our current approach—not its goal, but some of its methods. And I hope that with this legislation we can begin that process in earnest.

For the information of my colleagues, I will summarize some of the provisions of the bill.

Title I reauthorizes State grants and demonstration grants, makes reporting and data collection requirements more effective, and eliminates certain bureaucratic bodies.

The bill repeals the current mandates for a National Center on Child Abuse and Neglect, for the U.S. Advisory Board on Child Abuse and Neglect, and the Inter-Agency Task Force on Child Abuse and Neglect. Instead the Secretary has discretion to establish an Office on Child Abuse and Neglect to coordinate the functions of this Act, and to appoint an advisory board to report on specific issues.

The data collection function for the National Clearinghouse would be expanded. In addition, the research activities function, coordinated by the Secretary of HHS, is restructured to require a continuing program of research aimed at better protecting children from abuse and neglect.

The bill authorizes demonstration grants to encourages State and local innovation in training professionals, families, service providers, and communities and providing information and assistance to individuals, agencies, and organizations through child abuse resource centers; parent mutual support and self help programs; and other

innovative programs, such as establishing a triage system which would allow and encourage community participation in the prevention and response to child abuse and neglect.

The basic State grant program will continue to support State child protective services by assisting States with: First the intake, screening and investigation of reports of child abuse or neglect; second, case management and delivery of services provided to children and their families; third, improving risk and safety assessment tools, fourth, expanding training opportunities for service providers and mandated reporters; and fifth; provide for education and training addressing "Baby Doe" situations of medical neglect.

In order to be eligible to receive funds under this section, a State must submit a State plan and annual data reports.

The bill continues the current immunity from prosecution for individuals who report a suspicion or incident of child abuse and neglect, but adds a requirement that the reports must be made in good faith.

This bill clarifies the issue of medical neglect as well, providing that parents are free to make decisions regarding the medical treatment of their children, and that States may not find a family using spiritual or non-medical means as being neglectful, solely on the basis of a religious practice, absent an affirmative finding of abuse or neglect on a case-by-case basis. Further, the bill makes clear that nothing in this act precludes a State from intervening on behalf of the child where failure or refusal to provide a medical service or treatment will lead to imminent risk of severe harm to the child.

Finally, to give better direction to the States, the definition of child abuse and neglect is clarified.

Title II consolidates the former community-based family resource programs grant with the Temporary Child Care for Children With Disabilities and Crisis Nurseries Act and Title VII(F)—family support services—of the Stewart B. McKinney Homeless Assistance Act to create a comprehensive community-based family resource program. The new program provides for broad-based networks of child abuse and prevention programs and other family resource and support programs.

Title III reauthorizes the Family Violence Prevention and Services Act, which provides grants to States to assist in supporting programs and projects to prevent incidents or family violence and provide immediate shelter for victims of family violence.

Title IV reauthorizes the Adoption Opportunities Act, with a few technical changes and a new requirement that the Secretary report on the efficacy of the current system of recruitment for prospective foster care and/or adoptive parents.

Title V reauthorizes the Abandoned Infants Assistance Act, which provides discretionary grants to States to prevent abandonment of children and to provide for the needs of children who are abandoned, especially those with AIDS.

And finally, Title VI provides a 2-year, straight reauthorization of the Missing Children's Assistance Act and section 214B of the Victims of Child Abuse Act.

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

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

S. 919

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Child Abuse Prevention and Treatment Act Amendments of 1995".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—GENERAL PROGRAM

Sec. 101. Reference.
Sec. 102. Findings.
Sec. 103. Office of Child Abuse and Neglect.
Sec. 104. Advisory Board on Child Abuse and Neglect.
Sec. 105. Repeal of Interagency Task Force.
Sec. 106. National Clearinghouse for Information Relating to Child Abuse.
Sec. 107. Research and assistance activities.
Sec. 108. Grants for demonstration programs.
Sec. 109. State grants for prevention and treatment programs.
Sec. 110. Repeal.
Sec. 111. Definitions.
Sec. 112. Authorization of appropriations.
Sec. 113. Rule of construction.

TITLE II—COMMUNITY-BASED CHILD ABUSE AND NEGLECT PREVENTION GRANTS

Sec. 201. Establishment of program.
Sec. 202. Repeals.

TITLE III—FAMILY VIOLENCE PREVENTION AND SERVICES

Sec. 301. Reference.
Sec. 302. State demonstration grants.
Sec. 303. Allotments.
Sec. 304. Authorization of appropriations.

TITLE IV—ADOPTION OPPORTUNITIES

Sec. 401. Reference.
Sec. 402. Findings and purpose.
Sec. 403. Information and services.
Sec. 404. Authorization of appropriations.

TITLE V—ABANDONED INFANTS ASSISTANCE ACT OF 1986

Sec. 501. Reauthorization.

TITLE VI—REAUTHORIZATION OF VARIOUS PROGRAMS

Sec. 601. Missing Children's Assistance Act.
Sec. 602. Victims of Child Abuse Act of 1990.

TITLE I—GENERAL PROGRAM

SEC. 101. REFERENCE.

Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5101 et seq.).

SEC. 102. FINDINGS.

Section 2 (42 U.S.C. 5101 note) is amended—

(1) in paragraph (1), to read as follows:

"(1) each year, close to 1,000,000 American children are victims of abuse and neglect;";

(2) in paragraph (3)(C), by inserting "assessment," after "prevention,";

(3) in paragraph (4)—

(A) by striking "tens of"; and

(B) by striking "direct" and all that follows through the semicolon and inserting "tangible expenditures, as well as significant intangible costs;";

(4) in paragraph (7), by striking "remedy the causes of" and inserting "prevent";

(5) in paragraph (8), by inserting "safety," after "fosters the health,";

(6) in paragraph (10)—

(A) by striking "ensure that every community in the United States has" and inserting "assist States and communities with"; and

(B) by inserting "and family" after "comprehensive child"; and

(7) in paragraph (11)—

(A) by striking "child protection" each place that such appears and inserting "child and family protection"; and

(B) in subparagraph (D), by striking "sufficient".

SEC. 103. OFFICE OF CHILD ABUSE AND NEGLECT.

Section 101 (42 U.S.C. 5101) is amended to read as follows:

"SEC. 101. OFFICE OF CHILD ABUSE AND NEGLECT.

"(a) ESTABLISHMENT.—The Secretary of Health and Human Services may establish an office to be known as the Office on Child Abuse and Neglect.

"(b) PURPOSE.—The purpose of the Office established under subsection (a) shall be to execute and coordinate the functions and activities of this Act. In the event that such functions and activities are performed by another entity or entities within the Department of Health and Human Services, the Secretary shall ensure that such functions and activities are executed with the necessary expertise and in a fully coordinated manner involving regular intradepartmental and interdepartmental consultation with all agencies involved in child abuse and neglect activities.".

SEC. 104. ADVISORY BOARD ON CHILD ABUSE AND NEGLECT.

Section 102 (42 U.S.C. 5102) is amended to read as follows:

"SEC. 102. ADVISORY BOARD ON CHILD ABUSE AND NEGLECT.

"(a) APPOINTMENT.—The Secretary may appoint an advisory board to make recommendations to the Secretary and to the appropriate committees of Congress concerning specific issues relating to child abuse and neglect.

"(b) SOLICITATION OF NOMINATIONS.—The Secretary shall publish a notice in the Federal Register soliciting nominations for the appointment of members of the advisory board under subsection (a).

"(c) COMPOSITION.—In establishing the board under subsection (a), the Secretary shall appoint members from the general public who are individuals knowledgeable in child abuse and neglect prevention, intervention, treatment, or research, and with due consideration to representation of ethnic or racial minorities and diverse geographic areas, and who represent—

"(1) law (including the judiciary);

"(2) psychology (including child development);

"(3) social services (including child protective services);

"(4) medicine (including pediatrics);

"(5) State and local government;

"(6) organizations providing services to disabled persons;

"(7) organizations providing services to adolescents;

"(8) teachers;

"(9) parent self-help organizations;

"(10) parents' groups;

"(11) voluntary groups; and

"(12) family rights groups.

"(d) VACANCIES.—Any vacancy in the membership of the board shall be filled in the same manner in which the original appointment was made.

"(e) ELECTION OF OFFICERS.—The board shall elect a chairperson and vice-chairperson at its first meeting from among the members of the board.

"(f) DUTIES.—Not later than 1 year after the establishment of the board under subsection (a), the board shall submit to the Secretary and the appropriate committees of Congress a report, or interim report, containing—

"(1) recommendations on coordinating Federal, State, and local child abuse and neglect activities with similar activities at the Federal, State, and local level pertaining to family violence prevention;

"(2) specific modifications needed in Federal and State laws and programs to reduce the number of unfounded or unsubstantiated reports of child abuse or neglect while enhancing a more focused attention to legitimate cases of abuse or neglect which place a child in danger; and

"(3) recommendations for modifications needed to facilitate coordinated national data collection with respect to child protection and child welfare.".

SEC. 105. REPEAL OF INTERAGENCY TASK FORCE.

Section 103 (42 U.S.C. 5103) is repealed.

SEC. 106. NATIONAL CLEARINGHOUSE FOR INFORMATION RELATING TO CHILD ABUSE.

Section 104 (42 U.S.C. 5104) is amended—

(1) in subsection (a), to read as follows:

"(a) ESTABLISHMENT.—The Secretary shall through the Department, or by one or more contract of not less than 3 years duration let through a competition, establish a national clearinghouse for information relating to child abuse.";

(2) in subsection (b)—

(A) in the matter preceding paragraph (1), by striking "Director" and inserting "Secretary";

(B) in paragraph (1)—

(i) by inserting "assessment," after "prevention,"; and

(ii) by striking ", including" and all that follows through "105(b)" and inserting "and";

(C) in paragraph (2)—

(i) in subparagraph (A), by striking "general population" and inserting "United States";

(ii) in subparagraph (B), by adding "and" at the end thereof;

(iii) in subparagraph (C), by striking "; and" at the end thereof and inserting a period; and

(iv) by striking subparagraph (D); and

(D) by striking paragraph (3); and

(3) in subsection (c)—

(A) in the matter preceding paragraph (1), by striking "Director" and inserting "Secretary";

(B) in paragraph (2), by striking "that is represented on the task force" and inserting "involved with child abuse and neglect and mechanisms for the sharing of such information among other Federal agencies and clearinghouses";

(C) in paragraph (3), by striking "State, regional" and all that follows and inserting the following: "Federal, State, regional, and local child welfare data systems which shall include:

"(A) standardized data on false, unfounded, unsubstantiated, or substantiated reports; and

"(B) information on the number of deaths due to child abuse and neglect;";

(D) by redesignating paragraph (4) as paragraph (6); and

(E) by inserting after paragraph (3), the following new paragraphs:

"(4) through a national data collection and analysis program and in consultation with appropriate State and local agencies and experts in the field, collect, compile, and make available, State child abuse and neglect reporting information which, to the extent practical, shall be universal and case specific, and integrated with other case-based foster care and adoption data collected by the Secretary;

"(5) compile, analyze, and publish a summary of the research conducted under section 105(a); and".

SEC. 107. RESEARCH, EVALUATION AND ASSISTANCE ACTIVITIES.

(a) RESEARCH.—Section 105(a) (42 (42 U.S.C. 5105(a)) is amended—

(1) in the section heading, by striking "OF THE NATIONAL CENTER ON CHILD ABUSE AND NEGLECT";

(2) in paragraph (1)—

(A) in the matter preceding subparagraph (A), by striking ", through the Center, conduct research on" and inserting "carry out a continuing interdisciplinary program of research that is designed to provide information needed to better protect children from abuse or neglect and to improve the well-being of abused or neglected children, with at least a portion of such research being field initiated. Such research program may focus on";

(B) by redesignating subparagraphs (A) through (C) as subparagraph (B) through (D), respectively;

(C) by inserting before subparagraph (B) (as so redesignated) the following new subparagraph:

"(A) the nature and scope of child abuse and neglect;";

(D) in subparagraph (B) (as so redesignated), "by striking "identification,, treatment and cultural" and inserting "causes, prevention, assessment, identification, treatment, cultural and socio-economic distinctions, and the consequences of child abuse and neglect";

(E) in subparagraph (D) (as so redesignated)—

(i) by striking clause (ii); and

(ii) in clause (iii), to read as follows:

"(ii) the incidence of substantiated and unsubstantiated reported child abuse cases;

"(iii) the number of substantiated cases that result in a legal finding of child abuse or neglect or related criminal court convictions;

"(iv) the extent to which the number of unsubstantiated, unfounded and false reported cases of child abuse or neglect have contributed to the inability of a State to respond effectively to serious cases of child abuse or neglect;

"(v) the number of unsubstantiated, false, or unfounded reports that have resulted in a child being placed on substitute care, and the duration of such placement;

"(vi) the extent to which unsubstantiated reports return as more serious cases of child abuse or neglect;

"(vii) the incidence and prevalence of physical, sexual, and emotional abuse and physical and emotional neglect in substitute care; and

"(viii) the incidence and outcomes of abuse allegations reported within the context of divorce, custody, or other family court proceedings, and the interaction between this venue and the child protective services system."; and

(3) in paragraph (2)—

(A) in subparagraph (A)—

(i) by striking "and demonstrations"; and

(ii) by striking "paragraph (1)(A) and activities under section 106" and inserting "paragraph (1)"; and

(B) in subparagraph (B), by striking "and demonstration".

(b) REPEAL.—Subsection (b) of section 105 (42 U.S.C. 5105(b)) is repealed.

(c) TECHNICAL ASSISTANCE.—Section 105(c) (42 U.S.C. 5105(c)) is amended—

(1) by striking "The Secretary" and inserting:

"(1) IN GENERAL.—The Secretary";

(2) by striking ", through the Center,";

(3) by inserting "State and local" before "public and nonprofit";

(4) by inserting "assessment," before "identification"; and

(5) by adding at the end thereof the following new paragraphs:

"(2) EVALUATION.—Such technical assistance may include an evaluation or identification of—

"(A) various methods and procedures for the investigation, assessment, and prosecution of child physical and sexual abuse cases;

"(B) resultant ways to mitigate psychological trauma to the child victim; and

"(C) effective programs carried out by the States under titles I and III.

"(3) DISSEMINATION.—The Secretary may provide for and disseminate information relating to various training resources available at the State and local level to—

"(A) individuals who are engaged, or who intend to engage, in the prevention, identification, and treatment of child abuse and neglect; and

"(B) to appropriate State and local officials to assist in training law enforcement, legal, judicial, medical, mental health, education, and child welfare personnel in appropriate methods of interacting during investigative, administrative, and judicial proceedings with children who have been subjected to abuse.".

(d) GRANTS AND CONTRACTS.—Section 105(d)(2) (42 U.S.C. 5105(d)(2)) is amended by striking the second sentence.

(e) PEER REVIEW.—Section 105(e) (42 U.S.C. 5105(e)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A), by striking "and contracts"; and

(B) in subparagraph (B)—

(i) by striking "shall" and inserting "may"; and

(ii) by striking "Office of Human Development" and inserting "Administration on Children and Families"; and

(2) in paragraph (2), by striking ", contract, or other financial assistance".

SEC. 108. GRANTS FOR DEMONSTRATION PROGRAMS.

Section 106 (42 U.S.C. 5106) is amended—

(1) in the section heading, by striking "OR SERVICE";

(2) in subsection (a), by striking paragraph (1) and inserting the following new paragraph:

"(1) DEMONSTRATION PROGRAMS AND PROJECTS.—The Secretary may make grants to, and enter into contracts with, public agencies or nonprofit private agencies or organizations (or combinations of such agencies or organizations) for time limited, research based demonstration programs and projects for the following purposes:

"(A) TRAINING PROGRAMS.—The Secretary may award grants to public or private nonprofit organizations under this section—

"(i) for the training of professional and paraprofessional personnel in the fields of medicine, law, education, social work, and other relevant fields who are engaged in, or intend to work in, the field of prevention, identification, and treatment of child abuse and neglect;

"(ii) to provide culturally specific instruction in methods of protecting children from child abuse and neglect to children and to persons responsible for the welfare of children, including parents of and persons who work with children with disabilities;

"(iii) to improve the recruitment, selection, and training of volunteers serving in private and public nonprofit children, youth and family service organizations in order to prevent child abuse and neglect through collaborative analysis of current recruitment, selection, and training programs and development of model programs for dissemination and replication nationally; and

"(iv) for the establishment of resource centers for the purpose of providing information and training to professionals working in the field of child abuse and neglect.

"(B) MUTUAL SUPPORT PROGRAMS.—The Secretary may award grants to private nonprofit organizations (such as Parents Anonymous) to establish or maintain a national network of mutual support and self-help programs as a means of strengthening families in partnership with their communities.

"(C) OTHER INNOVATIVE PROGRAMS AND PROJECTS.—

"(i) IN GENERAL.—The Secretary may award grants to public agencies that demonstrate innovation in responding to reports of child abuse and neglect including programs of collaborative partnerships between the State child protective service agency, community social service agencies and family support programs, schools, churches and synagogues, and other community agencies to allow for the establishment of a triage system that—

"(I) accepts, screens and assesses reports received to determine which such reports require an intensive intervention and which require voluntary referral to another agency, program or project;

"(II) provides, either directly or through referral, a variety of community-linked services to assist families in preventing child abuse and neglect; and

"(III) provides further investigation and intensive intervention where the child's safety is in jeopardy.

"(ii) PREFERRED PLACEMENT.—The Secretary may award grants to public entities to assist such entities in developing or implementing procedures protecting the rights of families, using adult relatives as the preferred placement for children removed from their home, where such relatives are determined to be capable of providing a safe environment for the child or where such relatives comply with the State child protection standards."; and

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

"(d) EVALUATION.—In making grants for demonstration projects under this section, the Secretary shall require all such projects to be evaluated for their effectiveness. Funding for such evaluations shall be provided either as a stated percentage of a demonstration grant or as a separate grant entered into by the Secretary for the purpose of evaluating a particular demonstration project or group of projects.".

SEC. 109. STATE GRANTS FOR PREVENTION AND TREATMENT PROGRAMS.

Section 107 (42 U.S.C. 5107) is amended to read as follows:

"SEC. 107. GRANTS TO STATES FOR CHILD ABUSE AND NEGLECT PREVENTION AND TREATMENT PROGRAMS.

"(a) DEVELOPMENT AND OPERATION GRANTS.—The Secretary shall make grants to the States, based on the population of children under the age of 18 in each State that applies for a grant under this section, for purposes of assisting the States in improving the child protective service system of each such State in—

"(1) the intake, assessment, screening, and investigation of reports of abuse and neglect;

"(2)(A) creating and improving the use of multidisciplinary teams and interagency protocols to enhance investigations; and

"(B) improving legal preparation and representation, including—

"(i) procedures for appealing and responding to appeals of substantiated reports of abuse and neglect; and

"(ii) provisions for the appointment of a guardian ad litem.

"(3) case management and delivery of services provided to children and their families;

"(4) enhancing the general child protective system by improving risk and safety assessment tools and protocols, automation systems that support the program and track reports of child abuse and neglect from intake through final disposition and information referral systems;

"(5) developing, strengthening, and facilitating training opportunities and requirements for individuals overseeing and providing services to children and their families through the child protection system;

"(6) developing and facilitating training protocols for individuals mandated to report child abuse or neglect;

"(7) developing, strengthening, and supporting child abuse and neglect prevention, treatment, and research programs in the public and private sectors; or

"(8) developing, implementing, or operating—

"(A) information and education programs or training programs designed to improve the provision of services to disabled infants with life-threatening conditions for—

"(i) professional and paraprofessional personnel concerned with the welfare of disabled infants with life-threatening conditions, including personnel employed in child protective services programs and health-care facilities; and

"(ii) the parents of such infants;

"(B) programs to enhance the capacity of community-based programs to integrate shared leadership strategies between parents and professionals to prevent and treat child abuse and neglect at the neighborhood level; and

"(C) programs to assist in obtaining or coordinating necessary services for families of disabled infants with life-threatening conditions, including—

"(i) existing social and health services;

"(ii) financial assistance; and

"(iii) services necessary to facilitate adoptive placement of any such infants who have been relinquished for adoption.

"(b) COMPLIANCE AND EDUCATION GRANTS.—The Secretary is authorized to make grants to the States for purposes of developing, implementing, or operating—

"(1) the procedures or programs required under subsection (b)(2);

"(2) procedures or programs designed to improve the provision of services to disabled infants with life-threatening conditions for—

"(A) professional and paraprofessional personnel concerned with the welfare of disabled infants with life-threatening conditions, including personnel employed in child protective services programs and health-care facilities; and

"(B) the parents of such infants; and

"(3) programs to assist in obtaining or coordinating necessary services for families of disabled infants with life-threatening conditions, including—

"(A) existing social and health services;

"(B) financial assistance; and

"(C) services necessary to facilitate adoptive placement of any such infants who have been relinquished for adoption.

"(c) ELIGIBILITY REQUIREMENTS.—In order for a State to qualify for a grant under subsection (a), such State shall provide an assurance or certification, signed by the chief executive officer of the State, that the State—

"(1) has in effect and operation a State law or Statewide program relating to child abuse and neglect which ensures—

"(A) provisions or procedures for the reporting of known and suspected instances of child abuse and neglect; and

"(B) procedures for the immediate screening, safety assessment, and prompt investigation of such reports;

"(C) procedures for immediate steps to be taken to ensure and protect the safety of the abused or neglected child and of any other child under the same care who may also be in danger of physical abuse or neglect;

"(D) provisions for immunity from prosecution under State and local laws and regulations for individuals making good faith reports of suspected or known instances of child abuse or neglect;

"(E) methods to preserve the confidentiality of all records in order to protect the rights of the child and of the child's parents or guardians, including methods to ensure that disclosure (and redisclosure) of information concerning child abuse or neglect involving specific individuals is made only to persons or entities that the State determines have a need for such information directly related to the purposes of this Act;

"(F) requirements for the prompt disclosure of all relevant information to any Federal, State, or local governmental entity, or any agent of such entity, with a need for such information in order to carry out its responsibilities under law to protect children from abuse and neglect;

"(G) the cooperation of law enforcement officials, court of competent jurisdiction, and appropriate State agencies providing human services;

"(H) provisions requiring, and procedures in place that facilitate the prompt expungement of any records that are accessible to the general public or are used for purposes of employment or other background checks in cases determined to be unsubstantiated or false, except that nothing in this section shall prevent State child protective service agencies from keeping information on unsubstantiated reports in their casework files to assist in future risk assessment; and

"(I) provisions and procedures requiring that in every case involving an abused or neglected child which results in a judicial proceeding, a guardian ad litem shall be appointed to represent the child in such proceedings; and

"(2) has in place procedures for responding to the reporting of medical neglect (including instances of withholding of medically indicated treatment from disabled infants with life-threatening conditions), procedures or programs, or both (within the State child protective services system), to provide for—

"(A) coordination and consultation with individuals designated by and within appropriate health-care facilities;

"(B) prompt notification by individuals designated by and within appropriate health-care facilities of cases of suspected medical neglect (including instances of withholding of medically indicated treatment from disabled infants with life-threatening conditions); and

"(C) authority, under State law, for the State child protective service system to pursue any legal remedies, including the authority to initiate legal proceedings in a court of competent jurisdiction, as may be necessary to prevent the withholding of medically indicated treatment from disabled infants with life threatening conditions.

"(d) ADDITIONAL REQUIREMENT.—Not later than 2 years after the date of enactment of this section, the State shall provide an assurance or certification that the State has in place provisions, procedures, and mechanisms by which individuals who disagree with an official finding of abuse or neglect can appeal such finding.

"(e) STATE PROGRAM PLAN.—To be eligible to receive a grant under this section, a State shall submit every 5 years a plan to the Secretary that specifies the child protective service system area or areas described in subsection (a) that the State intends to address with funds received under the grant. Such plan shall be coordinated with the plan of the State for child welfare services and family preservation and family support services under part B of title IV of the Social Security Act. and shall contain an outline of the activities that the State intends to carry out using amounts provided under the grant to achieve the purposes of this Act, including the procedures to be used for—

"(1) receiving and assessing reports of child abuse or neglect;

"(2) investigating such reports;

"(3) protecting children by removing them from dangerous settings and ensuring their placement in a safe environment;

"(4) providing services or referral for services for families and children where the child is not in danger of harm;

"(5) providing services to individuals, families, or communities, either directly or through referral, aimed at preventing the occurrence of child abuse and neglect;

"(6) providing training to support direct line and supervisory personnel in report-taking, screening, assessment, decision-making, and referral for investigation; and

"(7) providing training for individuals mandated to report suspected cases of child abuse or neglect.

"(f) RESTRICTIONS RELATING TO CHILD WELFARE SERVICES.—Programs or projects relating to child abuse and neglect assisted under part B of title IV of the Social Security Act shall comply with the requirements set forth in paragraphs (1)(A) and (B), (2), (3), (4), (5), and (6) of subsection (c).

"(g) ANNUAL STATE DATA REPORTS.—Each State to which a grant is made under this part shall annually submit to the Secretary a report that includes the following:

"(1) The number of children who were reported to the State during the year as abused or neglected.

"(2) Of the number of children described in paragraph (1), the number with respect to whom such reports were—

"(A) substantiated;

"(B) unsubstantiated; and

"(C) determined to be false.

"(3) Of the number of children described in paragraph (2)—

"(A) the number that did not receive services during the year under the State program funded under this part or an equivalent State program;

"(B) the number that received services during the year under the State program funded under this part or an equivalent State program; and

"(C) the number that were removed from their families during the year by disposition of the case.

"(4) The number of families that received preventive services from the State during the year.

"(5) The number of deaths in the State during the year resulting from child abuse or neglect.

"(6) Of the number of children described in paragraph (5), the number of such children who were in foster care.

"(7) The number of child protective service workers responsible for the intake and screening of reports filed in the previous year.

"(8) The agency response time with respect to each such report with respect to initial investigation of reports of child abuse or neglect.

"(9) The response time with respect to the provision of services to families and children where an allegation of abuse or neglect has been made.

"(10) The number of child protective service workers responsible for intake, assessment, and investigation of child abuse and neglect reports relative to the number of reports investigated in the previous year.".

SEC. 110. REPEAL.

Section 108 (42 U.S.C. 5106b) is repealed.

SEC. 111. DEFINITIONS.

Section 113 (42 U.S.C.5106h) is amended—

(1) by striking paragraphs (1) and (2);

(2) by redesignating paragraphs (3) through (10) as paragraphs (1) through (8), respectively; and

(3) in paragraph (2) (as so redesignated), to read as follows:

"(2) the term 'child abuse and neglect' means, at a minimum, any recent act or failure to act on the part of a parent or caretaker, which results in death or serious physical, sexual, or emotional harm, or presents an imminent risk of serious harm. Such term does not include a child who has suffered harm where the harm results primarily from the parent or caretaker's lack of financial resources or from causes linked to such lack of resources;".

SEC. 112. AUTHORIZATION OF APPROPRIATIONS.

Section 114(a) (42 U.S.C. 5106h(a)) is amended to read as follows:

"(a) IN GENERAL.—

"(1) GENERAL AUTHORIZATION.—There are authorized to be appropriated to carry out this title, $100,000,000 for fiscal year 1996, and such sums as may be necessary for each of the fiscal years 1997 through 2000.

"(2) DISCRETIONARY ACTIVITIES.—

"(A) IN GENERAL.—Of the amounts appropriated for a fiscal year under paragraph (1), the Secretary shall make available 33⅓ percent of such amounts to fund discretionary activities under this title.

"(B) DEMONSTRATION PROJECTS.—Of the amounts made available for a fiscal year under subparagraph (A), the Secretary make available not more than 40 percent of such amounts to carry out section 106.".

SEC. 113. RULE OF CONSTRUCTION.

Title I (42 U.S.C. 5101 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 115. RULE OF CONSTRUCTION.

"(a) IN GENERAL.—Nothing in this Act shall be construed to require that a parent or legal guardian provide a child any medical service or treatment, nor require a State to find abuse or neglect in cases in which a parent or legal guardian treats a child's health condition solely or partially by spiritual or non-medical means.

"(b) STATE INTERVENTION.—Notwithstanding subsection (a), nothing in this Act shall be construed as precluding a State from intervening to protect a child or find abuse or neglect in a case involving the failure or refusal to provide a medical service or treatment where such failure or refusal will lead to imminent risk of severe harm to the child.".

TITLE II—COMMUNITY-BASED CHILD ABUSE AND NEGLECT PREVENTION GRANTS

SEC. 201. ESTABLISHMENT OF PROGRAM.

Title II of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5116 et seq) is amended to read as follows:

"TITLE II—COMMUNITY-BASED CHILD ABUSE AND NEGLECT PREVENTION GRANTS

"SEC. 201. PURPOSE AND AUTHORITY.

"(a) PURPOSE.—It is the purpose of this Act to support State efforts to develop, operate, expand and enhance a network of community-based, prevention-focused, family resource and support programs that are culturally competent and that coordinate resources among existing education, vocational rehabilitation, disability, respite, health, mental health, job readiness, self-sufficiency, child and family development, community action, Head Start, child care, child abuse and neglect prevention, juvenile justice, domestic violence prevention and intervention, housing, and other human service organizations within the State.

"(b) AUTHORITY.—The Secretary shall make grants under this title on a formula basis to the entity designated by the State as the lead entity (hereafter referred to in this title as the 'lead entity') for the purpose of—

"(1) developing, operating, expanding and enhancing Statewide networks of community-based, prevention-focused, family resource and support programs that—

"(A) offer sustained assistance to families;

"(B) provide early, comprehensive, and holistic support for all parents;

"(C) promote the development of parental competencies and capacities, especially in young parents and parents with very young children;

"(D) increase family stability;

"(E) improve family access to other formal and informal resources and opportunities for assistance available within communities; and

"(F) support the additional needs of families with children with disabilities;

"(2) fostering the development of a continuum of preventive services for children and families through State and community-based collaborations and partnerships both public and private;

"(3) financing the start-up, maintenance, expansion, or redesign of specific family resource and support program services (such as respite services, child abuse and neglect prevention activities, disability services, mental health services, housing services, transportation, adult education, home visiting and other similar services) identified by the inventory and description of current services required under section 205(a)(3) as an unmet need, and integrated with the network of community-based family resource and support program;

"(4) maximizing funding for the financing, planning, community mobilization, collaboration, assessment, information and referral, startup, training and technical assistance, information management, reporting and evaluation costs for establishing, operating, or expanding a Statewide network of community-based, prevention-focused, family resource and support program; and

"(5) financing public information activities that focus on the healthy and positive development of parents and children and the promotion of child abuse and neglect prevention activities.

"SEC. 202. ELIGIBILITY.

"A State shall be eligible for a grant under this title for a fiscal year if—

"(1)(A) the chief executive officer of the State has designated an entity to administer funds under this title for the purposes identified under the authority of this title, including to develop, implement, operate, enhance or expand a Statewide network of community-based, prevention-focused, family resource and support programs, child abuse and neglect prevention activities and access to respite services integrated with the Statewide network;

"(B) in determining which entity to designate under subparagraph (A), the chief executive officer should give priority consideration to the trust fund advisory board of the State or an existing entity that leverages Federal, State, and private funds for a broad range of child abuse and neglect prevention activities and family resource programs, and that is directed by an interdisciplinary, public-private structure, including participants from communities; and

"(C) such lead entity is an existing public, quasi-public, or nonprofit private entity with a demonstrated ability to work with other State and community-based agencies to provide training and technical assistance, and that has the capacity and commitment to ensure the meaningful involvement of parents who are consumers and who can provide leadership in the planning, implementation, and evaluation of programs and policy decisions of the applicant agency in accomplishing the desired outcomes for such efforts;

"(2) the chief executive officer of the State provides assurances that the lead entity will provide or will be responsible for providing—

"(A) a network of community-based family resource and support programs composed of local, collaborative, public-private partnerships directed by interdisciplinary structures with balanced representation from private and public sector members, parents, and public and private nonprofit service providers and individuals and organizations experienced in working in partnership with families with children with disabilities;

"(B) direction to the network through an interdisciplinary, collaborative, public-private structure with balanced representation from private and public sector members, parents, and public sector and private nonprofit sector service providers; and

"(C) direction and oversight to the network through identified goals and objectives, clear lines of communication and accountability, the provision of leveraged or combined funding from Federal, State and private sources, centralized assessment and planning activities, the provision of training and technical assistance, and reporting and evaluation functions; and

"(3) the chief executive officer of the State provides assurances that the lead entity—

"(A) has a demonstrated commitment to parental participation in the development, operation, and oversight of the Statewide network of community-based, prevention-focused, family resource and support programs;

"(B) has a demonstrated ability to work with State and community-based public and private nonprofit organizations to develop a continuum of preventive, family centered, holistic services for children and families through the Statewide network of community-based, prevention-focused, family resource and support programs;

"(C) has the capacity to provide operational support (both financial and programmatic) and training and technical assistance, to the Statewide network of community-based, prevention-focused, family resource and support programs, through innovative, interagency funding and interdisciplinary service delivery mechanisms; and

"(D) will integrate its efforts with individuals and organizations experienced in working in partnership with families with children with disabilities and with the child abuse and neglect prevention activities of the State, and demonstrate a financial commitment to those activities.

"SEC. 203. AMOUNT OF GRANT.

"(a) RESERVATION.—The Secretary shall reserve 1 percent of the amount appropriated under section 210 for a fiscal year to make allotments to Indian tribes and tribal organizations and migrant programs.

"(b) IN GENERAL.—Of the amounts appropriated for a fiscal year under section 210 and remaining after the reservation under subsection (a), the Secretary shall allot to each State lead entity an amount so that—

"(1) 50 percent of the total amount allotted to the State under this section is based on the number of children under 18 residing in the State as compared to the number of such children residing in all States, except that no State shall receive less than $250,000; and

"(2) each State receives, from the amounts remaining from the total amount appropriated, an amount equal to 50 percent of the amount that each such State has directed through the lead agency to the purposes identified under the authority of this title, including foundation, corporate, and other private funding, State revenues, and Federal funds.

"(c) ALLOCATION.—Funds allotted to a State under this section shall be awarded on a formula basis for a 3-year period. Payment under such allotments shall be made by the Secretary annually on the basis described in subsection (a).

"SEC. 204. EXISTING AND CONTINUATION GRANTS.

"(a) EXISTING GRANTS.—Notwithstanding the enactment of this title, a State or entity that has a grant, contract, or cooperative agreement in effect, on the date of enactment of this title, under the Family Resource and Support Program, the Community-Based Family Resource Program, the Emergency Child Abuse Prevention Grant Program, or the Temporary Child Care for Children with Disabilities and Crisis Nurseries Programs shall continue to receive funds under such programs, subject to the original terms under which such funds were granted, through the end of the applicable grant cycle.

"(b) CONTINUATION GRANTS.—The Secretary may continue grants for Family Resource and Support Program grantees, and those programs otherwise funded under this Act, on a noncompetitive basis, subject to the availability of appropriations, satisfactory performance by the grantee, and receipt of reports required under this Act, until such time as the grantee no longer meets the original purposes of this Act.

"SEC. 205. APPLICATION.

"(a) IN GENERAL.—A grant may not be made to a State under this title unless an application therefore is submitted by the State to the Secretary and such application contains the types of information specified by the Secretary as essential to carrying out the provisions of section 202, including—

"(1) a description of the lead entity that will be responsible for the administration of funds provided under this title and the oversight of programs funded through the Statewide network of community-based, prevention-focused, family resource and support programs which meets the requirements of section 202;

"(2) a description of how the network of community-based, prevention-focused, family resource and support programs will operate and how family resource and support services provided by public and private, nonprofit organizations, including those funded by programs consolidated under this Act, will be integrated into a developing continuum of family centered, holistic, preventive services for children and families;

"(3) an assurance that an inventory of current family resource programs, respite, child abuse and neglect prevention activities, and other family resource services operating in the State, and a description of current unmet needs, will be provided;

"(4) a budget for the development, operation and expansion of the State's network of community-based, prevention-focused, family resource and support programs that verifies that the State will expend an amount equal to not less than 20 percent of the amount received under this title (in cash, not in-kind) for activities under this title;

"(5) an assurance that funds received under this title will supplement, not supplant, other State and local public funds designated for the Statewide network of community-based, prevention-focused, family resource and support programs;

"(6) an assurance that the State network of community-based, prevention-focused, family resource and support programs will maintain cultural diversity, and be culturally competent and socially sensitive and responsive to the needs of families with children with disabilities;

"(7) an assurance that the State has the capacity to ensure the meaningful involvement of parents who are consumers and who can provide leadership in the planning, implementation, and evaluation of the programs and policy decisions of the applicant agency in accomplishing the desired outcomes for such efforts;

"(8) a description of the criteria that the entity will use to develop, or select and fund, individual community-based, prevention-focused, family resource and support programs as part of network development, expansion or enhancement;

"(9) a description of outreach activities that the entity and the community-based, prevention-focused, family resource and support programs will undertake to maximize the participation of racial and ethnic minorities, new immigrant populations, children and adults with disabilities, and members of other underserved or underrepresented groups;

"(10) a plan for providing operational support, training and technical assistance to community-based, prevention-focused, family resource and support programs for development, operation, expansion and enhancement activities;

"(11) a description of how the applicant entity's activities and those of the network and its members will be evaluated;

"(12) a description of that actions that the applicant entity will take to advocate changes in State policies, practices, procedures and regulations to improve the delivery of prevention-focused, family resource and support program services to all children and families; and

"(13) an assurance that the applicant entity will provide the Secretary with reports at such time and containing such information as the Secretary may require.

"SEC. 206. LOCAL PROGRAM REQUIREMENTS.

"(a) IN GENERAL.—Grants made under this title shall be used to develop, implement, operate, expand and enhance community-based, prevention-focused, family resource and support programs that—

"(1) assess community assets and needs through a planning process that involves parents and local public agencies, local nonprofit organizations, and private sector representatives;

"(2) develop a strategy to provide, over time, a continuum of preventive, holistic, family centered services to children and families, especially to young parents and parents with young children, through public-private partnerships;

"(3) provide—

"(A) core family resource and support services such as—

"(i) parent education, mutual support and self help, and leadership services;

"(ii) early developmental screening of children;

"(iii) outreach services;

"(iv) community and social service referrals; and

"(v) follow-up services;

"(B) other core services, which must be provided or arranged for through contracts or agreements with other local agencies, including all forms of respite services; and

"(C) access to optional services, including—

"(i) child care, early childhood development and intervention services;

"(ii) services and supports to meet the additional needs of families with children with disabilities;

"(iii) job readiness services;

"(iv) educational services, such as scholastic tutoring, literacy training, and General Educational Degree services;

"(v) self-sufficiency and life management skills training;

"(vi) community referral services; and

"(vii) peer counseling;

"(4) develop leadership roles for the meaningful involvement of parents in the development, operation, evaluation, and oversight of the programs and services;

"(5) provide leadership in mobilizing local public and private resources to support the provision of needed family resource and support program services; and

"(6) participate with other community-based, prevention-focused, family resource and support program grantees in the development, operation and expansion of the Statewide network.

"(b) PRIORITY.—In awarding local grants under this title, a lead entity shall give priority to community-based programs serving low income communities and those serving young parents or parents with young children, and to community-based family resource and support programs previously funded under the programs consolidated under the Child Abuse Prevention and Treatment Act Amendments of 1995, so long as such programs meet local program requirements.

"SEC. 207. PERFORMANCE MEASURES.

"A State receiving a grant under this title, through reports provided to the Secretary, shall—

"(1) demonstrate the effective development, operation and expansion of a Statewide network of community-based, prevention-focused, family resource and support programs that meets the requirements of this title;

"(2) supply an inventory and description of the services provided to families by local programs that meet identified community needs, including core and optional services as described in section 202;

"(3) demonstrate the establishment of new respite and other specific new family resources services to address unmet needs identified by the inventory and description of current services required under section 201(b)(6);

"(4) describe the number of families served, including families with children with disabilities, and the involvement of a diverse representation of families in the design, operation, and evaluation of the Statewide network of community-based, prevention-focused, family resource and support programs, and in the design, operation and evaluation of the individual community-based family resource and support programs that are part of the Statewide network funded under this title;

"(4) demonstrate a high level of satisfaction among families who have used the services of the community-based, prevention-focused, family resource and support programs;

"(5) demonstrate the establishment or maintenance of innovative funding mechanisms, at the State or community level, that blend Federal, State, local and private funds, and innovative, interdisciplinary service delivery mechanisms, for the development, operation, expansion and enhancement of the Statewide network of community-based, prevention-focused, family resource and support programs;

"(6) describe the results of a peer review process conducted under the State program; and

"(7) demonstrate an implementation plan to ensure the continued leadership of parents in the on-going planning, implementation, and evaluation of such community based, prevention-focused, family resource and support programs.

"SEC. 208. NATIONAL NETWORK FOR COMMUNITY-BASED FAMILY RESOURCE PROGRAMS.

"The Secretary may allocate such sums as may be necessary from the amount provided under the State allotment to support the activities of the State network—

"(1) to create, operate and maintain a peer review process;

"(2) to create, operate and maintain an information clearinghouse;

"(3) to fund a yearly symposium on State system change efforts that result from the operation of the Statewide networks of community-based, prevention-focused, family resource and support programs;

"(4) to create, operate and maintain a computerized communication system between lead entities; and

"(5) to fund State-to-State technical assistance through bi-annual conferences.

"SEC. 209. DEFINITIONS.

"(1) CHILDREN WITH DISABILITIES.—The term 'children with disabilities' has the same meaning given such term in section 602(a)(2) of the Individuals with Disabilities Education Act.

"(2) COMMUNITY REFERRAL SERVICES.—The term 'community referral services' means services provided under contract or through interagency agreements to assist families in obtaining needed information, mutual support and community resources, including respite services, health and mental health services, employability development and job training, and other social services through help lines or other methods.

"(3) CULTURALLY COMPETENT.—The term 'culturally competent' means services, support, or other assistance that is conducted or provided in a manner that—

"(A) is responsive to the beliefs, interpersonal styles, attitudes, languages, and behaviors of those individuals and families receiving services; and

"(B) has the greatest likelihood of ensuring maximum participation of such individuals and families.

"(4) FAMILY RESOURCE AND SUPPORT PROGRAM.—The term 'family resource and support program' means a community-based, prevention-focused entity that—

"(A) provides, through direct service, the core services required under this title, including—

"(i) parent education, support and leadership services, together with services characterized by relationships between parents and professionals that are based on equality and respect, and designed to assist parents in acquiring parenting skills, learning about child development, and responding appropriately to the behavior of their children;

"(ii) services to facilitate the ability of parents to serve as resources to one another other (such as through mutual support and parent self-help groups);

"(iii) early developmental screening of children to assess any needs of children, and to identify types of support that may be provided;

"(iv) outreach services provided through voluntary home visits and other methods to assist parents in becoming aware of and able to participate in family resources and support program activities;

"(v) community and social services to assist families in obtaining community resources; and

"(vi) follow-up services;

"(B) provides, or arranges for the provision of, other core services through contracts or agreements with other local agencies, including all forms of respite services; and

"(C) provides access to optional services, directly or by contract, purchase of service, or interagency agreement, including—

"(i) child care, early childhood development and early intervention services;

"(ii) self-sufficiency and life management skills training;

"(iii) education services, such as scholastic tutoring, literacy training, and General Educational Degree services;

"(iv) job readiness skills;

"(v) child abuse and neglect prevention activities;

"(vi) services that families with children with disabilities or special needs may require;

"(vii) community and social service referral;

"(viii) peer counseling;

"(ix) referral for substance abuse counseling and treatment; and

"(x) help line services.

"(5) NATIONAL NETWORK FOR COMMUNITY-BASED FAMILY RESOURCE PROGRAMS.—The term 'network for community-based family resource program' means the organization of State designated entities who receive grants under this title, and includes the entire membership of the Children's Trust Fund Alliance and the National Respite Network.

"(6) OUTREACH SERVICES.—The term 'outreach services' means services provided to assist consumers, through voluntary home visits or other methods, in accessing and participating in family resource and support program activities.

"(7) RESPITE SERVICES.—The term 'respite services' means short term care services provided in the temporary absence of the regular caregiver (parent, other relative, foster parent, adoptive parent, or guardian) to children who—

"(A) are in danger of abuse or neglect;

"(B) have experienced abuse or neglect; or

"(C) have disabilities, chronic, or terminal illnesses.

Such services shall be provided within or outside the home of the child, be short-term care (ranging from a few hours to a few weeks of time, per year), and be intended to enable the family to stay together and to keep the child living in the home and community of the child.

"SEC. 210. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this title, $108,000,000 for each of the fiscal years 1996, 1997, and 1998.".

SEC. 202. REPEALS.

(a) TEMPORARY CHILD CARE FOR CHILDREN WITH DISABILITIES AND CRISIS NURSERIES ACT.—The Temporary Child Care for Children with Disabilities and Crisis Nurseries Act of 1986 (42 U.S.C. 5117 et seq.) is repealed.

(b) FAMILY SUPPORT CENTERS.—Subtitle F of title VII of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11481 et seq.) is repealed.

TITLE III—FAMILY VIOLENCE PREVENTION AND SERVICES

SEC. 301. REFERENCE.

Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Family Violence Prevention and Services Act (42 U.S.C. 10401 et seq.).

SEC. 302. STATE DEMONSTRATION GRANTS.

Section 303(e) (42 U.S.C. 10420(e)) is amended—

(1) by striking "following local share" and inserting "following non-Federal matching local share"; and

(2) by striking "20 percent" and all that follows through "private sources." and inserting "with respect to an entity operating an existing program under this title, not less than 20 percent, and with respect to an entity intending to operate a new program under this title, not less than 35 percent.".

SEC. 303. ALLOTMENTS.

Section 304(a)(1) (42 U.S.C. 10403(a)(1)) is amended by striking "$200,000" and inserting "$400,000".

SEC. 304. AUTHORIZATION OF APPROPRIATIONS.

Section 310 (42 U.S.C. 10409) is amended—

(1) in subsection (b), by striking "80" and inserting "70"; and

(2) by adding at the end thereof the following new subsections:

"(d) GRANTS FOR STATE COALITIONS.—Of the amounts appropriated under subsection (a) for each fiscal year, not less than 10 percent of such amounts shall be used by the Secretary for making grants under section 311.

"(e) NON-SUPPLANTING REQUIREMENT.—Federal funds made available to a State under this title shall be used to supplement and not supplant other Federal, State, and local public funds expended to provide services and activities that promote the purposes of this title.".

TITLE IV—ADOPTION OPPORTUNITIES

SEC. 401. REFERENCE.

Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Child Abuse Prevention and Treatment and Adoption Reform Act of 1978 (42 U.S.C. 5111 et seq.).

SEC. 402. FINDINGS AND PURPOSE.

Section 201 (42 U.S.C. 5111) is amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) by striking "50 percent between 1985 and 1990" and inserting "61 percent between 1986 and 1994"; and

(ii) by striking "400,000 children at the end of June, 1990" and inserting "452,000 as of June, 1994"; and

(B) in paragraph (5), by striking "local" and inserting "legal"; and

(C) in paragraph (7), to read as follows:

"(7)(A) currently, 40,000 children are free for adoption and awaiting placement;

"(B) such children are typically school aged, in sibling groups, have experienced neglect or abuse, or have a physical, mental, or emotional disability; and

"(C) while the children are of all races, children of color and older children (over the age of 10) are over represented in such group;"; and

(2) in subsection (b)—

(A) by striking "conditions, by—" and all that follows through "providing a mechanism" and inserting "conditions, by providing a mechanism"; and

(B) by redesignating subparagraphs (A) through (C), as paragraphs (1) through (3), respectively and by realigning the margins of such paragraphs accordingly.

SEC. 403. INFORMATION AND SERVICES.

Section 203 (42 U.S.C. 5113) is amended—

(1) in subsection (a), by striking the last sentence;

(2) in subsection (b)—

(A) in paragraph (6), to read as follows:

"(6) study the nature, scope, and effects of the placement of children in kinship care arrangements, pre-adoptive, or adoptive homes;";

(B) by redesignating paragraphs (7) through (9) as paragraphs (8) through (10), respectively; and

(C) by inserting after paragraph (6), the following new paragraph:

"(7) study the efficacy of States contracting with public or private nonprofit agencies (including community-based organizations), organizations, or sectarian institutions for the recruitment of potential adoptive and foster families and to provide assistance in the placement of children for adoption;"; and

(3) in subsection (d)—

(A) in paragraph (2)—

(i) by striking "Each" and inserting "(A) Each";

(ii) by striking "for each fiscal year" and inserting "that describes the manner in which the State will use funds during the 3-fiscal years subsequent to the date of the application to accomplish the purposes of this section. Such application shall be"; and

(iii) by adding at the end thereof the following new subparagraph:

"(B) The Secretary shall provide, directly or by grant to or contract with public or private nonprofit agencies or organizations—

"(i) technical assistance and resource and referral information to assist State or local governments with termination of parental rights issues, in recruiting and retaining adoptive families, in the successful placement of children with special needs, and in the provision of pre- and post-placement services, including post-legal adoption services; and

"(ii) other assistance to help State and local governments replicate successful adoption-related projects from other areas in the United States.".

SEC. 404. AUTHORIZATION OF APPROPRIATIONS.

Section 205 (42 U.S.C. 5115) is amended—

(1) in subsection (a)—

(A) by striking "$10,000,000," and all that follows through "1992, and"; and

(B) by inserting "$20,000,000 for fiscal year 1996, and such sums as may be necessary for fiscal year 1997" after "1995,";

(2) by striking subsection (b); and

(3) by redesignating subsection (c) as subsection (b).

TITLE V—ABANDONED INFANTS ASSISTANCE ACT OF 1986

SEC. 501. REAUTHORIZATION.

Section 104(a)(1) of the Abandoned Infants Assistance Act of 1988 (42 U.S.C. 670 note) is amended by striking "$20,000,000" and all that follows through the end thereof and inserting "$35,000,000 for each of the fiscal years 1995 and 1996, and such sums as may be necessary for each of the fiscal years 1997 through 2000".

TITLE VI—REAUTHORIZATION OF VARIOUS PROGRAMS

SEC. 601. MISSING CHILDREN'S ASSISTANCE ACT.

Section 408 of the Missing Children's Assistance Act (42 U.S.C. 5777) is amended—

(1) by striking "To" and inserting "(a) IN GENERAL.—"

(2) by striking "and 1996" and inserting "1996, and 1997"; and

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

"(b) EVALUATION.—The Administrator shall use not more than 5 percent of the amount appropriated for a fiscal year under subsection (a) to conduct an evaluation of the effectiveness of the programs and activities established and operated under this title.".

SEC. 602. VICTIMS OF CHILD ABUSE ACT OF 1990.

Section 214B of the Victims of Child Abuse Act of 1990 (42 U.S.C. 13004) is amended—

(1) in subsection (a)(2), by striking "and 1996" and inserting "1996, and 1997"; and

(2) in subsection (b)(2), by striking "and 1996" and inserting "1996, and 1997".•

• Mrs. KASSEBAUM. Mr. President, I am pleased to join with Senator COATS today in introducing the Child Abuse Prevention and Treatment Act Amendments of 1995. This important legislation reauthorizes the Child Abuse and Prevention Treatment Act (CAPTA) and makes several important changes

to the legislation. CAPTA is the only Federal program specifically aimed at the prevention and treatment of child abuse.

Federal involvement in child welfare began with the passage of CAPTA in 1974. This act has provided critical leadership to help States identify child abuse and neglect, improve State child protective systems, and prevent and treat child abuse and neglect. CAPTA has assisted States in establishing mandatory reporting systems of child abuse and neglect. In addition, the act provided immunity from prosecution for mandated reporters who act in good faith to report suspected cases of child abuse and neglect. This has dramatically improved States' ability to intervene in situations where abuse has occurred. The legislation Senator COATS and I are introducing today will make significant improvements to state reporting systems by placing a stronger emphasis on training of mandated reporters and case workers and by building in an assessment component in the reporting and investigation process.

CAPTA has also provided funding for research in the field of child abuse and neglect. Research is critical to understanding this issue and to providing professionals with the necessary tools to assist children and families who may be at risk of child abuse and neglect. In addition, CAPTA has established a national clearinghouse to collect data on child abuse and neglect. Amendments to CAPTA have been made to strengthen research efforts and to expand the clearinghouse's data collection function to include information on substantiated, unsubstantiated, and false reports of child abuse and neglect.

This legislation also seeks to encourage State and local innovation through demonstration grants in the areas of training and education, reporting and investigation of abuse and neglect, and encouraging parent mutual support and self-help programs.

The reauthorization of CAPTA also includes a prevention component that involves networks of local community-based organizations whose primary purpose is to assist families at risk of child abuse and neglect. Title II of this legislation consolidates several programs, the Temporary Child Care for Children with Disabilities and Crisis Nurseries Act and the Family Support Centers under the Stewart B. McKinney Homeless Assistance Act, into the Community-Based Family Resource Grants program. The programs being consolidated provide a range of services to families, from respite care and support services to families with disabled children to assisting families in finding affordable housing. The grants are awarded to States that demonstrate a commitment to establishing a network of resources designed to assist families and prevent child abuse and neglect and to providing leadership in coordinating various programs and activities at the State and local levels.

The Child Abuse and Prevention Treatment Act Amendments of 1995 has been reauthorized at $100 million for fiscal year 1996 and such sums as necessary through fiscal year 2000.

The legislation also includes several minor technical amendments to the Family Violence Prevention and Services Act to reconcile differences between this and the Victims of Crime Act. In addition, Title IV and Title V reauthorize the Adoption Opportunities Act and the Abandoned Infants Assistance Act. Several technical changes have been made to the Adoption Opportunities Act to improve this program. Also, a provision has been included to require the Secretary of Health and Human Services to study and report on the efficacy of requiring States to contract with public, private nonprofit, and sectarian institutions for recruitment of prospective foster care and adoptive parents and for assistance with the placement of children with special needs. The Adoption Opportunities Act has been reauthorized at $20 million for fiscal year 1996 and such sums as may be necessary through fiscal year 2000. The Abandoned Infants Assistance Act has been reauthorized at $35 million for fiscal year 1996 and such sums as may be necessary through fiscal year 2000.

Finally, in conjunction with Senator HATCH, several programs under the Senate Committee on the Judiciary's jurisdiction that were included in Title II of the House welfare reform proposal, have been reauthorized under Title VI of CAPTA. They are the Missing Children's Assistance Act and the Victims of Child Abuse Act of 1990. Both programs have been reauthorized through 1997.

I believe this legislation will make significant improvements to the reporting, prevention, and treatment of child abuse and neglect. I would like to thank Senator COATS for his strong commitment to children and his leadership on this very important issue. I hope that this legislation will receive bipartisan support from my colleagues in the Senate and that many of you will join with Senator COATS and me in ensuring its passage on the Senate floor.●

ADDITIONAL COSPONSORS

S. 256

At the request of Mr. SPECTER, his name was added as a cosponsor of S. 256, a bill to amend title 10, United States Code, to establish procedures for determining the status of certain missing members of the Armed Forces and certain civilians, and for other purposes.

S. 304

At the request of Mr. SANTORUM, the name of the Senator from Mississippi [Mr. LOTT] was added as a cosponsor of S. 304, a bill to amend the Internal Revenue Code of 1986 to repeal the transportation fuels tax applicable to commercial aviation.

S. 472

At the request of Mr. DODD, the names of the Senator from Maryland [Ms. MIKULSKI] and the Senator from Minnesota [Mr. WELLSTONE] were added as cosponsors of S. 472, a bill to consolidate and expand Federal child care services to promote self sufficiency and support working families, and for other purposes.

S. 692

At the request of Mr. GREGG, the name of the Senator from Alaska [Mr. STEVENS] was added as a cosponsor of S. 692, a bill to amend the Internal Revenue Code of 1986 to preserve family-held forest lands, and for other purposes.

S. 758

At the request of Mr. HATCH, the name of the Senator from Oregon [Mr. HATFIELD] was added as a cosponsor of S. 758, a bill to amend the Internal Revenue Code of 1986 to provide for S corporation reform, and for other purposes.

S. 770

At the request of Mr. DOLE, the name of the Senator from Texas [Mrs. HUTCHISON] was added as a cosponsor of S. 770, a bill to provide for the relocation of the United States Embassy in Israel to Jerusalem, and for other purposes.

S. 771

At the request of Mr. PRYOR, the name of the Senator from South Dakota [Mr. PRESSLER] was added as a cosponsor of S. 771, a bill to provide that certain Federal property shall be made available to States for State use before being made available to other entities, and for other purposes.

S. 830

At the request of Mr. SPECTER, the name of the Senator from Maine [Mr. COHEN] was added as a cosponsor of S. 830, a bill to amend title 18, United States Code, with respect to fraud and false statements.

S. 867

At the request of Mr. COCHRAN, the name of the Senator from Mississippi [Mr. LOTT] was added as a cosponsor of S. 867, a bill to amend the Internal Revenue Code of 1986 to revise the estate and gift tax in order to preserve American family enterprises, and for other purposes.

S. 915

At the request of Mr. D'AMATO, the name of the Senator from Alabama [Mr. SHELBY] was added as a cosponsor of S. 915, a bill to govern relations between the United States and the Palestine Liberation Organization [PLO], to enforce compliance with standards of international conduct, and for other purposes.

SENATE RESOLUTION 103

At the request of Mr. DOMENICI, the names of the Senator from Missouri [Mr. BOND] the Senator from Texas [Mrs. HUTCHISON], and the Senator from Florida [Mr. MACK] were added as cosponsors of Senate Resolution 103, a resolution to proclaim the week of October 15 through October 21, 1995, as National Character Counts Week, and for other purposes.

AMENDMENT NO. 1265

At the request of Mr. DORGAN, the name of the Senator from Wisconsin [Mr. FEINGOLD] was added as a cosponsor of Amendment No. 1265 proposed to S. 652, an original bill to provide for a procompetitive, de-regulatory national policy framework designed to accelerate rapidly private sector deployment of advanced telecommunications and information technologies and services to all Americans by opening all telecommunications markets to competition, and for other purposes.

AMENDMENTS SUBMITTED

THE TELECOMMUNICATIONS COMPETITION AND DEREGULATION ACT OF 1995 COMMUNICATIONS DECENCY ACT OF 1995

DORGAN AMENDMENTS NOS. 1272–1273

(Ordered to lie on the table.)

Mr. DORGAN submitted two amendments intended to be proposed by him to the bill (S. 652) to provide for a procompetitive, deregulatory national policy framework designed to accelerate rapidly private sector deployment of advanced telecommunications and information technologies and services to all Americans by opening all telecommunications markets to competition, and for other purposes; as follows:

AMENDMENT NO. 1272

On page 82, between lines 4 and 5, insert the following:

(3) This section shall operate only if the Commission shall amend its "Application for renewal of License for AM, FM, TV, Translator or LPTV Station" (FCC Form 303–S) to require that, for commercial TV applicants only, the applicant attach as an exhibit to the application a summary of written comments and suggestions received from the public and maintained by the licensee in accordance with 47 C.F.R. sec. 73.1202 that comment on the applicant's programming, if any, characterized by the commentor as constituting violent programming.

AMENDMENT NO. 1273

On page 77, line 2, strike the word "and" and all that follows through line 4 on the same page and insert the following:

(B) it shall apply similar rules to use of existing television spectrum; and

(C) it shall adopt regulations that would require broadcast stations to transmit, by way of line 21 of the vertical blanking interval, signals which enable viewers to block the display of programs with common ratings based on violent content determined by such stations.

DORGAN (AND HELMS) AMENDMENT NO. 1274

(Ordered to lie on the table.)

Mr. DORGAN (for himself and Mr. HELMS) submitted an amendment intended to be proposed by them to the bill S. 652, supra; as follows:

Strike paragraph (1) of subsection (b) of Section (207) and insert in lieu thereof the following:

"(b) REVIEW AND MODIFICATION OF BROADCAST RULES.—The Commission shall:

"(1) modify or remove such national and local ownership rules on radio and television broadcasters as are necessary to ensure that broadcasters are able to compete fairly with other media providers while ensuring that the public receives information from a diversity of media sources and localism and service in the public interest in protected, taking into consideration the economic dominance of providers in a market and

"(2) review the ownership restriction in section 613(a)(1)."

CONRAD (AND OTHERS) AMENDMENT NO. 1275

Mr. CONRAD (for himself, Ms. MIKULSKI, and Mr. GRAHAM) proposed an amendment to the bill, S. 652, supra; as follows:

On page 146, below line 14, add the following:

TITLE V—MISCELLANEOUS

SEC. 501. SHORT TITLE.

This title may be cited as the "Parental Choice in Television Act of 1995".

SEC. 502. FINDINGS.

Congress makes the following findings:

(1) On average, a child in the United States is exposed to 27 hours of television each week and some children are exposed to as much as 11 hours of television each day.

(2) The average American child watches 8,000 murders and 100,000 acts of other violence on television by the time the child completes elementary school.

(3) By the age of 18 years, the average American teenager has watched 200,000 acts of violence on television, including 40,000 murders.

(4) On several occasions since 1975, The Journal of the American Medical Association has alerted the medical community to the adverse effects of televised violence on child development, including an increase in the level of aggressive behavior and violent behavior among children who view it.

(5) The National Commission on Children recommended in 1991 that producers of television programs exercise greater restraint in the content of programming for children.

(6) A report of the Harry Frank Guggenheim Foundation, dated May 1993, indicates that there is an irrefutable connection between the amount of violence depicted in the television programs watched by children and increased aggressive behavior among children.

(7) It is a compelling National interest that parents be empowered with the technology to block the viewing by their children of television programs whose content is overly violent or objectionable for other reasons.

(8) Technology currently exists to permit the manufacture of television receivers that are capable of permitting parents to block television programs having violent or otherwise objectionable content.

SEC. 503. ESTABLISHMENT OF TELEVISION VIOLENCE RATING CODE.

(a) IN GENERAL.—Section 303 (47 U.S.C. 303) is amended by adding at the end the following:

"(v) Prescribe, in consultation with television broadcasters, cable operators, appropriate public interest groups, and interested individuals from the private sector, rules for rating the level of violence or other objectionable content in television programming, including rules for the transmission by television broadcast stations and cable systems of—

"(1) signals containing ratings of the level of violence or objectionable content in such programming; and

"(2) signals containing specifications for blocking such programming.".

(b) APPLICABILITY.—The amendment made by subsection (a) shall take effect 1 year after the date of the enactment of this Act, but only if the Commission determines, in consultation with appropriate public interest groups and interested individuals from the private sector, on that date that television broadcast stations and cable systems have not—

(1) established voluntarily rules for rating the level of violence or other objectionable content in television programming which rules are acceptable to the Commission; and

(2) agreed voluntarily to broadcast signals that contain ratings of the level of violence or objectionable content in such programming.

SEC. 504. REQUIREMENT FOR MANUFACTURE OF TELEVISIONS THAT BLOCK PROGRAMS.

(a) REQUIREMENT.—Section 303 (47 U.S.C. 303), as amended by this Act, is further amended by adding at the end the following:

"(w) Require, in the case of apparatus designed to receive television signals that are manufactured in the United States or imported for use in the United States and that have a picture screen 13 inches or greater in size (measured diagonally), that such apparatus—

"(1) be equipped with circuitry designed to enable viewers to block the display of channels during particular time slots; and

"(2) enable viewers to block display of all programs with a common rating.".

(b) IMPLEMENTATION.—In adopting the requirement set forth in section 303(w) of the Communications Act of 1934, as added by subsection (a), the Federal Communications Commission, in consultation with the television receiver manufacturing industry, shall determine a date for the applicability of the requirement to the apparatus covered by that section.

SEC. 505. SHIPPING OR IMPORTING OF TELEVISIONS THAT BLOCK PROGRAMS.

(a) REGULATIONS.—Section 330 (47 U.S.C. 330) is amended—

(1) by redesignating subsection (c) as subsection (d); and

(2) by adding after subsection (b) the following new subsection (c):

"(c)(1) Except as provided in paragraph (2), no person shall ship in interstate commerce, manufacture, assemble, or import from any foreign country into the United States any apparatus described in section 303(w) of this Act except in accordance with rules prescribed by the Commission pursuant to the authority granted by that section.

"(2) This subsection shall not apply to carriers transporting apparatus referred to in paragraph (1) without trading it.

"(3) The rules prescribed by the Commission under this subsection shall provide performance standards for blocking technology. Such rules shall require that all such apparatus be able to receive transmitted rating signals which conform to the signal and blocking specifications established by the Commission.

"(4) As new video technology is developed, the Commission shall take such action as the Commission determines appropriate to ensure that blocking service continues to be available to consumers.".

(b) CONFORMING AMENDMENT.—Section 330(d), as redesignated by subsection (a)(1), is amended by striking "section 303(s), and section 303(u)" and inserting in lieu thereof "and sections 303(s), 303(u), and 303(w)".

McCAIN AMENDMENT NO. 1276

Mr. McCAIN proposed an amendment to the bill S. 652, supra; as follows:

On page 43, strike out line 2 and insert in lieu thereof the following:

Act.

"(k) TRANSITION TO ALTERNATIVE SUPPORT SYSTEM.—Notwithstanding any other provision of this Act, beginning 2 years after the date of the enactment the Telecommunications Act of 1995, support payments for universal service under this Act shall occur in accordance with the provisions of subsection (l) rather than any other provisions of this Act.

"(l) VOUCHER SYSTEM.—

"(1) IN GENERAL.—Not later than 2 years after the date of the enactment of the Telecommunications Act of 1995, the Commission shall prescribe regulations to provide for the payment of support payments for universal service through a voucher system under this subsection.

"(2) INDIVIDUALS ELIGIBLE TO MAKE PAYMENTS BY VOUCHER.—Payment of support payments for universal service by voucher under this subsection may be made only by individuals—

"(A) who are customers of telecommunications carriers described in paragraph (3); and

"(B) whose income in the preceding year was an amount equal to or less than the amount equal to 200 percent of the poverty level for that year.

"(3) CARRIERS ELIGIBLE TO RECEIVE VOUCHERS.—Telecommunications carriers eligible to receive support payments for universal service by voucher under this subsection are telecommunications carriers designated as essential telecommunications carriers in accordance with subsection (f).

"(4) VOUCHERS.—

"(A) IN GENERAL.—The Commission shall provide in the regulations under this subsection for the distribution to individuals described in paragraph (2) of vouchers that may be used by such individuals as payment for telecommunications services received by such individuals from telecommunications carriers described in paragraph (3).

"(B) VALUE OF VOUCHERS.—The Commission shall determine the value of vouchers distributed under this paragraph.

"(C) USE OF VOUCHERS.—Individuals to whom vouchers are distributed under this paragraph may utilize such vouchers as payment for the charges for telecommunications services that are imposed on such persons by telecommunications carriers referred to in subparagraph (A).

"(D) ACCEPTANCE OF VOUCHERS.—Each telecommunications carrier referred to in subparagraph (A) shall accept vouchers under this paragraph as payment for charges for telecommunications services that are imposed by the telecommunications carrier on individuals described in paragraph (2).

"(E) REIMBURSEMENT.—The Commission shall, upon submittal of vouchers by a telecommunications carrier, reimburse the telecommunications carrier in an amount equal to the value of the vouchers submitted. Amounts necessary for reimbursements under this subparagraph shall be derived from contributions for universal support under subsection (c)."

GORTON AMENDMENT NO. 1277

Mr. GORTON proposed an amendment to amendment No. 1270 proposed by Mrs. FEINSTEIN to the bill, S. 652, supra; as follows:

In the matter proposed to be stricken, strike "or is inconsistent with this section, the Commission shall promptly" and insert "subsection (a) or (b), the Commission shall".

DORGAN (AND OTHERS) AMENDMENT NO. 1278

Mr. DORGAN (for himself, Mr. HELMS, and Mr. KERREY) proposed an amendment to the bill, S. 652, supra; as follows:

Strike paragraph (1) of subsection (b) of Section (207) and insert in lieu thereof the following:

"(b) REVIEW AND MODIFICATION OF BROADCAST RULES.—The Commission shall:

"(1) modify or remove such national and local ownership rules on radio and television broadcasters as are necessary to ensure that broadcasters are able to compete fairly with other media providers while ensuring that the public receives information from a diversity of media sources and localism and service in the public interest is protected, taking into consideration the economic dominance of providers in a market and

"(2) review the ownership restriction in section 613(a)(1)."

THURMOND AMENDMENT NO. 1279

(Ordered to lie on the table.)

Mr. THURMOND submitted an amendment intended to be proposed by him to the bill S. 652, supra; as follows:

On page 82, line 23, strike all after the word "service" through page 91, line 2, and insert the following:

"to the extent approved by the Commission and the Attorney General of the United States in accordance with the provisions of subsection (c);

"(2) interLATA telecommunications services originating in any area where that company is not the dominant provider of wireline telephone exchange service or exchange access service in accordance with the provisions of subsection (d); and

"(3) interLATA services that are incidental services in accordance with the provisions of subsection (e).

"(b) SPECIFIC INTERLATA INTERCONNECTION REQUIREMENTS.—

"(1) IN GENERAL.—A Bell operating company may provide interLATA services in accordance with this section only if that company has reached an interconnection agreement under section 251 and that agreement provides, at a minimum, for interconnection that meets the competitive checklist requirements of paragraph (2).

"(2) COMPETITIVE CHECKLIST.—Interconnection provided by a Bell operating company to other telecommunications carriers under section 251 shall include:

"(A) Nondiscriminatory access on an unbundled basis to the network functions and services of the Bell operating company's telecommunications network that is at least equal in type, quality, and price to the access the Bell operating company affords to itself or any other entity.

"(B) The capability to exchange telecommunications between customers of the Bell operating company and the telecommunications carrier seeking interconnection.

"(C) Nondiscriminatory access to the poles, ducts, conduits, and rights-of-way owned or controlled by the Bell operating company at just and reasonable rates where it has the legal authority to permit such access.

"(D) Local loop transmission from the central office to the customer's premises, unbundled from local switching or other services.

"(E) Local transport from the trunk side of a wireline local exchange carrier switch unbundled from switching or other services.

"(F) Local switching unbundled from transport, local loop transmission, or other services.

"(G) Nondiscriminatory access to—

"(i) 911 and E911 services;

"(ii) directory assistance services to allow the other carrier's customers to obtain telephone numbers; and

"(iii) operator call completion services.

"(H) White pages directory listings for customers of the other carrier's telephone exchange service.

"(I) Until the date by which neutral telephone number administration guidelines, plan, or rules are established, nondiscriminatory access to telephone numbers for assignment to the other carrier's telephone exchange service customers. After that date, compliance with such guidelines, plan, or rules.

"(J) Nondiscriminatory access to databases and associated signaling, including signaling links, signaling service control points, and signaling service transfer points, necessary for call routing and completion.

"(K) Until the date by which the Commission determines that final telecommunications number portability is technically feasible and must be made available, interim telecommunications number portability through remote call forwarding, direct inward dialing trunks, or other comparable arrangements, with as little impairment of functioning, quality, reliability, and convenience as possible. After that date, full compliance with final telecommunications number portability.

"(L) Nondiscriminatory access to whatever services or information may be necessary to allow the requesting carrier to implement local dialing parity in a manner that permits consumers to be able to dial the same number of digits when using any telecommunications carrier providing telephone exchange service or exchange access service.

"(M) Reciprocal compensation arrangements on a nondiscriminatory basis for the origination and termination of telecommunications.

"(N) Telecommunications services and network functions provided on an unbundled basis without any conditions or restrictions on the resale or sharing of those services or functions, including both origination and termination of telecommunications services,

other than reasonable conditions required by the Commission or a State. For purposes of this subparagraph, it is not an unreasonable condition for the Commission or a State to limit the resale—

"(i) of services included in the definition of universal service to a telecommunications carrier who intends to resell that service to a category of customers different from the category of customers being offered that universal service by such carrier if the Commission or State orders a carrier to provide the same service to different categories of customers at different prices necessary to promote universal service; or

"(ii) of subsidized universal service in a manner that allows companies to charge another carrier rates which reflect the actual cost of providing those services to that carrier, exclusive of any universal service support received for providing such services in accordance with section 214(d)(5).

"(3) JOINT MARKETING OF LOCAL AND LONG DISTANCE SERVICES.—Until a Bell operating company is authorized to provide interLATA services in a telephone exchange where that company is the dominant provider of wireline telephone exchange service or exchange access service, a telecommunications carrier may not jointly market in such telephone exchange area telephone exchange service purchased from such company with interLATA services offered by that telecommunications carrier.

"(4) COMMISSION MAY NOT EXPAND COMPETITIVE CHECKLIST.—The Commission may not, by rule or otherwise, limit or extend the terms used in the competitive checklist.

"(c) IN-REGION SERVICES.—

"(1) APPLICATION.—Upon the enactment of the Telecommunications Act of 1995, a Bell operating company or its affiliate may apply to the Commission and the Attorney General for authorization notwithstanding the Modification of Final Judgment to provide interLATA telecommunications service originating in any area where such Bell operating company is the dominant provider of wireline telephone exchange service or exchange access service. The application shall describe with particularity the nature and scope of the activity and of each product market or service market, and each geographic market for which authorization is sought.

"(2) DETERMINATION BY COMMISSION AND ATTORNEY GENERAL.—

"(A) DETERMINATION.—Not later than 90 days after receiving an application under paragraph (1), the Commission and the Attorney General shall each issue a written determination, on the record after a hearing and opportunity for comment, granting or denying the application in whole or in part.

"(B) APPROVAL BY COMMISSION.—The Commission may only approve the authorization requested in an application submitted under paragraph (1) if it—

"(i) finds that the petitioning Bell operating company has fully implemented the competitive checklist found in subsection (b)(2);

"(ii) finds that the requested authority will be carried out in accordance with the requirements of section 252; and

"(iii) determines that the requested authorization is consistent with the public interest, convenience, and necessity. In making its determination whether the requested authorization is consistent with the public interest convenience, and necessity, the Commission shall not consider the antitrust effects of such authorization in any market for which authorization is sought. Nothing in this subsection shall limit the authority of the Commission under any other section. If the Commission does not approve an application under this subparagraph it shall state the basis for its denial of the application.

(C) APPROVAL BY ATTORNEY GENERAL.—The Attorney General may only approve the authorization requested in an application submitted under paragraph (1) if the Attorney General finds that the effect of such authorization will not substantially lessen competition, or tend the create a monopoly in any line of commerce in any section of the country. The Attorney General may approve all or part of the request. If the Attorney General does not approve an application under this subparagraph, the Attorney General shall state the basis for the denial of the application. These provisions shall become effective one day after date of enactment.

"(3) PUBLICATION.—Not later than 10 days after issuing a determination under paragraph (2), the Commission and the Attorney General shall each publish in the Federal Register a brief description of the determination.

"(4) JUDICIAL REVIEW.—

"(A) COMMENCEMENT OF ACTION.—Not later than 45 days after a determination by the Commission or the Attorney General is published under paragraph (3), the Bell operating company or its subsidiary or affiliate that applied to the Commission and the Attorney General under paragraph (1), or any person who would be threatened with loss or damage as a result of the determination regarding such company's engaging in the activity described in its application, may commence an action in any United States Court of Appeals against the Commission or the Attorney General for judicial review of the determination regarding the application."

ROBB AMENDMENT NO. 1280

(Ordered to lie on the table.)

Mr. ROBB submitted an amendment intended to be proposed by him to the bill, S. 652, supra; as follows:

On page 146, below line 14, add the following:

SEC. 409. RESTRICTIONS ON ACCESS BY CHILDREN TO OBSCENE AND INDECENT MATERIAL ON ELECTRONIC INFORMATION NETWORKS OPEN TO THE PUBLIC.

In order.

(1) to encourage the voluntary use of tags in the names, addresses, or text of electronic files containing obscene, indecent, or mature text or graphics that are made available to the public through public information networks in order to ensure the ready identification of files containing such text or graphics;

(2) to encourage developers of computer software that provides access to or interface with a public information network to develop software that permits users of such software to block access to or interface with text or graphics identified by such tags; and

(3) to encourage the telecommunications industry and the providers and users of public information networks to take practical actions (including the establishment of a board consisting of appropriate members of such industry, providers, and users) to develop a highly effective means of preventing the access of children through public information networks to electronic files that contain such text or graphics,

The Secretary of Commerce shall take appropriate steps to make information on the tags established and utilized in voluntary compliance with subsection (a) available to the public through public information networks.

(c) REPORT.—Not later than 1 year after the date of the enactment of this Act, the Comptroller General shall submit to Congress a report on the tags established and utilized in voluntary compliance with this section. The report shall—

(1) describe the tags so established and utilized;

(2) assess the effectiveness of such tags in preventing the access of children to electronic files that contain obscene, indecent, or mature text or graphics through public information networks; and

(3) provide recommendations for additional means of preventing such access.

(d) DEFINITIONS.—In this section:

(2) The term "public information network" means the Internet, electronic bulletin boards, and other electronic information networks that are open to the public.

(2) The term "tag" means a part or segment of the name, address, or text of an electronic file.

EXON (AND COATS) AMENDMENT NO. 1281

(Ordered to lie on the table.)

Mr. EXON (for himself and Mr. COATS) submitted an amendment intended to be proposed by them to the bill S. 652, supra; as follows:

On page 137 beginning with line 12 strike through line 10 on page 143 and insert the following:

(1) by striking subsection (a) and inserting in lieu thereof:

"(a) Whoever—

"(1) in the District of Columbia or in interstate or foreign communications—

"(A) by means of telecommunications device knowingly—

"(i) makes, creates, or solicits, and

"(ii) initiates the transmission of, any comment, request, suggestion, proposal, image, or other communication which is obscene, lewd, lascivious, filthy, or indecent, with intent to annoy, abuse, threaten, or harass another person;

"(B) makes a telephone call or utilizes a telecommunications device, whether or not conversation or communication ensues, without disclosing his identity and with intent to annoy, abuse, threaten, or harass any person at the called number or who receives the communication;

"(C) makes or causes the telephone of another repeatedly or continuously to ring, with intent to harass any person at the called number; or

"(D) makes repeated telephone calls or repeatedly initiates communication with a telecommunications device, during which conversation or communication ensues, solely to harass any person at the called number or who receives the communication; or

"(2) knowingly permits any telecommunications facility under his control to be used for any activity prohibited by paragraph (1) with the intent that it be used for such activity,

shall be fined not more than $100,000 or imprisoned not more than two years, or both."; and

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

"(d) Whoever—

"(1) knowingly within the United States or in foreign communications with the United States by means of telecommunications device makes or makes available any obscene

communications in any form including any comment, request, suggestion, proposal, or image regardless of whether the maker of such communication placed the call or initiated the communications; or

"(2) knowingly permits any telecommunications facility under such person's control to be used for an activity prohibited by subsection (d)(1) with the intent that it be used for such activity;

shall be fined not more than $100,000 or imprisoned not more than two years or both.

"(e) Whoever—

"(1) knowingly within the United States or in foreign communications with the United States by means of telecommunications device makes or makes available any indecent communications in any form including any comment, request, suggestion, proposal, or image to any person under 18 years of age regardless of whether the maker of such communication placed the call or initiated the communications; or

"(2) knowingly permits any telecommunications facility under such person's control to be used for an activity prohibited by subsection (1) with the intent that it be used for such activity;

shall be fined not more than $100,000 or imprisoned not more than two years or both.

"(f) Defenses to the subsections (a), (d), and (e), restrictions on access, judicial remedies respecting restrictions for persons providing information services and access to information services—

"(1) No person shall be held to have violated subsections (a), (d), or (e) solely for providing access or connection to or from a facility, system, or network over which that person has no control, including related capabilities which are incidental to providing access or connection. This subsection shall not be applicable to an individual who is owned or controlled by, or a conspirator with, an entity actively involved in the creation, editing or knowing distribution of communications which violate this section.

"(2) No employer shall be held liable under this section for the actions of an employee or agent unless the employee's or agent's conduct is within the scope of his employment or agency and the employer has knowledge of, authorizes, or ratifies the employee's or agent's conduct.

"(3) It is a defense to prosecution under subsection (a), (d)(2), or (e) that a person has taken reasonable, effective and appropriate actions in good faith to restrict or prevent the transmission of, or access to a communication specified in such subsections, or complied with procedures as the Commission may prescribe in furtherance of this section. Until such regulations become effective, it is a defense to prosecution that the person has complied with the procedures prescribed by regulation pursuant to subsection (b)(3). Nothing in this subsection shall be construed to treat enhanced information services as common carriage.

"(4) No cause of action may be brought in any court or administrative agency against any person on account of any activity which is not in violation of any law punishable by criminal or civil penalty, which activity the person has taken in good faith to implement a defense authorized under this section or otherwise to restrict or prevent the transmission of, or access to, a communication specified in this section.

"(g) No State or local government may impose any liability for commercial activities or actions by commercial entities in connection with an activity or action which constitutes a violation described in subsection (a)(2), (d)(2), or (e)(2) that is inconsistent with the treatment of those activities or actions under this section provided, however, that nothing herein shall preclude any State or local government from enacting and enforcing complementary oversight, liability, and regulatory systems, procedures, and requirements, so long as such systems, procedures, and requirements govern only intrastate services and do not result in the imposition of inconsistent rights, duties or obligations on the provision of interstate services. Nothing in this subsection shall preclude any State or local government from governing conduct not covered by this section.

"(h) Nothing in subsection (a), (d), (e), or (f) or in the defenses to prosecution under (a), (d), or (e) shall be construed to affect or limit the application or enforcement of any other Federal law.

"(i) The use of the term 'telecommunications device' in this section shall not impose new obligations on (one-way) broadcast radio or (one-way) broadcast television operators licensed by the Commission or (one-way) cable service registered with the Federal Communications Commission and covered by obscenity and indecency provisions elsewhere in this Act.

"(j) Within two years from the date of enactment and every two years thereafter, the Commission shall report on the effectiveness of this section."

On page 144, strike lines 1 through 17, and in lieu thereof insert the following:

SEC. 405. DISSEMINATION OF INDECENT MATERIAL ON CABLE TELEVISION SERVICE.

(a) IN GENERAL.—Chapter 71 of title 18, United States Code, is amended by inserting after section 1464 the following:

"§ 1464A. Dissemination of indecent material on cable television

"(a) Whoever knowingly disseminates any indecent material on any channel provided to all subscribers as part of a basic cable television package shall be imprisoned not more than two years or fined under this title, or both.

"(b) As used in this section, the term 'basic cable television package' means those channels provided by any means for a basic cable subscription fee to all cable subscribers, including 'basic cable service' and 'other programming service' as those terms are defined in section 602 of the Communications Act of 1934 but does not include separate channels that are provided to subscribers upon specific request, whether or not a separate or additional fee is charged.".

"(c) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 71 of title 18, United States Code, is amended by inserting after the item relating to section 1464 the following new item:

"1464A. Dissemination of indecent material on cable television.".

At the end of bill add:

SEC. 409. SEPARABILITY.

If any provision of this title, including amendments to this title or the application thereof to any person or circumstance is held invalid, the remainder of this title and the application of such provision to other persons or circumstances shall not be affected thereby.

MOSELEY-BRAUN AMENDMENT NO. 1282

(Ordered to lie on the table)

Ms. MOSELEY-BRAUN submitted an amendment intended to be proposed by her to the bill S. 652, supra; as follows:

At the end of the bill, insert the following:

TITLE —NATIONAL EDUCATION TECHNOLOGY FUNDING CORPORATION

SEC. 01. SHORT TITLE.

This title may be cited as the "National Education Technology Funding Corporation Act of 1995".

SEC. 02. FINDINGS; PURPOSE.

(a) FINDINGS.—The Congress finds as follows:

(1) CORPORATION.—There has been established in the District of Columbia a private, nonprofit corporation known as the National Education Technology Funding Corporation which is not an agency or independent establishment of the Federal Government.

(2) BOARD OF DIRECTORS.—The Corporation is governed by a Board of Directors, as prescribed in the Corporation's articles of incorporation, consisting of 15 members, of which—

(A) five members are representative of public agencies representative of schools and public libraries;

(B) five members are representative of State government, including persons knowledgeable about State finance, technology and education; and

(C) five members are representative of the private sector, with expertise in network technology, finance and management.

(3) CORPORATE PURPOSES.—The purposes of the Corporation, as set forth in its articles of incorporation, are—

(A) to leverage resources and stimulate private investment in education technology infrastructure;

(B) to designate State education technology agencies to receive loans, grants or other forms of assistance from the Corporation;

(C) to establish criteria for encouraging States to—

(i) create, maintain, utilize and upgrade interactive high capacity networks capable of providing audio, visual and data communications for elementary schools, secondary schools and public libraries;

(ii) distribute resources to assure equitable aid to all elementary schools and secondary schools in the State and achieve universal access to network technology; and

(iii) upgrade the delivery and development of learning through innovative technology-based instructional tools and applications;

(D) to provide loans, grants and other forms of assistance to State education technology agencies, with due regard for providing a fair balance among types of school districts and public libraries assisted and the disparate needs of such districts and libraries;

(E) to leverage resources to provide maximum aid to elementary schools, secondary schools and public libraries; and

(F) to encourage the development of education telecommunications and information technologies through public-private ventures, by serving as a clearinghouse for information on new education technologies, and by providing technical assistance, including assistance to States, if needed, to establish State education technology agencies.

(b) PURPOSE.—The purpose of this title is to recognize the Corporation as a nonprofit corporation operating under the laws of the District of Columbia, and to provide authority for Federal departments and agencies to provide assistance to the Corporation.

SEC. 03. DEFINITIONS.

For the purpose of this title—

(1) the term "Corporation" means the National Education Technology Funding Corporation described in section 02(a)(1);

(2) the terms "elementary school" and "secondary school" have the same meanings given such terms in section 14101 of the Elementary and Secondary Education Act of 1965; and

(3) the term "public library" has the same meaning given such term in section 3 of the Library Services and Construction Act.

SEC. 04. ASSISTANCE FOR EDUCATION TECHNOLOGY PURPOSES.

(a) AUTHORIZATION OF ASSISTANCE.—Each Federal department or agency is authorized to award grants or contracts, or provide gifts, contributions, or technical assistance, to the Corporation to enable the Corporation to carry out the corporate purposes described in section 02(a)(3).

(b) AGREEMENT.—In order to receive any assistance described in subsection (a) the Corporation shall enter into an agreement with the Federal department or agency providing such assistance, under which the Corporation agrees—

(1) to use such assistance to provide funding and technical assistance only for activities which the Board of Directors of the Corporation determines are consistent with the corporate purposes described in section 02(a)(3);

(2) to review the activities of State education technology agencies and other entities receiving assistance from the Corporation to assure that the corporate purposes described in section 02(a)(3) are carried out;

(3) that no part of the assets of the Corporation shall accrue to the benefit of any member of the Board of Directors of the Corporation, any officer or employee of the Corporation, or any other individual, except as salary or reasonable compensation for services;

(4) that the Board of Directors of the Corporation will adopt policies and procedures to prevent conflicts of interest;

(5) to maintain a Board of Directors of the Corporation consistent with section 02(a)(2);

(6) that the Corporation, and any entity receiving the assistance from the Corporation, are subject to the appropriate oversight procedures of the Congress; and

(7) to comply with—

(A) the audit requirements described in section 05; and

(B) the reporting and testimony requirements described in section 06.

(c) CONSTRUCTION.—Nothing in this title shall be construed to establish the Corporation as an agency or independent establishment of the Federal Government, or to establish the members of the Board of Directors of the Corporation, or the officers and employees of the Corporation, as officers or employees of the Federal Government.

SEC. 05. AUDITS

(a) AUDITS BY INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS.—

(1) IN GENERAL.—The Corporation's financial statements shall be audited annual in accordance with generally accepted auditing standards by independent certified public accountants who are members of a nationally recognized accounting firm and who are certified by a regulatory authority of a State or other political subdivision of the United States. The audits shall be conducted at the place or places where the accounts of the Corporation are normally kept. All books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the Corporation and necessary to facilitate the audit shall be made available to the person or persons conducting the audits, and full facilities for verifying transactions with the balances or securities held by depositories, fiscal agents, and custodians shall be afforded to such person or persons.

(2) REPORTING REQUIREMENTS.—The report of each annual audit described in paragraph (1) shall be included in the annual report required by section 06(a).

(b) AUDITS BY THE COMPTROLLER GENERAL OF THE UNITED STATES.—

(1) AUDITS.—The programs, activities and financial transactions of the Corporation shall be subject to audit by the Comptroller General of the United States under such rules and regulations as may be prescribed by the Comptroller General. The representatives of the Comptroller General shall have access to such books, accounts, financial records, reports, files and such other papers, things, or property belonging to or in use by the Corporation and necessary to facilitate the audit, and the representatives shall be afforded full facilities for verifying transactions with the balances or securities held by depositories, fiscal agents, and custodians. The representatives of the Comptroller General shall have access, upon request to the Corporation or any auditor for an audit of the Corporation under this section, to any books, financial records, reports, files or other papers, things, or property belonging to or in use by the Corporation and used in any such audit and to papers, records, files, and reports of the auditor used in such an audit.

(2) REPORT.—A report on each audit described in paragraph (1) shall be made by the Comptroller General to the Congress. The report to the Congress shall contain such comments and information as the Comptroller General may deem necessary to inform the Congress of the financial operations and condition of the Corporation, together with such recommendations as the Comptroller General may deem advisable. The report shall also show specifically any program, expenditure, or other financial transaction or undertaking observed or reviewed in the course of the audit, which, in the opinion of the Comptroller General, has been carried on or made contrary to the requirements of this title. A copy of each such report shall be furnished to the President and to the Corporation at the time such report is submitted to the Congress.

(c) AUDIT BY INSPECTOR GENERAL OF THE DEPARTMENT OF COMMERCE.—The financial transactions of the Corporation may also be audited by the Inspector General of the Department of Commerce under the same conditions set forth in subsection (b) for audits by the Comptroller General of the United States.

(d) RECORDKEEPING REQUIREMENTS; AUDIT AND EXAMINATION OF BOOKS.—

(1) RECORDKEEPING REQUIREMENTS.—The Corporation shall ensure that each recipient of assistance from the Corporation keeps—

(A) separate accounts with respect to such assistance;

(B) such records as may be reasonably necessary to fully disclose—

(i) the amount and the disposition by such recipient of the proceeds of such assistance;

(ii) the total cost of the project or undertaking in connection with which such assistance is given or used; and

(iii) the amount and nature of that portion of the cost of the project or undertaking supplied by other sources; and

(C) such other records as will facilitate an effective audit.

(2) AUDIT AND EXAMINATION OF BOOKS.—The Corporation shall ensure that the Corporation, or any of the Corporation's duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of any recipient of assistance from the Corporation that are pertinent to such assistance. Representatives of the Comptroller General shall also have such access for such purpose.

SEC. 06. ANNUAL REPORT; TESTIMONY TO THE CONGRESS.

(a) ANNUAL REPORT.—Not later than April 30 of each year, the Corporation shall publish an annual report for the preceding fiscal year and submit that report to the President and the Congress. The report shall include a comprehensive and detailed evaluation of the Corporation's operations, activities, financial condition, and accomplishments under this title and may include such recommendations as the Corporation deems appropriate.

(b) TESTIMONY BEFORE CONGRESS.—The members of the Board of Directors, and officers, of the Corporation shall be available to testify before appropriate committees of the Congress with respect to the report described in subsection (a), the report of any audit made by the Comptroller General pursuant to this title, or any other matter which any such committee may determine appropriate.

SIMON AMENDMENTS NOS. 1283–1284

(Ordered to lie on the table.)

Mr. SIMON submitted an amendment intended to be proposed by him to the bill S. 652, supra; as follows:

AMENDMENT NO. 1283

On page 82, between lines 4 and 5, insert the following:

(e) SUPERSEDING RULE ON RADIO OWNERSHIP.—In lieu of making the modification required by the first sentence of subsection (b)(2), the Commission shall modify its rules set forth in 47 CFR 73,3555 by limiting to 50 AM or 50 FM broadcast stations the number of such stations which may be owned or controlled by one entity nationally.

AMENDMENT NO. 1284

On page 31, insert at the appropriate place the following:

"(d) BIENNIAL AUDIT.—

"(1) GENERAL REQUIREMENT.—A company required to operate a separate subsidiary under this section shall obtain and pay for an audit every 2 years conducted by an independent auditor selected by, and working at the direction of, the State commission of each State in which such company provides service, to determine whether such company has complied with this section and the regulations promulgated under this section, and particularly whether such company has complied with the separate accounting requirements under subsection (b).

"(2) RESULTS SUBMITTED TO COMMISSION; STATE COMMISSIONS.—The auditor described in paragraph (1) shall submit the results of the audit to the Commission and to the State commission of each State in which the company audited provides service, which shall make such results available for public inspection. Any party may submit comments on the final audit report.

"(3) REGULATIONS.—The audit required under paragraph (1) shall be conducted in accordance with procedures established by regulation by the State commission of the State in which such company provides service. The regulations shall include requirements that—

"(A) each audit submitted to the Commission and to the State commission is certified

by the auditor responsible for conducting the audit; and

"(B) each audit shall be certified by the person who conducted the audit and shall identify with particularity any qualifications or limitations on such certification and any other information relevant to the enforcement of the requirements of this section.

"(4) COMMISSION REVIEW.—The Commission shall periodically review and analyze the audits submitted to it under this subsection.

"(5) ACCESS TO DOCUMENTS.—For purposes of conducting audits and reviews under this subsection—

"(A) the independent auditor, the Commission, and the State commission shall have access to the financial accounts and records of each company and of its subsidiaries necessary to verify transactions conducted with that company that are relevant to the specific activities permitted under this section and that are necessary for the regulation of rates;

"(B) the Commission and the State commission shall have access to the working papers and supporting materials of any auditor who performs an audit under this section; and

"(C) the State commission shall implement appropriate procedures to ensure the protection of any proprietary information submitted to it under this section.

McCAIN (AND OTHERS) AMENDMENT NO. 1285

(Ordered to lie on the table.)

Mr. McCAIN (for himself, Ms. SNOWE, Mr. ROCKEFELLER, Mr. EXON, Mr. KERREY, and Mr. CRAIG) submitted an amendment intended to be proposed by him to the bill, S. 652, supra; as follows:

At the end of section 310 of the Act, add the following:

( ) No entity listed in this section shall be entitled for preferential rates or treatment as required by this section, if such entity operates as a for-profit business, is a school as defined in sec. 264(d)(1) with an endowment of more than $50 million dollars, or is a library not eligible for participation in state-based plane for Library Services and Construction Act Title III funds.

SIMON AMENDMENT NO. 1286

(Ordered to lie on the table.)

Mr. SIMON submitted an amendment intended to be proposed by him to the bill, S. 652, supra; as follows:

On page 79, line 11, in the language added by the Dole amendment #1255 (as modified), insert the following:

(3) SUPERSEDING RULE ON RADIO OWNERSHIP.—In lieu of making the modification required by the first sentence of subsection (b)(2), the Commission shall modify its rules set forth in 47 CFR 73,3555 by limiting to 50 AM or 50 FM broadcast stations the number of such stations which may be owned or controlled by one entity nationally.

BUMPERS AMENDMENT NO. 1287

(Ordered to lie on the table.)

Mr. BUMPERS submitted an amendment intended to be proposed by him to the bill, S. 652, supra; as follows:

In section 206(b) of the bill, strike "described in subsection (a)(1)".

LEAHY (AND OTHERS) AMENDMENT NO. 1288

(Ordered to lie on the table.)

Mr. LEAHY (for himself, Ms. MOSELEY-BRAUN, Mr. FEINGOLD, and Mr. KERREY) submitted an amendment intended to be proposed by him to the bill, S. 652, supra; as follows:

On page 137, strike out line 7 and all that follows through page 144, line 19, and insert in lieu thereof the following:

SEC. 402. OBSCENE PROGRAMMING ON CABLE TELEVISION.

Section 639 (47 U.S.C. 559) is amended by striking "$10,000" and inserting "$100,000".

SEC. 403. BROADCASTING OBSCENE LANGUAGE ON RADIO.

Section 1464 of title 18, United States Code, is amended by striking out "$10,000" and inserting "$100,000".

SEC. 404. REPORT ON MEANS OF RESTRICTING ACCESS TO UNWANTED MATERIAL IN INTERACTIVE TELECOMMUNICATIONS SYSTEMS.

(a) REPORT.—Not later than 150 days after the date of the enactment of this Act, the Attorney General shall submit to the Committees on the Judiciary of the Senate and the House of Representatives a report containing—

(1) an evaluation of the enforceability with respect to interactive media of current criminal laws governing the distribution of obscenity over computer networks and the creation and distribution of child pornography by means of computers;

(2) an assessment of the Federal, State, and local law enforcement resources that are currently available to enforce such laws;

(3) an evaluation of the technical means available—

(A) to enable parents to exercise control over the information that their children receive by interactive telecommunications systems so that children may avoid violent, sexually explicit, harassing, offensive, and other unwanted material on such systems;

(B) to enable other users of such systems to exercise control over the commercial and noncommercial information that they receive by such systems so that such users may avoid violent, sexually explicit, harassing, offensive, and other unwanted material on such systems; and

(C) to promote the free flow of information, consistent with the values expressed in the Constitution, in interactive media; and

(4) recommendations on means of encouraging the development and deployment of technology, including computer hardware and software, to enable parents and other users of interactive telecommunications systems to exercise the control described in subparagraphs (A) and (B) of paragraph (3).

(b) CONSULTATION.—In preparing the report under subsection (a), the Attorney General shall consult with the Assistant Secretary of Commerce for Communications and Information.

SEC. 405. ADDITIONAL PROHIBITION ON BILLING FOR TOLL-FREE TELEPHONE CALLS.

LEAHY (AND OTHERS) AMENDMENT NO. 1289

(Ordered to lie on the table.)

Mr. LEAHY (for himself, Mr. FEINGOLD, Mr. SIMPSON, Mr. SIMON, and Mr. KERREY) submitted an amendment intended to be proposed by them to the bill, S. 652, supra; as follows:

On page 93, strike out line 7 and all that follows through line 12 and insert in lieu thereof the following:

"(ii) Nothing in this subsection shall prevent a State from ordering the implementation of toll dialing parity in an intraLATA area by a Bell operating company before the Bill operating company has been granted authority under this subsection to provide interLATA services in that area.".

LEAHY AMENDMENTS NOS. 1290–1291

(Ordered by lie on the table.)

Mr. LEAHY submitted two amendments intended to be proposed by him to the bill, S. 652, supra; as follows:

AMENDMENT NO. 1290

On page 116, between lines 2 and e, insert the following:

"(D) Notwithstanding any other provision this Act, the Commission and the States may, in establishing any such alternative form of regulation, take into account the earnings of a telecommunications carrier in order to ensure that the rates for the services of such carrier which are not subject to effective competition are just, reasonable, and affordable.".

AMENDMENT NO. 1291

On page 24, beginning on line 20, strike out "no State court" and all that follows through "under this section".

ROCKEFELLER AMENDMENT NO. 1292

(Ordered to lie on the table.)

Mr. ROCKEFELLER submitted an amendment intended to be proposed by him to the bill, S. 652, supra; as follows:

In section 264 of the Communications Act of 1934, as added by section 310 of the bill beginning on page 132, strike subsections (a) and (b) and insert the following:

"(a) IN GENERAL.—

"(1) HEALTH CARE PROVIDERS FOR RURAL AREAS.—A telecommunications carrier shall, upon receiving a bona fide request, provide telecommunications services which are necessary for the provision of health care services, including instruction relating to such services, at rates that are reasonably comparable to rates charged for similar services in urban areas to any public or nonprofit health care provider that serves persons who reside in rural areas. A telecommunications carrier providing service pursuant to this paragraph shall be entitled to have an amount equal to the difference, if any, between the price for services provided to health care providers for rural areas and the price for similar services provided to other customers in comparable urban areas treated as a service obligation as a part of its obligation to participate in the mechanisms to preserve and advance universal service under section 253(c).

"(2) EDUCATIONAL PROVIDERS AND LIBRARIES.—All telecommunications carriers serving a geographic area shall, upon a bona fide request, provide to elementary schools, secondary schools, and libraries universal services (as defined in section 253) that permit such schools and libraries to provide or receive telecommunications services for educational purposes at rates less than the amounts charged for similar services to other parties. The discount shall be an amount that the Commission and the States determine is appropriate and necessary to ensure affordable access to and use of such

telecommunications by such entities. A telecommunications carrier providing service pursuant to this paragraph shall be entitled to have an amount equal to the amount of the discount treated as a service obligation as part of its obligation to participate in the mechanisms to preserve and advance universal service under section 253(c).

"(b) UNIVERSAL SERVICE MECHANISMS.—The Commission shall include consideration of the universal service provided to public institutional telecommunications users in any universal service mechanism it may establish under section 253.

McCAIN (AND OTHERS) AMENDMENT NO. 1293

(Ordered to lie on the table.)

Mr. McCAIN (for himself, Mr. PACKWOOD, and Mr. CRAIG) submitted an amendment intended to be proposed by them to the bill, S. 652, supra; as follows:

On page 119, strike out line 3 and all that follows through page 120, line 4, and insert in lieu thereof the following:

"(a) REGULATORY FORBEARANCE.—The Commission shall forbear from applying any regulation or any provision of this Act to a telecommunications carrier or service, or class of carriers or services, in any or some of its or their geographic markets, if the Commission determines that—

"(1) enforcement of such regulation or provision is not necessary for the protection of consumers; and

"(2) the absence of such regulation or provision will not constitute a barrier to competition.

"(b) ELIMINATION OF REGULATION OF COMMON CARRIERS OTHER THAN LOCAL EXCHANGE CARRIERS.—The Commission shall not apply any provision of part I of title II (except sections 201, 202, 208, and 223 through 229) to any carrier other than a local exchange carrier in any market.

"(c) ELIMINATION OF REGULATION OF LOCAL EXCHANGE CARRIERS.—The Commission shall not apply any provision of part I of title II (except sections 201, 202, 208, and 223 through 229) to any service of a local exchange carrier in any market that is open for competition as a result of—

"(1) the elimination of the barriers to entry pursuant to section 254;

"(2) compliance by the carrier providing such service with section 251; and

"(3) compliance by a Bell operating company with section 252, except to the extent granted an exception from such compliance pursuant to subsection (g) of that section.

"(d) DETERMINATIONS.—A carrier may apply to the Commission for a determination that the provisions of subsection (a) or (c) apply to the carrier. The Commission shall determine whether or not such provisions apply to the carrier not later than 180 days after the date of its submission. If the Commission does not make a determination on an application within the time required for the determination in the preceding sentence, such provisions shall be deemed to apply to the carrier.

"(e) RATES.—A carrier to which section 203 does not apply by reason of subsection (b) or (c) shall, upon request, make available for public inspection the rates such carrier charges for telecommunications services.

"(f) LIMITATION.—Except as provided in section

SPECTER AMENDMENT NO. 1294

(Ordered to lie on the table.)

Mr. SPECTER submitted an amendment intended to be proposed by him to the bill, S. 652, supra; as follows:

At the appropriate place in the bill, insert the following:

SEC. . TELECOMMUTING PUBLIC INFORMATION PROGRAM.

(a) FINDINGS.—Congress makes the following findings—

(1) Telecommuting is the practice of allowing people to work either at home or in nearby centers located closer to home during their normal working hours, substituting telecommunications services, either partially or completely, for transportation to a more traditional workplace;

(2) Telecommuting is now practiced by an estimated two to seven million Americans, including individuals with impaired mobility, who are taking advantage of computer and telecommunications advances in recent years;

(3) Telecommuting has the potential to dramatically reduce fuel consumption, mobile source air pollution, vehicle miles traveled, and time spent commuting, thus contributing to an improvement in the quality of life for millions of Americans; and

(4) It is in the public interest for the Federal Government to collect and disseminate information encouraging the increased use of telecommuting and identifying the potential benefits and costs of telecommuting.

(b) TELECOMMUTING RESEARCH AND PUBLIC INFORMATION DISSEMINATION PROGRAM.—The Secretary of Transportation, in consultation with the Secretary of Labor and the Administrator of the Environmental Protection Agency, shall, in accordance with this section and within three months of the date of enactment of this Act, establish a comprehensive program to—

(1) Carry out research to identify successful telecommuting programs in the public and private sectors; and

(2) Provide for the dissemination of information described in paragraph (b)(1) to the public.

(c) REPORT.—Within one year of the establishment of the program described in subsection (b), the Secretary of Transportation shall report to Congress the findings and conclusions reached under this program.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary of Transportation such sums as may be necessary to carry out the program established by this section.

LIEBERMAN AMENDMENTS NOS. 1295–1298

(Ordered to lie on the table.)

Mr. LIEBERMAN submitted four amendments intended to be proposed by him to the bill, S. 652, supra; as follows:

AMENDMENT NO. 1295

At the appropriate place, insert the following new section:

SEC. . DETERMINATION OF REASONABLENESS OF CABLE RATES.

(a) COMMISSION CONSIDERATION.—Notwithstanding any other provision of this Act or section 623(c), as amended by this Act, for purposes of section 623(c), the Commission may only consider a rate for cable programming services to be unreasonable if it substantially exceeds the average rate for comparable programming services in cable systems subject to effective competition.

(b) RATES OF SMALL CABLE COMPANIES.—

(1) IN GENERAL.—Notwithstanding any other provision of this Act or the amendments made by this Act, the regulations prescribed under section 623(c) shall not apply to the rates charged by small cable companies for the cable programming services provided by such companies.

(2) DEFINITION.—As used in this subsection, the term 'small cable company' means the following:

(A) A cable operator whose number of subscribers is less than 35,000.

(B) A cable operator that operates multiple cable systems, but only if the total number of subscribers of such operator is less than 400,000 and only with respect to each system of the operator that has less than 35,000 subscribers.

AMENDMENT NO. 1296

At the appropriate place, insert the following new section:

SEC. . DETERMINATION OF REASONABLENESS OF CABLE RATES.

(a) COMMISSION CONSIDERATION.—Notwithstanding any other provision of this Act or section 623(c), as amended by this Act, for purposes of section 623(c), the Commission may only consider a rate for cable programming services to be unreasonable if it exceeds the national average rate for comparable programming services in cable systems subject to effective competition.

(b) RATES OF SMALL CABLE COMPANIES.—

(1) IN GENERAL.—Notwithstanding any other provision of this Act or the amendments made by this Act, the regulations prescribed under section 623(c) shall not apply to the rates charged by small cable companies for the cable programming services provided by such companies.

(2) DEFINITION.—As used in this subsection, the term 'small cable company' means the following:

(A) A cable operator whose number of subscribers is less than 35,000.

(B) A cable operator that operates multiple cable systems, but only if the total number of subscribers of such operator is less than 400,000 and only with respect to each system of the operator that has less than 35,000 subscribers.

AMENDMENT NO. 1297

On page 71, between lines 5 and 6, insert the following:

(d) LIMITATION ON INCREASE IN CABLE RATES.—(1) Notwithstanding any other provision of this Act, the rate charged by a cable system for cable programming services in a calendar year may not exceed the rate charged by the system for such services in the calendar year preceding such calendar year by an amount whose percentage of the rate charged in such preceding calendar year is greater than the percentage by which—

(A) the Consumer Price Index (all items, United States city average) for the 12-month period ending on January 1 of the year concerned, exceeds

(B) such Consumer Price Index for the 12-month period preceding the 12-month period referred to in subparagraph (A).

(2) For purposes of this subsection:

(A) The term "cable programming services" has the meaning given such term in section 634(l)(2) of the Communications Act of 1934 (47 U.S.C. 543(l)(2)).

(B) The term "cable system" has the meaning given such term in section 602(7) of such Act (47 U.S.C. 522(7)).

AMENDMENT NO. 1298

At the appropriate place, insert the following new section:

SEC. . DETERMINATION OF REASONABLENESS OF CABLE RATES.

(a) COMMISSION CONSIDERATION.—Notwithstanding any other provision of this Act or section 623(c), as amended by this Act, for purposes of section 623(c), the Commission may only consider a rate for cable programming services to be unreasonable if it substantially exceeds the national average rate for comparable programming services in cable systems subject to effective competition.

(b) RATES OF SMALL CABLE COMPANIES.—

(1) IN GENERAL.—Notwithstanding any other provision of this Act or the amendments made by this Act, the regulations prescribed under section 623(c) shall not apply to the rates charged by small cable companies for the cable programming services provided by such companies.

(2) DEFINITION.—As used in this subsection, the term 'small cable company' means the following:

(A) A cable operator whose number of subscribers is less than 35,000.

(B) A cable operator that operates multiple cable systems, but only if the total number of subscribers of such operator is less than 400,000 and only with respect to each system of the operator that has less than 35,000 subscribers.

BREAUX AMENDMENT NO. 1299

(Ordered to lie on the table.)

Mr. BREAUX submitted an amendment intended to be proposed by him to the bill, S. 652, supra; as follows:

On page 123, line 10, add the following new sentence:

"This section shall take effect upon a determination by the United States Coast Guard that at least 80% of vessels required to implement the Global Maritime Distress and Safety System have the equipment required by such System installed and operating in good working condition."

STEVENS AMENDMENTS NOS. 1300–1302

(Ordered to lie on the table.)

Mr. STEVENS submitted three amendments intended to be proposed by him to the bill, S. 652, supra; as follows:

AMENDMENT NO. 1300

On page 36, between lines 23 and 24, insert the following new subsection and renumber the remaining subsections accordingly:

(a) FINDINGS.—The Congress finds that—

(1) the existing system of universal service has evolved since 1930 through an ongoing dialogue between industry, various Federal-State Joint Boards, the Commission, and the courts;

(2) this system has been predicated on rates established by the Commission and the States that require implicit cost shifting by monopoly providers of telephone exchange service through both local rates and access charges to interexchange carriers;

(3) the advent of competition for the provision of telephone exchange service has led to industry requests that the existing system be modified to make support for universal service explicit and to require that all telecommunications carriers participate in the modified system on a competitively neutral basis; and

(4) modification of the existing system is necessary to promote competition in the provision of telecommunications services and to allow competition and new technologies to reduce the need for universal service support mechanisms.

On page 38, beginning on line 15, strike all through page 43, line 2, and insert the following:

"SEC. 253. UNIVERSAL SERVICE.

"(a) UNIVERSAL SERVICE PRINCIPLES.—The Joint Board and the Commission shall base policies for the preservation and advancement of universal service on the following principles:

"(1) Quality services are to be provided at just, reasonable, and affordable rates.

"(2) Access to advanced telecommunications and information services should be provided in all regions of the Nation.

"(3) Consumers in rural and high cost areas should have access to telecommunications and information services, including interexchange services, that are reasonably comparable to those services provided in urban areas.

"(4) Consumers in rural and high cost areas should have access to telecommunications and information services at rates that are reasonably comparable to rates charged for similar services in urban areas.

"(5) Consumers in rural and high cost areas should have access to the benefits of advanced telecommunications and information services for health care, education, economic development, and other public purposes.

"(6) There should be a coordinated Federal-State universal service system to preserve and advance universal service using specific and predictable Federal and State mechanisms administered by an independent, nongovernmental entity or entities.

"(7) Elementary and secondary schools and classrooms should have access to advanced telecommunications services.

"(b) DEFINITION.—

"(1) IN GENERAL.—Universal service is an evolving level of intrastate and interstate telecommunications services that the Commission, based on recommendations from the public, Congress, and the Federal-State Joint Board periodically convened under section 103 of the Telecommunications Act of 1995, and taking into account advances in telecommunications and information technologies and services, determines—

"(A) should be provided at just, reasonable, and affordable rates to all Americans, including those in rural and high cost areas and those with disabilities;

"(B) are essential in order for Americans to participate effectively in the economic, academic, medical, and democratic processes of the Nation; and

"(C) are, through the operation of market choices, subscribed to by a substantial majority of residential customers.

"(2) DIFFERENT DEFINITION FOR CERTAIN PURPOSES.—The Commission may establish a different definition of universal service for schools, libraries, and health care providers for the purposes of section 264.

"(c) ALL TELECOMMUNICATIONS CARRIERS MUST PARTICIPATE.—Every telecommunications carrier engaged in instrastate, interstate, or foreign communication shall participate, on an equitable and nondiscriminatory basis, in the specific and predictable mechanisms established by the Commission and the States to preserve and advance universal service. Such participation shall be in the manner determined by the Commission and the States to be reasonably necessary to preserve and advance universal service. Any other provider of telecommunications may be required to participate in the preservation and advancement of universal service, if the public interest so requires.

"(d) STATE AUTHORITY.—A State may adopt regulations to carry out its responsibilities under this section, or to provide for additional definitions, mechanisms, and standards to preserve and advance universal service within that State, to the extent that such regulations do not conflict with the Commission's rules to implement this section. A State may only enforce additional definitions or standards to the extent that it adopts additional specific and predictable mechanisms to support such definitions or standards.

"(e) ELIGIBILITY FOR UNIVERSAL SERVICE SUPPORT.—To the extent necessary to provide for specific and predictable mechanisms to achieve the purposes of this section, the Commission shall modify its existing rules for the preservation and advancement of universal service. Only essential telecommunications carriers designated under section 214(d) shall be eligible to receive support for the provision of universal service. Such support, if any, shall accurately reflect what is necessary to preserve and advance universal service in accordance with this section and the other requirements of this Act.

"(f) UNIVERSAL SERVICE SUPPORT.—The Commission and the States shall have as their goal the need to make any support for universal service explicit, and to target that support to those essential telecommunications carriers that serve areas for which such support is necessary. The specific and predictable mechanisms adopted by the Commission and the States shall ensure that essential telecommunications carriers are able to provide universal service at just, reasonable, and affordable rates. A carrier that receives universal service support shall use that support only for the provision, maintenance, and upgrading of facilities and services for which the support is intended.

"(g) INTEREXCHANGE SERVICE.—The rates charged by any provider of interexchange telecommunications service to customers in rural and high cost areas shall be no higher than those charged by such provider to its customers in urban areas.

"(h) SUBSIDY OF COMPETITIVE SERVICES PROHIBITED.—A telecommunications carrier may not use services that are not competitive to subsidize competitive services. The Commission, with respect to interstate services, and the States, with respect to intrastate services, shall establish any necessary cost allocation rules, accounting safeguards, and guidelines to ensure that services included in the definition of universal service bear no more than a reasonable share of the joint and common costs of facilities used to provide those services.

"(i) CONGRESSIONAL NOTIFICATION REQUIRED.—

"(1) IN GENERAL.—The Commission may not take action to require participation by telecommunications carriers or other providers of telecommunications under subsection (c), or to modify its rules to increase support for the preservation and advancement of universal service, until—

"(A) the Commission submits to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Commerce of the House of Representatives a report on the participation required, or the increase in support proposed, as appropriate; and

"(B) a period of 120 days has elapsed since the date the report required under paragraph (1) was submitted.

"(2) NOT APPLICABLE TO REDUCTIONS.—This subsection shall not apply to any action taken to reduce costs to carriers or consumers.

"(j) EFFECT ON COMMISSION'S AUTHORITY.—Nothing in this section shall be construed to expand or limit the authority of the Commission to preserve and advance universal service under this Act. Further, nothing in this section shall be construed to require or prohibit the adoption of any specific type of mechanism for the preservation and advancement of universal service.

"(k) EFFECTIVE DATE.—This section takes effect on the date of enactment of the Telecommunications Act of 1995, except for subsections (c), (d), (e), (f), and (i) which take effect one year after the date of enactment of that Act.".

The language on page 43, beginning with "receive" on line 25, through "253." on page 44, line 1, is deemed to read "receive universal service support under section 253.".

In section 264 of the Communications Act of 1934, as added by section 310 of the bill beginning on page 132, strike subsections (a) and (b) and insert the following:

"(a) IN GENERAL.—

"(1) HEALTH CARE PROVIDERS FOR RURAL AREAS.—A telecommunications carrier shall, upon receiving a bona fide request, provide telecommunications services which are necessary for the provision of health care services, including instruction relating to such services, at rates that are reasonably comparable to rates charged for similar services in urban areas to any public or non-profit health care provider that serves persons who reside in rural areas. A telecommunications carrier providing service pursuant to this paragraph shall be entitled to have an amount equal to the difference, if any, between the price for services provided to health care providers for rural areas and the price for similar services provided to other customers in comparable urban areas treated as a service obligation as a part of its obligation to participate in the mechanisms to preserve and advance universal service under section 253(c).

"(2) EDUCATIONAL PROVIDERS AND LIBRARIES—All telecommunications carriers serving a geographic area shall, upon a bona fide request, provide to elementary schools, secondary schools, and libraries universal services (as defined in section 253) that permit such schools and libraries to provide or receive telecommunications services for educational purposes at rates less than the amounts charged for similar services to other parties. The discount shall be an amount that the Commission and the States determine is appropriate and necessary to ensure affordable access to and use of such telecommunications by such entities. A telecommunications carrier providing service pursuant to this paragraph shall be entitled to have an amount equal to the amount of the discount treated as a service obligation as part of its obligation to participate in the mechanisms to preserve and advance universal service under section 253(c).

"(b) UNIVERSAL SERVICE MECHANISMS.—The Commission shall include consideration of the universal service provided to public institutional telecommunications users in any universal service mechanism it may establish under section 253.

AMENDMENT NO. 1301

At the appropriate place insert the following:

In section 3(tt) of the Communications Act of 1934, as added by section 8(b) of the bill on page 14, strike "services." and insert the following: "provided, however, that in the case of a Bell operating company affiliate, such geographic area shall be no smaller than the LATA area for such affiliate on the date of enactment of the Telecommunications Act of 1995."

AMENDMENT NO. 1302

On page 28 before line 6 insert the following:

"(m) COMMERCIAL MOBILE SERVICE PROVIDERS.—The requirements of this section shall not apply to commercial mobile services provided by a wireline local exchange carrier unless the Commission determines under subsection (a)(3) that such carrier has market power in the provision of commercial mobile service."

STEVENS (AND OTHERS) AMENDMENT NO. 1303

(Ordered to lie on the table.)

Mr. STEVENS (for himself and Mr. INOUYE) submitted an amendment intended to be proposed by them to the bill, S. 652, supra; as follows:

Page 86, line 25, after "basis" insert a comma and "reflecting the actual cost of providing those services or functions to another carrier."

STEVENS AMENDMENT NO. 1304

(Ordered to lie on the table.)

Mr. STEVENS submitted an amendment intended to be proposed by him to the bill, S. 652, supra; as follows:

In subsection (d) of the section captioned "SPECTRUM AUCTIONS" added to the bill by amendment, strike "three frequency bands (225–400 megahertz, 3625–3650 megahertz," and insert "two frequency bands (3625–3650 megahertz".

DASCHLE AMENDMENT NO. 1305

(Ordered to lie on the table.)

Mr. DASCHLE submitted an amendment intended to be proposed by them to the bill, S. 652, supra; as follows:

On page 93 strike line 7 and all that follows through line 12, and insert in lieu thereof the following:

"(ii) During the period beginning on the date of enactment of this Act, and ending 36 months after such date, a State may not require a Bell operating company to implement toll dialing parity in an intraLATA area before a Bell operating company has been granted authority under this subsection to provide interLATA services in that area, except that a State may order the implementation of toll dialing parity in an intraLATA area during such period if the state issued an order by June 1, 1995 requiring a Bell operating company to implement toll dialing parity.".

KERREY AMENDMENTS NOS. 1306–1316

Mr. KERREY submitted 11 amendments intended to be proposed by him to the bill, S. 652, supra; as follows:

AMENDMENT NO. 1306

On page 107, after line 23, insert the following:

"(d) PAYMENT OF CIVIL PENALTIES.—No civil penalties assessed against a local exchange carrier as a result of a violation of this section will be charged directly or indirectly to that company's rate payers."

AMENDMENT NO. 1307

On page 83, strike out line 12 and all that follows through line 20 and insert in lieu thereof the following:

"(b) SPECIFIC INTERLATA INTERCONNECTION REQUIREMENTS.—

"(1) IN GENERAL.—A Bell operating company may provide interLATA services in accordance with this section only if that company has reached interconnection agreements under section 251 with telecommunications carriers that have requested interconnection for the purpose of providing telephone exchange service or exchange access service, including telecommunications carriers capable of providing a substantial number of business and residential customers with telephone exchange or exchange access service. Those agreements shall provide, at a minimum, for interconnection that meets the competitive checklist requirements of paragraph (2).

AMENDMENT NO. 1308

Strike Section 204.

AMENDMENT NO. 1309.

Strike subsection (b) of Section (207).

AMENDMENT NO. 1310

On page 112, at the end of line 17, insert the following sentence: "Pricing flexibility implemented pursuant to this section shall be for the purpose of allowing a regulated telecommunications provider to respond fairly to competition by repricing services subject to competition but shall not have the effect of shifting revenues from competitive services to non-competitive services."

AMENDMENT NO. 1311

On page 36, strike line 23 and insert in lieu thereof the following:

SEC. 103. NATIONAL POLICY GOALS.

Section 1 (47 U.S.C. 151) is amended by inserting "(a)" before "For the purpose of" and by adding at the end the following new subsection:

"(b) The primary objective of United States national and international communications policy shall be to protect the public interest. The public interest shall include the following:

"(1) To ensure that every person has access to reasonably evolving telecommunications services at just, reasonable, and affordable rates taking into account advances in telecommunications and information technology.

"(2) To promote the development and widespread availability of new technologies and advanced telecommunications and information services to all persons regardless of location or disability.

"(3) To ensure that consumers have access to diverse sources of information.

"(4) To promote learning, education, and knowledge.

"(5) To ensure reasonably comparable services at reasonably comparable rates for consumers in urban and rural areas.

"(6) To allow each individual the opportunity to contribute to the free flow of ideas and information through telecommunications and information services.

"(7) To maximize the contribution of communications and information technologies and services to economic development and quality of life.

"(8) To protect each individual's right to control the use of information concerning his or her use of telecommunications services.

"(9) To provide secure and reliable services for Federal, State, and local government emergency response.

"(10) To make available so far as possible, to all the people of the United States, regardless of race, color, national origin, income, residence in a rural or urban area, or disability, high capacity two-way communications networks capable of enabling users to originate and receive affordable and accessible high quality voice, data, graphics, video, and other types of telecommunications services.".

SEC. 103. UNIVERSAL SERVICE PROTECTION AND ADVANCEMENT.

(a) IN GENERAL.—Title II (47 U.S.C. 201 et seq.) is amended by inserting after section 201 the following new section:

"SEC. 201A. UNIVERSAL SERVICE PROTECTION AND ADVANCEMENT.

"(a) UNIVERSAL SERVICE PRINCIPLES.—The Joint Board and the Commission shall base policies for the preservation and advancement of universal service on the following principles:

"(1) Quality services are to be provided at just, reasonable, and affordable rates.

"(2) Access to advanced telecommunications and information services should be provided in all regions of the Nation.

"(3) Consumers in rural and high cost areas should have access to telecommunications and information services, including interexchange services, reasonably comparable to those services provided in urban areas.

"(4) Consumers in rural and high cost areas should have access to telecommunications and information services at rates that are reasonably comparable to rates charged for similar services in urban areas.

"(5) Citizens in rural and high cost areas should have access to the benefits of advanced telecommunications and information services for health care, education, economic development, and other public purposes.

"(6) There should be a coordinated Federal-State universal service system to preserve and advance universal service administered by an independent, non-governmental entity or person using specific and predictable Federal and State mechanisms.

"(7) Consumers should be permitted to exercise choice among telecommunications carriers offering universal service.

"(8) Consumers of universal service should have the right to control the use of information concerning their individual use of such service.

AMENDMENT NO. 1312

Beginning on line 1 of page 117, add the following new paragraphs:

"(c) DETERMINATION OF AVERAGE UNIVERSAL SERVICE RATE.—As part of the Federal-State Joint Board proceeding required under section 103(a)(1), the Commission and the Joint Board shall determine the average rate charged to consumers nationwide for the provision of those services included in the definition of universal service. The Commission and the Joint Board may periodically revise such determination as part of any Federal-State Joint Board proceeding periodically convened under section 103(a)(2).

"(d) SUPPORT PAYMENTS FOR COSTS ABOVE AVERAGE RATE.—If the Commission adopts rules for the distribution of interstate support payments to essential telecommunications carriers for the preservation and advancement of universal service under section 253 of the Communications Act of 1934, such rules shall provide that a carrier may only receive such interstate support payments to the extent that the reasonable cost to that carrier of providing the services included in the definition of universal service exceed the amount such carrier may recover from consumers at the average rate determined under subsection (c), or the rate such carrier is allowed to charge the consumer, if such rate is higher than the average rate, whichever results in the lower amount of support payments being made to the carrier."

AMENDMENT NO. 1313

On page 116, between lines 2 and 3 insert the following:

(D) Nothing in this section shall prohibit the Commission, for interstate services, and the States, for interstate services, from considering the profitability of telecommunications carriers when using alternative forms of regulation other than rate of return regulation (including price regulation and incentive regulation) to ensure that regulated rates are just and reasonable.

AMENDMENT NO. 1314

Strike Section 5 and insert in lieu thereof the following:

SEC. 2. FINDINGS.

The Congress makes the following findings:

(1) Congress has not passed comprehensive changes to the Communications Act of 1934 since that Act was originally passed.

(2) Congress must pass comprehensive communications legislation to promote the development and growth of the national information superhighway.

(3) Changes in the telecommunications marketplace have made some of the provisions of the Communications Act of 1934 obsolete, unnecessary, or inimical to advances in communications technologies and services.

(4) Competition has emerged in many services that were previously thought to be natural monopolies, but the Communications Act of 1934 requires all carriers to be regulated as if they were monopolies.

(5) As communications markets change, government must ensure that the public interest, convenience, and necessity are preserved.

(6) The public interest requires that universal service is protected and advanced, that new telecommunications technologies are deployed rapidly and equitably, and that access by schools, hospitals, public broadcasters, libraries, and museums to advanced telecommunications services is assisted.

(7) Access to telecommunications services is fundamental to safety of life and participation in a democratic society.

(8) Telecommunications networks make substantial use of public rights of way in real property and in spectrum frequencies, and carriers that make use of such public rights of way have an obligation to provide preferential rates to entities that provide significant public benefits.

(9) Advanced telecommunications services can enhance the quality of life and promote economic development and international competitiveness.

(10) Telecommunications infrastructure development is particularly crucial to the continued economic development of rural areas that may lack an adequate industrial or service base for continued development.

(11) Advancements in the Nation's telecommunications infrastructure will enhance the public welfare by helping to speed the delivery of new services, such as distance learning, remote medical sensing, and distribution of health information.

(12) Infrastructure advancement can be assisted by joint planning and infrastructure sharing by carriers and other providers of network facilities and services providing communications services.

(13) Increased competition in telecommunications services can, if subject to appropriate safeguards, encourage infrastructure development and have beneficial effects on the price, universal availability, variety, and quality of telecommunications services.

(14) The emergence of competition in telecommunications services has already contributed, and can be expected to continue contributing, to the modernization of the infrastructure.

(15) Competition in the long distance industry and the communications equipment market has brought about lower prices and higher quality services.

(16) Competition for local communications services has already begun to benefit the public; competitive access providers have deployed thousands of miles of optical fiber in their local networks; local exchange carriers have been prompted by competition to accelerate the installation of optical fiber in their own networks.

(17) Electric utilities, satellite carriers, and others are prepared to enter the local telephone market over the next few years.

(18) A diversity of telecommunications carriers enhances network reliability by providing redundant capacity, thereby lessening the impact of any network failure.

(19) Competition must proceed under rules that protect consumers and are fair to all telecommunications carriers.

(20) All telecommunications carriers, including competitors to the telephone companies, should contribute to universal service and should make their networks available for interconnection by others.

(21) Removal of all State and local barriers to entry into the telecommunications services market and provision of interconnection are warranted after mechanisms to protect universal service and rules are established to ensure that competition develops.

(22) Increasing the availability of interconnection and interoperability among the facilities of telecommunications carriers will help stimulate the development of fair competition among providers.

(23) The portability of telecommunications numbers will eliminate a significant advantage held by traditional telephone companies over competitors in the provision of telecommunications services.

(24) Unreasonable restrictions on resale and sharing of telecommunications networks retard the growth of competition and restrict the diversity of services available to the public.

(25) Additional regulatory measures are needed to allow consumers in rural markets and noncompetitive markets the opportunity to benefit from high-quality telecommunications capabilities.

(26) Regulatory flexibility for existing providers of telephone exchange service is necessary to allow them to respond to competition.

(27) The Federal Communications Commission (referred to elsewhere in this Act as the "Commission") and the States must have the flexibility to ad just their regulations of each provider of telecommunications services to serve the public interest.

(28) If the efforts of the private sector fail, the Commission should take steps to ensure network reliability and the development of network standards.

(29) Access to switched, digital telecommunications service for all segments of the population promotes the core First

Amendment goal of diverse information sources by enabling individuals and organizations alike to publish and otherwise make information available in electronic form.

(30) The national welfare will be enhanced if community newspapers are provided ease of entry into the operation of information services disseminated through electronic means primarily to customers in the localities served by such newspapers at rates that are not higher, on a per-unit basis, than the rates charged for such services to any other electronic publisher.

(31) A clear national mandate is needed for full participation in access to telecommunications networks and services by individuals with disabilities.

(32) The obligations of telecommunications carriers include the duty to furnish telecommunications services which are designed to be fully accessible to individuals with disabilities in accordance with such standards as the Commission may prescribe.

(33) Permitting the Bell operating companies to enter the manufacturing market will stimulate greater research and development, create more jobs, and enhance our international competitiveness.

(34) The Bell operating companies should not be permitted to enter the market for other long distance services until they have eliminated the barriers to competition and interconnection.

(35) Safeguards are necessary to ensure that the Bell operating companies do not abuse their market power over local telephone service to discriminate against competitors in the markets for electronic publishing, alarm services, and other information services.

(36) Amending the legal barriers to the provision of video programming by telephone companies in their service areas will encourage telephone companies to upgrade their telecommunications facilities to enable them to deliver video programming, as long as telephone companies and cable companies are prohibited from buying or joint venturing with each other in their service areas (except for certain rural areas).

(37) As communications technologies and services proliferate, consumers must be given the right to control information concerning their use of those technologies and services.

(38) As competition in the media increases, the Commission should re-examine the need for national and local ownership limits on broadcast stations, consistent with the need to maintain diversity of information sources.

AMENDMENT NO. 1315

On page 82, beginning with "Sec. 255" on line 11, strike all that follows through line 2, page 99.

On page 82, after line 10, add the attached paragraphs, except on page 136, line 7, of attachment strike the word "there", and all that follows through line 13, and add "the effect of such authorization will not substantially lessen competition, or tend to create a monopoly in any line of commerce in any section of the country."

"SEC. 255. INTERLATA TELECOMMUNICATIONS SERVICES.

"(a) AUTHORITY.—Notwithstanding any restriction or obligation imposed before the date of enactment of the Communications Act of 1994 pursuant to section II(D) of the Modification of Final Judgment, a Bell operating company may engage in the provision of interLATA telecommunications services subject to the requirements of this section and any regulations prescribed thereunder. No Bell operating company or affiliate of a Bell operating company shall engage in the provision of interLATA telecommunications services, except as authorized under this section.

"(b) CURRENTLY AUTHORIZED ACTIVITIES.—Subsection (a) shall not prohibit a Bell operating company from engaging, at any time after the date of enactment of the Communications Act of 1994, in any activity as authorized by an order entered by the United States District Court for the District of Columbia pursuant to the Modification of Final Judgment if such order was entered on or before such date of enactment.

"(c) PETITION FOR AUTHORITY FOR INTERLATA TELECOMMUNICATION SERVICES.—

"(1) APPLICATION—

"(A) IN REGION.—On or after the date of enactment of the Communications Act of 1994, a Bell operating company or affiliate may apply to the Attorney General and the Commission for authorization notwithstanding the Modification of Final Judgment to provide interLATA telecommunications service originating in any area where such Bell operating company is the dominant provider of wireline telephone exchange service. The application shall describe with particularity the nature and scope of the activity and of each product market or service market, and each geographic market for which authorization is sought.

"(B) OUT OF REGION.—On or after the date of enactment of the Communications Act of 1994, a Bell operating company or affiliate may apply to the Attorney General and the Commission for authorization, notwithstanding the Modification of Final Judgment, to provide interLATA telecommunications services not described in subparagraph (A). The application shall describe with particularity the nature and scope of the activity and of each product market or service market, and each geographic market for which authorization is sought.

"(2) DETERMINATION BY ATTORNEY GENERAL AND COMMISSION.—

"(A) DETERMINATION.—Not later than 180 days after receiving an application made under paragraph (1), the Attorney General and the Commission each shall issue a written determination, on the record after an opportunity for a hearing, with respect to the authorization for which a Bell operating company or affiliate has applied. In making such determinations, the Attorney General and the Commission shall review the whole record.

"(B) APPROVAL.—

"(i) The Attorney General shall approve the authorization requested in any application submitted under paragraph (1) only to the extent that the Attorney General finds that there is no substantial possibility that such company or its affiliates could use monopoly power in a telephone exchange or exchange access service market to impede competition in the inteLATA telecommunications services market such company or affiliate seeks to enter. The Attorney General shall deny the remainder of the requested authorization.

(ii) The Commission shall approve the requested authorization only to the extent that the Commission finds that the requested authorization is consistent with the public interest, convenience and necessity. The Commission shall deny the remainder of the requested authorization. For applications submitted under paragraph (1)(A), the Commission shall only find that the requested authorization is consistent with the public interest, convenience, and necessity if the requirements of clause (iii) are satisfied, and shall take into account—

"(I) the extent to which granting the requested authorization would benefit consumers;

"(II) the likely effect that granting the requested authorization would have on the rates for, and availability of, telephone exchange, interchange, and other telecommunications services;

"(III) the availability of alternative providers of telephone exchange service throughout the geographic area in which the Bell operating company or its affiliate seeks to provide service;

"(IV) the extent to which there exist barriers to entering the telephone exchange services market, including the extent to which consumers have an opportunity to select their presubscribed telephone exchange service providers by means of a balloting process; and

"(V) the potential for cross-subsidization or anticompetitive activity by the Bell operating company. For applications submitted under paragraph (1)(B), the Commission shall take into account subclauses (I), (II), and (V).

"(iii) The Commission shall approve a requested authorization for applications submitted under paragraph (1)(A) only if—

"(I) the Commission finds that, as prescribed by section 230(a), no State or local statute, regulations, or other State or local requirement in effect in the area in which the petitioning Bell operating company or affiliate seeks to originate interLATA telecommunications, prohibits or has the effect of prohibiting the ability of any entity to provide interstate or intrastate telecommunications services in the State and local area where the Bell operating company seeks to originate interLATA services;

"(II) either the Commission has adopted and made effective regulations to implement and enforce the requirements of section 201A, or 21 months after the date of enactment of the Communications Act of 1994, whichever is earlier; and

"(III) the Commission finds that the Bell operating company has fully implemented the requirements of subparagraphs (A) through (G) of section 230(c)(1), and finds that, at the time of consideration of its application, the Bell operating company is in full compliance with the Commission's regulations to implement and enforce the requirements of section 230(e) and (f), and any State regulations under 230(c)(2), where the Bell operating company seeks to originate interLATA services.

"(iv) Any Bell operating company granted authority under paragraph (1)(A) shall provide intraLATA toll dialing parity throughout the market coincident with its exercise of that authority. If the Commission finds that such a Bell operating company has provided interLATA service authorized under this clause before its implementation of intraLATA toll dialing parity throughout that market, or fails to maintain intraLATA toll dialing parity throughout that market, the Commission, except in cases of inadvertent interruptions or other events beyond the control of the Bell operating company, shall suspend the authority to provide interLATA service for that market until the Commission determines that intra LATA toll dialing parity is implemented or reinstated.

"(C) DESCRIPTION.—A determination that approves any part of a requested authorization shall describe with particularity the nature and scope of the activity, and of each product market or service market, and each

geographic market, to which approval applies.

"(3) PUBLICATION.—Not later than 10 days after issuing a determination under paragraph (2), the Attorney General and the Federal Communications Commission each shall publish in the Federal Register a brief description of the determination.

"(4) AUTHORIZATION GRANTED.—A requested authorization is granted only to the extent that—

"(A) both the Attorney General and the Federal Communications Commission approve the authorization under paragraph (2), unless either of their approvals is vacated, reversed, or remanded as a result of judicial review, or

"(B) as a result of such judicial review of either or both determinations, both the Attorney General and the Federal Communications Commission approve the requested authorization.

"(d) JUDICIAL REVIEW—

"(1) COMMENCEMENT OF ACTION.—Not later than 45 days after a determination by the Attorney General or the Federal Communications Commission is published under subsection (c)(3), the Bell operating company or affiliate that applied to the Attorney General and the Federal Communications Commission under subsection (c)(1), or any person who would be threatened with loss or damage as a result of the determination regarding such company's engaging in the activity described in such company's application, may commence an action in any United States Court of Appeals against the Attorney General or the Federal Communications Commission, as the case may be, for judicial review of the determination regarding the application.

"(2) JUDGMENT.—

"(A) The Court shall enter a judgment after reviewing the determination in accordance with section 706 of title 5 of the United States State Code.

"(B) A JUDGMENT—

"(i) affirming any part of the determination that approves granting all or part of the requested authorization, or

"(ii) reversing any part of the determination that denies all or part of the requested authorization, shall describe with particularity the nature and scope of the activity, and of each product market or service market, and each geographic market, to which the affirmance of reversal applies.

"(e) ENFORCEMENT.—

"(1) PRIVATE RIGHT OF ACTION.—Any person who is injured in its business or property by reason of a violation of this section—

"(A) may bring a civil action in any district court of the United States in the district in which the defendant resides or is found or has an agent, without respect to the amount in controversy, and

"(B) shall recover threefold the damages sustained, and the costs of suit (including a reasonable attorney's fee). The court may award under this section, pursuant to a motion by such person promptly made, simple interest on actual damages for the period beginning on the date of service of such person's pleading setting forth a claim under this title and ending on the date of judgment, or for any shorter period therein, if the court finds that the award of such interest for such period is just in the circumstances.

"(2) PRIVATE INJUNCTIVE RELIEF.—Any person shall be entitled to sue for and have injunctive relief, in any court of the United States having jurisdiction over the parties, against threatened loss or damage by a violation of this section, when and under the same conditions and principles as injunctive relief is available under section 16 of the Clayton Act (15 U.S.C. 26). In any action under this subsection in which the plaintiff substantially prevails, the court shall award the cost of suit, including a reasonable attorney's fee, to such plaintiff.

"(f) INTERLATA TELECOMMUNICATIONS SERVICE SAFEGUARDS.—

"(1) SEPARATE SUBSIDIARY.—Other than interLATA services authorized by an order entered by the United States District Court for the District of Columbia pursuant to the Modification of Final Judgment before the date of the enactment of the Communications Act of 1994, a Bell operating company providing interLATA services authorized under subsection (c) shall provide such interLATA services in that market only through a subsidiary that is separate from any Bell operating company entity that provides regulated local telephone exchange service. The subsidiary required by this section need not be separate from affiliates required in sections 231, 233, and 613 of this Act or any other affiliate that does not provide regulated local telephone exchange service.

"(2) NONDISCRIMINATION SAFEGUARDS.—The Bell operating company shall—

"(A) fulfill any requests from an unaffiliated entity for exchange access service within a period no longer than that in which it provides such exchange access service to itself or to its affiliates;

"(B) fulfill any such requests with exchange access service of a quality that meets or exceeds the quality of exchange access services provided by the Bell operating company or it affiliates to itself or its affiliate;

"(C) provide exchange access to all carriers at rates that are not unreasonably discriminatory and are based on costs and any explicit subsidy;

"(D) in any transaction with the subsidiary required by this section, not prefer or discriminate in favor of such subsidiary;

"(E) not provide any facilities, services, or information concerning its provision of exchange access service to the subsidiary required by this section unless such facilities, services, or information are made available to other providers of interLATA services in that market on the same terms and conditions;

"(F) not enter into any joint venture or partnership with the subsidiary required by this section; and

'(G) charge the subsidiary required by this section, and impute to itself or any intraLATA toll affiliate, the same rates for access to its local exchange and exchange access services that it charges other, unaffiliated, toll carriers for such services.

"(3) SEPARATE SUBSIDIARY SAFEGUARDS.—The separate subsidiary required by this section shall—

"(A) carry out its marketing and sales directly and separate from its affiliate Bell operating company or any affiliates of such company;

"(B) maintain books, records, and accounts in the manner prescribed by the Commission which shall be separate from the books, records, and accounts maintained by its affiliated Bell operating company or any affiliates of such company;

"(C) charge rates to consumers, and any intraLATA toll affiliate shall charge rates to consumers, for intraLATA service and interLATA toll service that are no less than rates the Bell operating company charges other interLATA carriers for its local exchange and exchange access services plus the other costs to the subsidiary of providing such services.

"(D) be permitted to use interLATA facilities and services provided by its affiliated Bell operating company, so long as it costs are appropriately allocated and such facilities and services are provided to its subsidiaries and other carriers on nondiscriminatory rates, terms and conditions;

"(E) comply with Commission regulations to ensure that the economic risks associated with the provision of interLATA services by such subsidiary are not borne by customers of the company's telephone exchange services; and

"(F) shall not obtain credit under any arrangement that would permit a creditor, upon default, to have recourse to the assets of the local exchange carrier.

"(4) TRIENNIAL AUDIT.—

"(A) GENERAL REQUIREMENT.—A Bell operating company that engages in interLATA services shall obtain and pay for an audit every 3 years conducted by an independent auditor selected by, and working at the direction of, the State commission of each State in which such Bell operating company provides local exchange service, to determine whether such Bell operating company has complied with this section and the regulations promulgated under this section, and particularly whether such Bell operating company has complied with the separate accounting requirements under subsection (c).

"(B) RESULTS SUBMITTED TO COMMISSION; STATE COMMISSIONS.—The auditor described in clause (i) shall submit the results of the audit to the Commission and to the State commission of each State in which the Bell operating company audited provides telephone exchange service, which shall make such results available for public inspection. Any party may submit comments on the final audit report.

"(C) REGULATIONS.—The audit required under paragraph (1) shall be conducted in accordance with procedures established by regulation by the State commission of the State in which such Bell operating company provides local exchange service. The regulations shall include requirements that—

"(i) each audit submitted to the Commission and to the State commission is certified by the auditor responsible for conducting the audit; and

"(ii) each audit shall be certified by the person who conducted the audit and shall identify with particularity any qualifications or limitations on such certification and any other information relevant to the enforcement of the requirements of this section.

"(D) COMMISSION REVIEW.—The Commission shall periodically review and analyze the audits submitted to it under this subsection.

"(E) ACCESS TO DOCUMENTS.—For purposes of conducting audits and reviews under this subsection—

"(i) the independent auditor, the Commission, and the State commission shall have access to the financial accounts and records of each Bell operating company and of its subsidiaries necessary to verify transactions conducted with that Bell operating company that are relevant to the specific activities permitted under this section and that are necessary for the regulation of rates for telephone exchange and exchange access;

"(ii) the Commission and the State Commission shall have access to the working papers and supporting materials of any auditor who performs an audit under this section; and

"(iii) the State commission shall implement appropriate procedures to ensure the

protection of any proprietary information submitted to it under this section.

"(F) COMMISSION ACTION ON COMPLAINTS.—With respect to any complaint brought under section 208 alleging a violation of this section or the regulations implementing it, the Commission shall issue a final order within 1 year after such complaint if filed.

"(g) ADDITIONAL AUTHORITY TO PROVIDE INTERLATA SERVICES RELATING TO COMMERCIAL MOBILE RADIO SERVICES.—Notwithstanding any restriction or obligation imposed pursuant to the Modification of Final Judgment before the date of enactment of the Communications Act of 1994, the Commission shall prescribe uniform equal access and long distance presubscription requirements for providers of all cellular and two-way wireless services.

"(h) Exceptions for Incidental Services.—

"(1) Subsection (a) shall not prohibit a Bell operating company at any time after the date of enactment of the Communications Act of 1994 from providing interLATA telecommunications services incidental to the purpose of—

"(A)(i) providing audio programming, video programming, or other programming services to subscribers of such company,

"(ii) providing the capability for interaction by such subscribers to select or respond to such audio programming, video programming, or other programming services, to order, or control transmission of the programming, polling or balloting, and ordering other goods or services, or

"(iii) providing to distributors audio programming or video programming that such company owns, controls, or is licensed by the copyright owner of such programming, or by an assignee of such owner, to distribute,

"(B) providing a telecommunications service, using the transmission facilities of a cable system that is an affiliate of such company, between LATAs within a cable system franchise area in which such company is not, on the date of the enactment of the Communications Act of 1994, a provider of wireline telephone exchange service,

"(C) providing a commercial mobile service except where such service is a replacement for land line telephone exchange service for a substantial portion of the telephone land line exchange service in a State in accordance with section 332(c) of the Communications Act of 1934 (47 U.S.C. 332(c)) and with the regulations prescribed by the Commission,

"(D) providing a service that permits a customer that is located in one LATA to retrieve stored information from, or file information for storage in, information storage facilities of such company that are located in another LATA area, so long as the customer acts affirmatively to initiate the storage or retrieval of information, except that—

"(i) such service shall not cover any service that establishes a direct connection between end users or any real-time voice and data transmission,

"(ii) such service shall not include voice, data, or facsimile distribution services in which the Bell operating company or affiliate forwards customer-supplied information to customer- or carrier-selected recipients,

"(iii) such service shall not include any service in which the Bell operating company or affiliate searches for and connects with the intended recipient of information, or any service in which the Bell operating company or affiliate automatically forwards stored voicemail or other information to the intended recipient; and

"(iv) customers of such service shall not be billed a separate charge for the interLATA telecommunications furnished in conjunction with the provision of such service;

"(E) providing signaling information used in connection with the provision or exchange or exchange access services to a local exchange carrier that, together with any affiliated local exchange carriers, has aggregate annual revenues of less than $100,000,000; or

"(F) providing network control signaling information to, and receiving such signaling information from, interexchange carriers at any location within the area in which such company provides exchange services or exchange access.

"(2) The provisions of paragraph (1) are intended to be narrowly construed. Nothing in this subsection permits a Bell operating company or any affiliate of such a company to provide interLATA telecommunications services not described in paragraph (1) without receiving the approval of the Commission and the Attorney General under subsection (c). The transmission facilities used by a Bell operating company or affiliate thereof to provide interLATA telecommunications under subparagraphs (C) and (D) of paragraph (1) shall be leased by that company from unaffiliated entities on terms and conditions (including price) no more favorable than those available to the competitors of that company until approval is obtained from the Commission and the Attorney General under subsection (c). The interLATA services provided under paragraph (1)(A) are limited to those interLATA transmissions incidental to the provision by a Bell operating company or its affiliate of video, audio, and other programming services that the company or its affiliate is engaged in providing to the public and, except as provided in paragraph (1)(A)(iii), does not include the interLATA transmission of audio, video, or other programming services provided by others.

"(3)(A) The Commission, in consultation with the Attorney General, shall prescribe regulations for the provision by a Bell operating company or any of its affiliates of the interLATA services authorized under this subsection. The regulations shall ensure that the provision of such service by a Bell operating company or its affiliate does not—

"(i) permit that company to provide telecommunications services not described in paragraph (1) without receiving the approvals required by subsection (c), or

"(ii) adversely affect telephone exchange ratepayers or competition in any telecommunications services market.

"(B) Nothing in this paragraph shall delay the ability of a Bell operating company to provide the interLATA services described in paragraph (1) immediately upon enactment of the Communications Act of 1994.

"(4) As used in this subsection—

"(A) 'audio programming services' means programming provided by, or generally considered to be comparable to programming provided by, a radio broadcast station, and

"(B) 'video programming service' and 'other programming services' have the same meanings as such terms have under section 602 of this Act.

"(i) DEFINITIONS.—As used in this section:

"(1) The term 'LATA' means the local access and transport area as defined in United States v. Western Electric Co., 569 F.Supp. 990 (United States District Court, District of Columbia) and subsequent judicial orders relating thereto.

"(2) The term 'cable service' has the meaning given that term under section 602.".

SEC. 442. JURISDICTION.

Section 2(b) of the Communications Act of 1934 (47 U.S.C. 153) is amended by striking "section 332" and inserting in lieu thereof "sections 229, 230, 234, 235, 237, and 332".

On page 82, beginning with "Sec. 255 on line 11, strike all that follows through line 2, page 99.

On page 82, after line 10, add the attached paragraphs:

"SEC. 255. INTERLATA TELECOMMUNICATIONS SERVICES.

"(a) AUTHORITY.—Notwithstanding any restriction or obligation imposed before the date of enactment of the Communications Act of 1994 pursuant to section II(D) of the Modification of Final Judgment, a Bell operating company may engage in the provision of interLATA telecommunications services subject to the requirements of this section and any regulations prescribed thereunder. No Bell operating company or affiliate of a Bell operating company shall engage in the provision of interLATA telecommunications services, except as authorized under this section.

"(b) CURRENTLY AUTHORIZED ACTIVITIES.—Subsection (a) shall not prohibit a Bell operating company from engaging, at any time after the date of enactment of the Communications Act of 1994, in any activity as authorized by an order entered by the United States District Court for the District of Columbia pursuant to the Modification of Final Judgment if such order was entered on or before such date of enactment.

"(c) PETITION FOR AUTHORITY FOR INTERLATA TELECOMMUNICATION SERVICES—

"(1) APPLICATION—

"(A) IN REGION.—On or after the date of enactment of the Communications Act of 1994, a Bell operating company or affiliate may apply to the Attorney General and the Commission for authorization notwithstanding the Modification of Final Judgment to provide interLATA telecommunications service originating in any area where such Bell operating company is the dominant provider of wireline telephone exchange service. The application shall describe with particularity the nature and scope of the activity and of each product market or service market, and each geographic market for which authorization is sought.

"(B) OUT OF REGION.—On or after the date of enactment of the Communications Act of 1994, a Bell operating company or affiliate may apply to the Attorney General and the Commission for authorization, notwithstanding the Modification of Final Judgment, to provide interLATA telecommunications services not described in subparagraph (A). The application shall describe with particularity the nature and scope of the activity and of each product market or service market, and each geographic market for which authorization is sought.

"(2) DETERMINATION BY ATTORNEY GENERAL AND COMMISSION.—

"(A) DETERMINATION.—Not later than 180 days after receiving an application made under paragraph (1), the Attorney General and the Commission each shall issue a written determination, on the record after an opportunity for a hearing, with respect to the authorization for which a Bell operating company or affiliate has applied. In making such determinations, the Attorney General and the Commission shall review the whole record.

"(B) APPROVAL.—

"(i) The Attorney General shall approve the authorization requested in any application submitted under paragraph (1) only to the extent that the Attorney General finds that there is no substantial possibility that

such company or its affiliates could use monopoly power in a telephone exchange or exchange access service market to impede competition in the interLATA telecommunications services market such company or affiliate seeks to enter. The Attorney General shall deny the remainder of the requested authorization.

"(ii) The Commission shall approve the requested authorization only to the extent that the Commission finds that the requested authorization is consistent with the public interest, convenience and necessity. The Commission shall deny the remainder of the requested authorization. For applications submitted under paragraph (1)(A), the Commission shall only find that the requested authorization is consistent with the public interest, convenience, and necessity if the requirements of clause (iii) are satisfied, and shall take into account—

"(I) the extent to which granting the requested authorization would benefit consumers;

"(II) the likely effect that granting the requested authorization would have on the rates for, and availability of, telephone exchange, interexchange, and other telecommunications services;

"(III) the availability of alternative providers of telephone exchange service throughout the geographic area in which the Bell operating company or its affiliate seeks to provide service;

"(IV) the extent to which there exist barriers to entering the telephone exchange services market, including the extent to which consumers have an opportunity to select their presubscribed telephone exchange service providers by means of a balloting process; and

"(V) the potential for cross-subsidization or anticompetitive activity by the Bell operating company.

For applications submitted under paragraph (1)(B), the Commission shall take into account subclauses (I), (II), and (V).

"(iii) The Commission shall approve a requested authorization for applications submitted under paragraph (1)(A) only if—

"(I) the Commission finds that, as prescribed by section 230(a), no State or local statute, regulations, or other State or local requirement in effect in the area in which the petitioning Bell operating company or affiliate seeks to originate interLATA telecommunications, prohibits or has the effect of prohibiting the ability of any entity to provide interstate or intrastate telecommunications services in the State and local area where the Bell operating company seeks to originate interLATA services;

"(II) either the Commission has adopted and made effective regulations to implement and enforce the requirements of section 201A, or 21 months after the date of enactment of the Communications Act of 1994, whichever is earlier; and

"(III) the Commission finds that the Bell operating company has fully implemented the requirements of subparagraphs (A) through (G) of section 230(c)(1), and finds that, at the time of consideration of its application, the Bell operating company is in full compliance with the Commission's regulations to implement and enforce the requirements of section 230 (e) and (f), and any State regulations under 230(c)(2), where the Bell operating company seeks to originate interLATA services.

"(iv) Any Bell operating company granted authority under paragraph (1)(A) shall provide intraLATA toll dialing parity throughout that market coincident with its exercise of that authority. If the Commission finds that such a Bell operating company has provided interLATA service authorized under this clause before its implementation of intraLATA toll dialing parity throughout that market, or fails to maintain intraLATA toll dialing parity throughout that market, the Commission, except in cases of inadvertent interruptions or other events beyond the control of the Bell operating company, shall suspend the authority to provide interLATA service for that market until the Commission determines that intraLATA toll dialing parity is implemented or reinstated.

"(C) DESCRIPTION.—A determination that approves any part of a requested authorization shall describe with particularity the nature and scope of the activity, and of each product market or service market, and each geographic market, to which approval applies.

"(3) PUBLICATION.—Not later than 10 days after issuing a determination under paragraph (2), the Attorney General and the Federal Communications Commission each shall publish in the Federal Register a brief description of the determination.

"(4) AUTHORIZATION GRANTED.—A requested authorization is granted only to the extent that—

"(A) both the Attorney General and the Federal Communications Commission approve the authorization under paragraph (2), unless either of their approvals is vacated, reversed, or remanded as a result of judicial review, or

"(B) as a result of such judicial review of either or both determinations, both the Attorney General and the Federal Communications Commission approved the requested authorization.

"(d) JUDICIAL REVIEW—

"(1) COMMENCEMENT OF ACTION.—Not later than 45 days after a determination by the Attorney General or the Federal Communications Commission is published under subsection (c)(3), the Bell operating company or affiliate that applied to the Attorney General and the Federal Communications Commission under subsection (c)(1), or any person who would be threatened with loss or damage as a result of the determination regarding such company's engaging in the activity described in such company's application, may commence an action in any United States Court of Appeals against the Attorney General or the Federal Communications Commission, as the case may be, for judicial review of the determination regarding the application.

"(2) JUDGMENT.—

"(A) The Court shall enter a judgment after reviewing the determination in accordance with section 706 of title 5 of the United State Code.

"(B) A JUDGMENT.—

"(i) affirming any part of the determination that approves granting all or part of the requested authorization, or

"(ii) reversing any part of the determination that denies all or part of the requested authorization, shall describe with particularity the nature and scope of the activity, and of each product market or service market, and each geographic market, to which the affirmance or reversal applies.

"(e) ENFORCEMENT.—

"(1) PRIVATE RIGHT OF ACTION.—Any person who is injured in its business or property by reason of a violation of this section—

"(A) may bring a civil action in any district court of the United States in the district in which the defendant resides or is found or has an agent, without respect to the amount in controversy, and

"(B) shall recover threefold the damages sustained, and the costs of suit (including a reasonable attorney's fee). The court may award under this action, pursuant to a motion by such person promptly made, simple interest on actual damages for the period beginning on the date of service of such person's pleading setting forth a claim under this title and ending on the date of judgment, or for any shorter period therein, if the court finds that the award of such interest for such period is just in the circumstances.

"(2) PRIVATE INJUNCTIVE RELIEF.—Any person shall be entitled to sue for and have injunctive relief, in any court of the United States having jurisdiction over the parties, against threatened loss or damage by a violation of this section, when and under the same conditions and principles as injunctive relief is available under section 16 of the Clayton Act (15 U.S.C. 26). In any action under this subsection in which the plaintiff substantially prevails, the court shall award the cost of suit, including a reasonable attorney's fee, to such plaintiff.

"(f) INTERLATA TELECOMMUNICATIONS SERVICE SAFEGUARDS.—

"(1) SEPARATE SUBSIDIARY.—Other than interLATA services authorized by an order entered by the United States District Court for the District of Columbia pursuant to the Modification of Final Judgment before the date of the enactment of the Communications Act of 1994, a Bell operating company providing interLATA services authorized under subsection (c) shall provide such interLATA services in that market only through a subsidiary that is separate from any Bell operating company entity that provides regulated local telephone exchange service. The subsidiary required by this section need not be separate from affiliates requires in sections 231, 233, and 613 of this Act or any other affiliate that does not provide regulated local telephone exchange service.

"(2) NONDISCRIMINATION SAFEGUARDS.—The Bell operating company shall—

"(A) fulfill any requests from an unaffiliated entity for exchange access service within a period no longer than that in which it provides such exchange access service to itself or to its affiliates;

"(B) fulfill any such requests with exchange access service of a quality that meets or exceeds the quality of exchange access services provided by the Bell operating company or its affiliates to itself or its affiliate;

"(C) provide exchange access to all carriers at rates that are not unreasonably discriminatory and are based on costs and any explicit subsidy;

"(D) in any transaction with the subsidiary required by this section, not prefer or discriminate in favor of such subsidiary;

"(E) not provide any facilities, services, or information concerning its provision of exchange access service to the subsidiary required by this section unless such facilities, services, or information are made available to other providers of interLATA services in that market on the same terms and conditions;

"(F) not enter into any joint venture or partnership with the subsidiary required by this section; and

"(G) charge the subsidiary required by this section, and impute to itself or any intraLATA toll affiliate, the same rates for access to its local exchange and exchange access services that it charges other, unaffiliated, toll carriers for such services.

"(3) SEPARATE SUBSIDIARY SAFEGUARDS.—The separate subsidiary required by this section shall—

"(A) carry out its marketing and sales directly and separate from its affiliated Bell operating company or any affiliates of such company;

"(B) maintain books, records, and accounts in the manner prescribed by the Commission which shall be separate from the books, records, and accounts maintained by its affiliated Bell operating company or any affiliates of such company;

"(C) charge rates to consumers, and any intraLATA toll affiliate shall charge rates to consumers, for interLATA service and intraLATA toll service that are no less than the rates the Bell operating company charges other interLATA carriers for its local exchange and exchange access services plus the other costs to the subsidiary of providing such services;

"(D) be permitted to use interLATA facilities and services provided by its affiliated Bell operating company, so long as its costs are appropriately allocated and such facilities and services are provided to its subsidiaries and other carriers on nondiscriminatory rates, terms and conditions;

"(E) comply with Commission regulations to ensure that the economic risks associated with the provision of interLATA services by such subsidiary are not borne by customers of the company's telephone exchange services; and

"(F) shall not obtain credit under any arrangement that would permit a creditor, upon default, to have recourse to the assets of the local exchange carrier.

"(4) TRIENNIAL AUDIT.—

"(A) GENERAL REQUIREMENT.—A Bell operating company that engages in interLATA services shall obtain and pay for an audit every 3 years conducted by an independent auditor selected by, and working at the direction of, the State commission of each State in which such Bell operating company provides local exchange service, to determine whether such Bell operating company has complied with this section and the regulations promulgated under this section, and particularly whether such Bell operating company has complied with the separate accounting requirements under subsection (c).

"(B) RESULTS SUBMITTED TO COMMISSION; STATE COMMISSIONS.—The auditor described in clause (i) shall submit the results of the audit to the Commission and to the State commission of each State in which the Bell operating company audited provides telephone exchange service, which shall make such results available for public inspection. Any party may submit comments on the final audit report.

"(C) REGULATIONS.—The audit required under paragraph (1) shall be conducted in accordance with procedures established by regulation by the State commission of the State in which such Bell operating company provides local exchange service. The regulations shall include requirements that—

"(i) each audit submitted to the Commissions and to the State commission is certified by the auditor responsible for conducting the audit; and

"(ii) each audit shall be certified by the person who conducted the audit and shall identify with particularity any qualifications or limitations on such certification and any other information relevant to the enforcement of the requirements of this section.

"(D) COMMISSION REVIEW.—The Commission shall periodically review and analyze the audits submitted to it under this subsection.

"(E) ACCESS TO DOCUMENTS.—For purposes of conducting audits and reviews under this subsection—

"(i) the independent auditor, the Commission, and the State commission shall have access to the financial accounts and records of each Bell operating company and of its subsidiaries necessary to verify transactions conducted with that Bell operating company that are relevant to the specific activities permitted under this section and that are necessary for the regulation of rates for telephone exchange and exchange access;

"(ii) the Commission and the State Commission shall have access to the working papers and supporting materials of any auditor who performs an audit under this section; and

"(iii) the State commission shall implement appropriate procedures to ensure the protection of any proprietary information submitted to it under this section.

"(F) COMMISSION ACTION ON COMPLAINTS.—With respect to any complaint brought under section 208 alleging a violation of this section or the regulations implementing it, the Commission shall issue a final order within 1 year after such complaint is filed.

"(g) ADDITIONAL AUTHORITY TO PROVIDE INTERLATA SERVICES RELATING TO COMMERCIAL MOBILE RADIO SERVICES.—Notwithstanding any restriction or obligation imposed pursuant to the Modification of Final Judgment before the date of enactment of the Communications Act of 1994, the Commission shall prescribe uniform equal access and long distance presubscription requirements for providers of all cellular and two-way wireless services.

"(h) EXCEPTIONS FOR INCIDENTAL SERVICES.—

"(1) Subsection (a) shall not prohibit a Bell operating company at any time after the date of enactment of the Communications Act of 1994 from providing interLATA telecommunications services incidental to the purpose of—

"(A)(i) providing audio programming, video programming, or other programming services to subscribers of such company,

"(ii) providing the capability for interaction by such subscribers to select or respond to such audio programming, video programming, or other programming services, to order, or control transmission of the programming, polling or balloting, and ordering other goods or services, or

"(iii) providing to distributors audio programming or video programming that such company owns, controls, or is licensed by the copyright owner of such programming, or by an assignee of such owner, to distribute.

"(B) providing a telecommunications service, using the transmission facilities of a cable system that is an affiliate of such company, between LATAs within a cable system franchise area in which such company is not, on the date of the enactment of the Communications Act of 1994, a provider of wireline telephone exchange service,

"(C) providing a commercial mobile service except where such service is a replacement for land line telephone exchange service for a substantial portion of the telephone land line exchange service in a State in accordance with section 332(c) of the Communications Act of 1934 (47 U.S.C. 332(c)) and with the regulations prescribed by the Commission,

"(D) providing a service that permits a customer that is located in one LATA to retrieve stored information from, or file information for storage in, information storage facilities of such company that are located in another LATA area, so long as the customer acts affirmatively to initiate the storage or retrieval of information, except that—

"(i) such service shall not cover any service that establishes a direct connection between end users or any real-time voice and data transmission,

"(ii) such service shall not include voice, data, or facsimile distribution services in which the Bell operating company or affiliate forwards customer-supplied information to customer- or carrier-selected recipients,

"(iii) such service shall not include any service in which the Bell operating company or affiliate searches for and connects with the intended recipient of information, or any service in which the Bell operating company or affiliate automatically forwards stored voicemail or other information to the intended recipient; and

"(iv) customers of such service shall not be billed a separate charge for the interLATA telecommunications furnished in conjunction with the provision of such service;

"(E) providing signaling information used in connection with the provision or exchange access services to a local exchange carrier that, together with any affiliated local exchange carriers, has aggregate annual revenues of less than $100,000,000; or

"(F) providing network control signaling information to, and receiving such signaling information from, interexchange carriers at any location within the area which such company provides exchange services or exchange access.

"(2) The provisions of paragraph (1) are intended to be narrowly construed. Nothing in this subsection permits a Bell operating company or any affiliate of such a company to provide interLATA telecommunications services not described in paragraph (1) without receiving the approval of the Commission and the Attorney General under subsection (c). The transmission facilities used by a Bell operating company or affiliate thereof to provide interLATA telecommunications under subparagraphs (C) and (D) of paragraph (1) shall be leased by that company from unaffiliated entities on terms and conditions (including price) no more favorable than those available to the competitors of that company until approval is obtained from the Commission and the Attorney General under subsection (c). The interLATA services provided under paragraph (1)(A) are limited to this interLATA transmissions incidental to the provision by a Bell operating company or its affiliate of video, audio, and other programming services that the company or its affiliate is engaged in providing to the public and, except as provided in paragraph (1)(A)(iii), does not include the interLATA transmission of audio, video, or other programming services provided by others.

"(3)(A) The Commission, in consultation with the Attorney General, shall prescribe regulations for the provision by a Bell operating company or any of its affiliates of the interLATA services authorized under this subsection. The regulations shall ensure that the provision of such service by a Bell operating company or its affiliate does not—

"(i) permit that company to provide telecommunications services not described in paragraph (1) without receiving the approvals required by subsection (c), or

"(ii) adversely affect telephone exchange ratepayers or competition in any telecommunications services market.

"(B) Nothing in this paragraph shall delay the ability of a Bell operating company to provide the interLATA services described in paragraph (1) immediately upon enactment of the Communications Act of 1994.

"(4) As used in this subsection—

"(A) 'audio programming services' means programming provided by, or generally considered to be comparable to programming provided by, a radio broadcast station, and

"(B) 'video programming service' and 'other programming services' have the same meanings as such terms have under section 602 of this Act.

"(i) DEFINITIONS.—As used in this section:

"(1) The term 'LATA' means the local access and transport area as defined in United States v. Western Electric Co., 569 F.Supp. 990 (United States District Court, District of Columbia) and subsequent judicial orders relating thereto.

"(2) The term 'cable service' has the meaning given that term under section 602.".

SEC. 442. JURISDICTION.

Section 2(b) of the Communications Act of 1934 (47 U.S.C. 153) is amended by striking "section 332" and inserting in lieu thereof "sections 229, 230, 234, 235, 237, and 332".

BROWN AMENDMENTS NOS. 1317–1320

(Ordered to lie on the table.)

Mr. BROWN submitted four amendments intended to be proposed by him to the bill S. 652, supra; as follows:

AMENDMENT NO. 1317

In managers' amendment, on page 13, line 20, after "programming" insert: "by any means".

AMENDMENT NO. 1318

On page 12, line 10 insert after "services"' "or its affiliate".

AMENDMENT NO. 1319

At the appropriate point in the bill, insert the following:

( ) DIGITAL VIDEO STANDARDS.—Section 624 of the Communications Act of 1934 (47 U.S.C. 544) is amended by adding at the end the following new subsection:

"(j) DIGITAL VIDEO STANDARDS.—The Commission may participate, in a manner consistent with its authority and practice prior to the date of enactment of this subsection, in the development by appropriate voluntary industry standards-setting organizations of technical standards for the digital transmission and reception of the signals of video programming. The Commission shall have no authority to prescribe such standards, except with respect to the over-the-air transmission and reception of the signals of broadcast television stations between such stations and members of the public directly receiving such signals.".

AMENDMENT NO. 1320

In managers' amendment, on page 15, line 1, insert the following: "(1) by inserting after 'organized' in subsection (a)(1) the following: 'any person who was a nondominant telecommunications carrier on January 1, 1995.'."

BYRD (AND EXON) AMENDMENT NO. 1321

(Ordered to lie on the table.)

Mr. BYRD (for himself and Mr. EXON) submitted an amendment intended to be proposed by them to the bill S. 652, supra; as follows:

On page 1 of the amendment, line 4, strike out "determination," and insert in lieu thereof the following: "determination. If the President objects to a determination, the President shall, immediately upon such objection, submit to Congress a written report (in unclassified form, but with a classified annex if necessary) that sets forth a detailed explanation of the findings made and factors considered in objecting to the determination."

On page 49, line 17, insert after the period the following: "While determining whether such opportunities are equivalent on that basis, the Commission shall also conduct an evaluation of opportunities for access to all segments of the telecommunications market of the applicant."

HARKIN AMENDMENTS NOS. 1322–1324

(Ordered to lie on the table.)

Mr. HARKIN submitted three amendments intended to be proposed by him to the bill S. 652, supra; as follows:

AMENDMENT NO. 1322

On page 146, below line 14, add the following:

SEC. 409. PREVENTION OF UNFAIR BILLING PRACTICES FOR INFORMATION OR SERVICES PROVIDED OVER TOLL-FREE TELEPHONE CALLS.

(a) FINDINGS.—Congress makes the following findings:

(1) Reforms required by the Telephone Disclosure and Dispute Resolution Act of 1992 have improved the reputation of the pay-per-call industry and resulted in regulations that have reduced the incidence of misleading practices that are harmful to the public interest.

(2) Among the successful reforms is a restriction on charges being assessed for calls to 800 telephone numbers or other telephone numbers advertised or widely understood to be toll free.

(3) Nevertheless, certain interstate pay-per-call businesses are taking advantage of an exception in the restriction on charging for information conveyed during a call to a "toll-free" number to continue to engage in misleading practices. These practices are not in compliance with the intent of Congress in passing the Telephone Disclosure and Dispute Resolution Act.

(4) It is necessary for Congress to clarify that its intent is that charges for information provided during a call to an 800 number or other number widely advertised and understood to be toll free shall not be assessed to the calling party unless the calling party agrees to be billed according to the terms of a written subscription agreement or by other appropriate means.

(b) PREVENTION OF UNFAIR BILLING PRACTICES.—

(1) IN GENERAL.—Section 228(c) (47 U.S.C. 228(c)) is amended—

(A) by striking out subparagraph (C) of paragraph (7) and inserting in lieu thereof the following:

"(C) the calling party being charged for information conveyed during the call unless—

"(i) the calling party has a written agreement (including an agreement transmitted through electronic medium) that meets the requirements of paragraph (8); or

"(ii) the calling party is charged for the information in accordance with paragraph (9); or"; and

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

"(8) SUBSCRIPTION AGREEMENTS FOR BILLING FOR INFORMATION PROVIDED VIA TOLL-FREE CALLS.—

"(A) IN GENERAL.—For purposes of paragraph (7)(C), a written subscription does not meet the requirements of this paragraph unless the agreement specifies the material terms and conditions under which the information is offered and includes—

"(i) the rate at which charges are assessed for the information;

"(ii) the information provider's name;

"(iii) the information provider's business address;

"(iv) the information provider's regular business telephone number;

"(v) the information provider's agreement to notify the subscriber of all future changes in the rates charged for the information; and

"(vi) the subscriber's choice of payment method, which may be by direct remit, debit, prepaid account, phone bill or credit or calling card.

"(B) BILLING ARRANGEMENTS.—If a subscriber elects, pursuant to subparagraph (A)(vi), to pay by means of a phone bill—

"(i) the agreement shall clearly explain that charges for the service will appear on the subscriber's phone bill;

"(ii) the phone bill shall include, in prominent type, the following disclaimer:

'Common carriers may not disconnect local or long distance telephone service for failure to pay disputed charges for information services.'; and

"(iii) the phone bill shall clearly list the 800 number dialed.

"(C) USE OF PINS TO PREVENT UNAUTHORIZED USE.—A written agreement does not meet the requirements of this paragraph unless it requires the subscriber to use a personal identification number to obtain access to the information provided, and includes instructions on its use.

"(D) EXCEPTIONS.—Notwithstanding paragraph (7)(C), a written agreement that meets the requirements of this paragraph is not required—

"(i) for calls utilizing telecommunications devices for the deaf;

"(ii) for services provided pursuant to a tariff that has been approved or permitted to take effect by the Commission or a State commission; or

"(iii) for any purchase of goods or of services that are not information services.

"(E) TERMINATION OF SERVICE.—On receipt by a common carrier of a complaint by any person that an information provider is in violation of the provisions of this section, a carrier shall—

"(i) promptly investigate the complaint; and

"(ii) if the carrier reasonably determines that the complaint is valid, it may terminate the provision of service to an information provider unless the provider supplies evidence of a written agreement that meets the requirements of this section.

"(F) TREATMENT OF REMEDIES.—The remedies provided in this paragraph are in addition to any other remedies that are available under title V of this Act.

"(9) CHARGES IN ABSENCE OF AGREEMENT.—A calling party is charged for a call in accordance with this paragraph if the provider of the information conveyed during the call—

"(A) clearly states to the calling party the total cost per minute of the information provided during the call and for any other information or service provided by the provider to which the calling party requests connection during the call; and

"(B) receives from the calling party—

"(i) an agreement to accept the charges for any information or services provided by the provider during the call; and

"(ii) a credit, calling, or charge card number or verification of a prepaid account to which such charges are to be billed.

"(10) DEFINITION.—As used in paragraphs (8) and (9), the term 'calling card' means an identifying number or code unique to the individual, that is issued to the individual by a common carrier and enables the individual to be charged by means of a phone bill for charges incurred independent of where the call originates."

(2) REGULATIONS.—The Federal Communications Commission shall revise its regulations to comply with the amendment made by paragraph (1) not later than 180 days after the date of the enactment of this Act.

(3) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect on the date of the enactment of this Act.

(c) CLARIFICATION OF "PAY-PER-CALL SERVICES" UNDER TELEPHONE DISCLOSURE AND DISPUTE RESOLUTION ACT.—Section 204(1) of the Telephone Disclosure and Dispute Resolution Act (15 U.S.C. 5714(1)) is amended to read as follows:

"(1) The term 'pay-per-call services' has the meaning provided in section 228(j)(1) of the Communications Act of 1934, except that the Commission by rule may, notwithstanding subparagraphs (B) and (C) of such section, extend such definition to other similar services providing audio information or audio entertainment if the Commission determines that such services are susceptible to the unfair and deceptive practices that are prohibited by the rules prescribed pursuant to section 201(a).".

AMENDMENT NO. 1323

On page 109, line 4, strike out "3 years" and insert in lieu thereof "6 years".

AMENDMENT NO. 1324

On page 146, below line 14, add the following:

SEC. 409. DISCLOSURE OF CERTAIN RECORDS FOR INVESTIGATIONS OF TELEMARKETING FRAUD.

Section 2703(c)(1)(B) of title 18, United States Code, is amended—

(1) by striking out "or" at the end of clause (ii);

(2) by striking out the period at the end of clause (iii) and inserting in lieu thereof "; or"; and

(3) by adding at the end the following:

"(iv) submits a formal written request for information relevant to a legitimate law enforcement investigation of the governmental entity for the name, address, and place of business of a subscriber or customer of such provider, which subscriber or customer is engaged in telemarketing (as such term is in section 2325 of this title).".

WARNER AMENDMENT NO. 1325

(Ordered to lie on the table.)

Mr. WARNER submitted an amendment intended to be proposed by him to the bill S. 652, supra; as follows:

At the end of section 222 of the bill, insert the following:

(c) ADDITIONAL REQUIREMENTS RELATING TO RESEARCH AND DESIGN ACTIVITIES WITH RESPECT TO MANUFACTURING.—(1) In addition to the rules required under section 256(a)(2) of the Communications Act of 1934, as added by subsection (a), a Bell operating company may not engage in the activities or enter into the agreements referred to in such section 256(a)(2) until the Commission adopts the rules required under paragraph (2).

(2) The Commission shall adopt rules that—

(A) provide for the full, ongoing disclosure by the Bell operating companies of all protocols and technical specifications required for connection with and to the telephone exchange networks of such companies, and of any proposed research and design activities or other planned revisions to the networks that might require a revision of such protocols or specifications;

(B) prevent discrimination and cross-subsidization by the Bell operating companies in their transactions [regarding what?] with third parties and with the affiliates of such companies; and

(C) ensure that the research and design activities [by the Bell operating companies?] [with respect to what?] are clearly delineated and kept separate from other manufacturing activities [of the Bell operating companies?].

GORTON AMENDMENT NO. 1326

(Ordered to lie on the table.)

Mr. GORTON submitted an amendment intended to be proposed by him to the bill S. 652, supra; as follows:

On page 144, strike out lines 13 through 17, and insert the following in lieu thereof:

(2) In paragraph (2)(a)(1)—

(A) by striking "wire or electronic communication" each place it appears and inserting "wire, electronic, or digital communication" for the first occurrence and "such communication" for the second and third occurrence;

(B) by inserting a comma after "activity"; and

(C) by adding thereafter "including the investigation of fraudulent or unlawful use of wire, electronic, or digital communication services by any person,".

EXON AMENDMENT NO. 1327–1329

(Ordered to lie on the table.)

Mr. EXON submitted three amendments intended to be proposed by him to the bill S. 652, supra; as follows:

AMENDMENT NO. 1327

On page 144, strike lines 1 through 17, and in lieu thereof insert the following:

SEC. 405. DISSEMINATION OF INDECENT MATERIAL ON CABLE TELEVISION SERVICE.

(a) IN GENERAL.—Chapter 71 of title 18, United States Code, is amended by inserting after section 1464 the following:

"§ 1464A. Dissemination of indecent material on cable television

"(a) Whoever knowingly disseminates any indecent material on any channel provided to all subscribers as part of a basic cable television package shall be imprisoned not more than two years or fined under this title, or both.

"(b) As used in this section, the term 'basic cable television package' means those channels provided by any means for a basic cable subscription fee to all cable subscribers, including 'basic cable service' and 'other programming service' as those terms are defined in section 602 of the Communications Act of 1939 but does not include separate channels that are provided to subscribers upon specific request, whether or not a separate or additional fee is charged.".

"(c) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 71 of title 18, United States Code, is amended by inserting after the item relating to section 1464 the following new item:

"1464A. Dissemination of indecent material on cable television.".

AMENDMENT NO. 1328

On page 144, strike lines 1 through 17.

AMENDMENT NO. 1329

On page 137 beginning with line 12 strike through line 10 on page 143 and insert the following:

(1) by striking subsection (a) and inserting in lieu thereof:

"(a) Whoever—

"(1) in the District of Columbia or in interstate or foreign communications

"(A) by means of telecommunications device knowingly—

"(i) makes, creates, or solicits, and

"(ii) initiates the transmission of,

any comment, request, suggestion, proposal, image, or other communication which is obscene, lewd, lascivious, filthy, or indecent, with intent to annoy, abuse, threaten, or harass another person;

"(B) makes a telephone call or utilizes a telecommunications device, whether or not conversation or communication ensues, without disclosing his identify and with intent to annoy, abuse, threaten, or harass any person at the called number or who receives the communication;

"(C) makes or causes the telephone of another repeatedly or continuously to ring, with intent to harass any person at the called number; or

"(D) makes repeated telephone calls or repeatedly initiates communication with a telecommunications device, during which conversation or communication ensues, solely to harass any person at the called number or who receives the communication; or

"(2) knowingly permits any telecommunications facility under his control to be used for any activity prohibited by paragraph (1) with the intent that it be used for such activity,

shall be fined not more than $100,000 or imprisoned not more than two years, or both."; and

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

"(d) Whoever—

"(1) knowingly within the United States or in foreign communications with the United States by means of telecommunications device makes or makes available any obscene communication in any form including any comment, request, suggestion, proposal, or image regardless of whether the maker of such communication placed the call or initiated the communications; or

"(2) knowingly permits any telecommunications facility under such person's control to be used for an activity prohibited by subsection (d)(1) with the intent that it be used for such activity;

shall be fined not more than $100,000 or imprisoned nor more than two years or both.

"(e) Whoever—

"(1) knowingly within the United States or in foreign communications with the United States by means of telecommunications device makes or makes available any indecent communication in any form including any comment, request, suggestion, proposal, image, to any person under 18 years of age regardless of whether the maker of such communication placed the call or initiated the communication; or

"(2) knowingly permits any telecommunications facility under such person's control to be used for activity prohibited by paragraph (1) with the intent that it be used for such activity,

shall be fined not more than $100,000 or imprisoned not more than two years or both.

"(f) Defense to the subsections (a), (d), and (e), restrictions on access, judicial remedies respecting restrictions for persons providing information services and access to information services—

"(1) No person shall be held to have violated subsections (a), (d), or (e) solely for providing access or connection to or from a facility, system, or network over which that person has no control, including related capabilities which are incidental to providing access or connection. This subsection shall not be applicable to an individual who is owned or controlled by, or a conspirator with, an entity actively involved in the creation, editing or knowing distribution of communications which violate this section.

"(2) No employer shall be held liable under this section for the actions of an employee or agent unless the employee's or agent's conduct is within the scope of his employment or agency and the employer has knowledge of, authorizes, or ratifies the employee's or agent's conduct.

"(3) It is a defense to prosecution under subsection (a), (d)(2), or (e) that a person has taken reasonable, effective and appropriate actions in good faith to restrict or prevent the transmission of, or access to a communication specified in such subsections, or complied with procedures as the Commission may prescribe in furtherance of this section. Until such regulations become effective, it is a defense to prosecution that the person has complied with the procedures prescribed by regulation pursuant to subsection (b)(3). Nothing in this subsection shall be construed to treat enhanced information services as common carriage.

"(4) No cause of action may be brought in any court or administrative agency against any person on account of any activity which is not in violation of any law punishable by criminal or civil penalty, which activity the person has taken in good faith to implement a defense authorized under this section or otherwise to restrict or prevent the transmission of, or access to, a communication specified in this section.

"(g) No State or local government may impose any liability for commercial activities or actions by commercial entities in connection with an activity or action which constitutes a violation described in subsection (a)(2), (d)(2), or (e)(2) that is inconsistent with the treatment of those activities or actions under this section provided, however, that nothing herein shall preclude any State or local government from enacting and enforcing complementary oversight, liability, and regulatory systems, procedures, and requirements, so long as such systems, procedures, and requirements govern only intrastate services and do not result in the imposition of inconsistent rights, duties or obligations on the provision of interstate services. Nothing in this subsection shall preclude any State or local government from governing conduct not covered by this section.

"(h) Nothing in subsection (a), (d), (e), or (f) or in the defenses to prosecution under (a), (d), or (e) shall be construed to affect or limit the application or enforcement of any other Federal law.

"(i) The use of the term 'telecommunications device' in this section shall not impose new obligations on (one-way) broadcast radio or (one-way) broadcast television operators licensed by the Commission or (one-way) cable service registered with the Federal Communications Commission and covered by obscenity and indecency provisions elsewhere in this Act."

"(j) Within two years from the date of enactment and every two years thereafter, the Commission shall report on the effectiveness of this section.".

EXON (AND OTHERS) AMENDMENT NO. 1330

(Ordered to lie on the table.)

Mr. EXON (for himself, Mr. DORGAN, and Mr. BYRD) submitted an amendment intended to be proposed by them to the bill S. 652, supra; as follows:

On page 49, line 15 after "Government (or its representative)" add the following: "provided that the President does not object within 15 days of such determination" and on page 50 between lines 14 and 15 insert the following:

"(c) THE APPLICATION OF THE EXON-FLORIO LAW.—Nothing in this section (47 U.S.C. 310) shall limit in any way the application of 50 U.S.C. App. 2170 (the Exon-Florio law) to any transaction."

KERRY AMENDMENTS NOS. 1331–1334

(Ordered to lie on the table.)

Mr. KERRY submitted four amendments intended to be proposed by him to the bill S. 652, supra; as follows:

AMENDMENT NO. 1331

Strike Section 311 (Kerry payphone amendment) in its entirety and insert the following:

SEC. 311. PROVISION OF PAYPHONE SERVICES AND TELEMESSAGING SERVICES.

Part II of title II (47 U.S.C. 251 et seq.), as amended by this Act, is amended by adding after section 264 the following new section:

"SEC. 265. PROVISION OF PAYPHONE SERVICES AND TELEMESSAGING SERVICES.

"(a) NONDISCRIMINATION SAFEGUARDS.—Any Bell operating company that provides payphone services or telemessaging services—

"(1) shall not subsidize its payphone services or telemessaging services directly or indirectly with revenue from its telephone exchange services or its exchange access services; and

"(2) shall not prefer or discriminate in favor of its payphone services or telemessaging services.

"(b) REGULATIONS.—

"(1) In order to promote competition among payphone service providers and promote the widespread deployment of payphone services to the benefit of the general public, not later than six months after the date of enactment of the Act the Commission shall adopt rules, with such rules to take effect concurrently no later than nine months after the date of enactment of the Act, that:

"(A) Establish a per call compensation plan to ensure that all payphone services providers are fairly compensated for each and every completed intrastate and interstate call using their payphone, except that emergency calls and telecommunications relay services calls for hearing disabled individuals shall not be subject to such compensation;

"(B) Discontinue the current intrastate carrier access charge payphone service elements and payments, and all intrastate and interstate payphone subsidies from basic exchange and exchange access revenues, in favor of a compensation plan as specified in subparagraph (A) above;

"(C) Prescribe a set of nonstructural safeguards for Bell operating company payphone service to implement the provisions of paragraphs (1) and (2) of subsection (a), which safeguards shall, at a minimum, include the nonstructural safeguards equal to those adopted in the Computer Inquiry-III, CC Docket No. 90–623 proceeding; and

"(D) Provide for Bell operating company payphone service providers to have the same right that independent payphone providers have to negotiate with the location provider on selecting and contracting with, and, subject to the terms of any agreement with the location provider, to select and contract with the carriers that carry interLATA calls from their payphones, and provide for all payphone service providers to have the right to negotiate with the location provider on selecting and contracting with, and, subject to the terms of any agreement with the location provider, to select and contract with the carriers that carry intraLATA calls from their payphones. Nothing in this section shall affect any existing contracts between location providers and payphone service providers or interLATA or intraLATA carriers that are in force and effect as of the date of enactment.

"(2) PUBLIC INTEREST TELEPHONES.—In the rulemaking conducted pursuant to Paragraph (1), the Commission shall determine whether public interest payphones, which are provided in the interest of public health, safety, and welfare, in locations where there would otherwise not be payphone, should be maintained, and if so, ensure that such public interest payphones are supported fairly and equitably.

"(c) STATE PREEMPTION.—To the extent that any State requirements are inconsistent with the Commission's regulations, the Commission's regulations on such matters shall preempt such State requirements.

"(d) RULEMAKING FOR TELEMESSAGING.—In a separate proceeding, the Commission shall determine whether, to enforce the requirements of this section, it is appropriate to require the Bell operating companies to provide telemessaging services through a separate subsidiary that meets the requirements of Section 252.

"(e) MODIFICATION OF FINAL JUDGMENT.—Notwithstanding any other provision of law, or any prior prohibition or limitation established pursuant to the Modification of Final Judgment, the Commission is directed and authorized to implement this section.

"(f) DEFINITIONS.—As used in the Act:

"(1) The term 'payphone service' means the provision of public or semi-public pay telephones, the provision of inmate telephone in correctional institutions, and any ancillary services;"

"(2) the term 'telemessaging services' means voice mail and voice storage and retrieval services provided over telephone lines, any live operator services used to record, transcribe, or relay messages (other than telecommunication relay services), and any ancillary services offered in combination with these services.".

AMENDMENT NO. 1332

Strike Section 311 (Kerry payphone amendment) in its entirety and insert the following:

"SEC. 311. PROVISION OF PAYPHONE SERVICES AND TELEMESSAGING SERVICES.

Part II of title II (47 U.S.C. 251 et seq.), as amended by this Act, is amended by adding after section 264 the follow new section:

"SEC 265. PROVISION OF PAYPHONE SERVICES AND TELEMESSAGING SERVICES.

"(a) NONDISCRIMINATION SAFEGUARDS.—Any Bell operating company that provides

payphone services or telemessaging services—

"(1) shall not subsidize its payphone services or telemessaging services directly or indirectly with revenue from its telephone exchange services or its exchange access services; and

"(2) shall not prefer or discriminate in favor of its payphone services or telemessaging services.

"(b) REGULATIONS.—

"(1) In order to promote competition among payphone service providers and promote the widespread deployment of payphone services to the benefit of the general public, not later than six months after the date of enactment of the Act the Commission shall——

"(A) adopt rules, with such rules to take effect concurrently no later than nine months after the date of enactment of the Act, that——

"(i) Establish a per call compensation plan to ensure that all payphone services providers are fairly compensated for each and every completed intrastate and interstate call using their payphone, except that emergency calls and telecommunications relay service calls for hearing disabled individuals shall not be subject to such compensation;

"(ii) Discontinue the current intrastate and interstate carrier access charge payphone service elements and payments, and all intrastate and interstate payphone subsidies from basic exchange and exchange access revenues, in favor of a compensation plan as specified in subparagraph (A) above;

"(iii) Prescribe a set of nonstructural safeguards for Bell operating company payphone service to implement the provisions of paragraphs (1) and (2) of subsection (a), which safeguards shall, at a minimum, include the nonstructural safeguards equal to those adopted in the Computer Inquiry-III, CC Docket No. 90-623 proceeding; and

"(B) In the rulemaking conducted pursuant to subparagraph (A), determine whether to provide for Bell operating company payphone service providers to have the same right that independent payphone providers have to negotiate with the location provider on selecting and contracting with, and, subject to the terms of any agreement with the location provider, to select and contract with the carriers that carry interLATA calls from their payphones, and provide for all payphone service providers to have the right to negotiate with the location provider on selecting and contracting with, and, subject to the terms of any agreement with the location provider, to select and contract with the carriers that carry intraLATA calls from their payphones, provided that nothing in this section or in any regulations adopted by the Commission shall affect any existing contracts between location providers and payphone service providers or interLATA or intraLATA carriers that are in force and effect as of the date of enactment.

"(2) PUBLIC INTEREST PAYPHONES.—In the rulemaking conducted pursuant to Paragraph (1), the Commission shall determine whether public interest payphones, which are provided in the interest of public health, safety, and welfare, in locations where there would otherwise not be a payphone, should be maintained, and if so, ensure that such public interest payphones are supported fairly and equitably.

"(c) STATE PREEMPTION.—To the extent that any State requirements are inconsistent with the Commission's regulations, adopted in the rulemaking conducted pursuant to subsection (b) the Commission's regulations on such matters shall preempt such State requirements.

"(d) RULEMAKING FOR TELEMESSAGING.—In a separate proceeding, the Commission shall determine whether, to enforce the requirements of this section, it is appropriate to require the Bell operating companies to provide telemessaging services through a separate subsidiary that meets the requirements of Section 252.

"(e) MODIFICATION OF FINAL JUDGMENT.—Notwithstanding any other provision of law, or any prior prohibition or limitation established pursuant to the Modification of Final Judgment, the Commission is directed and authorized to implement this section.

"(f) DEFINITIONS.—As used in the Act:

"(1) the term 'payphone service' means the provision of public or semi-public pay telephones, the provision of inmate telephone in correctional institutions, and any ancillary services;

"(2) the term 'telemessaging services' means voice mail and voice storage and retrieval services provided over telephone lines, any live operator services used to record, transcribe, or relay messages (other than telecommunication relay services), and any ancillary services offered in combination with these services."

AMENDMENT NO. 1333

Strike Section 311 (Kerry payphone amendment) in its entirety and insert the following:

SEC. 311. PROVISION OF PAYPHONE SERVICES AND TELEMESSAGING SERVICES.

Part II of title 11 (47 U.S.C. 251 et seq.), as amended by this Act, is amended by adding after section 264 the following new section:

"SEC. 265. PROVISION OF PAYPHONE SERVICES AND TELEMESSAGING SERVICES

"(a) NONDISCRIMINATION SAFEGUARDS.—On the date that the regulations issued pursuant to subsection (b) take effect, any Bell operating company that provides payphone services or telemessaging services——

"(1) shall not subsidize its payphone services or telemessaging services directly or indirectly with revenue from its telephone exchange services or its exchange access services; and

"(2) shall not prefer or discriminate in favor of its payphone services or 13 telemessaging services.

"(b) REGULATIONS.—

(1) In order to promote competition among payphone service providers and promote the widespread deployment of payphone services to the benefit of the general public, the Commission shall conduct a rulemaking, with such rulemaking to be concluded not later than six months after the date of enactment of the Act and with such rules as the Commission may adopt in such rulemaking to take effect concurrently no later than nine months after the date of enactment of the Act, in which the Commission shall determine whether:

"(A) To establish a compensation plan to ensure that all payphone services providers are fairly compensated for each and every completed intrastate and interstate call using their payphone, which plan shall take into consideration the payphone provider's demonstrated costs or some other means of determining the value of providing payphone access service, except that emergency calls and telecommunications relay service calls for hearing disabled individuals shall not be subject to such compensation;

"(B) To discontinue the current intrastate and interstate carrier access charge payphone service elements and payments, and all intrastate and interstate payphone subsidies from basic exchange and exchange access revenues;

"(C) To prescribe a set of nonstructural safeguards for Bell operating company payphone service to implement the provisions of paragraphs (1) and (2) of subsection (a), which safeguards shall, at a minimum, include the nonstructural safeguards equal to those adopted in the *Computer Iizquiry-III, CC* Docket No. 90-623 proceeding; and

"(D) To provide for Bell operating company payphone service providers to have the same right that independent payphone providers have to negotiate with the location provider on selecting and contracting with, and, subject to the terms of any agreement with the location provider, to select and contract with the carriers that carry interLATA calls from their payphones, and provide for all payphone service providers to have the right to negotiate with the location provider on selecting and contracting with, and, subject to the terms of any agreement with the location provider, to select and contract with the carriers that carry intraLATA calls from their payphones, provided that nothing in this section or in any regulation adopted by the Commission shall affect any existing contracts between location providers and payphone service providers or interLATA or intraLATA carriers that are in force and effect as of the date of enactment

"(2) PUBLIC INTEREST TELEPHONES.—In the rulemaking conducted pursuant to Paragraph (1), the Commission shall determine whether public interest payphones, which are provided in the interest of public health, safety, and welfare, in locations where there would otherwise not be a payphone, should be maintained, and if so, ensure that such public interest payphones are supported fairly and equitably.

"(c) STATE PREEMPTION.—To the extent that any State requirements are inconsistent with the Commission's regulations adopted in the rulemaking conducted pursuant to subsection (b), the Commission's regulations on such matters shall preempt such State requirements.

"(d) RULEMAKING FOR TELEMESSAGING.—In a separate proceeding, the Commission shall determine whether, to enforce the requirements of this section, it is appropriate to require the Bell operating companies to provide telemessaging services through a separate subsidiary that meets the requirements of Section 252.

"(e) MODIFICATION OF FINAL JUDGMENT.—Notwithstanding any other provision of law, or any prior prohibition or limitation established pursuant to the Modification of Final Judgment, the Commission is directed and authorized to implement this section.

"(f) DEFINITIONS.—As used in the Act:

"(1) the term 'payphone service' means the provision of public or semi-public pay telephones, the provision of inmate telephone in correctional institutions, and ancillary services;

"(2) the term 'telemessaging services' means voice mail and voice storage retrieval services provided over telephone lines, any live operator services used to record, transcribe, or relay messages (other than telecommunication relay services), and ancillary services offered in combination with these services."

AMENDMENT NO. 1334

SEC. 311. PROVISION OF PAYPHONE SERVICE AND TELEMESSAGING SERVICE

Part II of title II (47 U.S.C. 251 et seq.), as added by this Act, is amended by adding after section 264 the following new section:

"SEC. 265. PROVISION OF PAYPHONE SERVICE AND TELEMESSAGING SERVICE.

"(a) NONDISCRIMINATION SAFEGUARDS.—Any Bell operating company that provides payphone service or telemessaging service—

"(1) shall not subsidize its payphone service or telemessaging service directly or indirectly with revenue from its telephone exchange service or its exchange access service; and

"(2) shall not prefer or discriminate in favor of its payphone service or telemessaging service.

"(b) DEFINITIONS.—As used in this section—

"(1) The term 'payphone service' means the provision of telecommunications service through public or semi-public pay telephones, and includes the provision of service to inmates in correctional institutions.

"(2) The term 'telemessaging service' means voice mail and voice storage and retrieval services, any live operator services used to record, transcribe, or relay messages (other than telecommunications relay services), and any ancillary services offered in combination with these services.

"(c) REGULATIONS.—Not later than 9 months after the date of enactment of the Telecommunications Act of 1995, the Commission shall complete a rulemaking proceeding to prescribe regulations to carry out this section and [determine whether to] adopt a per call compensation system to provide fair compensation for all payphone providers that applies to local exchange carriers once payphone service is removed from the regulated accounts of local exchange carriers. In that rulemaking proceeding, the Commission shall determine whether, in order to enforce the requirements of this section, it is appropriate to adopt regulations to require the Bell operating companies to provide payphone service or telemessaging service through a separate subsidiary that meets the requirements of section 252, allow the Bell operating companies to choose the interLATA carrier from Bell operating company payphones, and adopt other regulations to carry out the purposes of this Section. The rules adopted pursuant to this subsection shall take effect concurrently.".

KERREY AMENDMENT NO. 1335

Mr. KERREY proposed an amendment to the bill S. 652, supra; as follows:

On page 94, strike out line 16 and all that follows page 94, line 23, and insert in lieu thereof the following:

"(B) providing—

"(i) a telecommunications service, using the transmission facilities of a cable system that is an affiliate of such company, between LATAs within a cable system franchise area in which such company is not, on the date of enactment of the Telecommunications Act of 1995, a provider of wireline telephone exchange service, or

"(ii) two-way interactive video services or Internet services over dedicated facilities to or for elementary and secondary schools as defined in section 264(d),"

FEINSTEIN AMENDMENT NO. 1336

(Ordered to lie on the table.)

Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 652, supra; as follows:

On page 136, below line 21, add the following:

SEC. 312. CABLE EQUIPMENT COMPATIBILITY.

(a) FINDINGS.—Subsection (a) of section 624A (47 U.S.C. 544A) is amended—

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

(2) by striking the period at the end of paragraph (3) and inserting in lieu thereof "; and"; and

(3) by adding at the end the following:

"(4) compatibility among televisions, video cassette recorders, and cable systems can be assured with narrow technical standards that mandate a minimum degree of common design and operation, leaving all features, functions, protocols, and other product and service options for selection through open competition in the market.".

(b) RULEMAKING REQUIREMENTS.—Subsection (c) of such section is amended—

(1) in paragraph (1)—

(A) by redesignating subparagraphs (A) and (B) as subparagraphs (B) and (C), respectively; and

(B) by inserting before subparagraph (B), as so redesignated, the following new subparagraph (A):

"(A) the need to maximize open competition in the market for all features, functions, protocols, and other products and service options of converter boxes and other cable converters unrelated to the descrambling or decryption of cable television signals;"; and

(2) in paragraph (2)—

(A) by redesignating subparagraphs (D) and (E) as subparagraphs (E) and (F), respectively; and

(B) by inserting after subparagraph (C) the following new subparagraph (D):

"(D) to ensure that any standards or regulations developed under the authority of this section to ensure compatibility between television, video cassette recorders, and cable systems do not affect features, functions, protocols, and other product and service options (including telecommunications interface equipment, home automation communications, and computer network services) other than those specified in paragraph (1)(B);".

LIEBERMAN AMENDMENT NO. 1337

(Ordered to lie on the table.)

Mr. LIEBERMAN submitted an amendment intended to be proposed by him to the bill S. 652, supra; as follows:

On page 3, strike out line 12 and all that follows through page 4, line 16, and insert in lieu thereof the following:

SEC. 503. RATING CODE FOR VIOLENCE AND OTHER OBJECTIONABLE CONTENT ON TELEVISION.

(a) SENSE OF CONGRESS ON VOLUNTARY ESTABLISHMENT OF RATING CODE.—It is the sense of Congress—

(1) to encourage appropriate representatives of the broadcast television industry and the cable television industry to establish in a voluntary manner rules for rating the level of violence or other objectionable content in television programming, including rules for the transmission by television broadcast stations and cable systems of—

(A) signals containing ratings of the level of violence or objectionable content in such programming; and

(B) signals containing specifications for blocking such programming;

(2) to encourage such representatives to establish such rules in consultation with appropriate public interest groups and interested individuals from the private sector; and

(3) to encourage television broadcasters and cable operators to comply voluntarily with such rules upon the establishment of such rules.

(b) REQUIREMENT FOR ESTABLISHMENT OF RATING CODE.—

(1) IN GENERAL.—If the representatives of the broadcast television industry and the cable television industry do not establish the rules referred to in subsection (a)(1) by the end of the 1-year period beginning on the date of the enactment of this Act, there shall be established on the day following the end of that period a commission to be known as the Television Rating Commission (hereafter in this section referred to as the "Television Commission"). The Television Commission shall be an independent establishment in the executive branch as defined under section 104 of title 5, United States Code.

(2) MEMBERS.—

(A) IN GENERAL.—The Television Commission shall be composed of 5 members, of whom—

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

(ii) two shall be representatives of the broadcast television industry and the cable television industry.

(B) NOMINATION.—Individuals shall be nominated for appointment under subparagraph (A)(1) not later than 60 days after the date of the establishment of the Television Commission.

(D) TERMS.—Each member of the Television Commission shall serve until the termination of the commission.

(E) VACANCIES.—A vacancy on the Television Commission shall be filled in the same manner as the original appointment.

(2) DUTIES OF TELEVISION COMMISSION.—The Television Commission shall establish rules for rating the level of violence or other objectionable content in television programming, including rules for the transmission by television broadcast stations and cable systems of—

(A) signals containing ratings of the level of violence or objectionable content in such programming; and

(B) signals containing specifications for blocking such programming.

(3) COMPENSATION OF MEMBERS.—

(A) CHAIRMAN.—The Chairman of the Television Commission shall be paid at a rate equal to the daily equivalent of the minimum annual rate of basic pay payable for level IV of the Executive Schedule under section 5314 of title 5, United States Code, for each day (including traveltime) during which the Chairman is engaged in the performance of duties vested in the commission.

(B) OTHER MEMBERS.—Except for the Chairman who shall be paid as provided under subparagraph (A), each member of the Television Commission shall be paid at a rate

equal to the daily equivalent of the minimum annual rate of basic pay payable for level V of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including traveltime) during which the member is engaged in the performance of duties vested in the commission.

(4) STAFF.—

(A) IN GENERAL.—The Chairman of the Television Commission may, without regard to the civil service laws and regulations, appoint and terminate an executive director and such other additional personnel as may be necessary to enable the commission to perform its duties. The employment of an executive director shall be subject to confirmation by the commission.

(B) COMPENSATION.—The Chairman of the Television Commission may fix the compensation of the executive director and other personnel without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay for the executive director and other personnel may not exceed the rate payable for level V of the Executive Schedule under section 5316 of such title.

(5) CONSULTANTS.—The Television Commission may procure by contract, to the extent funds are available, the temporary or intermittent services of experts or consultants under section 3109 of title 5, United States Code. The commission shall give public notice of any such contract before entering into such contract.

(6) FUNDING.—Funds for the activities of the Television Commission shall be derived from fees imposed upon and collected from television broadcast stations and cable systems by the Federal Communications Commission. The Federal Communications Commission shall determine the amount of such fees in order to ensure that sufficient funds are available to the Television Commission to support the activities of the Television Commission under this subsection.

BROWN AMENDMENT NO. 1338

(Ordered to lie on the table.)

Mr. BROWN submitted an amendment intended to be proposed by him to the bill S. 652, supra; as follows:

On page 82, line 23, beginning with the word "after", delete all that follows through the word "services" on line 2, page 83 and insert therein the following: "to the extent approved by the Commission and the Attorney General".

On page 88, line 17, after the word "Commission", add the words "and Attorney General".

On page 89, beginning with the word "before" on line 9, strike all that follows through line 15.

On page 90, line 10, replace "(3)" with "(C)"; after the word "Commission" on line 17, add the words "or Attorney General"; and after the word "Commission" on line 19, add the words "and Attorney General". On page 90, after line 13, add the following paragraphs:

"(4) DETERMINATION BY ATTORNEY GENERAL.—

(A) REVISED STANDARD.—Notwithstanding the standard of approval set forth in subparagraph (C) of section 255(c)(2) of the Communications Act of 1934, as added by section 221(a) of this Act, the Attorney General shall approve an authorization requested in an application referred to in that subparagraph unless the Attorney General finds that there is a dangerous probability that the Bell operating company covered by the application or its affiliates would successfully use market power to impede competition in the market such company seeks to enter.

(B) DEADLINE FOR APPROVAL.—Notwithstanding any provision of section 225(c) of the Communications Act of 1934, as so added, if the Attorney General does not approve or deny an application referred to in paragraph (1) of that section within 90 days of its submittal to the Attorney General, the application shall be deemed approved by the Attorney General.

"(C) PUBLICATION.—Not later than 10 days after issuing a determination under paragraph (4), the Attorney General shall publish the determination in the Federal Register."

On page 91, line 1, after the word "Commission" add the words "or the Attorney General".

GRAMM AMENDMENT NO. 1339

(Ordered to lie on the table.)

Mr. GRAMM submitted an amendment intended to be proposed by him to the bill S. 652, supra; as follows:

Strike section 206(f)(3), and insert in lieu thereof the following:

"(3) AVAILABILITY OF AUDITOR'S REPORT.—The auditor's report shall be provided to the State commission within 180 days after the selection of the auditor, and provided to the public utility company 60 days thereafter."

BOXER (AND LEVIN) AMENDMENT NO. 1340

(Ordered to lie on the table.)

Mrs. BOXER (for herself and Mr. LEVIN) submitted an amendment intended to be proposed by them to the bill S. 652, supra; as follows:

On page 71, between lines 2 and 3, insert the following:

(d) PRESERVATION OF BASIC TIER SERVICE.—Section 623 (47 U.S.C. 543) is further amended by adding at the end the following:

"(n) PRESERVATION OF BASIC TIER SERVICE.—A cable operator may not cease to furnish as part of its basic service tier any programming that is part of such basic service tier on January 1, 1995, unless the franchising authority for the franchise area concerned approves the action.".

DOLE AMENDMENT NO. 1341

(Ordered to lie on the table.)

Mr. DOLE submitted an amendment intended to be proposed by him to the bill S. 652, supra; as follows:

On page 70, beginning with line 22, strike through line 2 on page 71.

KERRY AMENDMENT NO. 1342

(Ordered to lie on the table.)

Mr. KERRY submitted an amendment intended to be proposed by him to the bill S. 652, supra; as follows:

On page 146, strike line 14 and insert in lieu the following: "cency, or nudity".

This section shall not become effective unless the Commission shall prohibit any telecommunications carrier from excluding from any of such carrier's services any high-cost area, or any area on the basis of the rural location or the income of the residents of such area; provided that a carrier may exclude an area in which the carrier can demonstrate that—

(1) providing a service to such area will be less profitable for the carrier than providing the service in areas to which the carrier is already providing or has proposed to provide the service; and—

(2) there will be insufficient consumer demand for the carrier to earn some return over the long term on the capital invested to provide such service to such area.

The Commission shall provide for public comment on the adequacy of the carrier's proposed service area on the basis of the requirements of this section.

DORGAN AMENDMENT NO. 1343

(Ordered to lie on the table.)

Mr. DORGAN submitted an amendment intended to be proposed by him to the bill S. 652, supra; as follows:

On page 93, after line 12, insert the following:

"(6) NOTIFICATION OF ATTORNEY GENERAL.—

"(A) NOTIFICATION.—The Commission shall immediately notify the Attorney General of any approval of an application under paragraph (1).

"(B) ACTION BY ATTORNEY GENERAL.—Upon notification of an approval of an application under paragraph (1), the Attorney may commence an action in any United States District Court if—

"(i) the Attorney General determines that the authorization granted by the Commission may substantially lessen competition or tend to create a monopoly; or

"(ii) the Attorney General determines that the authorization granted by the Commission is inconsistent with any recommendation of the Attorney General provided to the Commission pursuant to paragraph (2) of this section.

"The commencement of such an action shall stay the effectiveness of the Commission's approval unless the court shall otherwise specifically order.

"(C) STANDARD OF REVIEW.—In any such action, the court shall review de novo the issues presented. The court may only uphold the Commission's authorization if the court finds that the effect of such authorization will not be substantially to lessen competition or to tend to create a monopoly in any line of commerce in any section of the country. The court may uphold all or part of the authorization."

KERREY AMENDMENTS NOS. 1344–1345

(Ordered to lie on the table.)

Mr. KERREY submitted two amendments intended to be proposed by him to the bill S. 652, supra; as follows:

AMENDMENT NO. 1344

On page 37, line 7, insert after "service." the following: "In addition to the members of the Joint Board required under such section 410(c), one member of the Joint Board shall be an appointed utility consumer advocate of a State who is nominated by a national organization of State utility consumer advocates.".

AMENDMENT NO. 1345

On page 37, on line 7, after "service.", insert: "In addition to the members required under section 410(c) of the Communications Act of 1934, one member of the Joint Board shall be a State-appointed utility consumer

advocate nominated by a national organization of State utility consumer advocates."

HEFLIN AMENDMENT NO. 1346

(Ordered to lie on the table.)

Mr. HEFLIN submitted an amendment intended to be proposed by him to the bill S. 652, supra; as follows:

At the appropriate place in the bill, insert the following:

SEC. . AUTHORITY TO ACQUIRE CABLE SYSTEMS.

(a) IN GENERAL.—Notwithstanding the provisions of section 613(b)(b)(6) of the Communications Act of 1934, as added by section 213(a) of this Act, or any other provision of law, a local exchange carrier (or any affiliate of such carrier owned by, operated by, controlled by, or under common control with such carrier) may obtain a controlling interest in, management interest in, or enter into a joint venture or partnership with any cable system described in subsection (b).

(b) COVERED CABLE SYSTEMS.—Subsection (a) applies to any cable system that serves incorporated or unincorporated places or territories having fewer than 50,000 inhabitants if more than——percent the subscriber base of such system serves individuals living outside an urbanized area, as defined by the Bureau of the Census.

(c) DEFINITION.—For purposes of this section, the term "local exchange carrier" has the meaning given such term in section 3(kk) of the Communications Act of 1934, as added by section 8(b) of this Act.

LIEBERMAN AMENDMENT NO. 1347

Mr. LIEBERMAN proposed an amendment to amendment No. 1275 proposed by Mr. CONRAD to the bill S. 652, supra; as follows:

On page 3, strike out line 12 and all that follows through page 4, line 16, and insert in lieu thereof the following:

SEC. 503. RATING CODE FOR VIOLENCE AND OTHER OBJECTIONABLE CONTENT ON TELEVISION.

(a) SENSE OF CONGRESS ON VOLUNTARY ESTABLISHMENT OF RATING CODE.—It is the sense of Congress—

(1) to encourage appropriate representatives of the broadcast television industry and the cable television industry to establish in a voluntary manner rules for rating the level of violence or other objectionable content in television programming, including rules for the transmission by television broadcast stations and cable systems of—

(A) signals containing ratings of the level of violence or objectionable content in such programming; and

(B) signals containing specifications for blocking such programming;

(2) to encourage such representatives to establish such rules in consultation with appropriate public interest groups and interested individuals from the private sector; and

(3) to encourage television broadcasters and cable operators to comply voluntarily with such rules upon the establishment of such rules.

(b) REQUIREMENT FOR ESTABLISHMENT OF RATING CODE.—

(1) IN GENERAL.—If the representatives of the broadcast television industry and the cable television industry do not establish the rules referred to in subsection (a)(1) by the end of the 1-year period beginning on the date of the enactment of this Act, there shall be established on the day following the end of that period a commission to be known as the Television Rating Commission (hereafter in this section referred to as the "Television Commission"). The Television Commission shall be an independent establishment in the executive branch as defined under section 104 of title 5, United States Code.

(2) MEMBERS.—

(A) IN GENERAL.—The Television Commission shall be composed of 5 members, of whom—

(i) three shall be appointed by the President, as representatives of the public by and with the advice and consent of the Senate; and

(ii) two shall be appointed by the President, as representatives of the broadcast television industry and the cable television industry, by and with the advice and consent of the Senate;

(B) NOMINATION.—Individuals shall be nominated for appointment under subparagraph (A)(i) not later than 60 days after the date of the establishment of the Television Commission.

(D) TERMS.—Each member of the Television Commission shall serve until the termination of the commission.

(E) VACANCIES.—A vacancy on the Television Commission shall be filled in the same manner as the original appointment.

(2) DUTIES OF TELEVISION COMMISSION.—The Television Commission shall establish rules for rating the level of violence or other objectionable content in television programming, including rules for the transmission by television broadcast stations and cable systems of—

(A) signals containing ratings of the level of violence or objectionable content in such programming; and

(B) signals containing specifications for blocking such programming.

(3) COMPENSATION OF MEMBERS.—

(A) CHAIRMAN.—The Chairman of the Television Commission shall be paid at a rate equal to the daily equivalent of the minimum annual rate of basic pay payable for level IV of the Executive Schedule under section 5314 of title 5, United States Code, for each day (including traveltime) during which the Chairman is engaged in the performance of duties vested in the commission.

(B) OTHER MEMBERS.—Except for the Chairman who shall be paid as provided under subparagraph (A), each member of the Television Commission shall be paid at a rate equal to the daily equivalent of the minimum annual rate of basic pay payable for level V of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including traveltime) during which the member is engaged in the performance of duties vested in the commission.

(4) STAFF.—

(A) IN GENERAL.—The Chairman of the Television Commission may, without regard to the civil service laws and regulations, appoint and terminate an executive director and such other additional personnel as may be necessary to enable the commission to perform its duties. The employment of an executive director shall be subject to confirmation by the commission.

(B) COMPENSATION.—The Chairman of the Television Commission may fix the compensation of the executive director and other personnel without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay for the executive director and other personnel may not exceed the rate payable for level V of the Executive Schedule under section 5316 of such title.

(5) CONSULTANTS.—The Television Commission may procure by contract, to the extent funds are available, the temporary or intermittent services of experts or consultants under section 3109 of title 5, United States Code. The commission shall give public notice of any such contract before entering into such contract.

(6) FUNDING.—Funds for the activities of the Television Commission shall be derived from fees imposed upon and collected from television broadcast stations and cable systems by the Federal Communications Commission. The Federal Communications Commission shall determine the amount of such fees in order to ensure that sufficient funds are available to the Television Commission to support the activities of the Television Commission under this subsection.

BUMPERS (AND DASCHLE) AMENDMENT NO. 1348

Mr. BUMPERS (for himself and Mr. DASCHLE) proposed an amendment to the bill S. 652, supra as follows:

On page 76 after line 10, insert the following new subsection: "AUTHORITY TO DISALLOW RECOVERY OF CERTAIN COSTS.—Section 318 of the Federal Power Act (16 U.S.C. 825q) is amended—

(A) by inserting "(a)" after "Sec. 318."; and

(B) by adding at the end of thereof the following:

"(b)(1) The Commission shall have the authority to disallow recovery in jurisdictional rates of any costs incurred by a public utility pursuant to a transaction that has been authorized under section 13(b) of the Public Utility Holding Company Act of 1935, including costs allocated to such public utility in accordance with paragraph (d), if the Commission determines that the recovery of such costs is unjust, unreasonable, or unduly preferential or discriminatory under sections 205 or 206 of this Act.

"(2) Nothing in the Public Utility Holding Company Act of 1935, or any actions taken thereunder, shall prevent a State Commission from exercising its jurisdiction to the extent otherwise authorized under applicable law with respect to the recovery of a public utility in its retail rates of costs incurred by such public utility pursuant to a transaction authorized by the Securities and Exchange Commission under section 13(b) between an associate company and such public utility, including costs allocated to such public utility in accordance with paragraph (d).

"(c) In any proceeding of the Commission to consider the recovery of costs described in subsection (b)(1), there shall be a rebuttable presumption that such costs are just, reasonable, and not unduly discriminatory or preferential within the meaning of this Act.

"(d)(1) In any proceeding of the Commission to consider the recovery of costs, the Commission shall give substantial deference to an allocation of charges for services, construction work, or goods among associate companies under section 13 of the Public Utility Holding Company Act of 1935, whether made by rule, regulation, or order of the Securities Exchange Commission prior to or following the enactment of the Telecommunications Competition and Deregulation Act of 1995.

"(2) If the Commission pursuant to paragraph (1) establishes an allocation of charges that differ from an allocation established by the Securities and Exchange Commission

with respect to the same charges, the allocation established by the Federal Energy Regulatory Commission shall be effective 12 months from the date of the order of the Federal Energy Regulatory Commission establishing such allocation, and binding on the Securities and Exchange Commission as of that date.

"(e) An allocation of charges for services, construction work, or goods among associate companies under section 13 of the Public Utility Holding Company Act of 1935, whether made by rule, regulation, or order of the Securities and Exchange Commission prior to or following enactment of the Telecommunications Competition and Deregulation Act of 1995, shall prevent a State Commission from using a different allocation with respect to the assignment of costs to any associate company.

"(f) Subsection (b) shall not apply—

"(1) to any cost incurred and recovered prior to July 15, 1994, whether or not subject to refund or adjustment;

"(2) to any uncontested settlement approved by the Commission or State Commission prior to the enactment of the Telecommunications Competition and Deregulation Act of 1995"; or

"(3) to any cost incurred and recovered prior to September 1, 1994 pursuant to a contract or other arrangement for the sale of fuel from Windsor Coal Company or Central Ohio Coal Company which has been the subject of a determination by the Securities and Exchange Commission prior to September 1, 1994, or any cost prudently incurred after that date pursuant to such a contract or other such arrangement before January 1, 2001.".

SIMON (AND OTHERS) AMENDMENT NO. 1349

Mr. SIMON (for himself, Mr. DOLE, and Mr. PRESSLER) proposed an amendment to the bill S. 652, supra, as follows:

At the appropriate place add the following:

SEC. . FINDINGS.

The Senate finds that—

Violence is a pervasive and persistent feature of the entertainment industry. According to the Carnegie Council on Adolescent Development, by the age of 18, children will have been exposed to nearly 18,000 televised murders and 800 suicides.

Violence on television is likely to have a serious and harmful effect on the emotional development of young children. The American Psychological Association has reported that children who watch "a large number of aggressive programs tend to hold attitudes and values that favor the use of aggression to solve conflicts." The National Institute of Mental health has stated similarly that "violence on television does lead to aggressive behavior by children and teenagers."

The Senate recognizes that television violence is not the sole cause of violence in society.

There is a broad recognition in the U.S. Congress that the television industry has an obligation to police the content of its own broadcasts to children. That understanding was reflected in the Television Violence Act of 1990, which was specifically designed to permit industry participants to work together to create a self-monitoring system.

After years of denying that television violence has any detrimental effect, the entertainment industry has begun to address the problem of television violence. In the Spring of 1994, for example, the network and cable industries announced the appointment of an independent monitoring group to assess the amount of violence on television. These reports are due out in the Fall of 1995 and Winter of 1996, respectively.

The Senate recognizes that self-regulation by the private sector is generally preferable to direct regulation by the federal government.

SEC. . SENSE OF THE SENATE.

It is the Sense of the Senate that the entertainment industry should do everything possible to limit the amount of violent and aggressive entertainment programming, particularly during the hours when children are most likely to be watching.

EXON (AND OTHERS) AMENDMENT NO. 1350

Mr. PRESSLER (for Mr. EXON, for himself, Mr. DORGAN, and Mr. BYRD) proposed an amendment to the bill, S. 652, supra; as follows:

On page 49, line 15 after "Government (or its representative)" add the following: "provided that the President does not object within 15 days of such determination"

On page 50 between line 14 and 15 insert the following:

"(c) THE APPLICATION OF THE EXON-FLORIO LAW.—Nothing in this section (47 U.S.C. 310) shall limit in any way the application of 50 U.S.C. App. 2170 (the Exon-Florio law) to any transaction."

BYRD (AND EXON) AMENDMENT NO. 1351

Mr. PRESSLER (for Mr. BYRD, for himself and Mr. EXON) proposed an amendment to the bill S. 652, supra; as follows:

On page 1 of the amendment, line 4, strike out "determination." and insert in lieu thereof the following: "determination. If the President objects to a determination, the President shall, immediately upon such objection, submit to Congress a written report (in unclassified form, but with a classified annex if necessary) that sets forth a detailed explanation of the findings made and factors considered in objecting to the determination."

On page 49, line 17, insert after the period the following: "While determining whether such opportunities are equivalent on that basis, the Commission shall also conduct an evaluation of opportunities for access to all segments of the telecommunications market of the applicant."

LIEBERMAN AMENDMENTS NOS. 1352–1353

(Ordered to lie on the table.)

Mr. LIEBERMAN submitted two amendments intended to be proposed by him to an amendment to the bill, S. 652, supra, as follows:

AMENDMENT NO. 1352

Strike all after the first word in the pending amendment and insert the following:

At the appropriate place, insert the following new section:

SEC. . DETERMINATION OF REASONABLENESS OF CABLE RATES.

(a) COMMISSION CONSIDERATION.—Notwithstanding any other provision of this Act or section 623(c), as amended by this Act, for purposes of section 623(c), the Commission may only consider a rate for cable programming services to be unreasonable if it substantially exceeds the national average rate for comparable programming services in cable systems subject to effective competition.

(b) RATES OF SMALL CABLE COMPANIES.—

(1) IN GENERAL.—Notwithstanding any other provision of this Act or the amendments made by this Act, the regulations prescribed under section 623(c) shall not apply to the rates charged by small cable companies for the cable programming services provided by such companies.

(2) DEFINITION.—As used in this subsection, the term 'small cable company' means the following:

(A) A cable operator whose number of subscribers is less than 35,000.

(B) A cable operator that operates multiple cable systems, but only if the total number of subscribers of such operator is less than 400,000 and only with respect to each system of the operator that has less than 35,000 subscribers.

AMENDMENT NO. 1353

At the end of the amendment, add the following:

At the appropriate place, insert the following new section:

SEC. . DETERMINATION OF REASONABLENESS OF CABLE RATES.

(a) COMMISSION CONSIDERATION.—Notwithstanding any other provision of this Act or section 623(c), as amended by this Act, for purposes of section 623(c), the Commission may only consider a rate for cable programming services to be unreasonable if it substantially exceeds the national average rate for comparable programming services in cable systems subject to effective competition.

(b) RATES OF SMALL CABLE COMPANIES.—

(1) IN GENERAL.—Notwithstanding any other provision of this Act or the amendments made by this Act, the regulations prescribed under section 623(c) shall not apply to the rates charged by small cable companies for the cable programming services provided by such companies.

(2) DEFINITION.—As used in this subsection, the term 'small cable company' means the following:

(A) A cable operator whose number of subscribers is less than 35,000.

(B) A cable operator that operates multiple cable systems, but only if the total number of subscribers of such operator is less than 400,000 and only with respect to each system of the operator that has less than 35,000 subscribers.

BOXER (AND LEVIN) AMENDMENTS NOS. 1354–1355

(Ordered to lie on the table.)

Mrs. BOXER (for herself and Mr. LEVIN) submitted two amendments intended to be proposed by them to an amendment to the bill, S. 652, supra; as follows:

AMENDMENT NO. 1354

Strike all after "(d)" in the pending amendment and insert the following:

PRESERVATION OF BASIC TIER SERVICE.—Section 623 (47 U.S.C. 543) is further amended by adding at the end the following:

"(n) PRESERVATION OF BASIC TIER SERVICE.—A cable operator may not cease to furnish as part of its basic service tier any programming that is part of such basic service

tier on January 1, 1995, unless the franchising authority for the franchise area concerned approves the action. This provision shall expire three (3) years after the date of enactment."

AMENDMENT NO. 1355

At the end of the amendment, add the following; "This provision shall expire three (3) years after the date of enactment."

LEAHY AMENDMENTS NOS. 1356–1358

(Ordered to lie on the table.)

Mr. LEAHY submitted three amendments intended to be proposed by him to an amendment to the bill, S. 652, supra; as follows:

AMENDMENT NO. 1356

On page 1, strike line 7 and all that follows through the end of the amendment and insert the following: "amended by section 204 of this Act, for purposes of section 623(c), the Commission may only consider a rate for cable programming services to be unreasonable if it substantially exceeds the national average rate for comparable programming services in cable systems subject to effective competition.

"(b) RATES OF SMALL CABLE COMPANIES.—

"(1) IN GENERAL.—Notwithstanding any other provision of this Act or the amendments made by this Act, the regulations prescribed under section 623(c) shall not apply to the rates charged by small cable companies for the cable programming services provided by such companies.

"(2) DEFINITION.—As used in this subsection, the term 'small cable company' means the following:

"(A) A cable operator whose number of subscribers in less than 35,000.

"(B) A cable operator that operates multiple cable systems, but only if the total number of subscribers of such operator is less than 400,000 and only with respect to each system of the operator that has less than 35,000 subscribers.".

AMENDMENT NO. 1357

On page 1, strike line 7 and all that follows through the end of the amendment and insert the following: "amended by section 204 of this Act, for purposes of section 623(c), the Commission may only consider a rate for cable programming services to be unreasonable if it substantially exceeds the national average rate for comparable programming services in cable systems subject to effective competition.

"(b) RATES OF SMALL CABLE COMPANIES.—

"(1) IN GENERAL.—Notwithstanding any other provision of this Act or the amendments made by this Act, the regulations prescribed under section 623(c) shall not apply to the rates charged by small cable companies for the cable programming services provided by such companies.

"(2) DEFINITION.—As used in this subsection, the term 'small cable company' means the following:

"(A) A cable operator whose number of subscribers in less than 35,000.

"(B) A cable operator that operates multiple cable systems, but only if the total number of subscribers of such operator is less than 400,000 and only with respect to each system of the operator that has less than 35,000 subscribers.".

AMENDMENT NO. 1358

On page 2, strike out line 3 and all that follows through page 2, line 19, and insert in lieu thereof the following:

(b) RATES OF SMALL CABLE COMPANIES.—Notwithstanding any other provision of this Act or the amendments made by this Act, the regulations prescribed under section 623(c) of the Communications Act of 1934 shall not apply to the rates charged by small cable companies for the cable programming services provided by such companies.

BREAUX AMENDMENTS NOS. 1359–1361

(Ordered to lie on the table.)

Mr. BREAUX submitted three amendments intended to be proposed by him to an amendment to the bill, S. 652, supra; as follows:

AMENDMENT NO. 1359

At the appropriate place add the following:

"Notwithstanding any other provisions of this act.

"(ii) Except for single-LATA States, a State may not require a Bell operating company to implement toll dialing parity in an intra-LATA area before a Bell operating company has been granted authority under this subsection to provide inter-LATA services in that area or before three years after the date of enactment of the Telecommunications Act, whichever is earlier. Nothing in this clause precludes a State from issuing an order requiring toll dialing parity in an intra-LATA area prior to either such date so long as such order does not take effect until after the earlier of either such dates."

AMENDMENT NO. 1360

In the amendment, strike all after the first word and insert the following:

"Notwithstanding any other provisions of this act.

"(ii) Except for single-LATA States, a State may not require a Bell operating company to implement toll dialing parity in an intra-LATA area before a Bell operating company has been granted authority under this subsection to provide inter-LATA services in that area or before three years after the date of enactment of the Telecommunications Act, whichever is earlier. Nothing in this clause precludes a State from issuing an order requiring toll dialing parity in an intra-LATA area prior to either such date so long as such order does not take effect until after the earlier of either such dates."

AMENDMENT NO. 1361

In lieu of the matter proposed to be inserted, insert the following:

"(ii) Except for single-LATA States, a State may not require a Bell operating company to implement toll dialing parity in an intra-LATA area before a Bell operating company has been granted authority under this subsection to provide inter-LATA services in that area or before three years after the date of enactment of the Telecommunications Act, whichever is earlier. Nothing in this clause precludes a State from issuing an order requiring toll dialing parity in an intra-LATA area prior to either such date so long as such order does not take effect until after the earlier of either such dates."

NOTICE OF HEARING

COMMITTEE ON ENERGY AND NATURAL RESOURCES AND COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. MURKOWSKI. Mr. President, along with Senator CHAFEE, I would like to announce for the information of the Senate and the public that a hearing has been jointly scheduled before the Committee on Energy and Natural Resources and the Committee on Environment and Public Works.

The hearing will take place Thursday, June 29, 1995 at 10 a.m. in room SD–366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of this oversight hearing is to receive testimony on the energy and environmental implications of the Komi oil spills in the former Soviet Union.

Those wishing to submit written statements should write to the Committed on Energy and Natural Resources or the Committee on Environment and Public Works, U.S. Senate, Washington, DC 20510. For further information please call Ms. Linda Jordan (Committee on Environment and Public Works) at 202–224–6176 or Mr. Howard Useem (Committee on Energy and Natural Resources) at 202–224–6567.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON AGRICULTURE, NUTRITION AND FORESTRY

Mr. PRESSLER. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be allowed to meet during the session of the Senate on Tuesday, June 13, 1995, at 9:30 a.m., in SR–332, to discuss commodity policy.

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

COMMITTEE ON ARMED SERVICES

Mr. PRESSLER. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet at 10 a.m. on Tuesday, June 13, 1995, in open session, to hold a hearing to consider the nomination of John White to be Deputy Secretary of Defense.

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

COMMITTEE ON COMMERCE, SCIENCE AND TRANSPORTATION

Mr. PRESSLER. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be allowed to meet during the Tuesday, June 13, 1995 session of the Senate for the purpose of conducting a hearing on the nomination of Roberta Gross to be Inspector General of NASA and an oversight hearing on NASA's Mission to Planet Earth program.

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

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. PRESSLER. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Tuesday, June 13, 1995, for purposes of conducting a Full Committee hearing which is

scheduled to begin at 9:30 a.m. The purpose of this hearing is to receive testimony on S. 755, a bill to amend the Atomic Energy Act of 1954 to provide for the privatization of the United States Enrichment Corporation.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. PRESSLER. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, June 13, 1995, at 10:00 a.m.

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

SUBCOMMITTEE ON EAST ASIAN AND PACIFIC AFFAIRS

Mr. PRESSLER. Mr. President, I ask unanimous consent that the Subcommittee on East Asian and Pacific Affairs of the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, June 13, at 2:00 p.m.

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

SUBCOMMITTEE ON SOCIAL SECURITY AND FAMILY POLICY

Mr. PRESSLER. Mr. President, I ask unanimous consent that the Subcommittee on Social Security and Family Policy of the Committee on Finance be permitted to meet on Tuesday, June 13, 1995 beginning at 10:00 a.m. in room SD-215, to conduct a hearing on the business and financial practices of the American Association of Retired Persons.

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

ADDITIONAL STATEMENTS

THE AGREEMENT BY GREAT BRITAIN AND CHINA ON THE ESTABLISHMENT OF HONG KONG'S COURT OF FINAL APPEAL

• Mr. MACK. Mr. President, the agreement reached last week by British and Chinese negotiators for a new Court of Final Appeal in Hong Kong is a grave setback to the rule of law in the territory. The deal violates the 1984 Sino-British Joint Declaration and its guarantees for Hong Kong's legal system by building on the 1991 secret deal on the Court, and using the 1990 Basic Law to make end runs around the Joint Declaration. In reaching this deal, the British side also conceded on the important matter of an early establishment of the court to prevent a gap in appellate jurisdiction in the colony during the transition from London's Privy Council to the new high court. Governor Patten claims that it was worth waiting until July 1, 1997, for the court to begin its work in exchange for an agreement. But this is really just postponement of a bad deal.

Under the Joint Declaration, Hong Kong's courts are vested with the judicial power, including the power of final adjudication. Also, under the Joint Declaration, judicial independence is explicitly guaranteed, and the elected legislature must confirm appointments to the Court of Final Appeal. Each of these explicit promises made in the Joint Declaration, signed in 1984 by Margaret Thatcher and Zhao Ziyang, is expressly violated in last week's deal.

I would like to address one aspect of the deal specifically—the provision under which Hong Kong's courts will, after 1997, be prevented from hearing and adjudicating matters known as "acts of state." I specifically wish to address this because British and Hong Kong government officials are quietly advising that the act of state doctrine is extremely complicated and arcane. In effect, they are saying: "Don't try and understand it." That is offensive.

The "acts of state" doctrine is not difficult to understand. In the common law, it is a well-known and narrow category involving actions by one sovereign vis-à-vis another, such as a declaration of war, or a treaty. The last such case arose in Hong Kong in 1947.

Under the terms of the agreement, Hong Kong's courts will be restricted from adjudicating "acts of state" as defined in the Basic Law of the Hong Kong Special Administrative Region. Beijing passed the Basic Law, often referred to as the colony's post-1997 constitution in 1990. The Basic Law contains numerous and substantial violations of the Joint Declaration, yet the uncritical acceptance of the document by Great Britain has allowed the Basic Law to play an insidious role in the transition to PRC rule.

Great Britain and the PRC have now agreed that Article 19 of the Basic Law will define the jurisdiction of Hong Kong courts. Article 19 provides that "acts of state such as defence and foreign affairs" will be outside the courts' jurisdiction. The deliberate ambiguity of this formulation leaves the matter up to Beijing which has already assigned the power of interpreting the Basic Law to the Standing Committee of the National People's Congress rather than Hong Kong's courts. The Basic Law's definition of acts of state now endorsed by the British government of Hong Kong is vague and will, without a doubt, be used by the People's Republic of China to deny Hong Kong's courts the ability to hear and adjudicate challenges to the Beijing-appointed government after 1997.

Both Britain and the People's Republic of China made specific and detailed commitments to preserving Hong Kong's legal system after 1997. In recent years, China has made its intentions regarding those commitments crystal clear: it will not honor them. Britain has been more subtle, styling itself as a defender of Hong Kong while engaging in diplomatic backsliding.

Great Britain's failure to meet its commitments regarding the rule of law will irreparably damage its historical legacy in the colony. I hope that in light of the strong criticism and concern that have been expressed at the announcement of this deal, Great Britain will revise its legislation on the Court of Final Appeal to make it consistent with the Joint Declaration. Furthermore, Great Britain and the Hong Kong government should move with speed and conviction to repeal colonial laws and establish an official human rights commission.•

ORDERS FOR WEDNESDAY, JUNE 14, 1995

Mr. COCHRAN. Mr. President, at the request of the majority leader, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 9 a.m. on Wednesday, June 14, 1995; that following the prayer the Journal of proceedings be deemed approved to date, the time for the two leaders be reserved for their use later in the day, and there then be a period for morning business until the hour of 9:30 a.m., with the 30 minutes equally divided between Senators MACK and BRADLEY; further, that at the hour of 9:30 a.m. the Senate resume consideration of S. 652, the telecommunications bill, and there be 20 minutes for debate on the Feinstein amendment to be equally divided in the usual form, to be followed immediately by a vote on or in relation to the Feinstein amendment No. 1270, to be followed by a vote on or in relation to the Gorton amendment No. 1277, to be followed by a vote on the motion to invoke cloture on S. 652, with the mandatory live quorum waived.

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

ORDER TO FILE SECOND-DEGREE AMENDMENTS

Mr. COCHRAN. I now ask unanimous consent that notwithstanding the provisions of rule XXII, all Members have until the hour of 9:30 a.m. in order to file second-degree amendments to S. 652.

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

PROGRAM

Mr. COCHRAN. For the information of my colleagues, there will be three consecutive rollcall votes beginning at 9:50 tomorrow morning. The third vote in the order is the motion to invoke cloture. If cloture is invoked, it is the intention of the majority leader to stay in session late into the evening on Wednesday with votes in order to complete action on the bill.

ORDER FOR RECESS

Mr. COCHRAN. If there be no further business to come before the Senate, I

now ask unanimous consent that the Senate stand in recess under the previous order following the remarks of Senator SANTORUM.

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

Mr. SANTORUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SANTORUM. I thank the Chair. I appreciate the Senator from Mississippi providing this time for me.

THE PRESIDENT'S BALANCED BUDGET

Mr. SANTORUM. I rise to keep vigil with the President on his plans to introduce a balanced budget under the same circumstances that we had to in the Senate, with precise cuts, precise reductions in the rate of growth in some programs, changes in the tax law that would get us to a balanced budget.

Just a few minutes ago, the President concluded what he termed —this is from the White House press release—The President's Economic Plan: A Balanced Budget That Puts People First.

He just concluded a minute or two ago. Obviously, I was here on the Senate floor. I was not able to see the actual address, but I have before me—I feel like Johnny Carson—I have before me the actual press release that outlines how he is going to get to a balanced budget over 10 years. Now, it is interesting that he is going to take it over a 10-year period. You would think that balancing the budget over a 10-year period would make it easier to balance the budget in the longer time to do it. That is not the case, however. Because of the demographic trends in our society and the entitlement nature of a lot of Government programs we have, spending actually kicks up higher and goes up faster in the years 2003, 2004, and 2005, those last 3 years of the 10-year budget, and therefore it is actually harder to get to a balanced budget over a 10-year period. In fact, while it takes under our proposal here that passed the Senate roughly $1.2 trillion in spending cuts and interest savings to get to a balanced budget in 7 years, it takes about $1.6 trillion in spending cuts and interest savings to get to a balanced budget over 10 years. So of this $1.6 trillion, what does the President come up with? Well, here are the specifics.

And before I put this number up, we have had 25 days, counting yesterday, 25 days with no proposal to balance the budget from President Clinton. Now, we are waiting to see whether I have to put 26 up or whether the proposal put forward by the President tonight meets the straight-face test, whether the President actually has put forward a budget that accomplishes balance. This is the operative word—balance the budget, not plan for economic future, not Putting People First but balance the budget in 10 years.

So we are going to withhold judgment for now as to whether the President with the specifics he has offered tonight balances the budget. That is not to say that once he releases his document, which I am sure they are working on feverishly over at the White House, once they release this document and have all the specifics down that we will not give the President credit, but all we have is the information presented to us at this time, and since the Senate is recessing we have to go only by the information that the President provided us. So we will hold 26 here for a minute.

Here is what the President has provided in his plan. First steps toward health care reform while strengthening the Medicare trust fund—strengthening, not solving the problems with the Medicare trust fund. The President's plan calls for half the Medicare savings of the Republican plans ($130 billion).

For those of you who do not have calculators at home, do not worry. I will in fact be keeping track of the savings here, and I will make sure we add them up and we do get the numbers the President needs to balance the budget.

So it is $130 billion in savings for the President for Medicare cuts, but there would be no beneficiary cuts. He does not explain how he does that, but he suggests that he can do it without cutting beneficiaries. Fine, $130 billion in deficit reduction.

Second is $55 billion in Medicaid cuts. Again, that is a third of the level of what the Republicans proposed in our budgets. That is $55 billion plus $130 billion for the President.

Then he goes on and talks about protecting investment in education and training. That is paragraph 2 here in his press release. And he says, "The President's plan puts people first by preserving investments in education and training, with significant increases in Head Start, Goals 2000, AmeriCorps, student aid, a new GI bill of rights for workers that increases training through skill grants, and a $10,000 education tax deduction."

Now, there is nothing in here that reduces the deficit. In fact, everything in here increases the deficit and increases spending. We do not know how much, though. He does not tell us exactly how much. All we know is that there are increases in spending in the President's budget that look to be, with a $10,000 education tax deduction, potentially a significant amount of money, but again we do not know, we do not know whether any of these are new entitlements and how they will grow in the next 10 years. But we do see, I suggest, significant increases here, but we cannot account for those.

Next is a tax cut targeted only to working families. Again, no deficit reduction here. We are talking about the President's middle-income tax cut which he has proposed, which is the education deduction, tax credit for children and expanded IRA's.

Under the President's original proposal when he proposed his budget in February, that plan cost about $65 billion over 5 years. Over 10 years, that number, you would think, would be double that but, in fact, because of the way it is back-end loaded—he back-end loads that tax cut—it is actually dramatically more. We do not have a score in on that, but I suspect it is at least $150 billion, or more, in costs.

So on the one side you have $130 billion—try to keep this in your mind—on Medicare, $55 billion on Medicaid, and on the other side you have a questionable amount of money on education and about $150 billion plus in tax cuts. OK? This is not exactly the straight road to a balanced budget, but we are not done yet.

No. 3, components of savings for the balanced budget. Here is where we really get down to the brass tacks and get serious about balancing the budget. He restates his Medicare and Medicaid savings. I hope he does not count them twice because they appear twice in this document, but they are here for repetition sake. Welfare reform has savings of $35 billion—$35 billion. That now goes on the cut side, and we add that to the $130 billion and $55 billion. By the way, that is half of what the Republicans have proposed in the budget resolution that passed the Senate.

Corporate contributions of $25 billion over 7 years through a bipartisan effort to close corporate loopholes, special interest tax breaks and unwarranted corporate subsidies. OK, that is another $25 billion on the tax-increase side, but deficit reduction side.

Now we go to the last page of these three pages. Other than education, research and selected investments in the environment and other areas, domestic discretionary spending is cut by over 20 percent in real terms near the end of the plan—near the end of the plan.

So what he is suggesting is that over 10 years, we will take the number of about, I think it is, $270 billion today is what we spend on discretionary spending overall. Obviously, a chunk of that is education and other things he says is taken off the sheet and says we are not going to cut that. I do not know how much that is. I am working off the back of an envelope here. You might not be able to tell that.

We have a number less than $270 billion that he is going to reduce by 20 percent over 10 years. So we are going to get from $270 billion roughly down to $215 billion over 10 years.

The Republicans, in their budget, I think, get down to over 7 years about $225 billion. So they only take it down a little more than where the Republicans already had it, which is not a substantial savings. I do not know how they do that. I would suspect you are going to see savings generally in the

area of around $75 billion overall. So we will give him that amount of money roughly, although we do not know the specifics. I think that is a generous allocation.

Finally, defense outlays in the President's plan are above both the House and Senate levels. Let me repeat that. Defense outlays in the President's plan are above both the House and Senate levels in fiscal year 2002. So he is talking about higher defense spending than what we passed here. Yet, savings are achieved by keeping budget authority constant from 2002 to 2005. In other words, we are going to spend more money the first 7 years but less money the last 3 years, and that will offset the spending here.

What it sounds like is defense is a wash. In other words, we are not going to spend any more or less; there is no real reduction in spending in defense. So how do these numbers add up, because that is it, there are no more specifics on how the President gets to a balanced budget.

I remind you, going back to the beginning of this talk, the President, in order to balance the budget, has to come up with spending cuts and interest savings that total $1.6 trillion over 10 years, and they have to be scored by someone other than someone who is working for the Democratic National Committee, someone who is independent, like the Congressional Budget Office, to look at this and score it as to whether these are real: $1.6 trillion, specified cuts in the Clinton bill—specified—$245 billion out of $1.6 trillion, $245 billion are specified.

Another $75 billion, I figured out, in discretionary spending could be cut. That is a rough estimate. So we will give the President the benefit of the doubt of $315 billion in spending cuts and offset that with at least $150 billion in increases because of his tax cut, which gives you a net of about $165 billion.

Tonight, the President of the United States went on national television for 5 minutes with a plan that he submitted—here—to all of us and gave us a little cheat sheet on what he was going to talk about that cuts 10 percent of what he needs to get to a balanced budget over 10 years—10 percent. He puts forward 10 percent of the cuts he needs to balance the budget over 10 years.

I do not know if that meets the straight-face test. I do not think it does. I think when the President of the United States comes and says he is going to present an economic plan to balance the budget over 10 years, then comes before the American public on national TV, which the Vice President was able to ascertain for him, and then comes up with only 10 percent of the cuts necessary to get to a balanced budget, I am not too sure that this number "6" does not belong up on that board. I am not too sure that the President has come to the table yet with a serious plan that scores as a balanced budget.

Certainly, the details that he has offered and the notes that have been haphazardly slipped to me by my staff as he listened to his speech certainly do not give me any further indication, any further specifics about how the President accomplishes this goal. But to come forward on national television—on national television—saying he is going to balance the budget and come forward with 10 percent, that is an insult. It is an insult. It is an insult to all of us who sit there and work hard to try to make this happen, and it does not do much to elevate the stature of the President's office.

If you are going to come to the American public, if you are going to say you will play straight, if you are going to be specific on how to do it, do not try to finesse them again. Someone is watching. Someone is going to pay attention to the details, and you are not going to be able to keep fudging the fact that you are not coming forward with the tough decisions. And stretching it out over 10 years, you will find, does not make it any easier.

So tonight I have to put up number "6." Five-minute speeches on national television do not count. Facts, specifics, documents, vision, plans count. All of those were in the Senate-passed budget resolution, every one of them. They changed the dynamics of Government. They provided vision of how we are going to challenge the problems, to take those challenges on in the future. We solve the Medicare trust fund problem. The President does not do any of those things. He felt the pressure.

I do not know whether he started off his speech saying, "Here I am," in response to my talks on the Senate floor, but if he did, he came up short. He, in fact, is not found yet. We still do not know where the President is when it comes to putting forth measures to balance this budget.

And so while there are many other things I would like to do at 9:20 in the evening than come and talk about the President and his inability to lead this country, I will continue to come back until I get the specifics of how the President is going to put forward a plan to lead this country into the future. And to date, day 26, the President is still absent without leadership, and has still refused to come to the table.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Under a previous order, the Senate would have stood in recess until 9 a.m. on June 14. Does the Senator from Connecticut rise to ask unanimous consent to speak?

Mr. DODD. Mr. President, I do. I ask unanimous consent that I may be able to proceed for 5 minutes.

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

SUCCESSFUL EFFORTS AT DEFICIT REDUCTION

Mr. DODD. Mr. President, I did not intend to come on over to the floor, but I wanted to respond to some of the comments I heard being made about the President's brief remarks this evening on national television and the majority leader's remarks which followed the President's comments, the distinguished Senator from Kansas, Senator DOLE.

I know it is not typical at this kind of a moment to want to commend, I suppose, the leadership, but I want to do so. I thought the President gave a very fine speech this evening, and I want to commend the majority leader for his remarks.

One thing that is clear to me is that people in this country would like to see the people in this town put aside the partisan bickering and try to come up with some answers to a problem that has been growing over the last 15 or 16 years.

This President arrived in this town 30 months ago, having served as the Governor of a State, not unlike the Presiding Officer tonight in the Senate, and was not a party to the events which unfolded beginning in early 1980.

I noted earlier that this President for 30 months now has made a significant effort, and a successful one, in deficit reduction. For the first time in many, many years, going back to the Truman administration, we have now had 3 years of significant deficit reduction, $600 billion. We still have a long way to go to achieve that goal.

I looked at the candidates running for the Presidency, the announced candidates, and I am looking at 100 years collectively of experience in this town. Some go back to 1960; many go back to the 1970's. They were here as this mountain of debt was accumulated. So to point an accusing finger at this President as if somehow it was his fault for what has happened over the last 15 or 16 years I think is unfair.

Mr. President, the point is this: We can go through this process over the next 7 or 8 weeks or months and score our political points one on the other, and maybe one party or the other will prevail in the elections of November 1996, but if at the end of all of that we have not really done what the American public has asked us to do, then one party or one candidate or another may be successful, but the country will be that much worse off 9 or 10 months from tonight.

So I rise to commend the President for offering a proposal, laying one on the table which is different than what was passed in the House and the Senate, but does lay out some options for us to consider; hopefully, for some common ground to come around the issue of how we reduce this deficit and do so in a balanced and fair way so that the country moves forward.

Deficit reduction is a critically important issue. But the wealth of this Nation is not merely tied to just deficit reduction. It is also the investments we make. It is also the pace at which we achieve that deficit reduction.

Who pays in the process for trying to achieve that goal? The President this evening laid out a 10-year proposal rather than a 7-year proposal. He offers to cut Medicare by one-third the cuts that have been proposed by the budget that was adopted in this body and the other. He does so by suggesting that those cuts could come not from the beneficiaries but from providers and others.

I have my concerns about it, but I see it as a more moderate proposal as we try and beef up and shore up the Medicare trust fund.

The President has offered a tax cut. I, frankly, would not have any tax cuts over the next several years. I think, frankly, deficit reduction is a far more important goal. Incorporating the tax cuts in that mix, I think, is unwise.

But the President's tax cut proposal is some $66 billion over 7 years, rather than something between $250 and $300 billion over the same period. His tax cuts go toward middle-income people in this country, particularly those with children and those who have children of college age, to try and defer, or at least lessen some of those costs.

The President also suggests that we can do this, achieve this balanced budget, in 10 years, by cutting some 20 percent out of the existing programs. That, I am sure, will be a tremendous battle here over the coming months.

However, he has put a proposal on the table. He has extended the hand. He is not a Member of Congress. He is not the head of the political party. He is not a Governor. He is the President of our country. He will be so until January 20, 1997, if he is not reelected.

The President is leading. He is offering all—Republicans and Democrats in this body—an opportunity to put aside that bickering, to put aside that name-calling, and to come to the table and deal with America's problems.

People in this country do not wake up in the morning thinking of themselves as Democrats or Republicans, conservatives or liberals. They get up in the morning and think of themselves in terms of the problems they face—their jobs, their kids' education, their health care. Those are things that most Americans worry about—not the process in Washington.

They would like to see those Members elected to office to try and put aside some of that political campaign rhetoric, at least for a time, and wrestle with their problem.

The President has put an offer on the table, and BOB DOLE, to his credit, I think, has extended up to that offer, and has suggested that we might come together here and work out these differences.

I think the country was well served by both comments tonight, by the President's speech and by the majority leader's response.

I think all in this body have an opportunity now to reach that judgment of history and to step forward and try to solve this problem.

Stop pointing the fingers. Stop the accusing and name calling. Let Members go to work on the problems that we will all be judged, historically, as to whether or not we have the courage to meet the challenge.

I thank Members for the opportunity to share these few short comments.

Mr. SANTORUM. Mr. President, I ask unanimous consent we vitiate the previous order for the Senate to be in recess.

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

UNANIMOUS CONSENT AGREEMENT—AMENDMENT NO. 1351

Mr. SANTORUM. Mr. President, I ask unanimous consent that the Pressler amendment numbered 1351 be in order.

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

RECESS UNTIL 9 A.M. TOMORROW

Mr. SANTORUM. Mr. President, I now ask unanimous consent that the Senate stand in recess under the previous order.

There being no objection, the Senate, at 9:28 p.m., recessed until Wednesday, June 14, 1995, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate June 13, 1995:

DEPARTMENT OF JUSTICE

EDWARD SCOTT BLAIR, OF TENNESSEE, TO BE U.S. MARSHAL FOR THE MIDDLE DISTRICT OF TENNESSEE FOR THE TERM OF 4 YEARS, VICE CHARLES F. GOGGIN III.

DEPARTMENT OF STATE

MICHAEL WILLIAM COTTER, OF THE DISTRICT OF COLUMBIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF TURKMENISTAN.

JAMES E. GOODBY, OF THE DISTRICT OF COLUMBIA, FOR THE RANK OF AMBASSADOR DURING HIS TENURE OF SERVICE AS PRINCIPAL NEGOTIATOR AND SPECIAL REPRESENTATIVE OF THE PRESIDENT FOR NUCLEAR SAFETY AND DISMANTLEMENT.

VICTOR JACKOVICH, OF IOWA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF SLOVENIA.

A. ELIZABETH JONES, OF MARYLAND, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF KAZAKHSTAN.

JOHN RAYMOND MALOTT, OF VIRGINIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO MALAYSIA.

JOHN K. MENZIES, OF VIRGINIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF BOSNIA AND HERZEGOVINA.

KENNETH MICHAEL QUINN, OF IOWA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE KINGDOM OF CAMBODIA.

JOHN TODD STEWART, OF CALIFORNIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF MOLDOVA.

IN THE NAVY

THE FOLLOWING-NAMED NAVY OFFICERS TO BE APPOINTED PERMANENT LIEUTENANT IN THE JUDGE ADVOCATE GENERAL CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

LAWRENCE D. HILL, JR. [redacted]
BARBARA S. HUNDLEY [redacted]
KRISTIN E. KEIDEL [redacted]
BRIAN H. SULLIVAN [redacted]

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:

STEWART L. BATESHANSKY [redacted]
BRIAN C. BLUE [redacted]
JAMES H. BOLIN [redacted]
MATTHEW S. BURTON [redacted]
MICHAEL S. FABEL [redacted]
CHRISTOPHER HEWLETT [redacted]
CHARLES T. HUBBARD [redacted]
CHARLES B. JOHNSTON [redacted]
TREVOR L. MILLWARD [redacted]
PATRICK L. PFANZ [redacted]
LAWRENCE E. SHAFFIELD [redacted]
AMY M. WINTHEISER [redacted]

THE FOLLOWING-NAMED U.S. NAVY OFFICER TO BE APPOINTED CAPTAIN IN THE MEDICAL CORPS OF THE U.S. NAVAL RESERVE, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 12203.

JAMES D. TALLEY [redacted]

THE FOLLOWING-NAMED U.S. NAVY OFFICERS TO BE APPOINTED COMMANDER IN THE MEDICAL CORPS OF THE U.S. NAVAL RESERVE, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 12203:

JOHN H. EDMUNDS [redacted]
OLEH HALUSZKA [redacted]
DAVID L. WILKEY [redacted]

THE FOLLOWING-NAMED U.S. NAVY OFFICER TO BE APPOINTED COMMANDER IN THE LINE OF THE U.S. NAVAL RESERVE, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 12203:

JOSEPH M. MARLOWE [redacted]

IN THE AIR FORCE

THE FOLLOWING AIR NATIONAL GUARD OF THE UNITED STATES OFFICERS FOR PROMOTION IN THE RESERVE OF THE AIR FORCE UNDER THE PROVISIONS OF SECTIONS 12203 AND 8379, TITLE 10 OF THE UNITED STATES CODE. PROMOTIONS MADE UNDER SECTION 8379 AND CONFIRMED BY THE SENATE UNDER SECTION 12203 SHALL BEAR AN EFFECTIVE DATE ESTABLISHED IN ACCORDANCE WITH SECTION 8374, TITLE 10 OF THE UNITED STATES CODE.

LINE

To be lieutenant colonel

MAJ. GAYLE W. BOTLEY [redacted]
MAJ. STEPHEN D. COTTER [redacted]
MAJ. NINA S. GREELEY [redacted]
MAJ. KENNETH M. HATCHER [redacted]
MAJ. GARY T. MAGONIGLE [redacted]
MAJ. CHARLES W. MANLEY II [redacted]
MAJ. MICHAEL J. MCDONALD [redacted]
MAJ. PETER W. PALFREYMAN [redacted]
MAJ. RONNIE W. PERRY [redacted]
MAJ. JAMES V. QUEEN [redacted]
MAJ. JUSTE R. SANCHEZ [redacted]
MAJ. SAM E. THOMAS, JR. [redacted]
MAJ. VICTOR L. THREATT [redacted]
MAJ. CHARLES C. VADEN, JR. [redacted]
MAJ. NORMA E. WELSH [redacted]
MAJ. WOODIE P. WHITE, JR. [redacted]

CHAPLAIN CORPS

To be lietenant colonel

MAJ. ROBERT C. NORTON [redacted]
MAJ. STEPHEN R. SUTTON [redacted]
MAJ. LARRY E. WRIGHT [redacted]

NURSE CORPS

To be lieutenant colonel

MAJ. CHERIE L. FITZPATRICK [redacted]
MAJ. STEPHEN S. FLOWERS [redacted]
MAJ. JON E. ROGERS [redacted]

CONFIRMATIONS

Executive nominations confirmed by the Senate June 13, 1995:

DEPARTMENT OF THE TREASURY

JOHN D. HAWKE, JR., OF NEW YORK, TO BE UNDER SECRETARY OF THE TREASURY.

LINDA LEE ROBERTSON, OF OKLAHOMA, TO BE A DEPUTY UNDER SECRETARY OF THE TREASURY.

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.

U.S. POSTAL SERVICE

ROBERT F. RIDER, OF DELAWARE, TO BE A GOVERNOR OF THE U.S. POSTAL SERVICE FOR THE TERM EXPIRING DECEMBER 8, 2004.

HOUSE OF REPRESENTATIVES—*Tuesday, June 13, 1995*

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

DESIGNATION OF SPEAKER PRO TEMPORE

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

WASHINGTON, DC,
June 13, 1995.

I hereby designate the Honorable DAN FRISA to act as Speaker pro tempore on this day.

NEWT GINGRICH,
Speaker of the House of Representatives.

MORNING BUSINESS

The SPEAKER pro tempore. Pursuant to the order of the House of May 12, 1995, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to not to exceed 30 minutes, and each Member except the majority and minority leader limited to not to exceed 5 minutes.

The Chair recognizes the gentleman from Florida [Mr. GOSS] for 5 minutes.

A LONG, LONG WAY TO GO

Mr. GOSS. Mr. Speaker, in the past 2 weeks Haiti has paid host to an impressive list of high-level visitors. The OAS journeyed there for its 25th annual meeting. A U.S. Presidential delegation traveled there for a look around. And, Secretary of State Warren Christopher joined the celebration for the first 370 graduates from the Civilian Police Training Center the United States created last December. These groups saw highway refurbishment projects, met with an optimistic electoral council, and some even stayed in the newly refurbished Club Med. If you read the few articles regarding these visits, you get the impression that the elections are on line for June 25, and that come February 1996, there is no question that Haiti will be a self-sustaining, self-policing democracy under the direction of a new Haitian President.

I think we all hope that that will be the case. Especially since much of all this activity has been paid for by U.S. taxpayers. However, I want to urge my colleagues to take a closer look—to understand that, although some progress has been made, there is still a long, long way to go. Foremost on my long list of concerns is the question of whether or not the upcoming parliamentary elections will be fully free and fair and held in a stable environment where Haitian voters and candidates alike feel free to exercise their political prerogatives. Judging from the reports I have received, there are some serious problems. With elections less than 3 weeks away, the candidates list has yet to be finalized. This means that not only are voters and candidates confused about who will be on the ballot, but also that the ballots cannot go to print. The California printing company doing them has said they need 3.5 weeks to do that job—as it stands today they will be scrambling to get them printed in time for distribution to the 9,000 voting stations in Haiti before the June 25 election. Of course, because so many of the facilities used for voter registration have been damaged by frustrated crowds, the question of where these 9,000 voting stations will be remains open.

There are also signs of some serious problems with the voter registration process. A recent inventory found that nearly 1 million voter registration cards were missing. To date, the electoral council has only been able to locate 60,000 of them. In addition, despite the reopening of several registration centers in Port-au-Prince for a few days the week before last—a cynic might say for the benefit of those high level delegations—we found that most stations closed in April due to lack of materials. This has left many Haitian voters unregistered, disgruntled, and disenchanted with the electoral process.

It should surprise no one that the single most important issue for most Haitians of all types is security. Anyone who has followed elections in Haiti knows that potential Haitian voters carry the memory of 1987 when voters were massacred as they went to the polls. For candidates across the spectrum from left to right, campaigning is done mostly by posters, rather than in person. Why? According to most of the candidates we have been in contact with, they are worried about personal security. The problem is that the combined impact of the dissolution of the Haitian military and the inability of the interim public security force to command the respect and trust of the Haitian people has left an authority vacuum. In fact, the IPSF continues to be afraid to patrol alone.

Despite the presence of the United Nations missions in towns and villages in all nine departments, if you ask them, most Haitians will tell you that having the troops there has made little difference in their security situation. Whether they are actually safer or not, they do not feel as if they are and that the new Haitian police force of 6,000 will not be ready to take over until early next year at the earliest. It also bears remembering that the parliamentary elections are only the first step—they will set the tenor for the Presidential elections later this year.

Mr. Speaker, it is way too soon to declare a victory in Haiti. In fact, I will not be ready to do that until Haiti has a new President, a new parliament, a working jurisprudence system, and an investment climate that invites investment, and is no longer a country under United Nations control with a national budget largely financed by the international community and especially the American taxpayers. We are far from a Haiti that is once again a Haitian responsibility.

American taxpayers may wonder why this matters to them. It is an important country, a country that is struggling with democracy. It is nearby to us. We want them to succeed. It is also important because it is costing us somewhere between $1, $2 to $3 million every day to support our activities there.

AFFIRMATIVE ACTION

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from New Mexico [Mr. RICHARDSON] is recognized during morning business for 5 minutes.

Mr. RICHARDSON. Mr. Speaker, the Supreme Court is wrong on affirmative action and has now created another national wedge issue, alongside crime, welfare, and immigration. With this ruling, the Court has undercut and may kill many affirmative action programs. The Court read the polls and raised its finger to test the political wind and found a sudden chill on doing the right thing—ensuring that minorities have a seat at the table and access to economic opportunity.

I have supported affirmative action since its inception years ago. I believe it is still necessary, and I am deeply concerned that we may abandon it out of misplaced frustration and political expediency.

Let us take a look at our work force to determine whether equality and fairness have overcome past discrimination. In the private sector, only 10

percent of all managers are minorities, and only 30 percent are women. In government offices, management positions follow the same trend: 9 percent are minorities, 87 percent are men, and only 13 percent are women.

These numbers do not come close to reflecting our population. In fact, women and people of color currently account for 53 percent of the labor force, yet they represent less than one-third of our management positions. Can we honestly say that these figures exhibit equality and fairness in hiring, education, and promotion practices?

Let us look at wages—the true test of what we choose to value. In 1992, African-American men earned only 72 cents for every dollar earned by white men. As a group, women earned only 75 cents for every dollar earned by men, and minority women fell below that to just 65 percent of salaries earned by men. And these figures do not compare apples to oranges—they compare salaries in the same occupations.

These disparities exist among those with college degrees as well as those who are high school graduates: college-educated women earn 29 percent less than college-educated men, and make just $2,000 more per year than white men with high school diplomas.

Hispanic women with college degrees actually earn less than white males with only high school diplomas, and earn less than 65 percent of what college-educated white males earn.

In my State of New Mexico, a professional woman can expect to make $12,000 less per year than a professional male, in sales, men earn more than twice the salaries of their female counterparts and 30 percent more in certain clerical positions.

What can we conclude from these facts? I think it is plain to see that the effects of past discrimination persist, and that the practice of discrimination continues. Affirmative action is still necessary.

There are many misconceptions about what affirmative action is. First of all, affirmative action applies only to qualified applicants. We have all heard the disturbing cases where positions are given to a woman or minority who lacks all experience and education required for a slot, while scores of capable white males are turned away. These cases are rare, and they are not legal.

Legal affirmative action plans must set goals, not quotas, they must provide reasonable timetables for reaching those goals, and they cannot trample the rights of others. These are rational, constrained guidelines that lawful affirmative plans must meet.

Another misconception about affirmative action is that it is bad for business and the economy. In fact, the opposite is true. Most employers surveyed indicate that productivity has not suffered, and in many cases improved, where affirmative action plans were used.

Many business leaders who trade in international markets believe that affirmative action is necessary for them to complete domestically and internationally. It gives them a work force that reflects the diversity of their customers and the markets they serve.

Finally, many have the misperception that affirmative action is a partisan issue developed by a small group of liberals. This is not true—affirmative action has always enjoyed bipartisan support. It has been sustained and strengthened by eight successive Presidents, and the Reagan administration successfully worked with bipartisan support to defeat the efforts of a few to dismantle our policy on affirmative action.

Bipartisan action will again be necessary to preserve the progress we have made, and to ensure a successful future for women and people of color.

I understand that affirmative action was never intended to be permanent. But our goals set some 30 years ago for a color-blind, gender-blind work force have not been met. The disadvantaged must have access to earning power in order to create the sort of economy we all desire. Let us work together to preserve affirmative action and make that happen.

AMTRAK

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Colorado [Mr. HEFLEY] is recognized during morning business for 5 minutes.

Mr. HEFLEY. Mr. Speaker, Congress is a master at creating Federal programs based on good intentions rather than sound economic sense and for which the tax becomes their lifeline for survival.

Amtrak—the idea—was a good one. Amtrak was created in 1970 with a one-time grant of $40 million. It was a 2-year, Government-assisted program that would become an independent and self-sufficient operation.

The reality, however, tells a different story. Amtrak has cost taxpayers over $15 billion since 1970. Although Amtrak carries only 0.3 percent of all intercity travelers, it is the most highly subsidized form of intercity transportation. GAO figures indicate Amtrak could need as much as $10 billion over the next 5 years to maintain its current level of service.

Since 1990 the Amtrak situation has gotten even worse. Between 1989 and 1993 Amtrak lost an average of $706 million per year, and it's not going to get any better.

Revenues have fallen well short of estimates for the last 4 years. In 1994, Amtrak forecast revenues of $1.1 billion, while actual revenues were only $880 million, a difference of over $200 million.

Since 1990, passenger revenues have fallen by 14 percent in real terms. The gap between revenues and expenses continue to grow.

Why have the 1990's been so bad for Amtrak?

Deterioration of tracks and trains—23 percent of Amtrak's cars are over 40 years old, and 70 percent of the cars are almost 20 years old. With shoddy track and old cars, Amtrak is not a comfortable way to travel. Increased accidents are causing people to question the safety of Amtrak, and rightfully so.

Amtrak's labor structure is costing them a fortune. Their labor structure makes it darn near impossible for Amtrak to make a profit. Amtrak is required, by law, to have a 6-year severance package for displaced employees.

This benefit gives them 6 years of pay equal to the rate they received while working. This constitutes a liability of over $2 billion.

In the cuts announced in December, Amtrak will be required to pay hundreds of millions of dollars to pay labor protections nobody else gets. Amtrak is renegotiating their contract with labor this year. Amtrak's wages paid could increase by about $200 million over a 5-year period.

Increased competition with other modes of transportation. Most intercity trips are made by private vehicle. Cars account for about 80 percent of total passenger miles. Falling gasoline prices encourage people to drive.

Since 1990, the real price of unleaded gasoline has dropped by 10 percent. With the increased fuel efficiency of today's cars, driving continues to be an inexpensive way to travel. Airline tickets and bus fare prices are falling as well.

Increased dissatisfaction among Amtrak passengers. Volume of complaints has risen from 30,000 in 1989 to 70,000 in 1994. It is not totally uncommon for an Amtrak train to break down, and the passengers must walk to the nearest stop to catch the next train. It's no wonder people don't want to ride Amtrak.

What's the answer? I've proposed legislation to privatize Amtrak by phasing out its taxpayer subsidies over a 4-year period and relieving it of its burdensome labor regulations and route requirements. My legislation would enable Amtrak's management to make decisions as in any private corporation.

Slowly phases out subsidy. This year Amtrak will receive $972 million from the Federal Government. H.R. 259 will reduce the taxpayer subsidy to Amtrak by 25 percent each year for 4 years. This will phase out the Federal subsidies.

Immediately eliminates congressional micromanagement. Amtrak is told by Congress how to operate and where to operate. H.R. 259 eliminates this meddling and allows Amtrak to

focus its resources on its most promising routes, not the ones that Congress tells them to focus on.

Immediately reduces excessive severance packages. Amends the Rail Labor Protection Act to reduce the current 6 year severance package to 6 months. By freeing Amtrak from these excessive costs, they will be able to make the tough business decisions other managers are free to make.

We face a critical decision this year. We can continue to increase our annual subsidies while ignoring Amtrak's fundamental problems, or we can enact necessary reforms to save Amtrak.

THE CONTINUING CRISIS IN BOSNIA

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Maryland [Mr. HOYER] is recognized during morning business for 5 minutes.

Mr. HOYER. Mr. Speaker, I rise today to once again focus my colleagues' attention on the continuing crisis in Bosnia.

Last week this House voted overwhelmingly to unilaterally lift the arms embargo against Bosnia and allow the Bosnian people to pursue their fundamental right to defend themselves.

A front page article in Sunday's New York Times crystallizes for us—indeed, if at this time we need any further clarification—the compelling reasons for lifting the embargo. The article can only lead one to conclude that the embargo is wrong and that it will never contribute to the cessation of hostilities, only the continued perpetration of aggression and genocide.

The article quotes statements, from both American and European officials with access to intelligence reports, which confirm that the Federal Yugoslav Army is not only paying the salaries of many Bosnian-Serb officers, but is also supplying their forces with fuel, spare parts, training, and ammunition.

There are credible reports that the cross-border traffic is increasing as the combat resumes in Bosnia after a winter ceasefire.

Moreover, several American analysts, according to the New York Times article, have stated that the Yugoslav Army provided the parts and technicians for maintaining the Bosnian-Serb air defenses that shot down an F-16 jet fighter on a NATO monitoring mission. Even if this were not so, the fact remains that the Bosnian-Serb air defense system continues to be electronically linked to the Yugoslav Army's computers and radar.

American officials say they have evidence of regular conversations and consultations between the Yugoslav Army's general staff in Belgrade and the officers directing operations in Bosnia and that Bosnian-Serbs wounded in battle are flown by helicopter to Yugoslav military hospitals. This would certainly make sense in view of the fact that General Ratko Mladic, the commander of the Bosnian-Serb forces, was a career officer in the Yugoslav Army and was selected to lead the Bosnian Serbs by Mr. Milosevic shortly before the conflict began. In addition the recently appointed commander of Serbian forces in Croatia, Lt. Gen. Mile Mrksic until a few weeks ago was serving on the general staff of the Yugoslav Army in Belgrade.

Mr. Speaker, let me remind my colleagues that last year Serbian leader Slobodan Milosevic pledged to close the border between Bosnia and Serbia in exchange for an easing of economic sanctions against the former Yugoslavia. Despite reports to the contrary, he continues to insist that only nonlethal aid is being provided by Serbia to the Bosnian-Serb militants.

Meanwhile, the West, headed by the contact group, and most recently by United States negotiator Robert Frasure, continues to negotiate with Mr. Milosevic toward the complete lifting of sanctions against the former Yugoslavia in exchange for Milosevic's recognition of Bosnia and Herzegovina. Milosevic continues to rebuff these overtures unless he can guarantee that once lifted, the sanctions cannot be reimposed under any circumstances.

I ask my colleagues, should the West lift economic sanctions against a government that is sustaining the Bosnian-Serbs war effort, even as it pledges to do the opposite?

Mr. Speaker, I contend that it is preposterous that the international community has even reached such a juncture. Last year the contact group—the United States, Britain, France, Germany, and Russia—offered its final, take-it-or-leave-it peace plan with severe consequences for those who refused. The contact group assured Bosnia that if the Serbs plan, international sanctions against Serbia, would be tightened, more efforts would be made to afford greater protection of safe areas by the United Nations, and ultimately, the arms embargo would be lifted. The Government of Bosnia accepted, on time and without condition. The Bosnian Serbs, as we all know, effectively rejected the plan and continued to posture for more concessions which the international community has provided.

The international community's arms embargo against the former Yugoslavia has been a de facto embargo only against Bosnia. The Serbian aggressors, from the beginning, have had all the firepower and material they needed from the Yugoslav Army.

Mr. Speaker, we must redouble our efforts to ensure that the people of Bosnia have, at a minimum, the right to defend themselves. Building on the momentum of last week's vote, I urge swift consideration of H.R. 1172, legislation I have cosponsored with Mr. SMITH, which would lift the arms embargo against Bosnia.

The Serbian aggressors are perpetrating genocide while the international community watches, indeed does more than watch. It facilitates the genocide by imposing and enforcing an arms embargo against the victims of the war—denying them their fundamental right recognized under international law—the right of self-defense. Not only do we refuse to assist, but we actively deny to the Bosnians the means by which they can defend themselves. I have no doubt that history will judge our European allies and ourselves critically.

THE ADARAND DECISION

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Florida [Mr. CANADY] is recognized during morning business for 5 minutes.

Mr. CANADY of Florida. Mr. Speaker, the Supreme Court yesterday struck an important blow in defense of the fundamental moral and constitutional principle of nondiscrimination. In Adarand Constructors versus Pena, the Court held that racial classifications by any level of government are constitutionally suspect and will be permitted only in the most extraordinary circumstances.

The Court has thus stated unequivocally that the Constitution permits governmental racial classifications—including ones enacted by Congress—only when they are narrowly tailored to further a compelling government interest.

In so holding, the Court has provided an important and timely impetus to congressional action designed to dismantle the pervasive regime of race and gender preferences that has been established by the Federal Government over the last 25 years.

Until recently, I do not think anyone truly recognized how widespread these Federal preferences really are. But in February of this year, at the request of Senator DOLE, the Congressional Research Service prepared a report collecting the Federal statutes and regulations that establish preferences based on race and gender

CRS compiled a list of approximately 160 such Federal laws, some of which are statutory, but the large majority of which are buried in agency regulations relating to Federal contracting and employment and the administration of Federal programs.

Simply stated, the Federal Government is a major player in the business of granting preferences and imposing burdens on its citizens on the basis of race and gender.

Some of us find troubling the Congress' cavalier acceptance of this unjust situation, and I, as well as other

Congressmen and Senators, have announced an intention to end the injustice through legislation prohibiting the use of race and gender preferences by the Federal Government.

I think the Court's decision in Adarand is a very significant step in the right direction. Most importantly, the Court's holding is driven by a recognition of the principle that must form the basis of any systematic review of Federal racial and gender preferences.

As Justice O'Connor explained for the majority, the equal protection clause "protect[s] persons, not groups."

This principle motivates my commitment to making sure that Congress picks up where the Court has left us. It is, as the Court emphasized, a matter of simple justice that the Government should not favor or disfavor any citizen on account of morally irrelevant characteristics like race and gender.

But this issue is about more than reverse discrimination. It is, at bottom, about the kind of society we want to live in. And on this point, I think defenders and opponents of racial preferences probably agree: We, as a society, are far too conscious of race. But we disagree on how best to cure this immoral focus on race. Ultimately, of course, we will only become a truly colorblind society when each of us commits to combating discrimination in our own actions and in the actions of those with whom we come into contact.

But insofar as Congress' role is concerned, there are two major things we can and must do. First, we must ensure that the Federal antidiscrimination laws are adequate to the task of prohibiting such discrimination, and that the enforcement agencies are vigorous and judicious in their enforcement efforts.

Second—and this is where I think we really need to make some changes—we should make sure that neither Congress nor the Federal Government do anything to require or encourage citizens to engage in the sort of race- and gender-conscious policies we purport to abhor.

On the point, I quite agree with the Court majority in Abarand when they wrote that program like racial set-asides "can only exacerbate rather than reduce racial prejudice," and indeed "will delay the time when race will become a truly irrelevant * * * factor."

It was Justice Blackmun, of course, who wrote in the Bakke case that, "To get beyond racism, we must first take race into account." But the very notion that you cure an evil by engaging in that same evil is nonsense. Two wrongs do not make a right. Instead, we should pursue a firm commitment to the principle embodied in the Court's holding yesterday, and perhaps best captured by Justice Thomas' concurring opinion. He wrote:

> I believe that there is a moral and constitutional equivalence between laws designed to subjugate a race and those that distribute benefits on the basis of race in order to foster some current notion of equality. Government cannot make us equal; it can only recognize, respect, and protect us as equal before the law.

I believe that a candid observer must conclude that Congress has participated in the creation of a pervasive system of discriminatory preferences and has thus failed to abide by the fundamental obligation imposed by the equal protection clause.

And so I welcome the Court's decision in Adarand. I hope and trust that my colleagues in the House and the Senate will follow the Court's lead and do what we can to restore to our Federal laws the principle of nondiscrimination. We would do well to rededicate ourselves to the simple truth pointed out yesterday in Justice Scalia's characteristically poignant concurring opinion: "In the eyes of government, we are just one race here. It is American."

CAPITAL BUDGETING

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from West Virginia [Mr. WISE] is recognized during morning business for 5 minutes.

Mr. WISE. Mr. Speaker, what I want to do today is to announce that yesterday 36 of my colleagues and I sent to the President of the United States this letter. In this letter, what we do is to ask the President to consider capital budgeting as one approach to whatever budget eventually emerges from this Congress and in negotiations with Congress and the White House.

What is capital budgeting? Capital budgeting is very simple. It is what every family in this country does, it is what every business in this country does, it is what every State and local government does. There is only one group that does not do it, and that is the Federal Government.

Capital budgeting simply says that you show your long-term investments, those things that bring you back more than you actually spend on them over time, separately from your operating expenses.

What we do in the Federal Government is a dollar spent for welfare is considered exactly the same as a dollar spent for bridges and infrastructure and research and development, for those things that are so important to make us grow.

That makes no sense. What we do is to ask that for the first time, the Federal Government operate on a capital budget that deals with physical infrastructure, the roads, the bridges, the airports, the water and sewer systems, the telecommunications networks, those things that are physical and have tangible value.

The reality is this country, for instance, spends far less in proportion to its budget than many of our industrial competitors. Japan, with half the population and about 60 percent of the economy that the United States has, spends more in real dollars on its infrastructure than the United States does. Then we wonder sometimes why we are having trouble competing.

What we ask is that we have capital budgeting. This Congress has a precedent with that. Both 2 years ago and again just a few months ago on the floor of this House when the constitutional amendment to balance the budget was up, last time 139 Members of the House voted for my amendment that would have permitted capital budgeting. We had a large vote before and a significant number of Republican Members as well as Democrat Members supported it 2 years earlier.

This offers to Republican leaders and to Democrat leaders a way to meet the balanced budget requirements, to introduce some appropriate accounting methods to bring the Federal Government into line with everyone else, and to encourage investment. Where do you get a win-win-win-win situation like this? Capital budgeting, I think, is crucial to this.

There is no doubt that our Nation's infrastructure is in need of replacement. I notice that one of the growth industries as I drive around the country seems to be orange barrels. Sometimes those orange barrels mean that construction is taking place. Other times those orange barrels mean there is simply a problem and we do not have the money to deal with it.

Almost half the Nation's bridges are in some way substandard. Two hundred twenty some thousand miles of highway needs some kind of immediate work. Clearly our infrastructure needs work, needs rebuilding and needs building. Capital budgeting permits that to happen.

There are going to have to be a lot of painful cuts in the balanced budget proposal. Everyone understands that. There is going to be a legitimate debate about whether it takes 7 years to get to that goal or 8 years or 10 years. We all understand that.

There is going to be a lot of partisanship on this floor. That is a given. But it does seem to me that where we can find bipartisan solutions to meet this challenge of balancing the budget, we ought to be about that business.

Capital budgeting has been advanced very ably by Republican leaders such as the chairman of the Committee on Government Reform and Oversight, the gentleman from Pennsylvania [Mr. CLINGER], the chairman of the Committee on Transportation and Infrastructure, the gentleman from Pennsylvania

[Mr. SHUSTER], the ranking member, the gentleman from California [Mr. MINETA], myself, and others. Capital budgeting is truly a bipartisan solution to many of the problems that face this Federal Government and its budgeting concerns.

Once again, Mr. Speaker, and the reason we have written the President is where else can you bring the Federal Government in line with every other accounting entity, bring the Federal Government in line with every business, with every family, with every State and local government? Where else can you get the Federal Government on an accounting system that is entirely appropriate? Where else can you get the Federal Government on a system that encourages investment, not discourages growth? Where else can you get the Federal Government actually moving faster toward a balanced budget and at the same time encouraging the growth that we think is so important?

The reality is we are going to have to encourage growth in any balanced budget proposal. You cannot simply cut your way to fiscal nirvana. Capital budgeting offers that. It is appropriate. Every CPA can tell you that. I hope that the President will follow up on this suggestion.

U.S. FOREIGN POLICY

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Arizona [Mr. HAYWORTH] is recognized during morning business for 5 minutes.

Mr. HAYWORTH. Mr. Speaker, like so many other Americans, I listened with great interest Sunday afternoon to the dialog between the President of the United States and the Speaker of the House of Representatives in New Hampshire. I believe that for the most part, it reaffirmed an observation that I have made on this floor many times, that good people can disagree.

I think there are candidly some profound points of disagreement. But there was one characterization from the President with which I take issue and I thought I would share with you today. During the course of his remarks, the President characterized the new majority in this House as isolationists. Let me humbly suggest that there is nothing isolationist about putting legitimate American interests first on the world stage. Indeed, our foreign policy should be one that operates under the principle of enlightened self-interest, working together with the international community, through the United Nations, not to place some international creed in a position of preeminence to American policy but to work in concert with other nations, understanding full well our role in the world community as indeed perhaps the world's lone remaining superpower.

I thought the Speaker was very gracious in characterizing the President's efforts in many ways. I think quite frankly, Mr. Speaker, it is a tribute to our fighting men and women that they can take on missions of great difficulty, such as the one in Haiti, when in essence our fighting men and women were called upon to be social workers in olive drab. They were placed in harm's way not to defend the legitimate interest of the United States but to try and referee a potentially explosive situation.

I thought the Speaker put it succinctly when he described the difficulty in the Bosnian theater confronting the U.N. peacekeeping force. As the Speaker pointed out, military troops are not introduced into a theater to become hostages. They are there to free hostages. They should be there to liberate, not to find themselves enslaved. Indeed, I believe it was that great internationalist President and that great war leader Dwight David Eisenhower who recognized the reality of operating in an international setting within the international community but also said, and it was reflected in his actions in the White House, that we should define our legitimate self-interests.

I applaud the fact that a young pilot, Captain O'Grady, is back out of harm's way. I applaud the efforts once again of our Armed Forces to free him. But again putting Americans in harm's way is not the answer to the problem.

Mr. Speaker, lest there are some who think this is a partisan harangue, let me pause at this juncture to welcome what I believe to be the bipartisan initiative of one of my preceding speakers this morning, the gentleman from Maryland, who once again renewed his call for a lifting of the arms embargo in Bosnia. For in the final analysis, it is the oppressed who must rise against the oppressor to fight for freedom. In the final analysis, it is the legitimate national self-interests of others that help define their place in the world. Again, I take issue with the notion that it is somehow isolationist or xenophobic to always insist that the United States should execute its foreign policy with its legitimate national interests preeminent in the formulation of same.

HOUSE DEFENSE BILL SEEKS TO ADD FAT TO DOD BUDGET

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentlewoman from Colorado [Mrs. SCHROEDER] is recognized during morning business for 5 minutes.

Mrs. SCHROEDER. Mr. Speaker, I wanted to take the floor to talk about the great debate that is going to be beginning today on the defense bill. We are going to start today on the defense bill, but the real problem is we are not going to be able to do much about the defense bill.

I find this a remarkable situation that we are in really for the first time since I have been here. You see, the President asked for a number, the Pentagon asked for a number, the Senate came up with about the same number. But in the House, they have added $9.5 billion to that number. We are going to force-feed the Pentagon with all sorts of things they do not even want. The problem is, we are going to get exactly 1 hour to debate on this and this is going to be during the rule, because the rule does not allow any amendments to take that fat out. Seventy-three percent of the amendments offered to the Committee on Rules were denied. Seventy-three percent.

I had an amendment that brought the number back down to the Pentagon number, the President's number, the Senate's number, and that was denied. When this rule is passed today, it is going to hermetically seal the fat in this DOD budget.

I suppose you can say, if you want to, there should be different criteria for the Pentagon than there are other places. But the Pentagon is not even asking for this different criteria. They are saying they can do very well on $9.5 billion. I think from the example of the last few days with the celebration of O'Grady coming home and being so generous in showing how well trained he was as well as the Marines that picked him up, the Pentagon knows what it is doing, and so why are we insisting we have to add all these pet rocks to the budget at a time when funding is so dear around here?

You have seen all of the pain that has gone on with this cutting in many other areas. If you look at the budget and look at where we are really cutting, we are cutting the things that affect real people, real people, like my family, people who need educational loans, people who need housing, people who need health care, people who want school lunches. Those are the kinds of things we are cutting. Then we are giving the Pentagon things they do not even ask for. Go figure. It does not make any sense at all.

I was looking at some of the things we could do if we had this $9.5 billion. One of the first things that jumped up is $9.5 billion would double the amount of biomedical research at the National Institutes of Health. Double it.

Think. What does the average American fear the most? Are they more afraid of coming down with cancer? Are they more afraid of heart disease? Are they more afraid of many of the other illnesses that we still have not conquered yet? Or are they sleeping with a night light thinking that some enemy is going to overrun America and that if we do not insist the Pentagon get even more money than they have asked for, it is all over for us?

The average American I know is much more frightened about the progress we have not made on many diseases, and I think they might want this $9.5 billion to go to deficit reduction. But if it did not go to deficit reduction, I would certainly think if we insisted it had to be spent some way, many people I know would much prefer it be spent trying to find some answers to diseases that their families have suffered from that have been suffering from cutbacks in funding rather than insisting that we give a bunch of weapons systems that people do not want and do not even know where we would use them.

This money could be used to clean up 380 Superfund sites. We have been cutting the funding for cleaning up environmental Superfund sites. Again, I think many Americans would much prefer to see Superfund sites cleaned up because they are much more frightened of what we have done to the environment and the fact that we are playing so fast and loose and pretending like this planet is really just in a chapter 11 closeout sale. A lot of people would prefer we spent it that way if you are going to insist we spend it. There are need-based causes over there.

When we look at what you could do for breast cancer. Ninety-five million mammograms could be bought for that. You want to know how many mammograms that is? More than we could ever want. But that is a way we could go if you wanted to do that.

It would cover child care costs totally for every young children at the highest quality, for 2.5 million children in America. We all know that we are way short on child care slots.

Mr. Speaker, many things are there and I must say, we ought to do what is need based and not protect it the way this rule is going to protect this added fat to the budget.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12, rule I, the House will stand in recess until 12 noon.

Accordingly (at 11 o'clock and 14 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 pro tempore (Mr. WICKER) at 12 noon.

PRAYER

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

We recall the words of the Psalmist of old who wrote: "How wonderful it is, how pleasant, for God's people to live together in harmony!" O gracious God, from whom all good gifts do come, we pray that we will represent in our daily lives the unity that You gave to us at creation and the solidarity we share as Your people. Though we differ in our manifestations of our knowledge, yet may we testify also to the shared values that are the legacy of our land and the faithful heritage of faith and hope and love that is Your gift to every person. Bless us this day and every day, we pray. Amen.

THE JOURNAL

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

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

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Georgia [Mr. NORWOOD] come forward and lead the House in the Pledge of Allegiance.

Mr. NORWOOD 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.

PERMISSION FOR SUNDRY COMMITTEES AND THEIR SUBCOMMITTEES TO SIT TODAY DURING 5-MINUTE RULE

Mr. NORWOOD. Mr. Speaker, I ask unanimous consent that the following committees and their subcommittees be permitted to sit today while the House is meeting in the Committee of the Whole under the 5-minute rule: Committee on Agriculture; Committee on Banking and Financial Services; Committee on Commerce; Committee on Economic and Educational Opportunities; Committee on Government Reform and Oversight; Committee on International Relations; Committee on the Judiciary; Committee on Resources; and Committee on Transportation and Infrastructure.

It is my understanding that the minority has been consulted and that there is no objection to these requests.

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

Mrs. SCHROEDER. Reserving the right to object, Mr. Speaker, I rise not to object but only to convey that what the gentleman from Georgia said is correct, that the minority has been consulted and there are no objections to these requests.

Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Edwin Thomas, one of his secretaries.

PROVIDING FOR CONSIDERATION OF H.R. 1530, NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1996

Mr. SOLOMON. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 164 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 164

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. 1530) to authorize appropriations for fiscal year 1996 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal year 1996, and for other purposes. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived. General debate shall be confined to the bill and the amendments made in order by this resolution and shall not exceed two hours equally divided and controlled by the chairman and ranking minority member of the Committee on National Security. After general debate the bill shall be considered for amendment under the five-minute rule.

SEC. 2. (a) 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 National Security now printed in the bill. The committee amendment in the nature of a substitute, as modified by striking section 807, and by an amendment printed in part 3 of the report of the Committee on Rules accompanying this resolution, shall be considered as read. All points of order against the committee amendment in the nature of a substitute are waived.

(b) No amendment to the committee amendment in the nature of a substitute, as modified, shall be in order except the amendments printed in the report of the Committee on Rules accompanying this resolution, amendments en bloc described in section 3 of this resolution, and the amendments described in section 4 of this resolution.

(c) Except as specified in section 5 of this resolution, each amendment printed in the report shall be considered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. Unless otherwise specified in the report, each amendment printed in the report shall be debatable for ten minutes equally divided and controlled by the proponent and an opponent and shall not be subject to amendment (except that the chairman or ranking minority member of the Committee on National Security each may offer one pro forma amendment for the purpose of further debate on any pending amendment).

(d) All points of order against amendments printed in the report, amendments en bloc described in section 3 of this resolution, and amendments described in section 4 of this resolution, are waived.

(e)(1) Consideration of amendments printed in subpart A of part 1 of the report of the Committee on Rules accompanying this resolution shall begin with an additional period of general debate, which shall be confined to the subject of cooperative threat reduction with the states of the former Soviet Union and shall not exceed thirty minutes equally divided and controlled by the chairman and ranking minority member of the Committee on National Security.

(2) Consideration of amendments printed in subpart D of part 1 of the report of the Committee on Rules accompanying this resolution shall begin with an additional period of general debate, which shall be confined to the subject of ballistic missile defense and shall not exceed sixty minutes equally divided and controlled by the chairman and ranking minority member of the Committee on National Security.

SEC. 3. It shall be in order at any time for the chairman of the Committee on National Security or his designee to offer amendments en bloc consisting of amendments printed in part 2 of the report of the Committee on Rules accompanying this resolution not earlier disposed of or germane modifications of any such amendment. Amendments en bloc offered pursuant to this section shall be considered as read (except that modifications shall be reported), shall be debatable for twenty minutes equally divided and controlled by the chairman and ranking minority member of the Committee on National Security or their designees, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. For the purpose of inclusion in such amendments en bloc, an amendment printed in the form of a motion to strike may be modified to the form of a germane perfecting amendment to the text originally proposed to be stricken. The original proponent of an amendment included in such amendments en bloc may insert a statement in the Congressional Record immediately before the disposition of the amendments en bloc.

SEC. 4. (a) It shall be in order for Representative Clinger of Pennsylvania, with the concurrence of Representatives Collins of Illinois, to offer the amendment numbered 1 in subpart C of part 1 of the report of the Committee on Rules in a modified form that is germane to the form printed in the report.

(b) After disposition of all other amendments, it shall be in order at any time for the chairman of the Committee on National Security or his designee to offer an amendment not printed in the report of the Committee on Rules accompanying this resolution to reconcile spending levels reflected in the bill with the corresponding level reflected in a conference report to accompany a concurrent resolution on the budget for fiscal year 1996. The amendment shall be considered as read, shall be debatable for ten minutes equally divided and controlled by the chairman and ranking minority member of the Committee on National Security or their designees, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole.

SEC. 5. (a) The chairman of the Committee of the Whole may postpone until a time during further consideration in the Committee of the Whole a request for a recorded vote on any amendment made in order by this resolution.

(b) The chairman of the Committee of the Whole may reduce to not less than five minutes the time for voting by electronic device on any postponed question that immediately follows another vote by electronic device without intervening business, provided that the time for voting by electronic device on the first in any series of questions shall be not less than fifteen minutes.

(c) The chairman of the Committee of the Whole may recognize for consideration of any amendment made in order by this resolution out of the order printed but not sooner than one hour after the chairman of the Committee on National Security or a designee announces from the floor a request to that effect.

SEC. 6. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute, as modified. The previous question shall be considered as ordered on the bill and amendments there to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentleman from New York [Mr. SOLOMON] is recognized for 1 hour.

Mr. SOLOMON. Mr. Speaker, for the purposes of debate only, I yield 30 minutes to the gentleman from Massachusetts [Mr. MOAKLEY], pending which I yield myself such time as I might consume. During consideration of this resolution all time yielded is for the purposes of debate only.

Mr. Speaker, House Resolution 164 is a complicated structured rule that will permit the House to consider H.R. 1530, the national defense authorization bill for fiscal year 1996. The rule waives all points of order against the bill and against its consideration, and provides for 2 hours of general debate divided equally between the chairman and ranking minority members of the Committee on National Security.

The rule makes in order the Committee on National Security amendment in the nature of a substitute as original text for amendment purposes. That text is modified by striking section 807, which deals with recoupment of research and development costs, and by an amendment printed in part 3 of the report on the rule which deals with the Elk Hills Naval Petroleum Reserve in California, about which I will have a colloquy with the gentleman from California [Mr. THOMAS] in a few minutes.

All points of order against the substitute are waived.

Unless otherwise specified in the rule, the rule makes in order only those amendments that are printed in the report of the Committee on Rules, certain amendments en bloc, and pro forma amendments offered by the chairman and ranking minority members of the Committee on National Security.

Except as otherwise specified in the rule, the amendments shall be considered in the order and the manner specified in the report.

The rule provides that amendments printed in part 2 of the report shall be debatable for 10 minutes each, equally divided and controlled by a proponent and an opponent.

The amendments shall be considered as read and are not subject to amendment unless otherwise specified in the report, and they are not subject to a demand for a division of the question in the House or in the Committee of the Whole. The rule waives all points or order against the amendments printed in the report.

□ 1215

The rule also provides for an extra 30 minutes of general debate on cooperative threat reduction with the former Soviet Union in part 1 of the report, and an extra 60 minutes of general debate on ballistic missile defense, also in part 1.

The rule provides that the gentleman from Pennsylvania [Mr. CLINGER] may offer a germane modification to his amendment on acquisition reform, with the concurrence of the gentlewoman from Illinois [Mrs. COLLINS]. And I repeat, with the concurrence of the gentlewoman from Illinois [Mrs. COLLINS].

The chairman of the Committee on National Security or his designee is authorized to offer amendments en bloc consisting of amendments in part 2 of the report or germane modifications thereto. Amendments en bloc shall be considered as read except that modifications shall be reported. Amendments en bloc shall not be subject to amendments en bloc shall be subject to amendment or a division of the question in the House or the Committee of the Whole, and they shall be debatable for 20 minutes.

The rule waives all points of order against the amendment en bloc.

The rule authorizes the chairman of the Committee of the Whole to postpone consideration of a request for a recorded vote on any amendment and to reduce to 5 minutes the time for voting after the first of a series of votes.

The Chairman of the Committee of the Whole is also authorized to recognize for consideration of any amendment printed in the report out of the order in which it is printed, but not sooner than, and this is important for Members listening, not sooner than 1 hour after the chairman of the Committee on National Security or his designee announces from the floor a request to that effect. That is so Members will be properly alerted.

The rule authorizes the chairman of the Committee on National Security to offer an amendment not printed in the report to reconcile spending levels in the bill with the final defense spending

level contained in the conference report on the budget resolution.

This amendment, if offered, shall be considered as read and shall not be subject to amendment or to demand for a division of the question. This amendment, if offered, shall be debatable for 10 minutes, equally divided between the chairman and ranking minority member of the committee of jurisdiction.

And, finally, Mr. Speaker, the rule provides for one motion to recommit with or without instructions.

This, then, is the rule which will permit the House to work its will on H.R. 1530.

Mr. Speaker, the national defense authorization bill is the most important piece of legislation that comes before this body in any given year, and especially this year. I say that because of my conviction that protecting the territory and the vital security interests of the United States of America, what the Constitution calls providing for the "common defense," is the preeminent constitutional obligation of the Federal Government. It is, in fact, the one true entitlement program.

This bill represents the one thing that every American in this country, regardless of race, creed, age, sex or any other distinction, can expect to receive from the Federal Government. That is why we formed this Republic of States.

Mr. Speaker, what a difference an election makes. Anyone who believes that elections do not make a difference should just study this bill.

When we compare this bill with the administration's request, we find procurement is up 11 percent. Research and development are up 5 percent. Operations and maintenance are up 3 percent. Military construction and family housing are up 5 percent. And how terribly important that is when we have an all-volunteer military, with families living in deplorable conditions in our military today. And instead of a ceiling limiting the number of military personnel, ladies and gentlemen, we find a floor below which the number of uniformed personnel on active duty will not go.

We are going to maintain a strong military preparedness in this country. To provide for all of these vital increases, yet only increasing this overall defense bill by a mere 3.8 percent, we make substantial cutbacks in nondefense expenditures.

These have been clogging the defense authorization bill in recent years, creating the appearance that defense spending is much higher than it really is. We find such things as non-defense Department of Energy activities charged to the defense budget. They are substantially reduced and will be reduced further in years to come. Nondefense funding for environmental restoration is down 12 percent. So-called peacekeeping is zeroed out altogether, at least as far as this defense budget is concerned.

And, Mr. Speaker, we will not permit our active-duty personnel to be hollowed out, and their readiness impaired, all in the pursuit of so-called peacekeeping. That does not belong in this budget. If there are funds needed, fund it out of the foreign affairs bill or some place else, not out of the military budget.

In short, Mr. Speaker, this bill stops and even reverses the 10-year decline in the national defense budget of this country.

For the first time since fiscal year 1985, this House will pass a national defense authorization bill that increases our commitment to providing for the common defense over the previous year.

Mr. Speaker, I will conclude this portion of the debate by citing a most significant remark made shortly after the Persian Gulf war by the Saudi Arabian general who served as his country's chief liaison officer at General Schwarzkopf's headquarters. The Saudi Arabian general said, "If the world is to have only one superpower, thank God it is the United States of America." Believe you me, Mr. Speaker, he was speaking for more than his own people in Saudi Arabia. He was speaking for the entire free world.

Mr. Speaker, our country is by destiny rather than choice the one remaining superpower in this world. This year we will pass a defense budget that is equal to that obligation.

"If the world is to have only one superpower, thank God it is the United States of America."

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

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

Mr. Speaker, no matter what my Republican colleagues may say—this rule is not fair.

The bill gives the Pentagon $9.5 billion more than they asked for and the rule will keep anyone from changing that.

As far as I am concerned, $9.5 billion is a lot of money; $9.5 billion could send 1.6 million children to Head Start. It could put 268,818 new police officers on the street. It could even go so far as to clean up the Boston Harbor.

I wonder why Republicans are insisting on giving the Pentagon more money than it needs when we are having trouble paying for the things we do need?

If my colleagues are truly interested in cutting spending, especially unnecessary spending, why do they refuse to allow people to cut some of the wasteful spending out of this bill?

A number of Members have some very good ideas on how to save a lot of money and cut out a lot of unnecessary military spending. But under this rule, their amendments are not going to be allowed to see the light of day.

I suspect these amendments are being kept from the floor because, despite the Republican majority, despite the cohesion of their party, these amendments just might pass.

Meanwhile, to add insult to injury, just when you thought we had gotten over the most ridiculous fantasy of all, star wars, here it is again, and this rule will protect it to the bitter end.

What Republicans are saying is that it is OK to cut spending, as long as it is not spending for something they like, no matter what the Pentagon says, no matter what our defense needs, even the Pentagon says they do not need this much money to defend the country.

I urge my colleagues to defeat the previous question to allow a vote on amendments to redirect military spending toward readiness and away from star wars and to cut unnecessary waste. I reserve the balance of my time.

Mr. Speaker, I yield such time as she may consume to the gentlewoman from California [Ms. HARMAN].

PERSONAL EXPLANATION

Ms. HARMAN. Mr. Speaker, because of my son's graduation from college, I was necessarily absent for votes on Thursday, June 8.

Had I been present, I would have voted "yes" on rollcall 362, directing the President to lift the arms embargo against Bosnia, and I would have voted "no" on rollcall 366, final passage of the American Overseas Interests Act.

Mr. MOAKLEY. Mr. Speaker, what the gentlewoman neglected to say was that her son graduated magna cum laude from Harvard, so I mean, nobody from Massachusetts could deny a request like that.

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

Mr. SOLOMON. Mr. Speaker, I yield such time as he may consume to my good friend, the gentleman from California [Mr. THOMAS], a classmate of mine. We came here together 17 years ago, and he is a very valuable member of the Committee on Ways and Means and a member of the California delegation; I yield this time to him for a colloquy.

Mr. THOMAS. Mr. Speaker, I thank the chairman for entering into a colloquy over section 2 of the rule affecting the sale of the naval petroleum reserve at Elk Hills.

Is it the chairman's understanding the new language in the amendment incorporated in the bill through this rule regarding settlement regarding the so-called school lands issue and California's interest in the naval petroleum reserve permits California to be fully compensated for its interest in Elk Hills?

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

Mr. THOMAS. I yield to the gentleman from New York.

Mr. SOLOMON. I will say to the gentleman based on my interpretation of that language, it certainly does.

Mr. THOMAS. Is the chairman aware of the State's concern about the amendment's possible effect on getting fair market value for its interest by giving Federal agencies power to force the State to take less than, in their opinion, fair value for those claims?

Mr. SOLOMON. I would say to that, yes. Again, there is no question for the amendment to preclude or limit the State of California from pursuing judicial remedies should an agreement or settlement with the Federal Government not be arrived at in this matter. And as the gentleman knows, Mr. Dan Lundgren is another former classmate of ours who came here with us, and in his position in the California government, I think you can be assured there will be a reasonable settlement out of this. Do you not think so?

Mr. THOMAS. I believe the attorney general of California feels comforted by the chairman's statement that there is no intention to preclude a judicial remedy if we cannot reach agreement. I am perfectly satisfied we will reach agreement.

But it is a comfort for the chairman to indicate that is his interpretation of the rule.

I thank the chairman for the colloquy.

Mr. SOLOMON. Again, the people of the State of California ought to be proud of the gentleman for standing up for their interests.

Mr. Speaker, I yield 2½ minutes to the gentleman from Sanibel, FL [Mr. GOSS], a very distinguished member of the Committee on Rules.

Mr. GOSS. Mr. Speaker, I thank my distinguished friend from Glens Falls, NY, the distinguished chairman of the Committee on Rules.

Mr. Speaker, like the chairman I believe it is imperative, absolutely imperative, that we maintain the strongest, best equipped, most professional military in the world.

The world is counting on us to do it.

I am pleased this rule makes in order a defense authorization bill that will help to strengthen our national security by restoring funding in several vital areas and focusing on our true priorities in others.

This rule makes in order some 56 amendments from both sides of the aisle, 56 amendments. I am confident that there will be full and open debate on such important issues as to whether or not to fund more B–2 bombers, the status of aid to Russia, missile defense strategy, procurement reform, things we are talking about in America.

While the minority may find fault with a specific amendment made in order or lack thereof, perhaps, Members should be aware this Committee on Rules has continued the tradition of reviewing and allowing numerous amendments to the DOD bill on a bipartisan basis. National security is not partisan matter.

One tradition we have not followed, however, in the Committee on Rules is the practice of granting multiple rules for the consideration of this bill. Last year we needed two rules. The year before, it took four rules to complete the DOD bill.

So this single rule is welcome progress toward efficiency as well as fairness.

Mr. Speaker, the cold war is over. As we have witnessed in the Middle East, Bosnia, and Korea, there are still many actual and potential regional conflicts that could easily threaten the United States and individual members of our military forces. Our readiness must not be allowed to deteriorate to the minimum acceptable level.

In this uncertain world, we still need deterrence and we still need to be able to handle any threat to our security. Our military, for now, I think, has distinguished itself once again in a great way. We certainly have proven that we give the best training and the best equipment to our troops, and that it is justified. It is also true, I might add, we have an obligation not to misuse our military for nonmilitary purposes. Haiti comes to mind in that vein.

Having said that, it is evident the administration, sadly, has been cutting back our Armed Forces too quickly and not enough thought given to the impact that specific cuts would have on our security. Once again, I commend the Committee on National Security for bringing forward this bill, and I urge passage of this rule for its fair consideration of the bill.

□ 1230

Thinking of the remarkable exploits and successful saga of Scott O'Grady and his rescuers, can any Member do less than support this bill?

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentlewoman from Colorado [Mrs. SCHROEDER].

Mrs. SCHROEDER. Mr. Speaker, I thank the gentleman for yielding this time to me, and I must say I stand in absolute opposition to this rule. I find this rule very, very offensive. Three quarters of the cutting amendments that we wanted to offer have not been allowed.

Now, for someone to say, "Oh, yeah, but we're giving you one rule rather than multiple rules," hey, I will take multiple any day if it allows a real debate on these issues, and the reason that this is so distracting is what we are doing in this rule, if this rule passes, is we are hermetically sealing in $9.5 billion that the Pentagon does not want, that the President does not want and that the Senate does not think is needed. But somehow, because the House committee thinks it is needed, we are going to seal it in so the people like myself, senior members of the committee, cannot even offer an amendment to take it back down to the level every other reasonable group seems to think is adequate.

Now this is not what the Pentagon wants. What we are doing is force feeding the Pentagon money they have not asked for. It seems to me that at a time when we are trying to balance the budget we ought to be looking at need-based concerns. The Pentagon came up with a need-based budget based on two major wars. It was 92 cents for every dollar that was spent by the Pentagon during the cold war. I would have guessed that was too high. But we cannot even get to that because of this add-on of $9.5 billion.

I have got to say what are we doing here as we are standing here cutting school lunches, student loans, all these other things and saying for every other Department of Government we are looking at the fat, we are trimming what is in there, but for the Defense Department it is going to be different. Not only are we not going to look at what they requested, we are going to give them even more than they requested. It used to be we gave them everything they wanted. Now we are giving them all sorts of things they do not even want.

Now figure that out at a time when we are spending more money for defense than the rest of the world. This makes no sense. Defeat this rule.

Mr. Speaker, the chairman of the House National Security Committee, in his statement in the May 18 CONGRESSIONAL RECORD, said that while other departments are expected to put their fiscal houses in order, the Department of Defense does not because "Defense is different."

Defense has been deemed so different by the House National Security Committee that not only does it not have to face painful cuts, they get an unrequested increase of $9.5 billion, an increase that largely pays for unrequested weapons systems. It takes us off the so-called procurement holiday and puts on a procurement splurge. This bill adds $553 million for two unrequested B–2 bombers, $550 million in unrequested funds for the *Seawolf* submarine, $160 million for eight unrequested AV–8B Harriers, an unrequested sum of $974 million for an amphibious transport dock ship. This is just the beginning. I could keep going, but I would run out of time before I ran out of adds.

I had hoped to offer an amendment eliminating the $9.5 billion increase to return the spending level to the level requested by the Pentagon. I assume the generals over at the Pentagon know what they need. However, my amendment was denied.

This unrequested increase is a lot of money, $9.5 billion can buy a lot in the civilian world. It can buy things that make a real difference in peoples lives. It could clean up 380 Superfund sites, pay for Pell grants for 4 million needy students, cover prenatal and

postpartum care for 2.4 million uninsured pregnant women. It could pay for 95 million mammograms and double biomedical research at NIH. It could cover child care costs for 2.5 million children under 5 for a year, and feed 11.6 million hungry people in the United States one nutritious meal a day for 1 year. If you don't think those are wise investments, then it could be block granted to the States at a level of $190 million for each of the 50 States, or returned to the Treasury for deficit reduction.

In light of the budget cuts domestic programs will be taking to balance the budget, it is impossible to justify this $9.5 billion increase. We are still spending 92 cents for every dollar we spent during the cold war, and the threats we face loom nowhere as large. In fact, we are spending more on our defense than our NATO allies, Russia, and Japan combined. I find it blatantly inconsistent that the majority, who is so strongly dedicated to balancing the budget, has carved out the defense budget as their sacred cow, and has refused to allow it to be questioned. The Democratic process is based on questions and challenges. In this case the process has been subverted. The $9.5 billion increase in this bill is unjustifiable. This is not the Pentagon's increase; it is the committee's. Cuts to the funding level of H.R. 1530 are substantive amendments and should have been allowed. I urge my colleagues to oppose the rule.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Colorado [Mr. SKAGGS].

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

Mr. Speaker, I oppose this rule, and I oppose it because it makes it impossible for the House even to consider reversing a serious mistake made by the Committee on Natural Security. That mistake was to reduce the authorization for the Energy Department's environmental management programs by almost three quarters of a billion dollars and to add that money into missile defenses, the Star Wars Programs. Those priorities are exactly wrong.

Mr. Speaker, as we might say to our kids, "We need to clean up our room before we use our allowance to buy new toys."

Through its environmental management programs, the Department of Energy carries out the work of cleaning up places like Rocky Flats site, in my district, and other sites around the country, facilities where America developed and built the nuclear weapons that helped us win the cold war. Those cleanup costs are part of the cost of that victory. They have to be paid. And while the possible benefits of increased spending beyond what the Defense Department has asked for on star wars are highly speculative, there is absolutely nothing speculative about the benefits in health and safety that we will gain by expending these necessary funds for cleaning up Rocky Flats and the other weapon sites.

The gentleman from Illinois [Mr. EVANS] and myself each offered an amendment that we asked to be made in order under this rule; neither was. Mine would have restored all the money; his would have restored a major part of it. But neither was made in order. So, this House will have no opportunity to decide whether or not cleaning up this mess created over 3½ decades ought not to come first.

As a result, with this restrictive rule we will be denied the opportunity to debate and have the will of the House done on this issue. I have no choice under these circumstances but to oppose this unfair, unwise, and restrictive rule, and I urge my colleagues, as well, to vote "no."

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Oregon [Mr. DEFAZIO].

Mr. DEFAZIO. Mr. Speaker, in bringing forward the largest budget of the Federal Government, the largest general fund discretionary expenditure of the Federal Government, under a restrictive rule we have got to ask what is the majority afraid of, why is it that they do not want to have the free interplay of the legislative process here on the floor of the House of Representatives? What is it they are trying to protect?

Well, Mr. Speaker, I say to my colleagues, you heard earlier from Mrs. SCHROEDER from Colorado, and you'll hear later from others, there are a number of things they want to protect. They want to protect the procurement process at the Pentagon. You know, it came out that they lost $15 billion in the procurement process over the last 10 years which they can't account for—simple bookkeeping errors. Do you think there is any other segment of the Federal Government where, if there was a $15 billion scandal, that we wouldn't be in full cry on the floor of the House, amendment after amendment, hearings, special investigations, special committees? But hey, the Pentagon just lost $15 billion. So they can't account for it—minor clerical error—and there will be no substantive amendments to overhaul the procurement process at the Pentagon in this bill. They will not be allowed for under this rule.

Then there is the little item of the Office of Support Aircraft. In a GAO report that Senator GRASSLEY and I obtained it says that we are probably 50 to 75 percent overbuilt for administrative support aircraft; that is, we are at such a point where every one-star general at the Pentagon, every deputy junior assistant secretary, is taking a helicopter to go to Andrews Air Force base to get on their private jet planes and fly off to routine meetings at extraordinary costs to the Federal taxpayers. The estimates of GAO say we could save $200 million a year from this account and meet the legitimate defense and military requirements of this country. We spent $275,000 to send the Air Force Cadets to Hawaii. That is a scandal.

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

Mr. Speaker, I have heard the last two speakers talk about toys that we are going to give to our military, and there is nothing, I guess, that aggravates me more.

As my colleagues know, back in 1979, when we had allowed our military to go to hell, soldiers were on food stamps with their families. It was a disgrace in this Nation what we had done to them. This Congress had allowed the military preparedness of this country to disintegrate. And we had hostages being held in a place called Iran, and we tried to rescue those hostages. At that time our equipment was in such bad condition we had to cannibalize 14 helicopter gunships just to get 5 that would, perhaps, work. Three of the five failed, and so did the mission, and we never did bring those hostages out with a rescue attempt.

My colleagues know to look now at what has happened. We look at Desert Storm, where we had the fewest casualties possible. Why? It is because we had the highest technology, the state-of-the-art equipment, equipment that allowed us to see the enemy—they could not see us.

Mr. Speaker, if we are going to put other men and women into combat and into harm's way, we better give them the very best. We have an all-volunteer military. One of the proudest, proudest jobs one could have in America today is serving in our military, and then we hear these things called toys? Stinger aircraft missiles, multiples launch rocket systems, Hellfire antitank missiles, AV-8 Harriers—excuse me for getting so excited, but, as my colleagues know, when I hear advanced technology called toys I just get burned up.

We are going to provide an adequate military for our military personnel, and that is exactly what this bill does.

Mr. Speaker, I yield such time as she may consume to the gentlewoman from Utah [Mrs. WALDHOLTZ], a very valuable member of the Committee on Rules.

Mrs. WALDHOLTZ. Mr. Speaker, I rise in strong support of the rule. This is a critical issue for us to consider. As defense spending has steadily declined over the last decade, we were able to maintain the world's premiere fighting force by spending our defense dollars more wisely. However, in the last couple of years we have seen numerous indicators that our military readiness is dangerously on the decline and our military personnel are suffering in pay, in housing, in training. This bill is a step toward reversing that troubling trend.

This rule provides for fair consideration of a critical issue. Because of the scope and importance of this issue, we

could debate the defense bill until the end of the year, and there are undoubtedly some who would like to. Our rule allows amendments on a wide variety of important issues that are of interest to members.

This rule is a fair attempt to allow members to air their differences and at the same time allow us to move forward in determining the future of our national defense.

Mr. Speaker, I urge my colleagues to support this rule.

Mr. MOAKLEY. Mr. Speaker, I yield 4 minutes to the gentlewoman from Oregon [Ms. FURSE].

Ms. FURSE. Mr. Speaker, it is time to stop behaving like a herd of ostriches. Let us get our heads out of the sand.

I had a simple amendment. It would mean that we would stop buying C–17's until the Pentagon had come forth with its report in November and until that report has been analyzed. That is a very commonsense amendment, but my amendment was denied. Congress cannot even get to discuss this issue.

Now I believe that the C–17 is a goldplated turkey whose wings are broken. I believe that it is a lemon, and I believe that we could look at its history and learn something.

In 1985 we were told that this plane would carry 86 tons 2,400 miles with no refueling. Well, that payload has been reduced four times. We were told it would be ready by September 1992. But in fact there will not be flight testing completed until 1995, this year. We were promised no significant recalls, yet in 1991, Mr. Speaker, it went back to the shop to fix fuel leaks. In 1992, went back because the wings had problems. The slats melted, the wings buckled. In 1993, went back because the main landing gear collapsed.

If this was an automobile, the C–17 would be a lemon no one would waste their money on, and yet the taxpayers are being asked to pony up another $2.6 billion this year.

And although the C–17 has had all these problems, what happened to the price sticker? Well, in 1989 we were told it would cost $199 million each, but in 1995 the price is $563 million each. If this were an automobile, consumers would be filing complaints with the Federal Trade Commission.

□ 1245

Yet, we are not even allowed to discuss this issue on the floor of the House of Representatives, the people's House.

I wanted to remind Members, it is not they who are paying for the C–17, it is the U.S. taxpayer, and they deserve to know what it is they are buying.

Why is there this congressional wall of silence? Four independent reports have shown we get a better airlift if we mix C–17's and 747's or C–5's. That mix, we are told by four independent reports, would save $15 billion of the taxpayers' money.

No one would buy a car without reading the Consumer Reports. No one would buy a car where the features get axed and the price goes up. Members of Congress should be as thrifty as their constituents are. Why aren't they? What is the deal here?

It is time to stop wasting defense dollars. It is time the taxpayer gets an accounting. No more expensive lemons. Let us get the airlift we need at the price we can afford. Let us defeat this rule. Let us give the American taxpayer their money's worth.

Mr. MOAKLEY. Mr. Speaker, I yield 7 minutes to the gentleman from California [Mr. DELLUMS], the ranking member of the Committee on National Security.

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

Mr. Speaker, as I have said on more than one occasion here, I both understand and respect the fact that all of us come here with different perspectives, different points of view, different philosophies, different values, and different politics at the end of the day, and that we engage in a relevant and significant debate on the critical issues of our time.

But it seems to me this is the one place where we all should always come together, without difference, and that is that the process by which we engage in these substantive discussions and substantive debates be characterized as a process that embraces the principles of fairness, openness, dignity, and integrity.

I am chagrined at the fact that I must rise this afternoon, Mr. Speaker, suggesting to you that the rule that governs the DOD authorization bill for fiscal year 1996 does not meet that test. For those reasons, I must rise in opposition to the rule proposed to govern debate on H.R. 1530. It is not fair. It does not serve well the legislative process. That is why we are here, to engage in a deliberative process to arrive at substantive policy conclusions that affect the lives of millions of Americans and people throughout the world.

It excludes important issues from the debate, and it makes in order an amendment that addresses major issues which need to be worked on by several committees, but instead they were not worked on by several committees. It ignores a lengthy history of allowing for significant debate on this important annual legislation, and it does not return the fair play that I believe this gentleman brought when I sat as chair in the last Congress to the debate of national security policy.

Previous rules have successfully permitted expedited and fair consideration of the defense authorization bill, one of the most important and expensive elements of our national undertakings, Mr. Speaker. Few enough amendments were filed this year in this gentleman's opinion to allow the Committee on Rules to make additional relevant, important amendments in order. This would provide for a better debate, one well within the time-frame envisioned by the majority leadership.

We should not, Mr. Speaker, become captives of time. We have time to debate these matters. What more important issue could we ever discuss than the national security of this Nation? We should provide adequate, ample time to engage in that process substantively.

Mr. Speaker, whether in personal matters, weapons procurement, research and development, foreign policy initiatives, or acquisition reform, the failure to initiate full-fledged evenhanded inquires and the public solicitation of the views of outside experts constitutes, in this gentleman's humble opinion, a real legislative shortcoming.

Acquisition reform is just one major area in which such procedural shortcoming initiate substantive programs, in the bill or by amendment, with significant potential unintended consequences, and all without meaningful legislative deliberations. I testified at some length on this matter before the Committee on Rules. I was prepared to answer every question dealing with this extraordinary shortcoming to the members of the Committee on Rules. Yet, in spite of that testimony, we find this matter coming before the Congress in this bill without hearings, without markup, and without the involvement of other committees of relevant jurisdiction.

Mr. Speaker, that is why we are being paid. That is why we were elected. That is why this process was set up. To short circuit it in the interests of time or for some reason to exploit an opportunity, denying the Members their responsibility to carry out their fiduciary responsibilities with respect to their duties as Members of Congress, it seems to me is incredibly shortsighted.

Many Members who felt compelled to remedy the deficiencies that are in the acquisition reform bill by virtue of the fact that the process was short-circuited have been denied that opportunity to attempt to refine and address the misgivings and shortcomings that they perceived because the Committee on Rules chose not to provide them that opportunity. So they lost on both counts. The process did not allow them to be involved and the rule that we are debating and discussing at this moment does not give them the opportunity to engage the process a second time.

Efforts to restore environmental management funds to the Department of Energy, to provide impact aid, to

provide educational funds to local communities, were not made in order, because the Committee on Rules considered them as amendments to cut funds from the ballistic missile defense program.

Mr. Speaker, this Catch-22 requires Members to provide offsets for amendments that have dollar costs associated with them. That is the rule. That is the name of the game. Yet when they provided such offsets, their amendments were, in this gentleman's opinion, unfairly considered to be interchangeable with amendments that sought as a matter of policy to reduce ballistic missile defense funding.

I also testified specifically on this matter. I urged the members of the Committee on Rules to place those two amendments in the policy context that they were attempting to raise, that these were not ballistic missile defense amendments that should indeed be played off against each other. Yet my admonishment, my cautiousness and my thought processes were laid on the table as these amendments were denied the opportunity to be debated in the full light of day. Other important policy amendments were also not made in order.

Finally, Mr. Speaker, amendments were offered that sought to reduce the authorization level proposed in the Committee on National Security report, H.R. 1530. As you know, the committee placed roughly $10 billion in budget authority above what the President requested. The budget resolution allowed that ceiling. But I would argue that the House should have the right in the context of this debate to reduce total authorizations in the light of the types of programs the Committee on National Security bought with the budget resolution's increased funding. That is all right. We are the authorization committee. It is one thing in the context of the budget resolution. But it seems to me it is only proper, only fair, only intellectually honest and politically appropriate to allow a Member of Congress to come to this floor and say now that you have engaged in consideration and deliberation on this bill, I have the right or someone would have the right to offer an amendment to reduce that level, now that they know the purposes to which you put the funds. But the Committee on Rules chose not to provide that. I do not understand the principle upon which that decision rests, Mr. Speaker.

In conclusion, an informed and thorough debate should assure the American people that all of the issues that affect our national security might fully be considered and decided in the full light of day. I do not believe that the proposed rule, as I said earlier, achieves that goal. For that reason, Mr. Speaker, I urge my colleagues to reject this rule.

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

Mr. Speaker, if I can have the attention of the ranking member just briefly, I was so surprised to hear my friend, and he is my friend, rise in opposition to the rule. At the gentleman's request, I specifically declined to write into this rule a time limit on the bill which might preclude Members from having time to offer their amendments. Every single amendment made in order is going to be debated on this floor. There is no king-of-the-hill provision giving the majority an edge, which other parties have had in years past as the gentleman knows. This Committee on Rules under Republican leadership will not have a king-of-the-hill provision. That is a provision whereby an amendment can pass with 240 votes, yet be knocked out by one that has only 218 votes. No more of that. Everything is a fair fight.

Last, amendments are made in order on every single major issue, whether it is the Nunn-Lugar cooperative threat reduction, whether it is the ballistic missile defense, whether it is burden sharing, whether it is the tritium issue, whether it is abortion, all of these issues are singled out. The B–2 bomber, that is in there.

So I just call that to the Member's attention. This is truly a fair rule. I just wanted to let the gentleman know we are still trying to be fair.

Mr. Speaker, I yield 1½ minutes to the gentleman from Claremont, CA [Mr. DREIER], the vice chairman of the Committee on Rules, and a very valuable Member of this body.

Mr. DREIER. Mr. Speaker, I thank my friend for yielding me this time.

Mr. Speaker, I rise in strong support of this rule. Fairness, openness, dignity, and integrity are exactly what this rule offers, as was raised by my friend from Oakland, the distinguished ranking minority member of the Committee on National Security. It seems to me as the gentleman from New York, [Mr. SOLOMON] just enumerated, virtually every single proposal is being considered in this legislation. With nearly 200 amendments submit to the Committee on Rules, some decisions had to be made. I believe that using those guides of fairness and openness, we have successfully done that with this rule. I would like to say I believe we are clearly on track here.

I think as we look at our challenge of trying to deal with the national security of this country, as we have faced as the gentleman from New York [Mr. SOLOMON] has raised on several occasions the fact that Captain Scott O'Grady was shot down and the challenges that we look at there, and, of course, nuclear expansion throughout the world, this bill is a measure which is very positive in addressing it.

It seems to me that as we look at one of the very important items that directly impacts my State, the Federal Government is making a right decision in selling off the naval petroleum reserve at Elk Hills, and also recognizing that for nearly a century and a half, the State of California has had a very modest claim on part of that, and I hope that we will be able to work out a satisfactory compromise on that with the amendment that has been brought forward.

I thank my friend for yielding and strongly support this rule.

Mr. MOAKLEY. Mr. Speaker, I yield 2½ minutes to the gentleman from Alabama [Mr. BROWDER].

Mr. BROWDER. Mr. Speaker, I appreciate the gentleman yielding.

Mr. Speaker, I would like to engage my friend, the distinguished gentleman from New York [Mr. SOLOMON], in a colloquy.

Mr. Chairman, I had a relatively minor amendment which attempted to delete $17 million for the Army to build a 49th museum in the monument corridor here in Washington, DC, and direct that to family housing. The gentleman talked about the family housing, and it has been testified before our committee, on which I sit, that this is a crisis. I wanted to redirect this $17 million to family housing. I thought that was a pretty good idea. I spoke in subcommittee and full committee asking for the right that I place my amendment on the floor, and both subcommittee and committee chairman expressed an understanding to that.

□ 1300

I think that is normal procedure for reserving your right to bring an amendment to the floor.

What I would like to ask you is, could you explain to me why, and I think other Members of Congress may have this same question, for a member who follows normal procedure in reserving the right to bring it to the floor, why this amendment was not considered in the rule?

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

Mr. BROWDER. I yield to the gentleman from New York.

Mr. SOLOMON. Mr. Speaker, let me say to my good friend, I would like to make every amendment in order that is not duplicative so that every Member can work their will.

As the gentleman knows, we are limited with a window of opportunity. We could only make so many amendments in order. I will say this for the gentleman: His Democrat leadership did include his amendment on a second tier of amendments they would like to have had made in order. We made almost all of the first tier amendments in order. There is no more time to add more amendments to it.

It is not just the gentleman. I have a Member, the gentleman from Wisconsin, Mr. KLUG, who will not even speak to me now from our side of the aisle because his amendment was not made in

order. We tried to be as fair as we could.

Mr. BROWDER. Mr. Speaker, I thank the gentleman for his efforts but this is, I think, an important amendment. We have people in military housing, family housing that is falling apart. I think we should have done it. The Army, I think, has gagged this amendment from coming forward. I think this is an insult to the American taxpayer, and it is an insult to the American military families who are in this housing.

Mr. SOLOMON. Mr. Speaker, just to answer the gentleman, we are providing for an additional 5 percent, that is a huge increase, in construction and housing for our military. It is something that is so badly needed. We are taking care of it in this bill.

Mr. Speaker, [Mr. LINDER], another valuable member of the Committee on Rules.

Mr. LINDER. Mr. Speaker, it was not very long ago, 1981, when Ronald Reagan became President of the United States and inherited a military where one-third of our planes could not fly for lack of spare parts, one-third of our ships were in dry dock.

Our soldiers were practicing with pretend bullets, as the chairman of the Committee on rules stated. Troops were on food stamps. Over the next 8 years of buildup and fleshing out, we won the cold war. But the fact of the matter is, our military has been declining in real terms since 1985. Though adjusted for inflation, we are not much further ahead in spending than we were in 1941, and it is time to build back up again. It is time to get our troops off food stamps, to get them into good housing.

This bill is an effort to do that. The rule under which it will be debated is a fair rule. We will have opportunities to debate most of the substantive issues that come before us. There will be plenty of time to have the discussions heard.

Sure, some amendments did not make it. That happens in virtually every bill that comes to the floor. Even under some open rules, if there is a time frame, they do not make it.

This is a fair rule, it deserves to be supported by the entire body, and I strongly support the rule and urge my colleagues to do also.

Mr. MOAKLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts, [Mr. FRANK], a very vocal member of the Massachusetts delegation.

Mr. FRANK of Massachusetts. Mr. Speaker, I thank the former chairman of the Committee on Rules for whose regime I have become increasingly nostalgic. It is hard to be vocal when one is gagged.

This rule will provide for the least adequate discussion of a defense authorization bill in the 15 years I have been in Congress. There has not, in my time here, been a rule which so severely limited Members' ability to discuss things.

Efforts by Members on our side to reduce the overall authorization to the President's number were simply arbitrarily canceled. They were ruled out of order. The chairman said, We tried hard. They tried hard, having first made it clear that they could not succeed.

We are in session 3 days this week. Apparently, under the Republican calendar, we only have this week for the defense bill. We did nothing on Monday. We will do nothing on Friday.

To cram the entire defense authorization bill, $270 billion, the biggest single discretionary item, into 3 days, with general debate, with the rule, when you then have 2 days in which we do nothing, why were we not meeting on Monday or Friday? Why under this new, hard-working Republican regime would we not be dealing with this bill? We have a Tuesday, Wednesday, Thursday setting.

The *Seawolf* issue will not be coming up. Burden sharing is up. But burden sharing in the past has had three or four different versions that Members could choose among. The gentleman from Texas, Mr. BRYANT, had a much more forceful one that I was prepared to support in addition to my own. It is not allowed. The Committee on rules simply has restricted discussion of these issues more than they have ever been.

We will not be talking about the single biggest item in the discretionary budget. We will not be talking about *Seawolf*. We will have one version to choose from. In some cases, important issues will be debated for 20 minutes; in some cases, 40 minutes. But we will be indeed extremely restricted.

The Republican party has decided to begin increasing military spending at the expense of health research and Medicare and Head Start and other programs, and we will not allow a serious discussion. This is not a rule brought forward by Members who want a lot of attention to what they are doing. This is a rule that says, We are going to increase military spending significantly, far more than it seems to me needed, and we will have very restricted debate.

The notion that efforts to bring the authorization level down to what the President proposed will not be allowed is outrageous. The chairman of the Committee on rules said, Well, we did not do this and we did not do that. I suppose if you were on trial and you were going to be sentenced for some crime, you could plead all the crimes you did not commit. I do not think that would be very persuasive.

Frankly, I would rather have some of these issues up, whether it was king of the hill or king of the mountain or queen of the May. We could vote on them. The gentleman said, We will not vote on them at all. We have got nothing. The gentleman has made a mountain into a molehill. A hill would look pretty good to us right now. The single most important issue we have got, and it is the most restricted rule I can imagine.

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

Let me just say to the gentleman who just spoke, who said that we will not be doing anything on Friday. On Friday we will be taking up the military construction appropriations bill. That is a very, very important piece of legislation. In trying to be family friendly with so many requests from your side of the aisle, we are going to try to get out of here by 2 p.m. on Friday.

Mr. FRANK of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Speaker, in this case I would put being taxpayer friendly ahead of being family friendly. I think our families would not mind if we debated some serious issues about defense and you let us talk about cutting $9 billion back to the President's level.

Mr. SOLOMON. Mr. Speaker, I was just going to look up the gentleman's rating by the National Taxpayers Union as being one of the big spenders.

Mr. FRANK of Massachusetts. Mr. Speaker, if the gentleman will continue to yield, that is because they never counted military spending.

Mr. SOLOMON. Mr. Speaker, I will submit that for the RECORD in due time.

Let me comment briefly on the statement about the overall funding for this bill. Yes, it is funded at $267 billion. And no, the Schroeder amendment was not allowed because we all know that we are in very, very delicate negotiations with the Senate right now over the total budget for this Government.

We have already voted on the level of spending in the budget that passed this House and consequently, we do not want to do anything that is going to interrupt those negotiations with the Senate.

I think it is extremely important that we keep this bill at that level of spending.

Mr. Speaker, I yield 3 minutes to my good friend, the gentleman from Evans, GA [Mr. NORWOOD]. He is a new Member of this body, and we sure are glad to have him here.

Mr. NORWOOD. Mr. Speaker, I particularly thank the chairman because he knows, as I know, I am not on the Committee on Rules nor am I on the Committee on National Security, but I am also interested in defense. I do not think you have to be a rocket scientist to know that over the last few years

this country has weakened our defenses considerably, and I would like to see us strengthen them.

In addition to strengthening them, I wanted to make sure that we do so and keep ourselves out of war. I have participated in one war, and a strong national defense is the certain way to make certain that my children and grandchildren do not have to participate in that.

Now, Mr. Speaker, this rule is more than fair to all sides. With the scope and breadth of this bill, I think it would be impossible for us to move forward in shoring up our weakened defenses and the low level of readiness without such a structured rule and debate.

In reviewing the rule, it is obvious that all points of view from hawk to dove will be represented and will be given ample time and opportunity to be heard.

And once they are heard we will vote, and then we are going to move forward.

This bill is too important to bog down in petty disagreements. We need this bill to better protect our soldiers in the field and to keep our technological edge in a very dangerous world.

Yes, we have won the cold war. Now, because we have won that war, we are given a much more unstable world, which requires us to be just as vigilant, just as prepared, and just as willing to be the world's leader.

Later in debate on this bill, I will outline the importance of resuming tritium production to our Nation's defense and the upkeep of our nuclear arsenal that has helped keep the world in peace over the last 50 years.

This defense authorization is a step in the right direction that takes into account our more than $5 trillion worth of debt. Do I wish we could go further? Yes, I do. Do I wish we could go further? Indeed, I certainly do. Do I think this rule is fair? Yes, I do. Am I going to vote for this rule? Yes, I am. And I do encourage my colleagues to do the same.

Mr. MOAKLEY. Mr. Speaker, I yield such time as he may consume to the gentleman from Missouri [Mr. VOLKMER].

Mr. VOLKMER. Mr. Speaker, I rise in strong opposition to this very dastardly gag rule.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Texas [Mr. EDWARDS].

Mr. EDWARDS. Mr. Speaker, this rule is unfair to the children of military families. Let me repeat that: This rule is unfair to the children of military families. For some reason, the Republican leadership decided to prohibit an amendment that I had authored that would fully fund the impact aid program. The impact aid program is that program that provides education funds for the children of our military families living off bases all throughout the United States.

The action of the Republican leadership in this case is to ensure at least a 50 percent cut in impact aid programs for military families all over this country. I think that is cruel. I think it is unfair. And it will hurt our military morale and readiness.

Lest anyone think impact aid is not important, let me quote from the gentleman from Georgia, Speaker NEWT GINGRICH, in a letter of May 18 where he said, "We must preserve, protect, and improve the impact aid program so that it adequately serves those it was intended to serve."

The impact aid program should have been preserved. It has been cut by this rule.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Speaker, I oppose this very restrictive rule. Yesterday in Elyria, OH, I stood in front of 20 mostly elderly Lorain Countians to talk about Medicare cuts. They do not understand how we can spend $9½ billion more on military spending while we cut Medicare, and while we cut student loans, while we cut school lunches. They can also not understand how amendment after amendment can be denied, amendments that would cut further; 37 percent of the amendments that cut spending were denied, were not allowed under this rule.

One particular amendment that was not allowed and that was especially important was to be offered by the gentlewoman from Oregon [Ms. FURSE], to just further study the C–17, so we did not spend the kind of money that this Congress seems to want to spend. The majority wants to spend another $15 to $19 billion on the C–17 when we have alternatives. The C–17 flies half as far, carries half as much and costs twice as much as a 747 and the alternative that we could put together. Yet Republicans on the House floor will not allow us to debate this.

Mr. Speaker, I oppose this restrictive rule.

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Mr. SOLOMON. Mr. Speaker, I yield myself such time as I may consume. Mr. Speaker, as everyone knows, there is a memorial service for our departed colleague, Les Aspin. We are trying to hold down our time here. I will be summing up for the majority, and we will not have any further speakers, but in order for the buses to leave on time, and we have 2 votes coming, we are going to try to expedite it. I just wanted that side to know that.

Mr. MOAKLEY. Mr. Speaker, if the gentleman will yield, I would ask the gentleman, are we going to have the votes before we leave?

Mr. SOLOMON. That is up to you, sir.

Mr. MOAKLEY. I am glad I have some decision around here.

The SPEAKER pro tempore (Mr. WICKER). The gentleman from Massachusetts [Mr. MOAKLEY] has 2 minutes remaining.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Illinois [Mr. EVANS].

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

Mr. Speaker, this week I plan to offer an amendment to restore $282 million of the $744 million deleted from the Chairman's mark from DOE's environmental restoration and waste management budget request. Unfortunately, my amendment was not made in order by the Committee on Rules.

As a member of the committee, I had offered a germane amendment that I had offered in the full committee, and for good reason. The committee canceled a hearing dedicated to the DOE's nuclear weapons cleanup program. In effect, Congress will be making an uninformed decision about the funding priorities in the program that will run into the hundreds of billions of dollars, and which will affect the health and safety of Americans around the DOE weapons complex.

Why did this process fail? Many of the same Members who decided to rob DOE's environmental funding to build B–2 bombers and other cold war weapons systems also have DOE facilities in their districts. They do not want to have to go on the record as voting against this funding, and the majority's rules ensures that they will not have to. I urge my colleagues to oppose the rule.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from New Mexico [Mr. RICHARDSON] who is also part-time Ambassador to Korea.

Mr. RICHARDSON. Mr. Speaker, in the past the Pentagon asked for money and the Congress always delivered. Now the Pentagon does not ask for money, and the Congress gives them more.

Mr. Speaker, I believe that the overall spending in this bill is much higher than needed for an adequate national defense posture. Unfortunately, the rule we are considering does not allow many of us to express this concern.

To raise defense spending for questionable reasons, when no such spending increases are necessary, is not the right thing to do. It is simply inconsistent to ask Americans to set priorities, then increase military spending, despite lower requests from the administration and the Pentagon. The Clinton administration is not cutting defense. Instead, it is meeting requests of the Pentagon.

Mr. Speaker, the Department of Defense has done some good things, very good things, in the last year: our peacekeeping operations in Rwanda and Haiti; its excellent work at Guantanamo Bay with the refugee situation; training programs, as evidenced by Captain O'Grady and many others.

Mr. Speaker, I include for the RECORD a letter from William J. Perry to the Honorable Alan J. Dixon.

The letter referred to is as follows:

THE SECRETARY OF DEFENSE,
Washington, DC, June 9, 1995.

Hon. ALAN J. DIXON,
Chairman, Defense Base Closure and Realignment Commission, Arlington, VA.

DEAR MR. CHAIRMAN: Since I forwarded my recommendations to you on February 28, 1995, I have appreciated the excellent manner in which the Commission has conducted its demanding work under your leadership. I write today to maintain the open exchange of information that has been a hallmark of this Commission's relationship with the Department of Defense.

As a normal part of its process, the Air Force has been conducting site surveys to refine the financial analysis of recommendations affecting Air Force bases. During this process, the financial picture on Kirtland Air Force Base, New Mexico, has changed considerably. As you know, the recommendation concerning Kirtland AFB was designed to retain the Phillips Laboratory and other largely civilian operations, while relocating most of the active duty military operations, and closing related support functions.

In its site survey process, the Air Force discovered that many of the original cost estimates significantly understated the costs of relocating the active duty units. The final estimate of the one-time cost to implement the recommended realignment is $538 million. I understand this figure and the supporting COBRA analysis have been provided previously to your staff. Although some options to reduce these costs were examined, I understand that none of the options provided the same benefits as estimated for the recommended realignment. Significantly, the Department of Energy also asserted that they received support far in excess of that currently reimbursed to the Department of the Air Force for DOE activities on Kirtland AFB. As a result, the total costs to the United States Government were not captured in the original estimates.

After reviewing the results of the site survey, it is my judgment that the recommendation for the realignment of Kirtland AFB no longer represents a financially or operationally sound scenario. I ask that you take these matters into consideration as the Commission conducts its review of my recommendations.

Sincerely,

WILLIAM J. PERRY.

Mr. MOAKLEY. Mr. Speaker, I urge Members to defeat the previous question.

Mr. Speaker, I include for the RECORD the amendments I would offer if the previous question is defeated.

The amendments referred to are as follows:

Amendment to House Resolution 164: On page 6, after line 6 add the following:

"(c) Before consideration of any other amendment, it shall be in order to consider the following amendment as if printed in the report to be offered by Representative Schroeder of Colorado or her designee, debatable for 40 minutes equally divided and controlled by the proponent and an opponent:

An amendment to be offered by Representative Schroeder of Colorado or a designee, debatable for 40 minutes: Page 16, after line 8, insert the following new section:

SEC. 4. LIMIT ON TOTAL AUTHORIZATION.

In order to provide a total authorization of appropriations in this Act of $257,602,636,000 (as proposed in the budget of the President for fiscal year 1996), each amount in this Act providing an authorization of appropriations is hereby reduced by 4.0 percent.

(d) After disposition of the amendment numbered 2 printed in subpart D of part 1 of the report, it shall be in order to consider the following amendment as if it were numbered 3 in that subpart to be offered by Representative Edwards of Texas or his designee, debatable for 20 minutes equally divided and controlled by the proponent and an opponent:

An amendment to be offered by Representative Edwards of Texas or a designee, debatable for 20 minutes: At the end of title III (page 153, after line 25), insert the following new section:

SEC. 396. DEPARTMENT OF DEFENSE DEPENDENT EDUCATION ASSISTANCE (IMPACT AID) FOR SCHOOL-AGED DEPENDENTS OF CERTAIN MILITARY PERSONNEL.

(a) PROVISION OF DEPENDENT EDUCATION ASSISTANCE (IMPACT AID)—(1) In the case of students described in section 8003(a)(1)(D) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7703(a)(1)(D)), the Secretary of Defense shall provide funds to local educational agencies that received payments for these students from the Department of Education in fiscal year 1994 or 1995 under the Act of September 30, 1950 (Public Law 874, 81st Congress) or title VIII of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7701 et seq.).

(2) Subject to the availability of appropriations for this purpose, funds shall be paid under this section in fiscal years 1996, 1997, 1998, and 1999. However, the Secretary of Defense may use the authority provided by this section only in the event that payments under section 8003 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7703) for a fiscal year on behalf of students described in subsection (a)(1)(D) of such section are not made in a total amount equal to at least the level of funding for fiscal year 1995 under such section for such students.

(b) COMPUTATION OF BASIC PAYMENT.—Each local educational agency described in subsection (a) shall be eligible for basic payments, which shall be computed for each year by multiplying—

(1) the amount determined by dividing—

(A) the amount of funds received by the local educational agency in the second preceding fiscal year under this subsection, section 3(b)(3) of the Act of September 30, 1950 (Public Law 874, 81st Congress), or section 8003(b) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7703(b)); by

(B) the number of students described in section 8003(a)(1)(D) of such Act in average daily attendance in the second preceding fiscal year; and

(2) the number of such students in average daily attendance of the local educational agency in the fiscal year preceding the fiscal year in which the payment is being made.

(c) COMPUTATION OF DISABILITY PAYMENT.—Each local educational agency described in subsection (a) shall also be eligible for disability payments for students described in section 8003(d)(1)(B) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7703(d)(1)(B)). The payment required by this subsection shall be computed for each year by multiplying—

(1) the amount determined by dividing—

(A) the amount of funds received by the local educational agency during the second preceding fiscal year under this subsection, section 3(d)(2)(C) of the Act of September 30, 1950 (Public Law 874, 81st Congress), or section 8003(d) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7703(d)); by

(B) the number of students described in section 8003(d)(1)(B) of such Act in average daily attendance in the second preceding fiscal year; and

(2) the number of such students in average daily attendance of each local educational agency in the fiscal year preceding the fiscal year in which the payment is being made.

(d) HEAVILY IMPACTED ASSISTANCE.—(1) Each local educational agency described in subsection (a) shall also be eligible for heavily impacted assistance if—

(A) the local educational agency—

(i) had an enrollment of students described in subparagraphs (B) and (D) of section 8003(a)(1) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7003(a)(1)) during the previous fiscal year, the number of which constituted at least 40 percent of the total student enrollment of such agency; and

(ii) has a tax rate for general fund purposes which is at least 95 percent of the average tax rate for general fund purposes of comparable education agencies in the State; or

(B) the local educational agency—

(i) had an enrollment of students described in subparagraphs (B) and (D) of section 8003(a)(1) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7703(a)(1)) during the previous fiscal year, the number of which constituted at least 35 percent of the total student enrollment of such agency; and

(ii) has a tax rate for general fund purposes which is at least 125 percent of the average tax rate for general fund purposes of comparable educational agencies in the State.

(2)(A) For each local educational agency described in paragraph (1), payments for each year shall be computed by first determining the greater of—

(i) the average per-pupil expenditure of the State in which the agency is located; or

(ii) the average per-pupil expenditure of all the States.

(B) The Secretary shall next subtract from the amount determined under subparagraph (A) the average amount of State aid per pupil received for that year by each local educational agency described in paragraph (1).

(C) For each local educational agency described in paragraph (1), the Secretary shall multiply the amount determined under subparagraph (B) by the total number of students described in subparagraphs (B) and (D) of section 8003(a)(1) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7703(a)(1)) in average daily attendance for that year.

(D) Finally, the Secretary shall reduce the amount determined under subparagraph (C) for a local educational agency for a fiscal year by the total amount of—

(i) all payments the local educational agency receives under subsections (b) and (c) for that year; and

(ii) any payments actually received under section 8003 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7703) for that year.

(3) Notwithstanding any other provision of this section, a local educational agency that actually receives funds under section 8003(f) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7703(f)) for a fiscal year shall be eligible to receive funds under this subsection only after the full amount computed under paragraph (2) has been paid to all local educational agencies described in paragraph (1) that do not receive funds under such section for that fiscal year.

(4) For purposes of providing assistance under this subsection, the Secretary shall use student and revenue data from the local educational agency for the fiscal year for which the agency is applying for assistance.

(5) For purposes of this subsection, the Secretary shall determine the current year State average per-pupil expenditure data for the second preceding fiscal year by the same percentage increase or decrease reflected between the per-pupil expenditure data for the fourth preceding fiscal year and the per-pupil expenditure data for the second preceding fiscal year.

(6) For purposes of this subsection, the term "average per-pupil expenditure" means the aggregate current expenditures of all local educational agencies in the State, divided by the total number of children in average daily attendance for whom such agencies provided free public education.

(e) PROHIBITION ON MULTIPLE PAYMENTS.—(1) Amounts received by a local educational agency under subsection (d) in a fiscal year, when added to amounts actually received under section 8003(f) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7703(f)) for that year, may not exceed the amount the agency would have received under such section had assistance under such section been fully funded.

(2) Amounts received by a local educational agency under subsection (c) in a fiscal year, when added to amounts actually received under section 8003(d) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7703(d)) for that year, may not exceed the amount the agency would have received under such section had assistance under such section been fully funded.

(3) Amounts received by a local educational agency under subsection (b) in a fiscal year, when added to amounts actually received under section 8003(b) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7703(b)) for that year, may not exceed the amount the agency would have received under such section had assistance under such section been fully funded.

(f) PRORATION OF AMOUNTS.—If necessary due to insufficient funds to carry out this section, the Secretary shall ratably reduce payments under subsections (b, (c), and (d).

(g) COOPERATION.—The Secretary of Education shall assist the Secretary of Defense in gathering such information from the local educational agencies and State educational agencies as may be needed in order to carry out this section.

(h) FUNDS FOR FISCAL YEAR 1996.—The amount provided in section 301(5) for operation and maintenance for Defense-wide activities is hereby increased by $100,000,000. Of the funds corresponding to such increase—

(1) $50,000,000 shall be available for payments under subsection (b) in fiscal year 1996;

(2) $10,000,000 shall be available for payments under subsection (c) in fiscal year 1996; and

(3) $40,000,000 shall be available for payments under subsection (d) in fiscal year 1996.

(i) AUTHORIZATION OF APPROPRIATIONS FOR SUBSEQUENT YEARS.—There are authorized to be appropriated for payments under this section such sums as may be necessary for fiscal years 1997, 1998, and 1999.

(j) CORRESPONDING REDUCTION.—The amount provided in section 201(5) for research, development, test, and evaluation for Defense-wide activities, and the amount provided in section 241 for the National Missile Defense, are both reduced by $100,000,000.

(e) It shall be in order to consider the following three amendments as if the amendments were numbered 47, 48 and 49 and printed in part 2 of the report:

47. An amendment to be offered by Representative Browder of Alabama or a designee, debatable for 10 minutes: In the table relating to authorized Army construction projects inside the United States in section 2101(a), strike out the item relating to Fort Myer, Virginia.

In section 2104(a), reduce the amount specified in paragraph (1) by $17,000,000 and increase the amount specified in paragraphs (5)(A) by $17,000,000.

48. An amendment to be offered by Representative Evans of Illinois or a designee, debatable for 10 minutes: At the end of title XXXI (page 532, after line 5), insert the following new section:

SEC. 3145. ADDITIONAL FUNDING FOR CERTAIN ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT PROGRAMS.

(a) ADDITIONAL FUNDING.—(1) Amounts authorized by section 3102(c) for waste management are hereby increased by $150,000,000.

(2) Amounts authorized by section 3102(f) for nuclear materials and facilities stabilization are hereby increased by $81,000,000.

(3) Amounts authorized by section 3102(g) for compliance and program coordination are hereby increased by $51,000,000.

(b) OFFSET.—Amounts authorized by section 241 are hereby reduced by $282,000,000. Affairs shall return such portion to the administrative jurisdiction of the Secretary of the Army.

(d) LEGAL DESCRIPTION.—The exact acreage and legal description of the real property to be transferred under this section shall be determined by surveys that are satisfactory to the Secretary of the Army. The cost of such surveys shall be borne by the Secretary of Veterans Affairs.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary of the Army may require such additional terms and conditions in connection with the transfer under this section as the Secretary of the Army considers appropriate to protect the interests of the United States.

49. An amendment to be offered by Representative Coleman of Texas or a designee, debatable for 10 minutes: At the end of subtitle C of title XXVIII (page 490, after line 2), insert the following new section:

SEC. 2834. TRANSFER OF JURISDICTION, FORT BLISS, TEXAS.

(a) TRANSFER OF LAND AND NATIONAL CEMETERY.—The Secretary of the Army may transfer, without reimbursement, to the administrative jurisdiction of the Secretary of Veterans Affairs a parcel of real property (including any improvements thereon) consisting of approximately 22 acres and comprising a portion of Fort Bliss, Texas.

(b) USE OF LAND.—The Secretary of Veterans Affairs shall use the real property transferred under subsection (a) as an addition to the Fort Bliss National Cemetery and administer such real property pursuant to chapter 24 of title 38, United States Code.

(c) RETURN OF UNUSED LAND.—If the Secretary of Veterans Affairs determines that any portion of the real property transferred under subsection (a) is not needed for use as a national cemetery, the Secretary of Veterans * * *.

Strike subsection (a) of section 4 and redesignate accordingly.

At the end of the resolution, add the following:

"Notwithstanding any other provision of this resolution, it shall not be in order to consider the amendments numbered 1 and 2 in subpart C of the report."

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

Mr. Speaker, I would try to expedite this matter, again for the services for Les Aspin.

Mr. Speaker, I have heard the last couple of speakers speak. One in particular said he was talking to a group of senior citizens, and they vehemently objected to the amount of money being spent on this defense budget. I do not know about where he comes from in Ohio, but I come from Glens Falls, Queensbury, NY, up in the Adirondack Mountains. It is a funny thing, I go home every weekend, and I have for 17 years. It is a really beautiful place in this world. I never moved my family here to Washington and have commuted back and forth.

Every weekend I see senior citizens. I saw a group this past weekend. I have an opportunity to tell them what was in this defense budget we are going to pass here this week. We talked about the need for it. So often Captain O'Grady's name came up. Captain O'Grady's name came up, and we have to ask ourselves, how was he rescued? How were we able to do that, when we have failed so miserably before, in years past, when we did not have a strong military preparedness? How was it that he was able to avoid his captors? How was it that he was able to have the equipment with him that was going to be able to communicate back to our troops?

Then, how was it that we were able to jam their radars? How was it that we were able to go in there with our helicopter gunships and bring him out without even a casualty? It is because of what we are reinstating in this budget today. It is so terribly, terribly important.

We must never, never, in the future of this country, ask men and women in All-Volunteer military to volunteer, and then to put them in harm's way without giving them the very best that we can do. I do not know of any senior citizen in my whole congressional district who resents the fact that we are going to spend a mere $8 billion more. I do not know of any that would.

Therefore, Mr. Speaker, I would just say to Members today, this is a fair rule. I would ask them to vote for the rule, and I would ask them to give their wholehearted support to this very, very vital piece of legislation which is going to protect the strategic interests of this country around the world, but more than that, it is going to protect the men and women who serve in the Armed Forces of the United States of America.

AMENDMENT OFFERED BY MR. SOLOMON

Mr. SOLOMON. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SOLOMON: Page 3, line 23, strike "A" and insert in lieu thereof "B".

Mr. SOLOMON. Mr. Speaker, the minority is aware of this amendment. It simply corrects a clerical error by changing the letter A to the letter B. This clarifies what the rule already specifies, and that the extra 30 minutes of debate applies to the Nunn-Lugar topic, and not to the subject of the B-2 bomber.

Mr. Speaker, I move the previous question on the amendment and on the resolution.

The SPEAKER pro tempore. The question is on ordering the previous question on the amendment and on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. MOAKLEY. 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.

Pursuant to clause 5(b) 1 of rule XV, the Chair may reduce to not less than 5 minutes the time for electronic voting, if ordered, on the amendment.

This will be a 15-minute vote.

The vote was taken by electronic device, and there were—yeas 225, nays 191, not voting 18, as follows:

[Roll No. 367]

YEAS—225

Allard
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clinger
Coble
Coburn
Collins (GA)
Combest
Cooley
Cox
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Ewing
Fawell
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Gallegly
Ganske
Gejdenson
Gekas
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Goss
Greenwood
Gunderson
Gutknecht
Hancock
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Horn
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kennedy (RI)
Kim
King
Kingston
Knollenberg
Kolbe
LaHood
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Livingston
LoBiondo
Longley
Lucas
Manzullo
Martini
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
Metcalf
Meyers
Miller (FL)
Molinari
Moorhead
Morella
Myers
Nethercutt
Neumann
Ney
Norwood
Nussle
Oxley
Packard
Parker
Paxon
Petri
Pombo
Porter
Portman
Pryce
Quillen
Quinn
Radanovich
Ramstad
Regula
Riggs
Roberts
Rogers
Rohrabacher
Roth
Roukema
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Schiff
Seastrand
Sensenbrenner
Shadegg
Shaw
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stockman
Stump
Talent
Tate
Taylor (NC)
Thomas
Thornberry
Tiahrt
Torkildsen
Torricelli
Upton
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wolf
Young (AK)
Young (FL)
Zeliff

NAYS—191

Abercrombie
Ackerman
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Beilenson
Bentsen
Berman
Bevill
Bishop
Bonior
Borski
Boucher
Brewster
Browder
Brown (FL)
Brown (OH)
Bryant (TX)
Cardin
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Condit
Conyers
Costello
Coyne
Cramer
Danner
de la Garza
DeFazio
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Durbin
Edwards
Engel
Eshoo
Evans
Farr
Fattah
Fazio
Fields (LA)
Filner
Flake
Foglietta
Ford
Frank (MA)
Frost
Furse
Geren
Gibbons
Gonzalez
Gordon
Green
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Harman
Hastings (FL)
Hayes
Hefner
Hilliard
Hinchey
Holden
Hoyer
Jackson-Lee
Jacobs
Jefferson
Johnson (SD)
Johnson, E. B.
Kanjorski
Kaptur
Kennedy (MA)
Kennelly
Kildee
Klink
Klug
LaFalce
Levin
Lewis (GA)
Lincoln
Lipinski
Lofgren
Lowey
Luther
Maloney
Manton
Markey
Martinez
Mascara
Matsui
McCarthy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Mfume
Miller (CA)
Mineta
Minge
Mink
Moakley
Mollohan
Montgomery
Moran
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Pickett
Pomeroy
Poshard
Rahall
Rangel
Reed
Reynolds
Richardson
Rivers
Roemer
Rose
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schroeder
Schumer
Scott
Serrano
Shays
Sisisky
Skaggs
Skelton
Slaughter
Spratt
Stark
Stenholm
Stokes
Studds
Stupak
Tanner
Tauzin
Taylor (MS)
Tejeda
Thompson
Thornton
Thurman
Torres
Traficant
Tucker
Velazquez
Vento
Visclosky
Volkmer
Ward
Waters
Watt (NC)
Waxman
Williams
Wise
Woolsey
Wyden
Wynn
Zimmer

NOT VOTING—18

Brown (CA)
Collins (MI)
DeLauro
Everett
Fields (TX)
Gephardt
Graham
Johnston
Kleczka
Lantos
Largent
Mica
Myrick
Peterson (MN)
Ros-Lehtinen
Towns
Wilson
Yates

□ 1342

Messrs. PICKETT, SPRATT, SKELTON, and GORDON changed their vote from "yea" to "nay."

Messrs. GANSKE, LINDER, PORTER, KIM, GUNDERSON, COX of California, and FOLEY changed their vote from "nay" to "yea."

So the previous question was ordered.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. GRAHAM. Mr. Speaker, on rollcall No. 367, I was with a constituent and inadvertently missed the vote. Had I been present, I would have voted "yes."

The SPEAKER pro tempore (Mr. WICKER). The question is on the amendment offered by the gentleman from New York [Mr. SOLOMON].

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the resolution, as amended.

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

RECORDED VOTE

Mr. SOLOMON. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 233, noes 183, not voting 18, as follows:

[Roll No. 368]

AYES—233

Allard
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clinger
Coble
Coburn
Collins (GA)
Combest
Cooley
Cox
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Flanagan
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Gallegly
Gejdenson
Gekas
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Goss
Graham
Greenwood
Gutknecht
Hancock
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Horn
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook

Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kennedy (RI)
Kim
King
Kingston
Knollenberg
Kolbe
LaHood
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Livingston
LoBiondo
Longley
Lucas
Manzullo
Martini
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
McNulty
Metcalf
Meyers
Mica
Miller (FL)
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Nethercutt
Neumann
Ney
Norwood
Nussle
Oxley
Packard
Parker
Paxon
Petri
Pickett
Pombo
Pryce
Quillen
Quinn
Radanovich
Ramstad
Regula
Riggs
Roberts
Rogers
Rohrabacher
Roth
Roukema
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Schiff
Scott
Seastrand
Sensenbrenner
Shadegg
Shaw
Shuster
Sisisky
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stockman
Stump
Talent
Tate
Taylor (NC)
Thomas
Thornberry
Tiahrt
Torkildsen
Traficant
Upton
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wolf
Young (AK)
Young (FL)
Zeliff

NOES—183

Abercrombie
Ackerman
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Bellenson
Bentsen
Berman
Bevill
Bishop
Bonior
Borski
Boucher
Brewster
Browder
Brown (FL)
Brown (OH)
Bryant (TX)
Cardin
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Condit
Conyers
Costello
Coyne
Danner
de la Garza
DeFazio
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Durbin
Edwards
Engel
Eshoo
Evans
Farr
Fattah
Fazio
Fields (LA)
Filner
Flake
Foglietta
Ford
Frank (MA)
Frost
Furse
Ganske
Geren
Gibbons
Gonzalez
Gordon
Green
Gunderson
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Harman
Hastings (FL)
Hayes
Hefner
Hilliard
Hinchey
Holden
Hoyer
Jackson-Lee
Jacobs
Jefferson
Johnson (SD)
Johnson, E.B.
Kanjorski
Kaptur
Kennedy (MA)
Kennelly
Kildee
Klink
Klug
LaFalce
Levin
Lewis (GA)
Lincoln
Lipinski
Lofgren
Lowey
Luther
Maloney
Manton
Markey
Martinez
Matsui
McCarthy
McDermott
McHale
McKinney
Meehan
Meek
Menendez
Mfume
Miller (CA)
Mineta
Minge
Mink
Moakley
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Pomeroy
Porter
Portman
Poshard
Rahall
Rangel
Reed
Reynolds
Richardson
Rivers
Roemer
Rose
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schroeder
Schumer
Serrano
Shays
Skaggs
Slaughter
Spratt
Stark
Stenholm
Stokes
Studds
Stupak
Tanner
Tauzin
Taylor (MS)
Tejeda
Thompson
Thornton
Thurman
Torres
Torricelli
Tucker
Velazquez
Vento
Visclosky
Volkmer
Ward
Waters
Watt (NC)
Waxman
Williams
Wise
Woolsey
Wyden
Wynn
Zimmer

NOT VOTING—18

Brown (CA)
Collins (MI)
DeLauro
Doyle
Fields (TX)
Foley
Gephardt
Johnston
Kleczka
Lantos
Largent
Mascara
Myrick
Peterson (MN)
Ros-Lehtinen
Towns
Wilson
Yates

□ 1352

Mr. FARR and Mr. TORRES changed their vote from "aye" to "no."

So the resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. MASCARA. Mr. Speaker, at the time of rollcall vote No. 368, passage of the rule on consideration of H.R. 1530, the 1996 national defense authorization bill, I was unavoidably detained while testifying before the Base Realignment and Closure Commission in the Senate Hart Building. I was testifying in strong support of the 911th Air Reserve Station at Pittsburgh International Airport and the Charles E. Kelley Support Facility in Oakdale, both facilities which are in my district. Had I been present, I would have voted "no" on rollcall No. 368.

PERSONAL EXPLANATION

Mr. DOYLE. Mr. Speaker, during rollcall vote No. 368 I was unavoidably detained—testifying before the Base Realignment and Closure Commission and could not return in time to record my vote. Had I been here for the vote, I would have voted "no" on the rule.

ANNOUNCEMENT OF AMENDMENT PROCESS FOR APPROPRIATIONS BILLS

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

Mr. SOLOMON. Mr. Speaker, I rise for the purpose of making announcements and also to tell Members there will not be another vote around here until about 6:30 this evening in case they want to leave the floor now.

Mr. Speaker, I wish to inform Members that when the Rules Committee is requested to grant open rules on any of the 13 regular appropriations bills for fiscal year 1996, the rules may include a provision giving the Chair authority to grant priority in recognition to those Members who have caused their amendments to be printed in the CONGRESSIONAL RECORD prior to their consideration.

Members should use the Office of Legislative Counsel to ensure that their amendments are properly drafted. Amendments should be titled, "Submitted for printing under clause 6 of rule 23," signed by the Member, and submitted at the Speaker's table.

Mr. Speaker, it has been our experience so far this year that the preprinting option has worked to the benefit of the sponsoring Members, the committees of jurisdiction, and the general membership alike. It has helped to ensure a more informed and deliberative amendment process on the House floor.

The new House rule requiring the Clerk to assign a numerical designation to each amendment filed in the RECORD has also made it easier for all concerned to identify amendments for reference purposes. We encourage Members to continue to take advantage of this preprinting option.

We also ask Members to score any offset amendments with the CBO in advance since offsetting budget authority numbers will not necessarily achieve an offset in outlays.

PERMISSION TO FILE SUPPLEMENTAL REPORT TO HOUSE REPORT 104–127 ON H.R. 1062, ENHANCING COMPETITION IN FINANCIAL SERVICES INDUSTRY

Mr. LEACH. Mr. Speaker, by direction of the Committee on Banking and Financial Services, I ask unanimous consent to file a supplemental report to House Report 104–127 which accompanied H.R. 1062 and that such report be printed. The supplemental report incorporates, as required by rule XI of the Rules of the House of Representatives, a cost estimate prepared by the Congressional Budget Office of H.R. 1062, as reported and amended by the Committee on Banking and Financial Services.

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

There was no objection.

RESIGNATION AS MEMBER OF COMMITTEE ON SMALL BUSINESS

The SPEAKER pro tempore laid before the House the following resignation from the Committee on Small Business:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
June 13, 1995.

Hon. NEWT GINGRICH,
Speaker, House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: I hereby submit my resignation from the Committee on Small Business effective June 13, 1995.

Warm regards,

KAREN MCCARTHY,
Member of Congress.

The SPEAKER pro tempore. Without objection the resignation is accepted.

There was no objection.

ELECTION OF MEMBERS TO CERTAIN STANDING COMMITTEES OF THE HOUSE

Mrs. KENNELLY. Mr. Speaker, I offer a privileged resolution (H. Res. 166) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 166

Resolved, That the following named Members be and they are hereby elected to the following standing committees of the House of Representatives:

Committee on Government Reform and Oversight: Mr. Brewster of Oklahoma.

Committee on Resources: Mr. Pickett of Virginia and Mr. Pallone of New Jersey, both of whom will rank in order after Mr. Ortiz of Texas.

Committee on Small Business: Mr. Skelton of Missouri, who will rank after Mr. LaFalce of New York, and Mr. Baldacci of Maine.

Committee on Transportation and Infrastructure: Ms. McCarthy of Missouri.

Mrs. KENNELLY (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Connecticut?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 94

Ms. DANNER. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 94.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Missouri?

There was no objection.

1993 ANNUAL REPORT OF DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—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, together with the accompanying papers, without objection, referred to the Committee on Banking and Financial Services:

To the Congress of the United States:

Pursuant to the requirements of 42 U.S.C. 3536, I transmit herewith the 29th Annual Report of the Department of Housing and Urban Development, which covers calendar year 1993.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *June 13, 1995.*

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will entertain twenty 1-minute speeches on each side.

WE WILL BALANCE THE BUDGET

(Mr. NORWOOD asked and was given permission to address the House for 1 minute and to include extraneous material.)

Mr. NORWOOD. Mr. Speaker, I hold in my hand a petition signed by 137 hard-working men and women from the R&R Manufacturing Co. in Auburn, GA. They signed their names to this paper asking me to vote for a balanced budget. They understand the cost of not balancing our budget. They understand why we must make a shared sacrifice in order to save our children's future. Republicans in the House and Senate understand—we voted to balance the budget. Even the President said he would finally submit a balanced budget—of course he then changed his mind. Maybe he just doesn't understand. But to my friends and neighbors back home like Mr. Jean Withers at R&R Manufacturing, I say this—we listened to what you said in November—we are making the hard choices, and we will balance the budget. It's all about keeping your word. And to my 137 friends back in Auburn, GA, I am keeping my word to you.

INDEPENDENT COUNSEL NEEDED TO INVESTIGATE THE SPEAKER

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

Mr. VOLKMER. Mr. Speaker, the winter snows have come and gone, the cherry blossoms have blown away, and a tulip cannot be found around the Capitol. Yet stonewalling by the Ethics Committee has failed to bring an independent counsel to investigate the Speaker. I would like to tell my colleagues that there is one issue that I agree on 100 percent with the Speaker. I believe that we should give him just what he asked for when he raised questions concerning then-Speaker Wright. A 1988 press release stated "The rules normally applied by the Ethics Committee to an investigation of a typical Member are insufficient in an investigation of the Speaker of the House * * *".

Mr. Speaker, it is time that we removed these sinister dark clouds that hang over these Chambers: We need an independent counsel. I can not say it better than you did in 1988, "It is vital that the Ethics Committee hire outside counsel and pursue these questions thoroughly. The trust of the public and the integrity of the House will accept no lower standard."

□ 1400

REPUBLICANS COMMITTED TO SAVING MEDICARE

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

Mr. BARTLETT of Maryland. Mr. Speaker, Medicare's trustees warn that the Medicare system will be bankrupt in just 7 years in 2002.

That means that if you are 58 today—there might be no Medicare for you when you turn 65.

If the system goes bankrupt, Medicare does not have the authority to pay the hospital bills of any one senior citizen, let alone the 37 million senior citizens and disabled who will depend upon it.

That is the challenge all Americans face.

Republicans are committed to preserving, protecting, and saving Medicare.

We urge the President to join us in this effort.

HOLLYWOOD AND TV ARE NOT THE CAUSE OF OUR PROBLEMS

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

Mr. TRAFICANT. Mr. Speaker, more American children can name all the Teenage Mutant Ninja Turtles. Most of them cannot name the last three Presidents. More Americans watch Rush Limbaugh, Donahue, and Equal Time each week than watch C-SPAN all year. No doubt America is addicted to TV and Hollywood, which causes some experts to believe that the TV and Hollywood are the problems of the violence in America. I disagree, folks. I think TV and Hollywood are nothing more than a mirror image of our society, and, in fact, I think the Congress, instead of investigating Hollywood and television, should look at our policies about jobs. It is about jobs, Congress. Mom and dad with jobs, mom and dad will change America, not Capitol Hill nor Hollywood.

I would like to say this: Americans with jobs are not hanging out on the street corner. Jobs create family strength, and community pride. Investigate jobs and loss of jobs, Congress.

Let Hollywood and TV take care of themselves.

CLINTON EDUCATION CUTS

(Mr. KNOLLENBERG asked and was given permission to revise and extend his remarks.)

Mr. KNOLLENBERG. Mr. Speaker, our Democratic colleagues continue to distort our plan to balance the budget.

Specifically, they have—in demagogic fashion—argued that our budget

plan will devastate education in our country.

In reality, our budget plan will protect important programs and consolidate and eliminate those that are duplicative and inefficient.

Before attacking our efforts to balance the budget and lower taxes on working families, I ask that my Democratic colleagues review the administration's 1996 budget request for the Department of Education.

The President proposes cutting the Department's budget by 9.8 percent and eliminating 30 percent of its programs.

Contrary to his rhetoric of late, the President's budget seems to acknowledge that we should streamline Federal education programs.

Mr. Speaker, I urge the President and my Democratic colleagues to quit playing politics-as-usual and begin working with us to balance the budget.

It is time to quit playing games and get down to the real business at hand.

WE DO NOT NEED MORE B-2'S

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

Mr. JOHNSON of South Dakota. Mr. Speaker, the 1996 defense authorization bill before this House today repeals current law that limits the number of B-2 Stealth bombers that may be produced at 20 planes and lifting the current $44 billion spending limit.

Mr. Speaker, witnesses on behalf of the Air Force, both civilians and uniformed service, have repeatedly indicated to us that they do not want these bombers, that the Joint Chiefs of Staff repeatedly have testified that they do not want to purchase more B-2's.

There is no money programmed in anyone's budget plan to pay for the out-year costs that will be forced by the bill's provisions to build more B-2's. This will cost $38.2 billion over 20 years, and the highly regarded Institute for Defense Analyses has indicated that that money would be better spent on precision guided munitions and conventional munitions upgrades to the B-1 Bomber.

Mr. Speaker, what could that same amount of money be better used for, if not for deficit reduction? Then, alternatively, that same amount of money would immunize every child in the United States, fully fund Public Broadcasting for 10 years, restore all education funds and be better used for the people of this country.

WHERE ARE THE PRESIDENT'S IDEAS?

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

Mr. HAYWORTH. Mr. Speaker, it was nice to see the President sit beside the Speaker of the House and agree that the Medicare trust fund has serious problems that need to be fixed before it goes broke by the year 2002. It was encouraging to see the President agree that Medicare cannot survive under the status quo—that changes are necessary to preserve, protect, and save Medicare.

But Mr. Speaker, where are the President's ideas? Where are his solutions? Where are the ideas of my liberal Democrat colleagues in the House? It is easy to stand around and talk about a problem, but it takes real leadership to actually work to solve a problem.

Mr. Speaker, Republicans are showing leadership by producing real solutions to the real problems facing Medicare today. If the Clinton Democrats want to be relevant, I say it is time to put up or shut up. It is time to act responsibly and offer solutions, not criticisms.

OFFERING SOME SOLUTIONS

The SPEAKER pro tempore. For what purpose does the gentleman from Massachusetts rise?

Mr. FRANK of Massachusetts. I ask unanimous consent to offer some solutions, for 1 minute.

The SPEAKER pro tempore. The gentleman is recognized for 1 minute.

Mr. FRANK of Massachusetts. Mr. Speaker, well, one solution to the problem would be not to build more B-2 bombers that we do not need, not to build more Sea Wolf submarines, not to add billions to the President's budget for defense, and instead put that into Medicare.

Medicare does need some help, and if the Republicans would stop increasing military spending beyond what we need and instead use it for Medicare, that would help, in particular.

We heard the most astounding thing today. The chairman of the Committee on Rules said that an amendment offered by the second ranking Democrat on the Committee on Armed Services could not be debated, and it would have allowed the House to vote on whether or not we should add $9 billion over the President's request for the military.

They want to raise the budget by $9 billion in that regard, and the chairman of the Committee on Rules said, "Oh, no, it is too delicate. We are negotiating now with the Senate, so we cannot let you vote on it." In other words, to preserve their negotiating position with the Senate, apparently knowing that it is a weak one, they will muffle this House, they will stifle this House.

And so you want to help Medicare? Do not waste that $9 billion. Use it where it is needed.

INTRODUCTION OF H.R. 1764, AN ACT TO END PREFERENTIAL TREATMENT

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

Mr. FUNDERBURK. Mr. Speaker, of all of the ideas invented by the American left, none has been more destructive to the American notion of fair play and equal justice than affirmative action. It has changed America from a country grounded in individual rights to one where justice is determined by what is done for and to one's racial or ethnic group.

Discrimination is wrong, period, and affirmative action is nothing more than discrimination with the Federal seal of approval. That is why on June 7, I introduced H.R. 1764, an act to end preferential treatment. Based on the California Civil Rights Initiative and introduced in the other body by Senators HELMS and SMITH, H.R. 1764 eliminates all Federal affirmative action programs in public employment, public contracting, and programs providing race-based benefits in education. H.R. 1764, puts America on the colorblind path envisioned by true believers in civil rights. It puts us on the road where skill and initiative determines an American's future, rather than skin color or where his parents came from.

Mr. Speaker, it really is long past time to end affirmative action. Support H.R. 1764, and put America back where it belongs.

HEALTH CARE REDUCTIONS, TAX BREAKS FOR SPECIAL INTERESTS

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

Ms. WOOLSEY. Mr. Speaker, Republicans continue to talk about the tough choices they have had to make in crafting their budget. I agree. Choosing to take health care away from our seniors in order to pay for special interest tax breaks is certainly a tough choice, and I cannot understand why they made it.

Why did they choose lower payments to hospitals in order to give tax breaks to large corporations? Why did they choose higher premiums and higher copayments for seniors of all income levels, in order to lower taxes for the most affluent? Why are they giving seniors fewer choices of doctors so that gas and oil companies get away with paying no taxes?

Mr. Speaker, only in Republican Washington is this reckless attack on our seniors called a reduction in the rate of increase.

PRIORITIES OF FEDERAL ASSISTANCE IN OKLAHOMA CITY

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

Mr. McINNIS. Mr. Speaker, as we know, there was a horrible tragedy in Oklahoma City, and our Federal Government has responded accordingly, as they do to other natural emergencies or manmade emergencies. They go down and offer assistance to help the affected area rebuild, and that is exactly what they have done in Oklahoma City.

First of all, keep in mind what is above the Speaker. It says, "In God we trust." The Federal Government went down there and said to the businesses in Oklahoma City, "Whether you own a saloon, whether you own a moviehouse that shows X-rated films," not exactly regardless, but almost regardless, "we will help you rebuild. There is one exception. The only people trust will not help rebuild in Oklahoma City are churches. Churches, don't you come to the Government and ask for one penny. Forget the fact that you were the temporary mortuary. Forget the fact the FBI used you as a headquarters. Forget the fact you suffered damage like every other business in Oklahoma City. We are the Federal Government. We will help the local saloon. We are not going to help the local church."

What do you call this? In God trust?

What a great thing to hear about the Federal Government: Not one penny for a local church.

RESUMPTION OF NUCLEAR TESTING BY FRANCE IN THE SOUTH PACIFIC WOULD RAISE DEEP CONCERNS

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

Mr. UNDERWOOD. Mr. Speaker, I rise today to express my deep concern about the possible resumption of nuclear testing by the Government of France in the South Pacific.

Not only does the resumption of testing raise serious environmental concerns for the people of the Pacific who have unfortunately gained a firsthand appreciation of the hazards of nuclear weapons over the past 50 years, but this issue has a larger international dynamic.

Only a few weeks ago, some 170 nations agreed to extend the Non-Proliferation Treaty indefinitely. Central to that decision was the expectation that the nuclear weapons states would complete a comprehensive nuclear test ban on all nuclear testing no later than 1996 and that they will refrain from testing until that time.

A resumption of French testing will destroy this historic opportunity and seriously undermine international efforts to curb the proliferation of nuclear weapons. With the recent Chinese nuclear test, this is the time to stand our ground and affirm our leadership on the nuclear test ban issue.

Today, I am initiating a letter to President Clinton urging him to receive assurances from French President Jacques Chirac in their meeting tomorrow that France will continue its current testing moratorium. I encourage my colleagues to join me in signing this important letter. Let us say bon jour to the President, but au revoir to French testing.

LIBERALS OFFER NO IDEAS, ONLY FEAR

(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, President Franklin Roosevelt said "We have nothing to fear but fear itself."

Winston Churchill told the British people, "I have nothing to offer but blood, toil, tears and sweat."

The liberals in this chamber have decided to put those two bold and spirited quotes together to come up with their new motto, "We have nothing to offer but fear itself."

Everyday we see a parade of liberals come down to the well, not to shed light and clarify, but to distort and sow fear.

They tell seniors we are slashing Medicare, when the truth is that we are increasing spending on Medicare by 33 percent per senior over the next 7 years.

They tell children we are going to take their lunches away, when the truth is we will spend more on them, 4.5 percent more each year.

They tell students we are going to cut student loans, when the truth is we are strengthening the student loan program.

All the liberals offer is fear. No ideas. No plans of their own. No leadership.

What would Franklin Roosevelt think.

AFFIRMATIVE ACTION

(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, I rise today to express my concern over Monday's Supreme Court decision on affirmative action. I believe this ruling sends the wrong message.

I believe there is no justification in diminishing the power of the Federal Government in building a diverse workplace and ensuring opportunity for all Americans.

Mr. Speaker, the American people should know that affirmative action does not promote unqualified people and firms into jobs and institutions. Instead, it has provided minorities and women equal access to education, jobs, and contracts.

Affirmative action is an important tool to address the persistent dilemma of racial and gender inequality and discrimination. Now more than ever before, we need affirmative action because the scars and stains of racism and bigotry are still deeply embedded in the American society. We cannot go back and we must not go back.

MEDICARE IS IN DANGER

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

Mr. WELDON of Florida. Mr. Speaker, Medicare is in danger. President Clinton's own trustees say Medicare will be broke in 7 years. Seven years. That means that if your parents, or grandparents, are 58 years old, there will be no Medicare for them when they become eligible at age 65.

Mr. Speaker, our senior citizens depend on Medicare for their day-to-day medical needs. Republicans are determined to ensure that they can continue to depend on it by strengthening and protecting the current Medicare system.

We will cut the waste and fraud from Medicare and increase the amount we spend on each recipient. We will create a series of new choices within the current system so seniors are not forced into a system they do not want.

Mr. Speaker, the bottom line is, seniors want a Medicare system that offers the best care at the lowest cost and gives them maximum control over their own health care. Republicans will give them that system.

NATIONAL LABORATORIES

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

Mr. RICHARDSON. Mr. Speaker, the Republican budget plan makes drastic cuts in high-tech energy research at our National Laboratories. It cuts the fossil energy and energy conservation research and development by more than half. This is shortsighted and wasteful.

These cuts will come at a time when Labs such as those at Las Alamos and Sandia in my home State of New Mexico are making critical breakthroughs in the civilian applications of research in areas such as energy production and conservation, pollution control, and pharmaceutical design.

In addition to their important work in technologies which provide for our national security, these research developments will make American industry

more efficient and safer for the environment, as well as more competitive in the global market.

Competitive American industry means more jobs for Americans, Mr. Speaker. Our National Labs are essential to this goal.

EVEN THE PRESIDENT SAYS THERE HAVE TO BE SOME CHANGES

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

Mr. HOKE. Good news, America. We are finally going to get to the point in the Medicare debate where we are going to actually talk about the facts.

As you know, back in March the Medicare trustees said the fund is projected to be exhausted in 2001, and yet we have heard repeatedly the big lie, that Republicans are slashing Medicare. In fact, finally the President has said just yesterday—well, it was on Sunday that he said, "No one seriously believes that the budget can be balanced unless we can reduce the rate of increase in Medicare costs," and then he went on to say, "As you know, I believe—well, let me say there are going to have to be some changes. We cannot leave the system the way it is. There have to be some changes."

Thank goodness. Finally we are going to be able to talk rationally about this, come up with solutions, work together in a bipartisan way and stop throwing stones, as we have seen in the well here for the past several months on Medicare. It is not a political issue; it is a policy problem for the senior citizens of this country and for the next generation as well.

WHY I OPPOSE THE KASICH AMENDMENT

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

Mr. DICKS. Mr. Speaker, I rise today in very strong support of the funding provided in the House Committee on Armed Services bill for long-lead funding for three additional B-2 bombers. I served on the Defense Subcommittee for 17 years and remember well when President Carter and Secretary Brown made the decision to go ahead with the stealth bomber.

I am convinced that in the Gulf War one of the reasons that we were able to win the war quickly and convincingly is the effective work of the F-117, the stealth attack aircraft. It was able to go into the most heavily defended areas and with 2,000 pound precision-guided munitions take out enemy surface-to-air missiles. That is an amazing capability.

The B-2 has 8 times the carrying capacity of the F-117. It can go 6 times as far. I am convinced that in the future it presents us with the potential of a conventional deterrent. If we load it up with smart conventional weapons, we can stop an enemy division from invading in the future into Kuwait.

So, Mr. Speaker, I hope we will support the committee and oppose the Kasich amendment.

REPUBLICANS PLEDGED TO SAVE MEDICARE

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

Mr. DAVIS. Mr. Speaker, here is a quote from the Medicare trustees report: "Under all sets of assumptions, the trust fund is predicted to become exhausted even before the major demographic shift begins."

In other words, the trustees have considered the impending bankruptcy of Medicare from many different angles and have concluded that, no matter what calculations are used, Medicare is going broke. Not only is Medicare going broke, it will go broke even before the baby boomers begin to retire. In fact, it will be bankrupt in about 7 years, if nothing is done.

Mr. Speaker, saving Medicare is not about calculus. It is not about numbers. It is about people who are 58 years old today who will not have the benefit of Medicare when they retire in 2002. It is about our parents and grandparents whose health care needs are met today because of Medicare.

Republicans will not let Medicare go broke. We are acting to protect, preserve, and save Medicare. And, we will not break faith with the generation that guided America through the Depression, a world war, and the cold war.

CHANGING THE DIET THAT IS POISONING THE MINDS OF OUR CHILDREN

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

Mr. MORAN. Mr. Speaker, Americans have been reading much about the violence, the sex, the vulgarity that is on the media today. It is a constant diet, and it is children that are consuming that diet.

We will offer legislation to the telecommunications bill when it reaches the floor, and I would hope that my colleagues would support that legislation because what it does is to empower parents to block out programs that contain explicit violence, gratuitous sex and vulgarity, even when those parents are not able to be home looking over the shoulders of their children to see what they are watching.

We require that a V chip be inserted in all new manufactured television sets. This is not a burdensome requirement when produced in quantity. It is only about $5 per television set, but it is the kind of technology we ought to use to change the diet that is poisoning the minds of our children day in and day out.

Mr. Speaker, I would appreciate my colleagues' support for this measure.

INCREASES IN MEDICARE AND MEDICAID WHILE REDUCING THE RATE OF GROWTH

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

Mr. CUNNINGHAM. Mr. Speaker, I would like to read the words of President Bill Clinton:

> Today Medicaid and Medicare are going up at three times the rate of inflation. We propose to let it go up at two times the rate of inflation.

That is about 6 percent. The House bill is 5 percent, the Senate is 6 percent, the same exact thing as Bill Clinton said.

> That is not a Medicare or Medicaid cut. So, when you hear all this business about cuts, let me caution you that that is not what is going on. We are going to have increases in Medicare and Medicaid and reduction in the rate of growth.

And the President said, "Well, I tied that to a health care bill." Well, remember the President's health care bill got zero votes from any Democrats or Republicans?

We need to save the health care system, revise insurance and tort reform and others but, yes, we are going to increase the amount of Medicare spending from $4,800 to $6,400 per person, and they said, "Well, is there pain?"

Think about the pain of a senior citizen on a fixed income having to increase their Medicare premiums by 300 percent. They cannot do it. We need to protect the system.

WHITE HOUSE WEATHER VANE HAS SHIFTED AGAIN

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

Mr. KINGSTON. Mr. Speaker, meanwhile, back at the White House, the weather vane has shifted again. After months of silence, inaction and a game of where is Bill, the President has decided to enter the balanced budget debate.

I ask, "Well, isn't that a risky thing to do? The House has already passed its balanced budget, the Senate has already passed its balanced budget. Why not go ahead and place a bet on the Houston versus Orlando game while you're at it, Mr. President?"

But, as my colleagues know, it is going to be typical, a 5-minute speech

to balance the budget, no words, no chart, no math, no particular plans, just words, words from this administration.

Well, that is reassuring. But I welcome his reemergence. We need to have a debate, and, even if it is after the fact, let us get on with it.

RESTORE AMERICAN PATENT RIGHTS TO THE AMERICAN PEOPLE

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

Mr. ROHRABACHER. Mr. Speaker, unbeknownst to most Americans and many of my colleagues, a provision was snuck into last year's GATT implementing legislation that dramatically reduces the certain patent protection enjoyed by Americans, American investors and American inventors for over 100 years. It was a rip-off of the control and benefit of technology that was created by our own people and by the technology that was created by the investors who helped finance that technology.

I have a bill, H.R. 359, with 168 cosponsors, to restore America's patent rights before the damage is done. Well, while my bill is being held hostage and prisoner by the subcommittee, and no one has been able to hold a hearing on my bill with 168 cosponsors, adding insult to injury, another bill has been heard, and what does this bill do?

This new piece of patent legislation, and get this, Mr. and Mrs. America, said, "If our inventors file for a patent, 18 months after they file, whether they are issued or not, the patent, the patent is published, meaning the whole world is going to get to see what our inventors and investors have come up with even before the patent is issued." It is a come in here and steal our technology bill.

That piece of legislation has to stop. Restore American patent rights to the American people.

OUR PILOTS ARE WORTH IT

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

Mr. HUNTER. Mr. Speaker, my colleagues, today we are going to be voting on a very important measure, the measure offered by the gentleman from California [Mr. DELLUMS] and the gentleman from Ohio [Mr. KASICH] to cut the B–2 bomber, and that vote, I think, is very much related to an incident that happened just a few days ago, and that was the shooting down of the F–16 aircraft that was carrying our pilot, Scott O'Grady, over the skies of Bosnia.

During Vietnam, Mr. Speaker, we lost 2,300 aircraft, shot down, most of them picked up on SAM radar, surface-to-air missile radar, made in the Soviet Union, and hit by SAM missiles. So we developed a new technology, an ability to evade radar. That is a stealth technology that is embodied in the B–2 bomber.

If we deny the B–2 bomber to our pilots, we are going to be doing something we never did in the history of American aviation, and that is tell our pilots and the crews that we had a system that could have protected them, but we did not do it. We did not buy it because we thought it was too expensive and they were not worth it.

THAT IS THE REST OF THE STORY

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

Mr. WISE. Mr. Speaker, I have waited and heard a lot about Medicare, people saying there are distortions coming from this side of the aisle and so on. As noted radio commentator Paul Harvey says, "Let's hear the rest of the story."

For those who say the President's remarks the other day with the Speaker said there must be Medicare cuts, the President has always said that Medicare must be restructured, but in the context of total health care and bringing total health care costs down.

To those who keep holding up the bloody shirt of the trustees' report, but let me say that that trustees' report, and indeed one of the trustees, has said, "You can solve Medicare's problems by cutting far less than what the Republican balanced budget proposal does."

For those who say that it is really we who are talking about increases in Medicare, not cuts, what about the senior citizen who will pay $3,500 more out of pocket over the next 7 years, pay more deductibles and copayments?

The rest of the story is very clear. All these reductions in Medicare go not to balancing the budget, but to paying for a tax cut for the wealthiest individuals, mostly the wealthiest individuals in this country. One and a half percent of the people get 51 percent of the tax cut benefits, and yet a hundred percent of senior citizens end up paying up to $3,500 more.

Now that is the rest of the story.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. WICKER). As 1-minute speeches have almost concluded, the Chair will again remind Members to refrain from references and debate on matters pending before the Committee on Standards of Official Conduct.

□ 1430

DEEP CUTS NEEDED IN AID

(Mr. BURTON of Indiana asked and was given permission to address the House for 2 minutes and to revise and extend his remarks.)

Mr. BURTON of Indiana. Mr. Speaker, last week I offered an amendment to the foreign aid bill to cut the Agency for International Development's operating expenses by $69 million from the Committee on International Relations recommendation of $465 million. The committee cut the administration's request by just 10 percent. My amendment would have cut the administration's request by 23 percent from what AID received in 1995.

Unbelievably, that amendment was defeated. Those who opposed it said AID would not be able to economize and prioritize under such a reduced budget and would have to close down.

That is just hogwash, Mr. Speaker. If congressional committees can reduce their staffs by 30 percent and the General Accounting Office can reduce its staff by 15 percent, then AID, the most notorious abuser of taxpayers' dollars, can cut its operating expenses by 23 percent.

Since 1985, AID's program costs have gone down by 23 percent, yet their operating expenses, even though they have had their program costs go down, their operating expenses have increased by 41 percent.

AID should have to tighten its belt just like everybody else in this country and Government. Listen to what Sally Shelton, a senior staffer at AID, said in a message she sent to the AID's field offices:

> Larry Byrne, the Assistant Director of AID, announced that AID was 62 percent through this fiscal year, and we have only spent 38 percent of the dollar volume of procurement actions completed. We need to do $1.9 billion in additional spending in the next five months. There are large pockets of money in the field, so let's get moving.

In essence what they are saying is they want to blow $1.9 billion as quickly as possible because they are two-thirds of the way through the year and they have only spent one-third of the money.

AID is on a spending orgy. It needs to be stopped and I call on my colleagues on the Appropriations Committee to do the right thing and make deeper cuts in AID.

RESTRICT AID UNTIL RUSSIA ENDS WORK ON BIOLOGICAL WEAPONS

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

Mr. DORNAN. Mr. Speaker, I guess all of the people who track our proceedings electronically before they

pour over the written CONGRESSIONAL RECORD the next day, Mr. Speaker, are aware we have taken a break to pay homage to a beloved Member of this Chamber for 20 years, Les Aspin, the former Secretary of Defense, and who was heading up an important intelligence reform committee when God took him.

He is now in heaven, because he was a good man, talking to all those Rangers and Delta Special Forces guys in the 160th Special Ops Aviation Regiment at Fort Campbell, the world's very, very best helicopter air crews, he is talking to all those guys and working out what went wrong, that our men did not have their gunships overhead, their Spectre Hercules AC–130 gunships and did not have tanks. I guess Les has found out by now what laws were violated that we had two Bradley fighting vehicles and two M–1 Abrams tanks at Waco, four armored vehicles, against U.S. law, posse comitatus, no military equipment to ever be used against civilians. Why did not they have a F–16 fighter roll in and strafe Waco, just outside, to scare them, and make them all run out choking with tear gas, which, of course, 22 children could not do.

So there are a lot of things that went wrong under Les in the end. But you have to take a man's whole life, and Les's whole life was one of great activity and work and dedication to his country.

I wish this defense bill was not so critical, I am glad I am a chairman, one of FLOYD SPENCE'S five subcommittee chairmen, but I have got to say here and prepare for the debate, and that is what I want to talk about.

We will have an amendment coming up, Mr. Speaker, and all colleagues listening in their offices and all staffers listening and 1.5 million people watching on C–SPAN, on the Soviet continuing ongoing effort to develop weapons of mass destruction in the ugly area of biological warfare. So here is my "Dear Colleague." It saves some of you who will miss reading it.

Dear Colleague: I will be offering an amendment today, not this week, with the support of the leadership of the National Security Committee, that would restrict cooperative threat reduction aid, a good idea, to the former Soviet Union. Restrict it, unless and until President Clinton certifies to Congress that Russia has terminated all work on offensive biological weapons. No such thing as defensive biological warfare. Senator SAM NUNN and Senator RICHARD LUGAR, both parties, their funding is designed to reduce the threat of weapons of mass destruction being used against our country or our allies by assisting our former enemy, the Russians, in dismantling their systems.

Unfortunately, the record of Russian compliance with the intent of this aid is very poor indeed. In the area of biological weapons, that is hot zone stuff, weapons that can be cheaply, cheaply manufactured and easily proliferated to potential U.S. adversaries, their record is dreadful. Consider the following regarding continued Russian work under Yeltsin on offensive biological weapons, sometimes known as the poor man's atomic bomb.

Russia continues to invest in biological weapons. In 1993, according to press reports, defecting Russian scientists, quoting from the Washington Post, Vladimir Pasechnik, revealed that the Soviet Union and Russia had violated the 1972 Biological Weapons Convention, we are signatories, that outlaws the development or production of bacteriological weapons by continuing to produce such weapons. Pasechnik had recently served in an organization known as Biopreparat, with about 400 other scientists working on genetic engineering of germ weapons.

This is sick in the sense of civilization, it is diabolically evil. Four hundred scientists working on it.

This defector claims Russia has developed a super plague, this means beyond the Ebola virus, beyond the AIDS virus, a super plague, that could kill half of the population of a major city in 1 week. Former CIA Director Robert Gates testified in 1993 that the CIA believes the Russian military is continuing to work clandestinely on illegal biological weapons without the knowledge of Russian civilian leaders.

End of Post story, not know as an organ of the dispensing of conservative information.

I close, Mr. Speaker, by saying we are spending hundreds of millions of taxpayer dollars on a program to reduce the Russian nuclear threat, yet they continue to work on offensive biological weapons.

This amendment of mine does not stop or reduce the aid, the Nunn-Lugar aid. Now that we are in the majority, you can call it Lugar-Nunn. It only conditions it on certification that such work on biological weapons has been terminated. I urge a yes vote on the Dornan language on this biological weapons program.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the House stands in recess until 3:30 p.m.

Accordingly (at 2 o'clock and 39 minutes p.m.), the House stood in recess until 3:30 p.m.

AFTER RECESS

□ 1533

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. TALENT) at 3'o'clock and 30 minutes p.m.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1996

The SPEAKER pro tempore. Pursuant to House Resolution 164 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. 1530.

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. 1530) to authorize appropriations for fiscal year 1996 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal year 1996, and for other purposes with Mr. EMERSON in the Chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from South Carolina [Mr. SPENCE] and the gentleman from California [Mr. DELLUMS] will each be recognized for 1 hour.

The Chair recognizes the gentleman from South Carolina [Mr. SPENCE].

Mr. SPENCE. Mr. Chairman, pursuant to section 5(c) of House Resolution 164, I request that during the consideration of H.R. 1530, amendments number 1 and 2 printed in subpart B of part 1 of House Report 104–136 be considered before amendment number 1 printed in subpart A of part 1 of that report.

The CHAIRMAN. The gentleman's request is noted.

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

Mr. Chairman, I rise in support of H.R. 1530, the National Defense Authorization Act for fiscal year 1996.

This bill is the first since the end of the cold war to truly look to the future while not ignoring the present. Much has changed since the fall of the Berlin Wall and the collapse of Soviet communism, but much remains the same.

First and foremost, the United States is still a superpower with global, political, economic, and moral interests. Yet none of these can be protected, nor promoted, without a strong military. We still live in a violent world: from ethnic conflicts to regional wars, the United States has faced and will face a host of challenges to its national interests.

Nor have all the changes we have seen in the post-cold-war world been benign. The crumbling of communism has rekindled rivalries and hatreds frozen in place for decades. In Asia, Africa, Europe, and even here in the Americas, armed force remains the ultimate arbiter of political disputes.

The Clinton administration has responded to this growing chaos with an ambitious but ill-defined strategy of engagement and enlargement. The President has resolved to be able to fight and win two nearly simultaneous major regional wars in the decisive

fashion Americans demand. Moreover, this administration has taken on an increased number of commitments in the form of a wide range of U.N.-led peace operations.

While asking more of our soldiers, sailors, airmen, and marines, the administration is simultaneously giving them fewer tools to work with: fewer troops, fewer new weapons, fewer training opportunities. What was once a cautious and disciplined reduction in American forces has plunged into a decade of defense decline—a decline that has created a dangerous $250 billion gap between strategy and resources. The administration can neither honor its present strategic commitments nor prepare for future challenges.

For the first time in a decade, the defense authorization bill says—STOP. Stop the slide in defense spending. Stop the dissipation of our military power on futile missions. Stop the postponing of proper training. Stop the decline of our defense industrial base. Stop the erosion of servicemembers' quality of life. Stop frittering away defense resources on nondefense research. Stop the shell game that is mortgaging long-term modernization needs in order to plug holes in underfunded near-term readiness and quality of life accounts.

This bill also starts the process of revitalizing America's defenses. Be sure that American soldiers are under American command. Set a clear course for stable and predictable defense spending. Provide the men and women who wear an American uniform with adequate training. Preserve the technological edge that is a force multiplier and saves lives. Guarantee a decent standard of living for them and their families. Protect our troops abroad and Americans here at home from the threat of ballistic missiles.

This bill's efforts to bridge the growing inconsistencies between strategy and resource, and therefore begin a meaningful revitalization of our defenses, rests on four pillars:

First, it improves the quality of service life by raising pay, enhancing housing benefits, increasing construction of family housing and prohibiting deeper cuts in manpower levels.

Second, It preserves near and far-term military readiness by more robustly funding core readiness accounts and by creating a mechanism for funding the growing number of unbudgeted contingency operations from non-readiness accounts.

Third, it dramatically increases weapons modernization funding in response to the administration's having mortgaged these programs to address near-term shortfalls. Modernization will help to ensure cutting edge technology on the battlefield in the future, as well as a viable industrial base to provide this technology.

Fourth, it begins to aggressively reform the bloated and unresponsive Pentagon bureaucracy by reducing a growing civilian Secretariat as well as the acquisition work force, streamlining the procurement process, and eliminating nondefense research and encouraging privatization initiatives. This last pillar, in particular, is essential for generating longterm savings needed to maintain American military might over time as well as creating a more agile Defense Department able to respond in a timely manner to new challenges. Our men and women in uniform, and certainly the taxpayers, deserve no less.

These four pillars are central to a sound defense program, one that can begin to bridge the gap between strategy and resources. This bill protects the peace we have won in the cold war and prepares us to prevail quickly and decisively in the future. I urge my colleagues to support H.R. 1530. It is a bipartisan bill on an important set of bipartisan issues.

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

Mr. DELLUMS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in opposition to the recommendation of the Committee on National Security on the bill before the body at this time, H.R. 1530, as amended.

Mr. Chairman, the overall level of expenditures contained within the bill is too high, even though within the budget resolution limits. The bill's spending returns us to cold war priorities, and numerous provisions promote extreme agendas on major social issues.

Deliberation on the bill has been so frustrated that the committee's well-developed and well-earned legacy of bipartisanship has tattered because of the unwillingness sincerely to solicit administration and alternative views.

H.R. 1530 contains numerous and sweeping provisions that have been developed without, Mr. Chairman, and I underscore for emphasis without, the benefit of full consultation with the administration and others, and have not been illuminated properly even by the subcommittee's and full committee's hearing process. These include initiatives and personnel matters, weapons procurement, research and development, foreign policy initiatives, and acquisition reform.

The committee, Mr. Chairman, would embark upon an extraordinary costly program to purchase new B–2 bombers, even after all of the testimony the committee received by the Department of Defense and the services concluded that additional B–2's were not needed, and that their purchase would crowd out other higher priority programs.

Yes, we will later today debate more fully this issue, but the inclusion of funding for additional B–2's is sufficient reason alone to reject this committee report.

Parenthetically, Mr. Chairman, this bill contains $553 million to begin long-lead items for two additional B–2 bombers that ultimately results in an effort to build 20 additional B–2 bombers. At a time when we just came through a budget process that will visit pain and human misery by virtue of the draconian cuts in that budget upon the children of this country, mothers in this country, senior citizens in this country, veterans, and farmers, and others in America, this bill calls for beginning to go down the road toward the expenditure of $31.5 billion to build 20 planes, $19.7 billion to build them and to equip them, $11.8 billion to operate and maintain them throughout the life cycle of that plane. At a time when we are in community meetings saying we must visit pain upon all of America in order to balance the budget, $31.5 billion, the Secretary of Defense said no, we do not want them, we do not need them. The chair of the Joint Chiefs of Staff and the vice-chair know we do not want them, know we do not need them.

□ 1545

An independent study by the Institute for Defense Analysis: "No, we don't need them, we don't want them, we can't afford them, and there are cost-effective alternatives." An independent role and missions study said, "No, we don't want them, no, we don't need them."

But this bill, we start down the road toward a $31.5 billion expenditure to the American taxpayer. Mr. Chairman, the bill places more resources towards weapons acquisition, despite clear testimony by Secretary Perry that the Department has a procurement strategy that will secure the timely modernization of the weapons inventory and guarantee future readiness.

Rushing to replace weapons that are fairly young both wastes taxpayers' dollars and could, indeed, spark a new arms race.

The majority made several assurances that it was not their intention to now develop theater missile defense nor national missile defense systems that would not comply with the ABM Treaty nor to cause a breakout from the treaty through the Missile Defense Act rewrite. Yet in spite of those assertions, Mr. Chairman, all attempts to have the committee bill conform to the ABM Treaty or to limit development activities that would violate the treaty were successfully resisted by the majority.

I would submit to you, Mr. Chairman, that anytime we proceed to move beyond significant treaties, we ought to do so thoughtfully and cautiously and carefully. And if my colleagues are saying they do not wish at this time to violate the ABM Treaty, why not a simple inclusion of propositions that maintain the integrity of the ABM

Treaty? That was not done. I leave that for your consideration and to draw whatever conclusions you choose to draw.

Mr. Chairman, part of the bill payers for the acquisition surge were vitally important environmental cleanup programs that the Departments of Energy and Defense are required by law or by litigation to complete and for which it is our obligation to provide them the funding. None of the amendments that would restore these funds were made in order.

Mr. Chairman, at a time when bases are closing throughout America, at a time when there is need to clean up those bases that we dirtied, in order to allow communities to take that land and property and go forward with community and commercial higher and better use, we are saying we are cutting environmental programs designed to clean up those facilities, rendering some communities in this country impotent in their capacity to take that land and build schools and playgrounds and develop commercial activities throughout America in order to allow us to move beyond the politics of the cold war. In order to develop a vibrant economy that speaks to the post-cold war, we cut funds. That logic of that defies understanding, and it escapes this gentleman.

Part came from dual-use programs that are being used to position the industrial base to be able to support fully the emerging defense industrial challenges of the century to come. Such shortsightedness, Mr. Chairman, in cutting these funds in order to pay in part for lower-priority cold war-era weapons should be rejected by the House.

We must begin to embrace the concept of conversion. How do we move from a cold war military-reliant economy to a post-cold war economy? I would suggest to you, Mr. Chairman, it means embracing the principles of conversion. How do you move from building B–2 bombers to building efficient, effective mass transit systems? How do you move from building weapons of mass destruction that rain terror and pain and human misery on people to enhancing the quality of human life? That is our challenge. That requires the highest and the best in our intellectual and political capability and understanding.

The dual-use technology program was one of those specific efforts to move toward conversion, to go from swords to plowshares in very specific terms. Yet we challenge these programs. The logic of that defies understanding.

Further, not all of the programs with the bill are money spending programs, Mr. Chairman: abortion, HIV status, El Salvador medals to people when we told people we in America were not waging war in El Salvador. Suddenly now we want to give medals. We are saying we really were involved in the war in El Salvador? That is in this bill.

Other contentious items were placed in the bill without benefit of committee inquiry. Mr. Chairman, I know I have my politics. We all have different politics. That is the nature of the political system is to engage each others' different perspectives and different points of view, derive a consensus and move forward, but because we are legislators, we have designed a specific legislative process that allows us to engage these issues substantively at the subcommittee and full committee level prior to consideration on the floor of Congress.

Many of these issues were never dealt with significantly at the subcommittee or full committee level. The process is flawed.

The committee squeezed $171 million from the Nunn-Lugar nuclear weapons dismantlement program to finance projects and weapons systems of less effective value to the Nation's security, despite Secretary Perry's statement that this program was one of his highest priorities.

Mr. Chairman, this program is designed to dismantle nuclear weapons developed by the former Soviet Union. We were spending, in the decade of the 1980's, in excess of $300 billion per annum in order to prepare to potentially wage war, even the insanity of nuclear war, with the Soviet Union.

Now, for a measly few dollars in a multibillion-dollar budget, we cut $160 million that would dismantle these weapons.

What could be more in the interests of the children of this country than to dismantle nuclear weapons from the former Soviet Union? The economics of that defies logic, but we take this money to purchase more weapons.

And I will argue in the context of the B–2 that is not about national security. It is about where the weapons are built, where the weapons take off and where they land. It is about parochialism. It is not about national security. It is about billions and billions of taxpayers' dollars going in the wrong place when we are denying our children better educations or people in this country better health care and other things. We are purchasing weapons systems that we do not need, that speak to yesterday, not to tomorrow.

Mr. Chairman, the bill directly and adversely affects our long-term national security interests by erecting impediments to participate effectively in U.N. peacekeeping. Clearly, this is a case in which the American people are way ahead of the committee in comprehending the enduring moral value, financial benefit and the advantage generated by having the United States participate fully in peacekeeping efforts in order to control the outbreak of war and violence. What better contribution to the world than, as the major, last-standing supervisor, that we participate with the family of nations in peacekeeping, stopping the slaughter and the violence, ending our capacity to wage war? But, no, we render ourselves impotent in this bill. We impede ourselves in this bill, not through logic and rational thought, but because of political expediency and lack of careful thinking, we deny our capacity to engage in peacekeeping. That is the wave of the future. That is America's role in the future, not conducting war and savagery on other human beings, but because of our rationality and our sanity, learning how to keep the peace in the world. That is a profound role that we have to play. This bill does not get us there.

Mr. Chairman, section 3133 would fund a multipurpose reactor tritium production program that will breach the fire wall between civilian nuclear power and defense nuclear weapons programs with major implications for U.S. nonproliferation efforts and would prematurely anticipate the Secretary of Energy's decisionmaking process to identify the best source of tritium production.

Let me now try to explain briefly the implications of that. This is a multipurpose tritium reactor. We have embraced a principle in the context of our international relations that says that we would not cross the line where commercial use of development of nuclear-capable material could be used for military purposes. That is an important principle in our international understandings with people. That is why we wreaked havoc on North Korea, on Iran and on Iraq.

Mr. Chairman, query: How can we maintain the integrity of the moral high ground with these countries when we question their development of commercial-use reactors that could also be used to develop nuclear weapons capability materials?

If we cross the line, why not the rest of the world? We lose the moral high ground.

Second, this is the mother, this is the mother of all earmarks. This reactor is going to one place to one contractor, when last year on this floor we took the principled position that earmarking compromised the credibility and the integrity of the deliberative process. Yet in this bill, we have an earmark. It flies in the face of what we are ostensibly about here, and we need to reject this, and we should have a significant, and hopefully will have, a serious debate on this matter.

Mr. Chairman, in the past 2 years the defense authorization bills have put the United States on a path toward beyond cold war thinking and began to move us toward a post-cold-war national security strategy. When the Berlin Wall came down, the Soviet Union dissipated and the Warsaw Pact vanished, it ended the cold war. And I have

said on more than one occasion that with the ending of the cold war it ushered in a new era, the post-cold-war era, that requires us to take off old labels of who is left wing and right wing, take off old labels of who is the peacenik and who is the hawk, take off old labels and move beyond old paradigms to challenge ourselves, to think brilliantly and competently about how we move toward the 21st century in the context of the post-cold-war; great challenges, but also great opportunities. This is a moment in a period of transition.

And the great tragic reality is the American people are looking to Washington and saying, "We don't know what to do in the context of the post-cold-war. What should we do?" And many politicians, because they do not like to get too far out in front of public opinion, because you can lose your job doing that, are turning around saying, "Don't ask me. What do you think we ought to do?" So the American people are asking the political leaders what should they do. The political leaders are asking the American people what to do. In the meantime we are blowing this incredible opportunity to take the world boldly in a different place with the United States as a major superpower out in front in a courageous way.

No, we are walking backward toward the cold war. We want to build B-2 bombers that were cold war weapons. We want to go back to a national missile defense in cold war era times. We want to buy weapons systems that have nothing to do with moving forward. We want to retard our capacity on peacekeeping initiatives and other things that would move us rationally and logically into the 21st century. We are going backward, and this bill underscores that.

This bill reverses the course. It buys more weapons whose design, function, and purposes were rooted in cold war strategy and doctrine. It pushes away from an aggressive arms control strategy and potentially back toward global brinksmanship.

The last couple of weeks we talked about not saddling the children with a budget deficit. Why saddle the children with the danger of brinksmanship? Why saddle the children with the danger of weapons systems we do not need? Why challenge the children of this country with cold war strategies that make no sense?

If we are going to be consistent about embracing the future and caring about our children, then all of our policies, not just the rhetoric of the budget resolution, but the reality of the military budget and our strategy on national security, should speak eloquently and powerfully to that.

It seeks to impede effective efforts by the Department of Defense to ready itself for the challenges of the current time and the next generation, all in the name of keeping it ready for the types of challenges which arose in the past.

This bill represents not just a lost opportunity to adjust the changes of our time, but carries with it the tone and substance that has been the basis of so many destabilizing arms and ideological competitions of the past.

My final comment, I leave you with this, Mr. Chairman, I believe that this new era has ushered in for us an incredible new opportunity, this generation as represented by those of us on this floor. We have been given an enormous gift. We have been given the gift of an opportunity to radically alter the world, to make it a safer and sane and stable place for ourselves and our children and our children's children.

We can paint bold strokes across the canvas of time, leaving our legacy to the next generation of one of peace and security, or we can tinker around at the margins of change because of our caution, because of our insecurity, because of our fear, and because of our insecurity and blow this moment.

□ 1600

I hope that our grandchildren and our great-grandchildren do not look back at this moment and say, "My God, that generation had a chance to make the world a better place, and they blew the opportunity." I believe this bill goes down that tragic and sad road. I urge defeat of the bill, and I reserve the balance of my time.

Mr. SPENCE. Mr. Chairman, I yield 3 minutes to the gentleman from Virginia [Mr. BATEMAN].

Mr. BATEMAN. Mr. Chairman, I thank the chairman of the Committee on National Security, the gentleman from South Carolina [Mr. SPENCE] for yielding this time to me.

Let me also, while I am on my feet, commend him for the excellence of the leadership that he has provided to the Committee on National Security in bringing H.R. 1530 to the floor and also commend him, notwithstanding the vast differences in the point of view and perspective between my chairman and the ranking member, the gentleman from California [Mr. DELLUMS], for his excellent cooperation and assistance in seeing that the committee's business was fairly transacted.

Let me also speak my appreciation to the ranking member of the Readiness Subcommittee, the gentleman from Virginia [Mr. SISISKY] for his unfailing cooperation and assistance in seeing that our portion of the bill was dealt with, and dealt with very responsibly and effectively.

H.R. 1530 fully funds the military services' operation and training accounts and adds significant resources to other important readiness activities, including real property maintenance, to address health, safety, and mission-critical deficiencies, depot maintenance to reduce backlogs, and base operations support to address shortfalls in programs which sustain mission capability, quality of life, and work force productivity.

Second, H.R. 1530 undertakes a number of initiatives to reengineer and reform defense business operations and functions performed by the Department of Defense, its agencies, and the military services to create efficiencies and maximize the value of our defense dollars. These initiatives are in areas such as inventory management, computers, financial management, transportation, audit, and inspector general oversight and fuel management, and include a number of pilot programs for outsourcing functions not core to the Department of Defense warfighting mission.

Third, H.R. 1530 fixes a critical problem which contributed greatly to the readiness shortfalls experienced in the late fiscal year 1994. Specifically, the bill takes action to protect the key trading and readiness accounts from having funds diverted to pay for unbudgeted contingency operations. It does so by establishing short-term financing mechanisms to cover the initial costs of such operations requiring the administration to submit timely supplemental appropriation requests and requiring the adminstration to seek funds in advance for planned, but unbudgeted, operations if they are expected to continue into the next fiscal year.

Mr. Chairman, at the end of the day, H.R. 1530 achieves the goals we all share: providing the necessary resources to ensure force readiness, improving quality of life for our service people, and instituting defense support structure reforms to enable resources to be made available for other short- and long-term readiness needs.

I urge my colleagues to support the bill.

Mr. DELLUMS. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from Mississippi [Mr. MONTGOMERY].

Mr. MONTGOMERY. Mr. Chairman, I want to thank the ranking member for giving me this time, and, Mr. Chairman, I rise in strong support of H.R. 1530 and, given the tight budget situation we faced this year, the defense authorization bill represents compromise. While the legislation does not contain all the provisions I would have liked, it is balanced and a step in the right direction to provide for the defense needs of our country.

I am particularly pleased with the emphasis on operation and maintenance needs in order to improve readiness of our forces.

Mr. Chairman, I am also pleased and would like to note one provision. It is a joint VA/DOD housing program. This is in the bill. This is a needed program, will apply to enlisted personnel and officers 0-3 and below. They could apply

for a VA guaranteed loan to purchase off-base housing with the Department of Defense buying down the interest payments for the first 3 years. This program will help to relieve the problems we are having on our bases of housing shortage.

I also want to point out that the bill contains $770 million for procurement of equipment for the National Guard and Reserve and my colleagues know it pleases me very much when the Guard and Reserve are able to get the proper equipment.

I am disappointed, though, Mr. Chairman, that the bill effectively kills the civil military programs conducted by the Reserve components in so many communities throughout the Nation. This program has been really important. It has a lot of merit to it, and it looks like we are not going to be able to use our National Guard and Reserve units to help out individuals that need help, and I am very worried about that, and that was what was left out of the bill.

Mrs. SCHROEDER. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentlewomen from Colorado.

Mrs. SCHROEDER. Mr. Chairman, I want to thank the gentleman from Mississippi [Mr. MONTGOMERY] for speaking up so eloquently about that because really being able to use the National Guard and Reserve to go in and serve communities, whether it is medically, whether it is helping our youth, whether it is—I find it really shocking that we are just severing that tie to the communities and that service, and I say to the gentleman, "Thank you for the leadership you gave. How sad it is to see it all rolled back."

Mr. MONTGOMERY. Mr. Chairman, I thank the gentlewoman.

There are some wonderful programs, and I think probably the people around the country will speak up, and will be able to someday get these funded. We will not talk about the money. It was peoples programs, helping underprivileged, not in Central and South America, but right here in the United States of America.

So, Mr. Chairman, I reemphasize my support for this bill and urge its adoption in the House.

Mr. SPENCE. Mr. Chairman, I yield 4 minutes to the gentleman from California [Mr. HUNTER], the chairman of our Subcommittee on Military Procurement of the Committee on National Security.

Mr. HUNTER. Mr. Chairman, I want to start out by thanking our great chairman of the Committee on National Security for his wonderful leadership through the hearings that we held, the many briefings, discussions, the inner workings from both sides of the aisle, Democrats and Republicans working to do what is best for America, and I want to compliment the gentleman from California [Mr. DELLUMS], ranking member of the full committee, for his hard work, and my counterpart, the gentleman from Missouri [Mr. SKELTON], who did so much to put together a good package that will give national security to this country.

My colleagues, we lived through the 1980's and rebuilt American defense because we believed in a policy of peace through strength, and at times that policy was very heavily criticized. When the Russians were ringing our allies in Europe with SS-20 missiles, and many people here at home, particularly members of the leadership, some leadership in the Democrat Party, many leaders in the media, urged that we appease the then-Soviet Union, urged that we cut back on weapon systems, urged that we terminate our ICBM systems and our bomber development, thankfully, the leadership in the House and many Members of Congress did not go along with that policy. We believed in a policy of peace through strength, and we stood up to the Russians in Europe.

We put where we start moving forward with our plan to put Pershings and ground-launched cruise missiles in. In Central America, where we moved to deny the Soviets and their proxies a foothold on our own continent, in Africa, in the deep water, with the rebuilding of our American Navy, we challenged the growing Soviet fleet, and interestingly, because we stood up to the Russians, we brought about peace through strength, and the Berlin Wall came down, and then we had a conflict in the Middle East. No Russians involved, purely a conventional conflict, and all of the systems that the Members of this Congress and the Reagan and Bush administrations had put into the pipeline that were heavily criticized by the media in this country, the M-1 tank that ran out of gas too soon, the Apache helicopter that needed too many spare parts, the Patriot missile system that took too long to develop; all those systems, when deployed on the sands of the Persian Gulf, proved to be very excellent systems. They saved American lives, they brought home the great majority of those body bags that we sent to the Middle East empty.

Well, we have moved to continue that rebuilding of national security, and let me tell you, Mr. Chairman, On our subcommittee, at your direction, we have rebuilt ammunition accounts, we have rebuilt precision guided munitions accounts. Those were those precision guided systems where you do not drop a hundred bombs on a target. You send one in at a bridge or that particular radar site and knock it out. We rebuilt American sealift. We started to add ships to our sealift accounts. We put in extra fighters this year. Last year we bought fewer fighter aircraft than Switzerland, that great warmaking power. We kept that industrial base alive. We tried to keep our sealift going. We put in basic things like trucks so that the army can be mobile, so it can move its logistics corps to the area of operation quickly.

So we have started, Mr. Chairman, in the procurement subcommittee, moving ahead with the resumption of that policy that has not failed this country of peace through strength, and let me just say to my colleague, the gentleman from California [Mr. DELLUMS], the ranking member of the full Committee on National Security, it is true that there is a State earmarking of this reactor that will build tritium. On the other hand, my observation is not too many States have been asking for the reactor and, as a matter of politics, probably would not. But I think it is clear that the Clinton administration itself has said that continued tritium production is an important thing, and it is important that we move forward with the way to do that, and I personally think that the reactor is the way to go, not the accelerator that has been proposed by the administration.

So, my colleagues, I think we put forth a good package for the United States to resume this policy of peace through strength, and I would urge all members to support it.

Mr. DELLUMS. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Texas [Mr. ORTIZ].

Mr. ORTIZ. Mr. Chairman, I rise in support of H.R. 1530, our national defense authorization for fiscal year 1996.

I am pleased to join my colleagues in supporting what I believe to be a comprehensive and forward thinking bill to address the defense concerns of the United States into the next century.

I would like to commend the gentleman from Colorado [Mr. HEFLEY] for his work at the subcommittee level, and both Chairman SPENCE and the full committee ranking minority member, RON DELLUMS, for working to forge a bipartisan bill.

Military construction is significantly important to our Nation's ability to have a ready and capable force.

Mission support, quality of life projects, living spaces, work places, infrastructure revitalization, and environmental compliance are key factors in ensuring that our forces are able to meet the many challenges facing our military today.

I have long been interested in reforming the way the armed services provide housing for our men and women in uniform.

Three years ago, there was some concern about the future needs of military housing for our servicemen in south Texas—and the community responded by proposing a Naval Housing Investment Board that would combine servicemember and civilian housing through a public-private investment board.

The bill before us contains a major new initiative to form public/private

partnerships in an effort to improve military housing.

The program provides a series of new authorities to encourage the investment of private capital to assist in the development of military family housing.

Since we began our efforts to combine our limited Federal resources with private investment in last year's DOD bill through the Navy Housing Investment Board—the program concept proved so successful that it is being extended to the other service branches with the wholehearted endorsement of Secretary of Defense William Perry.

Mr. Chairman, I encourage my colleagues to vote for this bill. It is a good bill, and specifically it addresses the housing needs for men in uniform.

□ 1615

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. WELDON], the chairman of the Subcommittee on Military Research and Development of the Committee on National Security.

Mr. WELDON of Pennsylvania. Mr. Chairman, first of all, I rise to applaud our chairman, who has done an outstanding job in leading us through this first bill that we have had the chance to put together, and also acknowledge the cooperation and support of our ranking member, who as always, is gracious and cooperative, even if we may disagree on some substantive issues.

I think this is a good bill, Mr. Chairman. This is a good bill that passed out of our full committee with a vote of 48 to 3, meaning only three members of the full Committee on National Security saw fit to oppose this legislation being reported to the House floor.

This bill, for the first time in the last 9 years that I have been here, reverses the hemorrhaging that has been occurring within our national defense and national security. We all heard the rhetoric of 5 years ago about the peace dividend. Well, I can tell you where the peace dividend is. It is in my UAW workers who are now looking for fast food jobs in Delaware County and Southeastern Pennsylvania because they have been laid off by Boeing Corporation, by Martin Marietta, by Lockheed. Norm Augustine, the new CEO of the new Martin Lockheed was in my office 2 weeks ago and said his company has laid off 107,000 people in the last 3 years alone, and the layoffs continue. That is what we have got even with our peace dividend.

Where has been the defense conversion? There is no defense conversion, Mr. Chairman. But we stop that with this bill, and we do not do it as a jobs program. In fact, I will talk about how we have stopped that process as well, the pork barreling in the bill. We do it because we support what is important based upon the national threat.

We started off this year's process with a net threat briefing where we looked at the hot spots of the world and came back to deal with our leadership in the Pentagon about where our priorities should be. Then in our subcommittees we marked up our funding levels in line with what the Joint Chiefs told us were their priorities.

We also, Mr. Chairman, and I am very proud of this in the R&D area, we removed the tremendous amount of earmarking that has occurred in previous bills. There was one estimate that in last year's defense bill there was $4.7 billion of unauthorized appropriations, some of those having nothing to do with defense, many of them stuck in by the appropriators, some of them put in by the authorizers, but many of which were not requested by the military and had nothing to do with our national security.

In the R&D portion of this bill this year, we have no earmarks. We have no direct programs put into that portion of the bill for individual Member requests. We in fact keep the bill clean.

We do fund our priorities, Mr. Chairman. We do take a look in the R&D area at where we should be putting our priorities in terms of dollars. We fully fund missile defense.

Now, how do we determine where the priorities should be? Unlike the previous 2 years, Mr. Chairman, when we had no hearings on ballistic missile defense, we in this year held three full hearings for members of the full committee, the subcommittees of Procurement and Research and Development, on where we are with ballistic missile defense.

We had a hearing on the threat, both a closed briefing for the Members and an open briefing, a full day of hearings on what is the threat out there. We heard the horror stories of 77 nations today having cruise missiles that could be used against us. We heard the horror stories of 20 countries who today are building cruise missiles and the threat that poses to us. We had a hearing on what we have gotten for our money.

What have we been able to produce with the billions of dollars we spent on missile defense over the past decade? We had a show and tell where General O'Neill brought in the technologies we developed with our missile defense funding. Finally, we had General O'Neill himself present to us what his vision of missile defense for this country would be like.

Mr. Chairman, when we get to the missile defense section, every dollar that we put in this bill is in line with what General O'Neill said we should be spending on missile defense. In fact, it is less. General O'Neill told us we could add on up to $1.2 billion in the missile defense accounts for theater missile, national missile, cruise missile and Brilliant Eyes.

We could not give him that full amount, but we gave him about $800 million. We have plussed up those areas where General O'Neill, acting as President Clinton's representative, told us we should put our dollars in terms of protecting our people from the threat of a missile coming into our mainland or hurting our troops when they are being deployed overseas.

This is a good bill as it relates to missile defense. Yet you will hear later on our colleagues attempt to say we are trying to undermine the ABM Treaty. Nothing could be further from the truth. But I will say this, Mr. Chairman: We are silent on the treaty. It is a treaty that we will abide by. But there are some who want to distort this bill and politicize it to have it be supportive of additional use of the ABM treaty, and we think that is a mistake, and we are going to oppose it when that amendment comes to the floor.

This is a good bill, and I encourage our colleagues to support it with a large vote, and give our chairman the endorsement of an excellent job in leading us on the security of this country.

Mr. DELLUMS. Mr. Chairman, I yield myself 3 minutes.

Mr. SPENCE. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. DELLUMS].

The CHAIRMAN. The gentleman from California [Mr. DELLUMS] is recognized for 4 minutes.

Mr. DELLUMS. Mr. Chairman, I would like to respond to one of the comments that my distinguished colleague from Pennsylvania made, because he raised a very significant point, and that is the issue of job loss in the context of downsizing.

I find it interesting that when you talk with the corporate CEO's about a great percentage of this downsizing in the quiet, they will agree that a great part of their job loss had nothing to do with the downsizing of the military budget, but the fact that during the years of the eighties, they developed such huge overheads, they got fat and sassy, they were no longer competitive, particularly in the international arena, so they had to cut back, they had to start getting streamlined, they had to become competitive. So a portion of those jobs were as a result of that.

But I think the gentleman raises an important point. When we are downsizing, there is economic dislocation. And my response to that is that the long-term answer, the near-term answer to that, is an aggressive economic conversion strategy, not buying weapons that are expensive and unnecessary. That is not the real answer to that.

Mr. WELDON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. DELLUMS. I yield to the gentleman from Pennsylvania.

Mr. WELDON of Pennsylvania. I appreciate my friend and colleague yielding. I appreciate the willingness to engage in a dialog. What I would say is 2

years ago as we saw the defense numbers being projected by President Clinton, we went to the Office of Technology Assessment and the Congressional Budget Office. Each of them did studies that said if we implement the budget numbers proposed by President Clinton, we would see 1.5 million men and women lose their jobs in the defense industry.

That is exactly what is happening, and that is happening directly because of the most massive cuts in the acquisition accounts that we have seen since before World War II. So it has had a direct impact on real jobs all across America.

Mr. DELLUMS. Mr. Chairman, reclaiming my time, in downsizing the military budget, economic dislocation is indeed going to be a reality. The point that I am simply suggesting is that we are bright enough and competent enough to engage in a policy discussion that leads us toward the policies of economic conversion.

The tragedy is that many of my colleagues, because we do not have a national jobs bill in this country, because we have not embraced economic, monetary, and budgetary policies designed to expand employment, we look at the military budget as a jobs bill.

The last time I was chair of the committee, last year, my colleagues sent in requests to my office to add $10 billion to the military budget. Now, you do not have to be too bright to understand what that was about. I understand. It was about jobs. People do not like to see people unemployed. Neither do I. But the tragedy is that we are beginning to use the military budget on a more expansive basis as a jobs bill, when it should be a bill that addresses the national security needs of this country, and we need to have a much broader strategy to handle the dislocation, and I think that is economic conversion.

Mr. WELDON of Pennsylvania. If the gentleman will yield further, I would just say I agree with the gentleman. That is why in this bill, in the R&D accounts, we keep the dual use funding levels at the same level they were in previous years, for exactly that reason. We keep the dual use of funding level at exactly the level that they were funded at over the previous 2 years. So we support that notion, when it has defense as a top priority.

Mr. DELLUMS. Mr. Chairman, I yield 4 minutes to the distinguished gentlewoman from Colorado [Mrs. SCHROEDER].

Mrs. SCHROEDER. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I must say as a mother of yuppies, I rise in strong disagreement with this bill, because my children would call this bill retro. "Retro" is a negative word in the yuppie sense, and part of the reason is while we just heard about they are saying that there were $4 billion last year that they thought was fat, in this bill this debate is really nothing but kabuki theater. After we passed that rule, this has nothing to do with reality from here on.

There is $9.5 billion more in this bill than the Pentagon said they needed to fight two full-time wars, and I think the Pentagon's judgment has been confirmed pretty well this last week with how well they performed. it is $9.5 billion more than the commander-in-chief wanted, and $9.5 billion more than the Senate wanted. In fact, when we were debating the rule and tried to get this opened up so we could offer some of these amendments, we were told we could not, because it might distort the negotiations with the Senate on the budget, the overall budget negotiations going on.

So really we are just standing here throwing words back and forth at each other, and it really does not mean a thing, because three-fourths of the cutting amendments have been denied. They have been denied. Again, as everybody here is saying this is a better bill than before, oh, really? You thought $4 billion was a lot of fat last year, try $9.5 billion in this year's that we cannot get to.

Furthermore, there is a real threat I think to the ABM Treaty. If there was not, why not say there is not? How can you say there is no threat, but we will not accept an amendment saying we do not plan to change it?

If you really think the women who put their lives on the line should be considered second class citizens, which I do not, then you will love this bill. This is great. If you think we should have a line item and direct where we are going to go with tritium production, without anybody having a debate or really deciding these things, then you will love this.

You are going to hear a lot of debate about industrial base. Well, let me tell you, this is, again, a retro industrial base that we are supporting in this bill. The gentleman from California and I worked very hard with many Members trying to find a competitive way to take this expensive research and development that the taxpayer had invested in and apply it to the future, apply it to other things we needed, to upgrade our industrial base and have new products we can sell to the world, in such areas as law enforcement, medical technology, all those types of things, because that is clearly where it is going.

Instead, what do we have in there? We are going to have a big move to bring back the B-2 bomber. Even Secretary Cheney did not think we needed this thing. He signed off on 20 of these. You can buy these for about $1.1 billion. That is a lot of school lunches. That is a lot of student loans. During the cold war, if Secretary Cheney was convinced 20 of these was enough, I would think that that would be enough for us today in the post-cold-war era.

So what I am trying to say is things like this are being kept alive in the name of keeping the industrial base up. Well, let me tell you we have a doggone good aviation industrial base. Just look at the Boeing 777. We are just doing this to keep some defense contractors who put out big political donations, I think, alive. And we have got all sorts of other things in here we cannot even offer an amendment to. This one at least we get to offer the amendment to. I guess they figured they have got it wired in so they cannot lose this one, and the other ones, I guess people are afraid they should be losing.

But I think Mr. Chairman, this is a very sad day, and I hope Members will join me in voting no on this retro bill.

The CHAIRMAN. The Chair will advise that the gentleman from South Carolina [Mr. SPENCE] has 42½ minutes remaining, and the gentleman from California [Mr. DELLUMS] has 29 minutes remaining.

Mr. SPENCE. Mr. Chairman, I yield 3½ minutes to the gentleman from Colorado [Mr. HEFLEY], the chairman of our Subcommittee on Military Installations and Facilities.

□ 1630

Mr. HEFLEY. Mr. Chairman, I rise in support of H.R. 1530, the National Defense Authorization Act for fiscal year 1996. I would like to say, this is my first time to be a cochairman of this committee or any committee in Congress for that matter. And it was an experience, and I could not have asked for a more cooperative or helpful ranking member than the gentleman from Texas, SOLOMON ORTIZ, who I thought did a super job.

This was truly, at least our part of it and I think most of the bill, was truly a nonpartisan or bipartisan product. As chairman of the Subcommittee on Military Installations and Facilities, I can assure the House that this bill squarely addresses one of the most serious problems confronting the Department of Defense and the people who serve in our Nation's military services.

That problem is the quality and availability of adequate troop housing and military family housing. There is no question that there is a crisis in military housing. Over 600,000 single enlisted personnel are assigned to on-base troop housing facilities. The average age of barracks and dormitories is over 40 years. One-fourth of these facilities is considered substandard. At current levels of funding, improving on-base housing for single enlisted personnel cannot be accomplished, depending on the military service, for years or, in some cases, for decades. The situation in family housing is not much better. Approximately 218,000 or two-thirds of the homes in the housing

inventory of the Department of Defense are classified as inadequate.

One-quarter of the homes in the DOD inventory are over 40 years old and two-thirds are over 30 years old. This aging military family stock has extremely high maintenance and repair needs. If nothing changes, fixing the military family housing problem will take over 30 years.

The present military housing situation is unacceptable and the Committee on National Security is determined to put us on the path toward fixing the problem. H.R. 1530 contains critically important short-term and long-term remedies to this problem.

Working with the military services, we have identified a number of unfunded and badly needed quality-of-life improvements in housing, child care, health care facility that can be executed next year.

We have funded solely those projects where the need is the greatest and the dollars can immediately be put to use. Equally of importance, we coordinated these recommendations thoroughly with our colleagues on the Committee on Appropriations so that we are singing from the same page of music. And we have agreed, both of us, to a strong quality of life package.

This bill funds over $630 million in new construction improvements for barracks and dormitories at 63 installations, including projects at 25 installations which the committee identified as priority requirements for military services which were unfunded in the department's budget request.

The bill also provides approximately $900 million in military family housing construction and improvements. These funds will provide quality housing for about 9,400 military families, over 2,000 more than the Department's request, and will ensure that other badly needed neighborhood improvements are undertaken.

I want to stress again that this bill funds only those projects which can be executed in fiscal year 1996. This is not a hollow program. But beyond the important quality of life improvements we are recommending to the House, the committee has also taken a longer term view of the problem of fixing the military construction problem. We are providing for an opportunity for private sector involvement in this and have set up a structure that gives the possibility for that to take place at bases around the country. We are going to develop pilot programs this year, and I think this is the only way you can get there from here in terms of actually solving this problem.

So in conclusion, let me say, I strongly support this piece of legislation. I think not only in this particular area that I have talked about but throughout the bill, we make giant strides.

Mr. SPENCE. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. MCHUGH], who is the chairman of our moral, welfare, and recreation panel.

Mr. MCHUGH. Mr. Chairman, let me add my words of admiration and appreciation to the full committee chairman, the gentleman from South Carolina [Mr. SPENCE], and really all the members of the Committee on National Security, including, or course, the ranking minority member, the gentleman from California [Mr. DELLUMS], who have worked hard to make this, I think, a very credible and a very well-balanced piece of legislation.

We have heard today, Mr. Chairman, and we will continue to hear how difficult and how different these times are. I think this legislation reflects those realities in a very direct and a very palpable way. Indeed, while these times are different, they are at least as dangerous, if not more dangerous than any circumstances that we as a nation have encountered across this globe in perhaps the last half century or more.

There, too, this legislation is, I think, a very able attempt to try to react to those very dangerous circumstances.

In that regard, those of us, myself included, who had the opportunity and the honor to serve on the committee special oversight panel on moral, welfare and recreation have worked to include in this legislation a number of measures that will provide for an acceptable quality of life for men and women in uniform.

We all know, Mr. Chairman, that under any circumstances, these programs are so vitally important. But as our military men and women are being asked to deploy more and more, and not just by a Republican president, not just by a Democrat president, but by chiefs of the military from both sides of the aisle, to places like Haiti and Somalia, providing comfort in northern and southern Iraq and the skies of Bosnia, we have to maintain programs and let our men and women know that, as they leave, their families are being adequately taken care of, being provided for. This program and this legislation fully funds those kinds of programs, fully funds them, I might add, at a level that President Clinton requested.

This is a well-balanced, well-reasoned piece of legislation that, Mr. Chairman, I respectfully urge all my colleagues on both sides of the aisle to defend and to support.

Mr. SPENCE. Mr. Chairman, I yield 3 minutes to the gentleman from New Jersey [Mr. SAXTON], a very valuable member of our committee.

Mr. SAXTON. Mr. Chairman, I thank the gentleman for yielding time to me.

Once again, we stand on this floor and debate the merits of a defense authorization bill. But unlike previous debates, consideration of the 1996 Defense Authorization Act is different. Before us is legislation which stops the backsliding of previous defense bills and takes a critical first step toward matching resources with the ever-growing number of military commitments.

This bill doesn't solve all the problems which plague our Armed Forces. Ten years of declining defense budgets cannot be overturned in a single defense budget. Yet this bill makes significant, concrete improvements. Among the many initiatives, this bill:

Adds a third Aegis destroyer—a ship which was stricken from the Navy's original budget proposal but identified by the Navy's top admiral as his highest priority.

Takes a more prudent and robust approach to missile defense by adding $763 million for ballistic missile defense program and directing the Secretary of Defense to develop and deploy theater and national defenses "at the earliest practical date;"

Fully funds the purchase of eight C-17's, a mission-essential platform which every top Pentagon official has testified as a gotta have program.

In addition this bill sends a message to our military personnel and their families that we understand the hardships they endure. We show our appreciation by fully funding a 2.4 percent pay raise and by adding $425 million for the construction and improvements to military family housing and troop housing.

Finally, this bill provides money to keep the B-2 industrial base in tact, giving us the option of procuring additional stealth bombers should we decide to do so. To those of my colleagues who think that the B-2 is too expensive, I simply point out that waging a war which a fleet of B-2 bombers could have deterred is far more costly both in terms of lives and money.

Is this a perfect bill? No, but it does what the administration has failed to do in three previous defense proposals. It honestly identifies our defense needs and takes appropriate action to address them.

My colleagues, last fall as part of our Contract With America we made a commitment to the American public that we would strengthen our military forces. In February, we passed H.R. 7 which demonstrated our commitment and our resolve. This bill continues that process by putting real deeds behind those words and promises.

I urge Members to support our troops by supporting this bill.

I urge my colleagues to support the bill and to avoid destructive amendments.

Mr. SPENCE. Mr. Chairman, I yield 4 minutes to the gentleman from Ohio [Mr. HOKE] for the purposes of engaging in a colloquy.

Mr. HOKE. Mr. Chairman, I rise for the purpose of a colloquy with the gentleman from South Carolina.

As you know, last week I submitted to the Committee on Rules an amendment that would require the President to withdraw the United States from the Anti-Ballistic Missile Treaty as permitted under article XV of that treaty.

I sponsored that amendment because along with you, I believe that the ABM treaty adopts a national strategy of intentional defenselessness which is completely inconsistent and incompatible with our obligation to provide for the common defense of the people of the United States.

Not only does the ABM treaty depend on a misguided strategy of mutually assured destruction, but the Government of the United States has adopted an unspoken policy of nondisclosure of that strategy to the American people.

While this strategy of defenselessness may possibly have been arguable in 1972 when we had only one ICBM-capable enemy, it is utterly without merit today when many nations have gained or are gaining access to ballistic missile technology as well as to the weapons of mass destruction.

All of which is to say that in my view this policy is insane and will be viewed in the long sweep of history as a particularly dumb idea which held sway under peculiar circumstances for a very brief period of time.

But what is truly unconscionable is that the public has been kept out of the loop. Defrauded of its right to know and intentionally not told that all of America and particularly her largest cities are now the beta sites for a massive experiment in foreign relations, that this experiment in foreign and defense policy places the lives and fortunes of a quarter of a billion Americans at risk without their knowledge is unethical, immoral, and just plain wrong.

After consulting with you and Messrs. YOUNG, WELDON, and LIVINGSTON last week, I withdrew my amendment as a result of your stated intention to hold hearings on the validity of the ABM treaty and on a bill to repeal that treaty which will be offered later this week. I deeply appreciate that offer on your part.

I view as a tremendous opportunity to this, these hearings as a tremendous opportunity to inform the American people of the policy that we are under now that leaves them defenseless.

I also want to note that the gentleman form South Carolina [Mr. SPRATT] has offered an amendment that amounts to an endorsement of the ABM treaty.

Could the chairman share with me the view of the Committee on National Security on the Spratt amendment?

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. HOKE. I yield to the gentleman from South Carolina.

Mr. SPENCE. Mr. Chairman, let me say to the distinguished gentleman from Ohio that the committee overwhelmingly rejected a nearly identical amendment when it was offered during the committee markup of H.R. 1530. It was a bipartisan vote of 18 to 33. The Spratt amendment places too much credence in a treaty that was signed over 20 years ago with a nation that no longer exists and in strategic circumstances that no longer pertain. Therefore, I strongly urge a no vote on the Spratt amendment.

Let me also say to the gentleman from Ohio that it is this gentleman's intention to hold hearings in the Committee on National Security later this year on the viability of the ABM treaty. Such a review of that treaty is clearly warranted. I would certainly welcome the gentleman's active participation.

Mr. HOKE. Mr. Chairman, I applaud your commitment to hold those hearings, and I look forward to working with the gentleman and the committee. Let me also say to the gentleman that I am confident that they will demonstrate that the proper course for the United States is to state its intention to withdraw from this treaty.

Likewise, Mr. Chairman, I strongly oppose the Spratt amendment that seeks to endorse this outmoded ABM Treaty that prevents us from deploying a highly effective defense for the American people. I urge my colleagues to vote no on the Spratt amendment, and I thank the gentleman for engaging in this colloquy with me.

Mr. SPENCE. Mr. Chairman, I yield 1 minute to the gentleman from Texas [Mr. THORNBERRY].

Mr. THORNBERRY. Mr. Chairman, there are many issues in this bill, and I want to make just two brief points.

No. 1, it is quite a well-balanced bill. Defense spending has been cut every year for the past decade, and there is a lot of ground to make up for. But in the areas of modernization, in getting and keeping good people, in readiness and in reforming the Pentagon, this bill makes substantial progress. It does not do as much as I would like in all the areas, but it makes substantial progress in each of them and deserves my colleagues' support.

The other issue is dealing with getting and keeping good people. For me that includes how we treat our veterans and military retirees. More and more in the future, I believe, that will be determined on, or one of the key parts of that will be health care.

□ 1645

This bill, again, does not solve all the problems with regard to access to health care for military retirees, but the report it requires, as well as some of the other studies, will move us toward solving that problem. The bottom line is the Government must keep its word to those people who have served their country.

Mr. Chairman, the first function of this Government is to provide for the defense of its citizens. This bill deserves the support of my colleagues.

Mr. SPENCE. Mr. Chairman, I yield 2 minutes to the gentleman from Tennessee [Mr. HILLEARY].

Mr. HILLEARY. Mr. Chairman, I rise in support of H.R. 1530, the DOD authorization bill. The time has come to halt the significant reductions that have taken place in defense spending and to add some measure of stability to the defense budget. Our civilian and military defense leaders have to be able to effectively train our military personnel and maintain our force structure at a high state of readiness for all foreseeable threats to our Nation. I believe H.R. 1530 will do that in an efficient and effective way.

The power granted to us by the Constitution to raise and support the armed forces is indeed one of the most important rolls we exercise in the Congress. Mistakes and misjudgments on this bill can translate not only into dollars wasted or dollars saved, but into lives lost or lives saved; into military defeats or military victories.

George Washington, in his first annual address to Congress, stated that, "To be prepared for war is one of the most effectual means of preserving peace." That is what this bill is all about: being prepared for war, so we can preserve the peace.

One of the favorite refrains from the liberals, no matter what the question, is to cut defense a little bit more. Over the past 10 years defense budgets, in real terms, have steadily declined. The Department of Defense will spend nearly 35 percent less this year than it did in 1985. As a percentage of GDP, defense spending is at a 45 year low.

This year, with this bill, the massive decline in military spending will stop. And with this bill, we will stop the potentially disastrous decline of our military readiness.

I strongly urge my colleagues to support H.R. 1530—a peace preservation bill—and with it support the present and future security of our great Nation.

Mr. SPENCE. Mr. Chairman, I am pleased to yield 2 minutes to the gentleman from Kansas [Mr. TIAHRT], a member of our committee.

Mr. TIAHRT. Mr. Chairman, I rise in strong support of the National Defense Authorization Act, which seeks to keep our military strong and our troops ready. In particular, I would like to state my strong support for the B-2 bomber. I can still feel the pride that swelled up inside me on a windy day in Kansas just a month ago when Senator BOB DOLE and I were on hand to christen to new B-2, called the Spirit of Kansas. That was a great moment of personal satisfaction for me.

Over 10 years ago I worked on the B-2 in Wichita. Although I worked on a

great many aircraft, I can think of no aircraft which makes me more proud of Kansas ingenuity and the technical expertise of the American people. When I think about the B–2, I think about America's long nightmare during World War II. Unfortunately, 60 years ago Congress did not do its job in preparing this Nation for the possibility of war. We did not have the latest technology at our disposal. We were not ready. We wanted peace, but we did not have strength. In doing so, we unintentionally encouraged evil men to take advantage of our weakness. Let us resolve to never let this happen again.

When we ask a young American to guard our liberty, through service to the military, they make a self-sacrificing commitment to each and every one of us. In return, we should keep our commitment to them by providing them with the latest technology which will ensure their safety.

I strongly oppose the Kasich-Dellums amendment, which would shut down the B–2 program. That could cost us billions to start up the production line. The B–2's long range makes it less dependent on the overseas bases.

On the initial days of Desert Storm, a chart that I have here shows that the B–2's could have done the same job, 32 B–2's could have done the same job of 1,263 aircraft, putting fewer people in harm's way. It is a highly leverageable aircraft.

As a new Member of Congress, I urge my colleagues to come to the floor and vote to keep America's military strong and this Nation safe. We need to adopt funding for the B–2. We should support the bill reported out by the Committee on National Security and reject the amendment.

Mr. DELLUMS. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I would just like to respond to my distinguished colleague, the previous speaker who took the well eloquently, and point out to the gentleman that it was not the Dellums-Kasich amendment that stopped the B–2, as a student of history knows; it was George Bush, former President of the United States, that stopped the B–2 program at 20. At that point the Secretary of Defense was Secretary Cheney. While I agreed with that, I did not think that we needed 20. I just wanted to set the program record straight, that it was President Bush who set the level at 20.

Mr. Chairman, I yield 5 minutes to my distinguished colleague, the gentlewoman from California [Ms. HARMAN].

Ms. HARMAN. Mr. Chairman, I just returned from a moving memorial tribute to our friend and former Armed Services Committee chairman, Les Aspin. I am not certain Les Aspin would have approved everything in this bill, but his thinking has helped shaped this Democrat's views in strong support.

Les Aspin knew that while the tensions of the cold war have ended, it is clear from recent reports in Bosnia, in Central and East Africa, on the Korean Peninsula, and Southeast Asia that the need for well-equipped and well-prepared armed forces has not lessened. The bill before us will substantially improve the Nation's military and economic security.

Admittedly, the Committee on National Security has made difficult recommendations, balancing our military force's needs with budgetary constraints. Yet, the bill maintains important defense systems, such as the F/A–18 tactical fighter, space-based military satellites, the C–17 strategic airlift plane, and the B–2 bomber.

In addition, it continues in modified form a critical program that encourages the utilization of commercial technologies for defense applications, while maintaining the industrial base needed to meet future national security requirements.

Among the provisions in the 1996 defense bill important to our Nation's defense are the funds for long-lead procurement items for two more B–2 bombers. The B–2, in my view, is critical to our future war-fighting abilities. Its stealth capabilities, payload capacity, and long range allow it to respond to short-notice contingencies anywhere in the world.

Most importantly, one B–2 bomber can deliver a bomb payload equivalent to what it took 75 bombers and support aircraft to drop in Desert Storm. Thus, fewer service men and women are placed in harm's way.

The bill also includes funds for additional F/A–18C/D's, a fighter designed for the Air Force needs of the 21st century. And it also funds continued development of the enhanced E/F version which will meet the Navy's future needs.

The bill continues funding for the space-based communications and observation satellites, including $693 million for development of the MILSTAR satellite system. MILSTAR 2 is scheduled for launch in August.

Several changes have been included in the bill in dual use research technology partnerships by which the Pentagon leverages commercial technology for defense use. I listened carefully to the colloquy earlier between my colleague and esteemed former chairman, the gentleman from California [Mr. DELLUMS], and the chairman of the subcommittee on R&D, the gentleman from Pennsylvania [Mr. WELDON], on this subject. They are both right. The $1.235 billion provided in the bill for these partnerships can support a robust program, helped by language I offered to strengthen DOD flexibility to manage it.

Funds are authorized in the bill to continue critical research and development of ballistic missile defense systems being designed to protect against missile attacks on U.S. troops and allies in war theaters and, at the earliest practical date, against potential attacks on the continental U.S. These are good investments.

Another provision establishes a defense export loan guarantee program at no cost to the taxpayer. The guarantee will allow U.S. defense companies to compete on an equal footing with foreign businesses that sell defense products to U.S. allies.

I want to underscore that the program in no way promotes weapons proliferation, as some will contend later in this debate. The program does not alter, nor would I support altering, the stringent arms control export process by which all weapons must be approved prior to export.

With these points made, Mr. Chairman, let me say that I regret the committee has sought to reverse two Pentagon policies which I believe the Congress has no business micromanaging. Inclusion of these issues is divisive and a distraction from the important national security issues addressed by the rest of the bill.

The first is the committee's recommended ban on privately funded abortions in military hospitals overseas. The second is a provision to require the immediate discharge of all HIV-positive service members. Neither provision was the subject of hearings this year, and both are unnecessary departures from current policy.

The bill repeals current policy and bans all privately-funded abortions performed in military hospitals overseas. Under current policy, no Federal Funds are used and health care professionals who do not want to perform abortions are not required to do so.

This issue is a matter of fairness. Servicewomen and military dependents stationed overseas don't expect special treatment, only the right to receive the same choices guaranteed to women by Roe versus Wade. Prohibiting women from using their own funds to obtain abortion services at overseas military facilities endangers their health. Women will be forced to seek illegal or unsafe procedures, or be forced to delay the procedure until they can return to the States.

With respect to the bill's ban on HIV-positive service members, in my view, it is punitive and discriminatory. Current policy prescribes that so long as these individuals are deemed fit for duty by the service in which they serve, they may continue to serve. Neither the Department of Defense nor any of the four services sees a reason to change the policy that works. Neither do I, unless it is to discriminate against a class of individuals who have served their country honorably.

Mr. Chairman, I will work hard to change these two provisions, but the bill, in nearly all other respects, is

worthy of my colleagues' strong support, and I urge a "yes" vote on final passage.

Mr. SPENCE. Mr. Chairman, I yield 2 minutes to the gentleman from Georgia [Mr. CHAMBLISS], a new member of our committee.

Mr. CHAMBLISS. Mr. Chairman, amid the revolution of change brought about by the collective voice of the American people last November, today we come together to consider the defense authorization bill. One of the very few absolute responsibilities of the Federal Government, as outlined by the Framers of our Constitution is to fully provide for the defense of our great Nation and this defense bill does it for the first time in several years.

I would like to recognize the untiring efforts of the distinguished chairman of the National Security Committee to put together a defense bill that addresses the critical needs of our Armed Services. By realistically assessing needs and deficiencies, this bill strikes the necessary balance between readiness, quality of life procurement, and R&D. Concerns about a hollow military will soon fade, and the people of this Nation can once again feel secure that their brave men and women in uniform are the best trained, most modernly equipped, and ready force in the world.

I would like to specifically commend Chairman SPENCE, together with R&D subcommittee Chairman WELDON, for including in the bill a needed provision that will begin the replacement of the recently cancelled TSSAM program. The bill contains $75 million dollars for the Air Force and Navy to continue working together to develop a mission-essential air to ground standoff weapon, to be known as JASSM.

Other programs of critical importance to our national defense include full funding of the F–22 fighter program that will carry our air superiority well into the 21st century.

For airlift, full funding of the C–17 program will mean that when situations arise overseas, this country will be capable of projecting its awesome force to every corner of the world.

For these reasons, and for many other good decisions represented in this bill, I urge the Members' support of the defense bill. It is the right thing for the Nation. Our priorities are once again in place, and our military and our country will be the better for it.

Mr. DELLUMS. Mr. Chairman, I yield 3 minutes to my distinguished colleague, the gentleman from Virginia [Mr. PICKETT].

Mr. PICKETT. Mr. Chairman, the provisions in the military personnel title of H.R. 1530 are comprehensive and far reaching. They reflect a continuing effort to meet our commitments to our military members and to enhance the quality of life for the men and women, and their families, who so faithfully serve our country. The bill includes the full pay raise set forth by law, as provided for in the President's budget, as well as a substantial—5.2 percent—increase in the basic allowance for quarters which will significantly reduce out-of-pocket housing costs to service members. To help our military members acquire adequate housing in high-cost areas, the bill authorizes the Secretary of Defense to establish a minimum variable housing allowance—VHA—and includes a no loss provision so that the VHA amount paid to an individual in a given location will not be diminished as long as the member's housing costs have not been reduced.

Additionally, there are a number of provisions designed to improve the military medical system and to ensure that active duty and retired service members and their families receive the quality health care they deserve. Although there has been a great deal of interest in the issue of Medicare subvention, the reimbursement by Medicare to the Department of Defense for care provided to Medicare-eligible beneficiaries, we were unable to include this provision in the bill. The primary reason for this is that it falls outside the jurisdiction of the National Security Committee, but another limiting factor is that the Congressional Budget Office scores it as having a substantial direct spending impact. However, the bill does direct the Department to study alternatives to Medicare subvention so that Medicare-eligible military retirees and their dependents wishing to receive their health care in military treatment facilities can more readily be accommodated.

There are also provisions that deal with the uniformed services treatment facilities, or USTF's. These provisions, which I fully support, will move this program in a direction where full consideration will be given to integrating the USTF's into the tricare managed care system. These efforts will provide cost effective alternatives to assure continued quality care for the military beneficiaries who participate in the USTF Program.

While I strongly support the majority of the military personnel provisions, there are some issues I am disappointed to see included in this report, such as eliminating the National Guard Youth Opportunities Program, mandating an Armed Forces Expeditionary Medal for service in El Salvador, and denying military women in foreign countries access to military treatment facilities, without cost to the Government, for medical procedures related to abortion. I intend to support amendments offered which seek to change these provisions.

On the whole, Mr. Chairman, the military personnel titles of this bill represent a fair and comprehensive approach to military personnel program issues that should result in an improved quality of life for our service members. It is consistent with the desire and commitment of the Members of the House of Representatives to take care of the men and women who serve our country.

□ 1700

Mr. STUMP. Mr. Chairman, I yield 2 minutes to the gentlewoman from Florida [Mrs. FOWLER].

Mrs. FOWLER. Mr. Chairman, I rise to strongly support H.R. 1530, the Defense authorization bill. This legislation is a major step forward in restoring America's strength and ability to defend her vital interests.

Most importantly, this bill takes on deficiencies in the President's defense plans by highlighting four major areas for action: Quality of life issues; readiness improvements; modernization; and Pentagon reform.

The bill addresses challenges in these areas through the thoughtful application of some $9.4 billion in additional budget authority above the President's request. This increase, which is consistent with the House-passed budget resolution, provides $267.3 billion in B.A. and sets outlays at roughly $270 billion. It will give our defense establishment a respite from the severe battering it has taken over the last decade.

With the demise of the Warsaw Pact and the U.S.S.R., it was appropriate to draw down defense. But the level to which this administration has downsized has raised serious questions about our ability to meet vital needs. Under the administration's bottom-up review, defense spending as a percentage of GDP would decline to levels not seen since the days of Pearl Harbor.

The bill before us today would halt this trend. It would provide an additional $4.4 billion for the procurement of modern military equipment, in order to update our capabilities and minimize the risk to the U.S. personnel we so often call upon to go in harm's way. As the recent case of Capt. Scott O'Grady showed, we cannot afford to scrimp when the lives of our military personnel are at stake. Among other things, this funding will go to purchase additional ships, aircraft, missiles and ordnance, as well as helping to meet our strategic lift needs.

I am also pleased that the bill increases spending for quality-of-life issues, including the desperate shortage of military family housing. At Naval Station Mayport, in my district, there are some 1,300 military families on the waiting list for military housing. H.R. 1530 takes much-needed action to support military families like these.

Finally, the bill takes important steps to avoid repetition of the problems we had last year when operations and maintenance accounts were raided to fund unbudgeted contingencies. And it requires much-needed reforms at the

Pentagon—reforms that will reduce personnel assigned to the Secretary of Defense by 25 percent and require cuts of some 30,000 acquisition personnel in fiscal year 1996, streamlining the acquisition process.

Mr. Chairman, this bill merits the House's strong support. I encourage its passage.

Mr. DELLUMS. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, later this evening we will address an important and significant proposition. The bill as reported to the floor contains a provision that provides $553 million for long-lead items to purchase two additional B–2 bombers. In addition to that, it breaks the cap that was established in previous years, that set the cap at 20 B–2 bombers and the cost at $44.5 billion, I believe.

I would like to take a few minutes to talk about the implications of that, and I walk my way into that discussion this way:

At a time, Mr. Chairman, when, as I said earlier, we are visiting tremendous human misery upon millions of American people in this country, from children to veterans and farmers to senior citizens, because of the draconian cuts that we anticipate in this year's budget and in the out years for the purposes of reducing the deficit to ultimately balance the budget, the obvious question is this: Why then are we embarking upon a journey where the down payment is $553 million, on a journey the taxpayers must go on to the tune of $31.5 billion?

Question: Is it because the Pentagon wants these additional 20 B–2's? Because anyone that would argue that this is simply to buy B–2's is giving you a very disingenuous argument. What makes you more potent with 22 than 20? This is a down payment on 20 additional B–2's.

A, is it because the Pentagon wants it?

Answer: The Secretary of Defense said, "No, we don't want it. No, we don't need it. Yes, there are alternatives." The chair of the Joint Chiefs of Staff and the vice chair of the Joint Chiefs of Staff said, "No, we don't want it. No, we don't need it. Yes, there are alternatives."

An independent study carried out by the Institute for Defense Analysis, a very prestigious and sophisticated analytical capability, came to the conclusion, "No, we don't need it. No, we can't afford it. Yes, there are alternatives." The Roles and Mission Commission established by legislative mandate came to the exact same conclusion.

Mr. Chairman, perhaps one could rationalize the inclusion of this money to embrace 20 B–2's if the Pentagon wanted it. The Pentagon does not want it, they say they do not need it, and they say there are alternatives.

Second question: Is it for the safety of our personnel? We just experienced an F–16 fighter plane being knocked down, and some Member said if we had had B–2's, it would have made a difference.

Mr. Chairman, if anyone would take the time to read the independent study by the Institute for Defense Analysis, they came to a very interesting and potent conclusion: that if you increased the precision-guided munitions, that is, the smart bombs that people saw on C–SPAN in the context of the Persian Gulf, you know, the ones that go down Broadway, turn left, and drop? Precision-guided munitions. The study said if you increased the inventory of precision-guided munitions by 200 percent, you would reduce the aircraft loss by 40 percent.

Interesting next point: If you spent the money to buy B–2 bombers, the 20 B–2's bombers, you would reduce the aircraft loss by 8 percent. If it is about safety, precision-guided munitions, 40 percent increase in bomber safety; 8 percent over here with B–2 bombers.

The study went further and said with precision-guided munitions you get 3 things: more ammunition, more ordnance on the target, more accurately, with less risk, because you are not flying a plane over anything. You are standing back, with standoff capability, firing in precision-guided munitions.

Finally, they said it is more cost effective. Everybody is running around here talking about balancing the budget, reducing the deficit, saving money, not endangering and mortgaging the future of our children. Yet here is an independent, cogent, coherent, relevant study that says you get more bang for the buck, less risk, and much more cost-effective than building 20 additional B–2's.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. DELLUMS. I will yield when I make my comment. Then we will have this fight, my friend, and bring your best, because it will be a nice fight.

The second point, Mr. Chairman, is, is this for national security and strategic value? Remember, colleagues, the B–2 bomber was designed in the context of the cold war. It had one mission: fly one time over the Soviet Union and drop nuclear weapons.

A, there is no more Soviet Union. B, I hope that rational minds have moved beyond the notion of the sanity, of the reasoning behind a global strategic nuclear war. I hope that is behind us.

Why, then, build 20 more B–2 bombers that were designed in a world that no longer exists? So you refurbish it? But it only flies one time and it goes out.

Several of my colleagues argue that if we had more B–2's, the world would be a safer place. Let's talk about that. We have got already 20 B–2's now. They are only relevant for the first day or two. They cannot fly around forever. That is not their mission. That is not their capability. You already have 20 of them.

After the first couple of days, you do not need these things. You have got F–117's, stealth fighters, that have the capacity to find and knock out air defenses, radar. You have the Wild Weasel that has the capacity to search out and find air defenses, radar, knock them out.

Where on this earth are you going to need 20 more B–2's? The newspaper with the contractor says, "B–2's, when you don't have 14 days." Colleagues, it will take you 14 years to build 20 more B–2's. This is bizarre in the extreme.

Third point. Is it about industrial base? Some kind of way if we don't build 20 more B–2's, our industrial base will fall apart and we won't have the capacity to build bombers.

My point. The contractor that built the B–2 did not build the B–1. The contractor that built the B–1 did not build the B–2. The contractor that built the B–52 did not build the previous bomber.

My point is, no contractor has built successive bombers. You have got an aircraft capability out here in America that would jump through that window to get B–3.

You don't have an industrial base problem. Let's confront what this really is. This is protecting the industrial base to build B–2 bombers, not to build some new bomber.

If you were going to have another bomber, why have a bomber contemplated and fashioned in the context of the cold war when every one of us in this room understands that the world has radically altered and the need and condition for other aircraft has radically changed?

Mr. Chairman, what is this about? I will give you my opinion. I will put myself on the line. This is about money. This is about dollars. This is about billions of dollars. Where it is built, where it is made, where it takes off and where it lands. It is not about safety. I have dealt with that argument. It is not about national security. I have dealt with that argument. It is not about the realities of the post-cold-war. Who are you going to fly B–2 bombers against? Haiti, Somalia, Rwanda? Against Bosnia? This is ludicrous in the extreme. It is about money. It is about building it. It is about contractors saying, "Let me build 20 more."

It staggers the imagination, Mr. Chairman, what we could do in this room with $31.5 billion, and that is what it is going to cost, to revitalize the education for our children, or address the health needs of our senior citizens, or to move toward a national program on employment.

That $31.5 billion is no small change, Mr. Chairman. That is a lot of money. It seems to me that Members ought to

make the decision because we need it, it is in our national best interest.

I would conclude by saying, "No, we don't need it; no, we can't afford it; and, yes, there are alternatives." That is a conclusion acquiesced in by the Secretary of Defense, the Chair of the Joint Chiefs of Staff, two independent studies, and a whole lot of other people in this country. I believe at the end of the day, the American people know we don't need to build 20 more B–2 bombers.

Mr. STUMP. Mr. Chairman, I yield 4 minutes to the gentleman from California [Mr. DORNAN], chairman of the Subcommittee on Military Personnel.

PARLIAMENTARY INQUIRY

Mr. DORNAN. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DORNAN. Mr. Chairman, how much time do we have on both sides, sir?

The CHAIRMAN. The gentleman from Arizona [Mr. STUMP] has 21 minutes remaining, and the gentleman from California [Mr. DELLUMS] has 10 minutes remaining.

Mr. DORNAN. I thank the Chair.

May I say to my friend from California, you promulgated your esoteric cogitations and articulated your sentimentalities profoundly and sagaciously.

Mr. DELLUMS. There was nothing esoteric about what I said.

Mr. DORNAN. I would not even yield for that great a comment on yourself.

However, I just flew the B–2 on May 1, and you are wrong at every count, wonderfully wrong, but as NORM DICKS and I will participate in this debate further, we will walk you down that path of error slowly, painfully but we will turn you around. They are looking forward to flying you in a B–2.

□ 1715

I want to dedicate this bill to all of the veterans of World War II and Korea, particularly Vietnam and all of the little killing fields in between.

In today's paper, listen to this on World War II, it says the favorite songs were Sentimental Journey and Bell Bottom Trousers, Eyes of Baby Blue. Now we all know our great World War II veteran, BOB STUMP, is on the floor. I think that was his theme song then and probably is now, is it not?

In a serious note to the body: The Battle of Okinawa, the bloodiest in all of the Pacific campaign, started on Easter Sunday, April 1. Today was the 74th day of that battle; 13 to go. On this day, June 13, hard fighting continued on Okinawa, as flame-throwing tanks—you do not want to be on the opposite side of that weapon—knock out Japanese caves and redoubts near the bottom of a 100-foot bluff. Soldiers of the U.S. 7th Infantry Division, Army, swarm up ropes to the top of the bluff.

I think I will remember that when we have hearings next month or the month after or the month after on subjecting women in America to the violence of combat. No matter how wonderfully patriotic and gung ho they may be, I cannot see women rappelling up ropes to the top of a bluff to engage in hand-to-hand combat, slitting throats and bashing other young people's heads in with gun butts.

Similar tactics also wipe out Japanese holdouts on Mounts Yuza-dake, Yaeju-dake and two nearby hills. Meanwhile down in Brunei, in one of the most beautiful capitals in the world, the richest city in the world person per person anywhere, the Australians' 9th Division, with heavy casualties, takes that city in north Borneo and a nearby airfield.

President Truman announces final plans for a summit conference with a killer, Joseph Stalin, mass killer, worse than Hitler, and Winston Churchill in Potsdam, a Berlin suburb. The Big Three will decide details of Europe's postwar future and continues the ghastly slavery for years, a lot of Christian nations.

The Polish government-in-exile in London refuses to participate in a Moscow meeting intended to install a Communist-evil empire dominated unity administration.

Sad ending to the conflict, and here we are in a dangerous world, profoundly different as the gentleman from California [Mr. DELLUMS] said, but still profoundly evil and profoundly bloody. The dinosaur of the evil empire is gone, the big Tyrannosaurus Rex, and now we have thousands of poisonous snakes and know we would not use the B–2 in Somalia, Rwanda, Uganda, on Haiti, but yes, we might use it in Bosnia to stop the genocidal killing there, to take out all of the bridges along the Danube and tell Milosevic to stop his genocidal killing cousins from sniping with expensive scope rifles little 8-year-old children in the street or hitting their mothers in the head as they hold their child's hand. Yes, the B–2 can be a great deterrent there.

On my piece of the action, personnel, manpower, we have established permanent end strengths to each service at the bottom-up-review levels, although I consider those levels inadequate with 7,500 slots.

I will put in my statement at this point on manpower, compensation, medical reserve components, POW–MIA action, and all the good things we did on personnel. It was great stuff, and I want to thank the gentleman from Virginia, [Mr. PICKETT], and the gentleman from Missouri, [Mr. SKELTON], and the gentleman from Mississippi, [SONNY MONTGOMERY], and all of my great Democrats. What a great personal contribution to the proud FLOYD SPENCE'S great bill. Vote for it and kill those dangerous amendments.

Mr. Chairman, the Committee on National Security has reported a bill, H.R. 1530, that protects force levels from further reduction and gives the Department of Defense the tools it needs to preserve a "quality" fighting force. The provisions are focused on four key themes that I would like to highlight.

MANPOWER

H.R. 1530 halts the precipitous military manpower drawdown by establishing permanent end strength floors for each service at Bottom Up Review [BUR] levels. Although I consider the BUR manning levels inadequate, legislated end strength floors are absolutely essential to protect a core manpower capability.

In addition, based on evidence that portions of each service are being stressed by high operations tempo, the bill provides the Secretary of Defense additional funding to enable him to add up to 7,500 personnel to missions he considers most in need.

COMPENSATION

Adequate pay remains critical to recruiting and retaining a quality force. H.R. 1530 provides a 2.4 percent pay raise—the largest permitted by current law, as well as a range of housing initiatives over and above those contained in the President's budget. Foremost among the housing initiatives was a 5.2 percent increase in the basic allowance for quarters. This measure—is nearly a 2 percent larger than that requested by the President—reduces the out-of-pocket housing costs to 19.5 percent for military personnel who live off-base.

We protect the value of military retirement from erosion and restores the equity between military and Federal civilian retirement COLAs. By allocating $403 million from non-readiness operations and maintenance [O&M] accounts, the bill moves the military COLA payment date to April 1996, in line with the Federal civilian payment date.

H.R. 1530 also requires military personnel convicted by court-martial to forfeit pay and allowances during their period of confinement. This measure ends a travesty that permitted people convicted of horrendous crimes to benefit from uninterrupted military pay.

MEDICAL

Reflecting committee concerns about the medical readiness of the reserve components. We provide a first-ever Department of Defense voluntary dental readiness insurance program (for members of the Selected Reserve.)

The bill also directs studies on two major concerns: (1) alternatives to Medicare reimbursement to the Department of Defense for care provided to beneficiaries over age 65, and (2) the effectiveness of the TRICARE plan in providing military beneficiaries access to quality health care at lower cost.

RESERVE COMPONENTS

Because military technicians are a key to reserve component readiness, the bill increases the numbers of military technicians approximately 1,400 above the level requested by the President's budget.

Paying for the increased numbers of technicians—a 5-year cost of $750 million—required some tough choices. The President's budget request contained more than $75 million for "civil-military" programs. Although some of

these programs were successful, the committee bill terminates the programs in favor of the direct readiness contribution expected from the additional technician manning.

H.R. 1530 provides another major contribution to the readiness of the reserve forces by including a mobilization income insurance plan. This plan will prevent a repeat of the financial hardships experienced by many reservists involuntarily called to active duty during the Persian Gulf War.

OTHER ISSUES

Finally, as an advocate for a full accounting for the POWs and MIAs of this Nation's wars, it gives me great satisfaction that H.R. 1530 includes a provision that will establish a rigorous process to account for persons missing in action.

These excellent results were achieved through a bi-partisan effort within the subcommittee. I would like to thank my colleagues, especially the ranking member, Mr. PICKETT, and congratulate them for a very productive year.

I fully support H.R. 1530 and would urge my colleagues to support it too.

Mr. DELLUMS. Mr. Chairman, I yield 3½ minutes to the distinguished gentleman from Virginia [Mr. SISISKY].

Mr. SISISKY. Mr. Chairman, I am honored to serve with Chairman BATEMAN as the ranking member of the House National Security Readiness Subcommittee.

I want to take this opportunity to briefly discuss some of the steps the subcommittee took to enhance our military readiness.

By any standard, it was apparent throughout our deliberations that the military readiness of our armed forces—today and tomorrow—is serious business. It should be our highest defense priority. There should be no doubt in anyone's mind: this Nation has the best trained, best equipped, best led military forces anywhere in the world.

We can take pride in those who defend our Nation's interests in so many different parts of the world.

They often make great personal sacrifices to do their jobs.

Our task is to ensure that we provide these great men and women with the resources they require and the right kind of oversight.

The subcommittee recommendations contained in H.R. 1530, provide ample evidence of our support for the great people who serve in the U.S. military.

What we have done will support our personnel and sustain readiness, today and tomorrow.

Witnesses appearing before the committee seemed unanimous about one major issue:

The most difficult challenge to readiness involved taking dollars from operations and maintenance [O&M] accounts in order to pay for unfunded contingency operations.

They also pointed to the delay in providing for timely reimbursement.

They expressed concern about the detrimental impact on unit training, depot maintenance, and mission critical spare parts purchases.

This was particularly troublesome when the diversion of funds occurred late in the fiscal year.

This accounted for many genuine problems, as well as misperceptions, we encountered late last year.

While some thought this problem was too difficult to solve, I'm pleased to report that this bill contains a solution.

We developed an interim funding mechanism to cover the initial expense of unforeseen contingency operations.

But we also require a supplemental appropriations request to cover the anticipated costs in a timely manner.

With the passage of this bill, the services and "CINCS" can look forward to stability in the readiness accounts.

And Congress can plan on execution of the budget as it was enacted.

Other readiness initiatives included in H.R. 1530 will significantly enhance our ability to do oversight without micro-managing the Defense Department.

This bill provides the resources and guidance necessary to meet readiness challenges today and in the future.

It is a sound measure and deserves your support.

Mr. STUMP. Mr. Chairman, I yield 3 minutes to the gentleman from Utah [Mr. HANSEN].

Mr. HANSEN. Mr. Chairman, I appreciate the gentleman's yielding time to me.

Mr. Chairman, I rise in strong support of this bill. H.R. 1530 represents for me a new contract—a contract with our American servicemen and women.

In this bill we place our highest priority on ensuring a fair quality of life for our soldiers, sailors, airmen and marines by fully funding a 2.4 percent annual pay raise to help close the gap between military pay and pay in comparable private sector jobs. We also provide for over $4 billion in construction of family housing, dormitories, and child development centers.

We also keep our word with these young men and women by fully funding operations and readiness accounts, that help ensure they remain the best trained and most ready fighting forces in the world. The bill also includes provisions to stop the dangerous practice of raiding of these accounts to pay for unbudgeted contingencies and ongoing peacekeeping operations around the world. If the President feels these missions are in our national interest, he ought to come before Congress and ask for the required funding.

H.R. 1530 also makes a good downpayment on future readiness by adding over $6 billion in much needed modernization and procurement over the President's request. These accounts have been woefully neglected over the past 10 years. Without the additions provided in this bill, we would have procured no fighter aircraft, no small arms, insufficient ammunition, and only two naval combatants in fiscal year 1996. These levels would not have even covered our losses due to retirement and attrition. This bill takes a small step towards reducing the modernization bow-wave we face in the next decade.

H.R. 1530 is as just important for what it does not do, as for what it does.

This bill does not break the budget or increase the deficit. H.R. 1530, and every project within it, provides for a strong and stable national defense budget within the confines of the approved budget resolution. And this Republican budget resolution sets us on the glide path required to balance the budget by 2002, a first since I have been here.

H.R. 1530 does not cannibalize scarce defense dollars to fritter away on nondefense spending and pork-barrel projects.

H.R. 1530 does not waste money on bloated bureaucracy. On the contrary, we recognize the significant downsizing in our Armed Forces and enact important provisions to see these decreases reflected in the Pentagon bureaucracy. The bill directs a 25 percent decrease in the Office of the Secretary of Defense and the senior civilian levels, and another 25 percent reduction in the bloated acquisition force over the same period.

H.R. 1530 does not sit idly by and allow the President to underfund even his own bottom up by $50 billion over 5 years. I believe this bill authorizes a responsible and sustainable budget capable of meeting all of our vital national security needs.

Finally, and I believe most importantly, H.R. 1530 does not leave our country and the American people defenseless against attack from ballistic missiles. The bill supports a wise and robust program to develop and deploy theater, and national, missile defense systems as soon as practicable. We live in an increasingly dangerous world. One where ballistic missile technology and weapons of mass destruction, to include nuclear, chemical and biological weapons, are in the hands, or soon will be, of well over a dozen countries. Some of my colleagues continue to rant about how the cold war is over. I agree. That is precisely why we have to move forward and protect our own people against the multilateral threats we will certainly face in its wake.

Mr. Chairman, I fully support H.R. 1530 and urge all of my colleagues, on both sides of the aisle, to vote for this important bill and support the contract with the American service men and women it represents.

Mr. DELLUMS. Mr. Chairman, I yield 3 minutes to my distinguished colleague, the gentleman from Washington [Mr. DICKS]. I would first say to the gentleman, I apologize, I thought I was alone on the floor and I have just

taken the time; I wanted to make my statement. I had hoped that he and I could engage each other.

Mr. DICKS. Mr. Chairman, I appreciate the former chairman, the distinguished ranking member, yielding time to me.

I want to say to my good friend from California, I have always supported programs in this House of Representatives based on the merits of the arguments and for no other reason, and I think we run a great risk when we start looking at motives or trying to suggest motives.

I support this program, and I want to make it clear why I support it. I believe the B–2 bomber with conventional submunitions offers a potential to stop enemy divisions from being able to go into Kuwait or South Korea. The Rand study shows that the B–2 with the sensor fused weapon, about 1,200 bomblets per airplane, three of them, could have stopped Saddam's division before it got into Kuwait. This is a revolutionary conventional war-fighting capability.

I believe that if we had enough B–2's, and every study that has been done, reputable study, says we need between 40 and 60 of these planes. I asked Colin Powell at the White House just a few weeks ago, "What did you recommend to Dick Cheney?" He said, "I recommended 50 B–2's." I would point out that Dick Cheney now regrets his decision. He is one of eight Secretaries of Defense who has written President Clinton and said do not stop the industrial base, keep those planes coming, we need more B–2's.

Why do I feel so strongly about this? Because stealth technology proved itself in the gulf war. The F–117's were able to go in, take out the most heavily defended targets. They can knock out the surface-to-air missiles, and it allowed us to win the air war quickly, saving American lives, saving American treasure.

I can see a day in the future, if we had the 40 to 60 B–2's that I would like to see, if we could put 15 to 20 at Diego Garcia, 15 to 20 at Guam, 15 to 20 at Whiteman Air Force Base, where we could have a conventional deterrent. If that in fact was a reality and we did not have to fight the war in the gulf, then we would not have had to spend the $10 billion to move our forces to the gulf and the $60 billion to fight the war. That is why I think this is important. There are so many things we are paying for in the defense budget that do not have the value of the stealth bomber. This is an incredible revolutionary capability.

I am not talking about the Soviet Union, by the way. I am talking about Iraq, Iran, and North Korea. Having the potential to stop those divisions before they move into the country is something that I think is of high military value.

And I would say to all of the Americans who are watching Captain O'Grady, Captain O'Grady did not have to be shot down. If he was in a stealth aircraft, an F–117, he would not have been shot down. When he was shot down, then we had to sent these kids in to rescue him, putting them in harm's way.

The value of stealth is that it allows you to go into the most heavily defended areas, get the job done, and save Americans lives. This is worth thinking about and fighting for.

Mr. STUMP. Mr. Chairman, I yield 2 minutes to the gentleman from South Carolina [Mr. GRAHAM].

Mr. GRAHAM. Mr. Chairman, there has been a lot of talk. We have gone from George Washington I have heard mentioned, World War II, we fought it again, very eloquently, I thought, and the gentleman who just spoke I think made very, very good comments. I am not going to stand up here and predict the future, but I am certain about certain things about the future. When the 21st century gets here there will be a war, and American troops will be involved.

□ 1730

When that does happen, and I know it will happen, I want to make sure that, as the gentleman who just spoke, that we have the best technology available to fight that war.

If you do not compete technologically in business, you lose your profit or market share. If you are not technologically advanced in war, you lost your life.

There are a lot of Captain O'Grady's out there who will fly whatever we tell them to fly. I want them to fly the best technologically available, to have the least risk possible, but there will always be risk, no matter what technology we choose.

But let it be said that the 21st century has to be planned for today. Here are some facts. In the year 2002, I want a balanced budget, and I will vote for a balanced budget, for the Neumann bill that balances the budget quicker than Kasich. I want a deterrent force of bombers that will protect this country.

Not only do I want a balanced budget for our children, I want a free and safe America for our children. The facts are this: In the year 2002, the B–52, which has been a great aircraft, will be over 40 years of age. The B–1 is a 1980's-vintage aircraft without Stealth technology.

If we start today and plan today and spend some money, not only will we save lives in the future, we will have a bomber that will deter war and will give our children a secure future.

That is why I am going to vote for the B–2. Does it cost a lot? Yes, it does. Will it save a lot of lives? Yes, it will because we will be in a war and what we do in the 21st century in war is determined by what we do here in 1995.

I am going to vote proudly for this bill, all of its components, the B–2 included, because I want to make sure in the 21st century that we have not only a balanced budget by setting our priorities today but that we have a military that can fight and win on two fronts. And to my gentleman friend from California, 20 aircraft is one squadron. I want two squadrons to fight wherever we need to fight.

Mr. STUMP. Mr. Chairman, I yield 1 minute to the gentleman from Delaware [Mr. CASTLE].

Mr. CASTLE. Mr. Chairman, I rise in support of the fiscal year 1996 National Defense Authorization Act and applaud the committee's efforts on four major themes: maintenance and quality of life for military families and troops, operational readiness, equipment modernization and financial operations, including structural reform. I think this bill makes significant progress in each of these areas.

However, I rise in support of the Kasich amendment to delete the Committee on National Security proposal to include an additional $553 million in advanced procurement for long-lead funding for additional B–2 bombers.

I do not think the debate should be about whether it is these are good airplanes or not, but whether or not we can afford it. You are looking at a relatively small sum of money now, but as the gentleman from California [Mr. DELLUMS] has appointed out consistently today, it grows to a large sum of money. It is in the tens, twenties, even the $31.5 billion which has been referenced here. Cost is a major issue as we try to balance the budget by 2002. This is a significant factor.

I would also say I have seen no real agreement among the military whether or not we really need this. Admittedly, there are those who say we do. Just as admittedly, there are those who say we do not. There is even some question about the concurrent war strategy, two concurrent war strategies. So, for all of these reasons, I would suggest at this time we delete that provision.

Mr. Chairman, I rise in support of fiscal year 1996's National Defense Authorization Act, and applaud the committee's efforts to focus on four major themes: maintenance and quality of life for military families and troops; operational readiness; equipment modernization; and financial operations, including structural reform. This bill makes significant progress in each of these areas.

I wanted to briefly comment on the Kasich amendment to delete the National Security Committee proposal to include an additional $553 million in advance procurement for long-lead funding for additional B–2 bombers.

To be sure, the B–2 bomber is an awesome aircraft, and I wish we could afford to build another 20, or even more. But there are two facts to consider: one, that buying more B–2's means that you agree that we face such a sufficient threat that warrants having the bomber capability to fight two simultaneous regional conflicts, and two, that we can afford additional B–2's.

I agree we would need closer to forty B–2's for such a military strategy, but disagree with this dubious strategy, and believe the likelihood of facing such a scenario is extremely low. We no longer face an immediate or imminent global challenge from a competing superpower, let alone a likely scenario under which we would have to fight two major concurrent wars.

Furthermore, two 1995 studies commissioned by the Department of Defense at the direction of the Congress have found that there are other, more cost-effective options for improving U.S. military capabilities than buying more B–2's. According to the reports, the currently planned bomber force can meet military requirements for fighting two major regional conflicts through a mix of B–52's, B–1's, and B–2's. It would be more cost-effective to buy additional precision-guided munitions for the bomber force and to upgrade B–1 bombers than to build more than 20 B–2's.

While we might be able to afford the additional funds the committee has forwarded now, as we move down the road to the year 2002 and toward a balanced budget, agreeing to further funds to procure 20 more B–2's—at a total cost of almost $40 billion—will most certainly be a budget buster, and could lead us unwillingly toward procurement of further B–2's in Defense budgets that might offer little prospect of buying more B–2's.

While I am a strong supporter of a robust and fully well-rounded defense posture, at this juncture in our budgetary debates, and at this time of fiscal constraint, I find it hard to justify such an expenditure. The billions of dollars that would be needed to sustain such an effort are not affordable, nor is the very real possibility, according to the General Accounting Office, of cost overruns.

I urge passage of this bill, and of the Kasich amendment.

Mr. STUMP. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. DREIER].

Mr. DREIER. Mr. Chairman, I thank my friend for yielding me this time.

I rise in strong support of this bill, and I would like to take just a moment to focus on the fact that over the past several weeks we have been talking about this great hero, Captain O'Grady, and the Marines who rescued him, and there has not been a lot of attention focused on, quite frankly, the vulnerability of the F–16's and other aircraft that we have in our arsenal.

It seems to me that as we proceed with this very important measure, that we need to realize that we are in a very precarious situation in Bosnia, and the problem that the F–16's face is that they were not accompanied by the EF–111's or the EA–6B's, which are essential, absolutely essential, to jam enemy radar.

As we look now at this prospect of not proceeding with the B–2, it strikes me that it would be for the first time, the first time in the history of our country, that we would have taken a retrograde step on a new and advanced technology. Arguments have been made throughout this debate about the very serious national security threats that exist worldwide, and there was an interesting piece in yesterday's USA Today by Tony Snow, talking about the continued nuclear threat that remains on the horizon, and the challenge that we have is a very serious one.

I come from California. Yes, the B–2 is very important for our State, but, quite frankly, job creation in California is nothing more than an ancillary benefit, as far as I am concerned.

It is essential that we move ahead with this very important technology, and I hope that in a bipartisan way we can proceed with this.

Mr. STUMP. Mr. Chairman, I yield 1 minute to the gentleman from Florida [Mr. SCARBOROUGH].

Mr. SCARBOROUGH. Mr. Chairman, a little while ago, the gentlewoman from Colorado got on the floor and attacked this budget as being a retro budget, and yuppie-speak, that we were somehow going back towards the Cold War.

Well, the fact of the matter is our program for defense in the 21st century looks forward to the challenges facing us in the 21st century. If you want to talk about retro, let us talk about what has happened five times in this century when we have unilaterally disarmed, with disastrous results.

We need to make sure, as we put together our plans for a military force in the 21st century, that we do not end this century with a sixth unilateral disarmament.

We have cut military forces enough over the past 5 years. We need to move forward with a strong, bold defense agenda that will protect our country in the years to come and put first things first.

I would ask the gentlewoman from Colorado to be reminded of the words of John Kennedy on Inauguration Day in 1961 when he said, "We dare not tempt our enemies with weakness, for only when our arms are sufficient beyond doubt can we be certain beyond doubt that they will never be employed." Good advice for us as we look to the 21st century.

Mr. STUMP. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. MCKEON].

Mr. MCKEON. Mr. Chairman, I rise today in support of the Defense Authorization Act, as reported by the Committee on National Security.

As a new member of the committee, I believe that this legislation makes major strides in advancing a strong U.S. defense policy.

Mr. Chairman, there is a particular issue that will be addressed today that I wish to talk about in the brief time I have. It concerns funding for the B–2 bomber.

I believe it is critical we vote to maintain the funding contained in the National Security Committee bill. We will hear a lot of talk today that the cold war is over and we do not need to spend taxpayer money on defense needs.

However, let us take a moment to look at what has happened to our defense structure since the end of the cold war. First, we have closed more bases at home and overseas than at any other time in our Nation's history. Second, we are retiring more aircraft and submarines than are currently being built. Third, we have drawn down our military to numbers which have not been seen in a generation.

Mr. Chairman, while it is true the cold war may be over, we cannot expect our future military leaders to engage the Saddam Husseins of the 21st century with 50-year-old B–52's and 30-year-old B–1 bombers.

Seven former Secretaries of Defense, the former commander of air operation during Desert Storm, and President Bush's former Secretary of the Air Force, all recognize this fact. It is time that Congress recognize it as well. Vote "no" on the Dellums-Kasich amendment.

Mr. STUMP. Mr. Chairman, I yield such time as he may consume to the gentleman from Ohio [Mr. GILLMOR].

Mr. GILLMOR. Mr. Chairman, I rise in support of the bill.

Mr. Chairman, few other programs in the Federal budget have received more scrutiny than the Civilian Marksmanship Program. Much of this scrutiny has demonstrated a clear lack of knowledge about the program. To set the record straight, I raise three points.

First, although the Civilian Marksmanship Program was created by Congress in 1916 to promote marksmanship among able-bodied citizens, the 102d Congress restructured the program by statute, downsizing it. The program currently focuses on marksmanship training for American youth, aged 10–17. This training includes, in part, 450 Boy Scouts of America summer training camps which benefit approximately 450,000 scouts. The cost to the taxpayers for the Boy Scout camps was roughly 50 cents per participant.

Second, while the program has never been intended as a recruiting tool, the junior participating in the program have frequently been exposed to role model service men and women on marksmanship teams. The result of this positive exposure has resulted in conservative estimates that nearly 2,400 past participants annually volunteer for the armed forces.

Moreover, the positive exposure is not limited to active duty personnel. Adult trainers also include parents, law enforcement officers, national guardsmen and reservists, and volunteer active in Boys Scouts, Future Farmers of America, the American Legion, the Jaycees, 4–H, and others.

Values instilled in youth participants through these volunteers in this program include self-discipline, responsibility, safety discipline, self-esteem, and character development. Any link opponents try to draw between this programs and urban violence is comparable to linking Olympic boxing competition with hoodlum street fighting.

In the wake of the Oklahoma City bombing, some of the long standing opponents of the Civilian Marksmanship Program have called for its abolition based on the remote possibility that terrorists might have participated in Civilian Marksmanship Program activities. Under this reasoning, we would outlaw all intercity youth programming based on the possibility that a gang member may have participated. Mr. Chairman, obviously the reasoning in both circumstances is absurd.

Third, the cost of the program per participant is cost-effective when compared to similar federally funded youth programs. The National Youth Sports Program, funded through the Department of Health and Human Services, reached 70,000 youth in 1993 at a cost of $9.4 million of $134 per participant. Like the civilian marksmanship program, the stated goals of this program are to motivate youth to earn and learn self-respect through a program of sports instruction and competition.

If the Civilian Marksmanship Program only reached the 36,000 junior club members whose organizations participated in the national matches last year, the cost per participant would be under $70 per youth. The Civilian Marksmanship Program, however, positively impacts many more youth, including nearly one-half million Boy Scouts.

Mr. Chairman, while I believe that the cost effectiveness of the Civilian Marksmanship Program is noteworthy, I am also mindful of our commitment to balance the Federal budget by 2002. Given these budgetary pressures, I have been working for several months to draft a proposal that would preserve the Civilian Marksmanship Program without the need of any further appropriations.

The Edwards-Gillmor amendment is the result of good faith efforts by Members of both sides of the aisle. The product is a rational solution which achieves the dual goals of preservation and privatization. The amendment has three major components.

First, the amendment replaces the current National Board for the Promotion of Rifle Practice and the Army's Director of Civilian Marksmanship with a independent nonprofit federal corporation. Second, the amendment allows the new corporation to solicit funds from nonfederal sources, eliminating the need for direct appropriations. By comparing FY 95 and FY 96, this approach saves the taxpayers $2.5 million. Third, the amendment preserves the basic components of the current civilian marksmanship program.

I have fully consulted Army Under Secretary Joe Reeder about the provisions of this amendment and he has told me that the Army is comfortable with them.

Mr. Chairman, the civilian marksmanship program has a history of being one of the most cost-effective youth programs funded by the Federal Government. But given current budget necessities, the time has come for this program to wean itself from appropriated funds. This amendment does that.

I would like to thank Rules Committee Chairman JERRY SOLOMON for his past support and hands-on leadership on this issue. I would like to thank Congressman DUKE CUNNINGHAM for his very active and supportive role on behalf of our privatization efforts in both the Subcommittee on Military Readiness and the Committee on National Security.

I also want to thank Congressman CHET EDWARDS, Subcommittee Chairman HERB BATEMAN and Congresswoman MARCY KAPTUR for their help on this amendment. Finally, I would also like to recognize and thank Congressman JOHN DINGELL and Congressman JACK MURTHA for their past support of the Civilian Marksmanship Program.

I urge my colleagues to support this bi-partisan amendment.

Mr. STUMP. Mr. Chairman, I yield 2 minutes to the gentleman from Maryland [Mr. BARTLETT].

Mr. BARTLETT of Maryland, Mr. Chairman, I rise today in strong support of H.R. 1530, the FY 96 Defense Authorization Act. While this bill contains many items which will greatly strengthen our national security, I believe none are as crucial as the item which we will vote on first.

H.R. 1530 includes authorization of $553 million for long-lead procurement of the B–2 bomber; as far as I know there is no B–2 production in our District. This money does not commit the United States to buying any specific amount of aircraft, it simply keeps the production base alive until we can come to a decision on how many aircraft are needed to maintain a strong national defense.

The Kasich-Dellums amendment would terminate any future production of the B–2 bomber. I believe this amendment is penny wise and pound foolish. Terminating production of the B–2 industrial base will signify that the United States has no future requirement for heavy bomber production. The only heavy bombers currently in our inventory are the B–52's which by the year 2005 will be nearly 40 years old and ready for retirement, leaving the United States with only 20 heavy bombers from the last B–2 purchase. This amendment would leave the United States unable of penetrating strong opponents, jeopardizing our national security.

I know JOHN KASICH strongly supports our military. And I am as much a deficit hawk as any Member of Congress. I strongly supported Mr. KASICH's budget, I supported the Penny-Kasich amendment and I believe Mr. KASICH has the vision to guide the budget process through the next century. But I repeat, this amendment is Penny Wise and Pound Foolish. Let's not tie our hands behind our back when national security is involved.

Support a strong Defense. Oppose the Dellums-Kasich B–2 amendment.

Mr. DELLUMS. Mr. Chairman, I yield such time as she may consume to the gentlewoman from California [Ms. ESCHOO].

Ms. ESHOO. Mr. Chairman, I rise today in strong opposition to this defense authorization bill.

It's indefensible to disregard the Pentagon's request for $258 billion in funding and throw an additional $9.7 billion at it. The Pentagon is not known for low-balling its fiscal needs. Yet the present budget covers funding for two full-scale Persian Gulf wars to be fought simultaneously.

The cold war is indeed over, and it is necessary to secure readiness during a cold peace, yet this almost $10 billion additional funding not requested but built into the bill is indefensible.

It is indefensible to eliminate the Technology Reinvestment Program, which has successfully helped develop technologies important to both our military and our commercial industries.

It is indefensible to deny women service members and women dependents the ability to privately pay for and obtain abortion services at U.S. military facilities abroad, especially when such services are legal in the United States but may be unavailable in other countries.

And it is indefensible to discriminate against those women and men who would lay down their lives for this country, yet would be immediately discharged from service for contacting HIV.

Mr. Chairman, this Defense Authorization bill is a dangerous hodge-podge of runaway spending and Government intrusion into the private lives of our military personnel. I strongly urge my colleagues to reject this indefensible legislation.

Mr. DELLUMS. Mr. Chairman, I yield 1½ minutes to my distinguished colleague, the gentleman from Pennsylvania [Mr. FATTAH].

Mr. FATTAH. Mr. Chairman, let me thank the ranking member for yielding this time to me.

Our requirement is to protect this country from foreign and domestic threats to our security.

I rise in opposition to this bill. But for those who are so eager to spend billions more on defense, while in any comparative analysis we now know that we already spend more than most of the other nations combined in this world, combined on defense, I would remind us there are other threats to our security. For our veterans who participated in the Persian Gulf war who are now homeless in our streets, they are not as secure as they ought to be.

For children, millions of whom are not getting the kind of nutrition they need to grow and develop, they are not as secure and our future is not as secure because of their condition.

For senior citizens who in our colder weather States will bear the brunt of a winter and some would have us, the new majority, without the aid of fuel assistance for them, some of them who will freeze to death, they are not as secure as they ought to be.

It is interesting to see these people who want to cut the budget so much now, and want to spend more than even the Pentagon has requested, and have us again throw additional dollars into the development of a B–2 bomber.

I am sure many are sincere in their objectives, but it just seems to be unwise at this point in our country, given our fiscal circumstances and given the

responsibility and the concerns about threats, both foreign and domestic, that we should reconsider perhaps what our priorities as a House ought to be.

Mr. DELLUMS. Mr. Chairman, I yield the remainder of my time to my distinguished colleague, the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK of Massachusetts. Mr. Chairman, we will do some strange things this year, as legislative bodies often do, but I believe this is the loonier tune that will be sung here.

We are simply going to buy 20 new B-2 bombers for a mission that did not exist when the bomber existed. It is truly a plane in search of a mission. We have a rule which insulates more nuclear submarines from even being debated here. People should understand, yes, there are dangerous countries in the world today other than the Soviet Union. There were 10 years ago.

The biggest single threat has been defeated, and to have people come and tell us, now the Soviet Union has collapsed, that the world is a more dangerous place simply illustrates how desperately people will flail around for arguments to justify things they must have some other reason for wanting to do.

But understand the consequences. We are in a zero-sum situation. Build more nuclear submarines, and you must cut Medicare; build more B-2 bombers and it comes out of college student aid; give the Pentagon $9 billion more than the President asked for and prevent the House from voting to reduce it to the President's number, and you will cut the National Institutes of Health.

Members on the other side have said to the American people, "Gee, we would like to do more about cancer research. We do not want to make your students pay more in college. We are sorry we are cutting back on Medicare. We wish we could do more about education. We would like to have more help to cities trying to combat water pollution, but we cannot afford it."

Why can we not afford it?

□ 1745

Because we have brought forward a bill today which lavishes money on the Pentagon and restricts amendments that would try to cut it, and understand that we are not simply talking about a dangerous world. We are talking about a world in which people on the other side want the United States disproportionately to bear the burden.

They will cut foreign assistance for Africa, hundreds of millions that will go to keep poor children from starving, but then having cut the hundreds of millions from the poorest of the poor in Africa, they will give tens of billions to the Europeans and the wealthy East Asians so they do not have to have military budgets of their own. This is a continued blank check from the United States to the wealthy nations of the world.

We do too little to alleviate poverty. We do far too much to support luxury in parts of the world which do not have to spend money because we do.

I say to my colleagues, "Vote for this bill as it is, and you guarantee the kind of painful cuts in education and health and elsewhere that we could avoid."

Mr. STUMP. Mr. Chairman, I yield 2 minutes to the gentleman from Florida [Mr. STEARNS].

Mr. STEARNS. Mr. Chairman, I, in the short time I have, cannot read and provide my complete statement, but there are portions of it I would like to present.

Obviously I rise today in strong support of the National Defense Authorization Act. This legislation represents a major step toward revitalizing our Nation's armed forces which have been grievously weakened in recent years by the administration's defense cuts. This bill will at long last halt this dangerous decline in defense spending. Finally we have a chance to vote on a forward-looking defense authorization bill, one that concentrates on readiness, military capability, not just for today, but for tomorrow.

Mr. Chairman, what I would like to do just briefly is talk about two programs, and I know this is going to be the most contentious issue on the House floor, and perhaps both sides of the aisle will have major contribution to this debate, but I rise in strong support for the committee's recommendation to include funding for the B-2 bomber program.

I am a fiscal conservative. I am well aware that we are trying to balance the budget, and I have much admiration for the Committee on the Budget and what they are trying to do.

As we are all aware, however, the Nation's long-range bomber force consists primarily of just two aircraft, the antiquated B-52 and the B-1. Making the B-2 a necessary addition is important, but the B-2 is not only necessary, it is practical. Without question it is the most cost effective and common sense means of long-range force projection.

Finally, funding the B-2 now makes sense. If we do not fund them this year, the production line will close and the cost of restarting it later will prove prohibitively costly. Let us not let this happen. The B-2 may well be the single most critical asset in our Nation's Air Force structure, and I urge my colleagues to accept the committee's language on the B-2 bomber.

Mr. Chairman, I rise today in strong support of the National Defense Authorization Act.

This legislation represents a major step toward revitalizing our Nation's Armed Forces, which have been grievously weakened in recent years by steep Clinton administration defense cuts.

H.R. 1530 will, at long last, halt this dangerous decline in defense spending. Finally, we have a chance to vote on a forward-looking defense authorization bill, one that concentrates on readiness and military capability not just for today, but for tomorrow.

The key components of this legislation bring much needed improvements to our Nation's Armed Forces. They include enhancing the quality of life for America's servicemen and women by raising their pay and rehabilitating their housing, thus preserving the standard of living needed for readiness and troop morale. They also include undertaking the long-overdue task of military modernization by providing for the development and deployment of national and theater missile defense systems.

H.R. 1530 also addresses the role of America's military in the world, including our involvement in NATO and the United Nations. This bill would correct the gross funding inequities that have plagued our involvement in international peacekeeping missions. In addition, I strongly support the provisions of H.R. 1530 requiring the President to certify to Congress that vital American interests are at stake before ever placing U.S. troops under U.N. command. It is the least we can do for our troops to bring some common sense and accountability to our foreign operations.

Furthermore, I wish to proclaim my strong support for the committee's recommendation to include funding for the B-2 Bomber Program. As we all are aware, the Nation's long-range bomber force consists primarily of just two aircraft: the antiquated B-52 and the B-1, making the B-2 a necessary addition. But the B-2 is not only necessary, it is practical. Without question it is the most cost-effective and common-sense means of long-range force projection. Financially, funding the B-2's now makes sense. If we don't fund them this year, the production line will close, and the cost of restarting it later will prove prohibitively costly. Let's not let this happen. The B-2 may well be the single most critical asset in our Nation's Air Force structure. I urge my colleagues to support the committee's language regarding the B-2 Program.

Mr. Chairman, H.R. 1530 makes sense. This legislation offers a sound approach to Defense funding. I commend the committee and the chairman of the committee for their work on this bill, which is fully deserving of our support. As such, I urge all my colleagues to vote for the committee bill and to oppose any weakening amendments.

Mr. SPENCE. Mr. Chairman, I yield the balance of my time to the gentleman from California [Mr. CUNNINGHAM].

The CHAIRMAN. The gentleman from California [Mr. CUNNINGHAM] is recognized for 2 minutes.

Mr. CUNNINGHAM. Mr. Chairman, I would ask my colleagues to think about what a flak suppression mission is. On the May 10, 1972, it is a mission in which one precedes their actual bomber forces of their F-15's, F-16's, F-18's, and they knock out the SAM sites like shot down our young Air Force friend, and on May 10, 1972, we lost four Phantoms. My airplane was one of those knocking out those SAM sites. A B-2 bomber can go in anywhere and knock out those SAM sites.

And is there a dangerous world, in this gentleman's opinion? Yes, there is. I would ask my colleagues:

Look at the lives we would have saved in World War II going into Ploesti with a single B-2, and not just our lives, but Allied lives, and now today we have got SA-6's and SA-2's and even SA-12's. In Vietnam we had a one-to-one kill ratio against the Mig's. We shot down—for every MIG we shot down we lost a fighter.

We established the Navy Fighter Weapons School, and our kill ration went from 12 to 1, but yet this year we lost all of the F-16's from Top Gun in our adversaries squadron because we do not have the dollars to pay for it. We have post-Korean aircraft, A-4's and A-5's, to train our pilots against potential enemy pilots. The Air Force has not bought a single plane in 2 years. The Navy bought 28 airplanes last year. Finland has bought more fighter aircraft than all our services combined in our last two procurements.

And we are asking does it take food out of childen's mouths and so on? I want our men and women to come back, not in body bags, and I do not want to mourn them during Memorial Day. But I would like them to come back alive with the best equipment.

I talked to drill sergeants and chiefs, master chiefs in the services, and they tell me they are telling their children, their daughters and their sons, not to come into our services because of base closures and the defense cuts that we have had, the uncertainty of their futures. We are way below the bottom-up review, and I would ask my colleagues to think seriously about the level in defense of this country, and I would ask my colleagues to support this bill, and I ask it humbly.

Mr. GEJDENSON. Mr. Chairman, I rise today to express my concerns about the National Security Committee's decision to alter the Navy's submarine plan. While I appreciate the committee's recognition of the military need to maintain the Electric Boat shipyard, the world's preeminent submarine designer and builder. I am very concerned about the decision not to authorize the third *Seawolf* (SSN-23). In addition to support from our party leaders, President Clinton, Speaker GINGRICH and Senator DOLE, the plan has also been endorsed by the Secretary of the Navy, the Secretary of Defense, the Joint Chiefs of Staff and several other independent agencies.

Many of you have been briefed by the intelligence community on the new threats confronting American military forces in the post-cold-war era. Currently, the Russians have six submarines at sea that are quieter than our most advanced submarines. Even as their economic and political struggles persist, they continue to invest in their submarine force, sacrificing investments in strategic bomber, land-based and surface ship forces. All told, more than 40 nations are operating over 600 submarines today. And many other adversarial nations continue to import and develop advanced submarine designs, technologies and components.

Clearly, submarines are now recognized worldwide as the critical element of a country's national security strategy. If Congress wants the U.S. Navy to protect our maritime trade interests and maintain our nation's dominance at sea, then we must authorize completion of what will be the world's most capable submarine, SSN-23. The military capabilities of SSN-23 will be unmatched!

I know that many of my colleagues are concerned about the cost of completing the third *Seawolf*, and I want to address this issue. First, the Navy has already invested $920 million in the third *Seawolf*, and this year, requested $1.5 billion to complete the ship. The cost to the Government to not build the boat will be an additional $1 billion in added overhead and liability costs to existing contracts, as well as program cancellation costs. Further, if we fail to move forward with the Navy's plan to build the third *Seawolf*, our nation will lose the unique capabilities of the hundreds of submarine vendors across the U.S. who build the submarine components.

During the 1980's, Congress authorized construction of 38 submarines. So far in the 1990s, Congress has authorized only 4, an 89 percent reduction. While the reduction in procurement rates is a result of the end of the cold war, unsettled areas and unknown threats still require our American military forces to have the most capable intelligence gathering, warfighting platform at sea. This military requirement will be met with the third *Seawolf*.

I am hopeful that Congress will approve the Navy's plan when the Defense Authorization bill goes to a conference committee. If we don't, we will waste close to $2 billion and our Navy will get nothing in return. Try to explain that one to your constituents back home.

Mr. BOEHLERT. Mr. Chairman, I come to the People's House today to tell my colleagues that I am outraged that some military personnel who commit serious crimes—murder, rape, child molestation—continue to receive active duty pay during their confinement.

Last year, just in the month of June alone, more than $700,000 was paid to military convicts. In effect, we're saying that if you serve in the military and you commit a crime, you can still receive a government paycheck while you serve your prison sentence. That's just plain wrong. Not only is it burdensome on American taxpayers, costing millions of their hard-earned dollars annually, it is a slap in the face to the victims and their families. This gives a whole new meaning to the phrase "crime pays," and we in Congress have a special obligation to say, "No, it doesn't."

To correct this intolerable situation, section 542 of the National Defense Authorization Act requires the forfeiture of pay and allowances during a period of confinement resulting from the sentence of a court-martial, effective immediately. The percentage of pay and allowances forfeited is the maximum percentage that the court-martial could have directed as part of the sentence—that's 100 percent in a general court-martial.

I support this section of the National Defense Authorization Act, and strongly urge my colleagues to do the same.

Mr. HAMILTON. Mr. Chairman, I rise in opposition to sections 1201 and 1202 of H.R. 1530, the National Defense Authorization Act. These provisions impose unacceptable restrictions on the President's ability to conduct foreign policy, and on his authority as Commander-in-Chief.

Section 1201 concerns U.S. military command and control structures. It reflects a policy position most of us, Democrats and Republicans alike, agree with. We don't like the idea of U.S. soldiers serving under anyone except U.S. commanders.

But this provision, in its radical attempt to legislate every area of U.S. military policy, goes too far.

This provision repeats the debate we had just a few months ago on H.R. 7.

I would like to remind my colleagues what is wrong with this provision.

It tries to rewrite the Constitution on the President's authority as Commander-in-Chief, and then includes language stating that this rewrite of the Constitution does not in fact rewrite the Constitution on these points.

It insults the U.S. military by micro-managing in statute how the military establishes sensitive and complicated command and control arrangements.

It prohibits any U.S. troops from serving under U.N. command, even if the U.N. commander is a U.S. military officer, without prior Congressional approval, unless the President certifies 15 days in advance.

The U.S. would be required to pull troops out of Korea, the Western Sahara, Georgia, Kuwait, and Jerusalem because there are foreign military officers in the chain of command of those U.N. peacekeeping operations and no Presidential certification has been made.

Had this provision been law in 1990, U.S. troops could not have participated in Desert Storm (elements of the 82nd Airborne Brigade served under French command).

When the Department of Defense was asked during the International Relations Committee markup of H.R. 7 about these precise command requirements, they replied that even a U.S. commander of U.S. troops in the United States would not always have the authority over his troops required by this provision, such as the authority to "dismiss" subordinates unilaterally.

The President's policy on peacekeeping, PDD-25, already states that the United States will not put large numbers of U.S. troops under foreign or U.N. command unless we are comfortable with the command and control arrangements. That policy answers our concerns about foreign command and control. We do not need section 1201 to protect our interests, or dictate to our military. A recent Wall Street Journal editorial said "diminishing the legitimate powers of the presidency, even in this particular way, is poor precedent".

Section 1202 poses a different set of problems. I believe the intent of the provision is to prohibit using Department of Defense funds to pay the U.S. peacekeeping assessment to the United Nations. As written, however, I believe it may do much more. It states that funds available to the Defense Department may not be used "for the costs of a U.N. peacekeeping activity". It further states that this prohibition applies to voluntary contributions, as well as the assessed contributions.

I am concerned that this language could be interpreted to prohibit the use of Defense Department funds to enforce the no-fly zones in Iraq and the former Yugoslavia, prohibit last

year's United States assistance in the withdrawal of UNOSOM II from Somalia, or prohibit last year's humanitarian operation in Rwanda. That may not have been the intention of this section, but that may be its result. We simply do not know the impact of this provision.

I do not believe it is in the U.S. interest to prohibit the Defense Department from making voluntary contributions in support of U.N. peacekeeping if it sees fit. There was no time to debate this provision when it was considered as part of H.R. 7, and there will be no time to debate it on this bill.

I believe we need to consider these important matters with more time and care than has been allowed thus far. I urge my colleagues to oppose sections 1201 and 1202 of this bill.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the committee amendment in the nature of a substitute printed in the bill, as modified by striking section 807, and by an amendment printed in part 3 of House Report 104–136, is considered as an original bill for the purpose of amendment and is considered as having been read.

The text of the committee amendment in the nature of a substitute, as modified, is as follows:

H.R. 1530

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 Defense Authorization Act for Fiscal Year 1996".

SEC. 2. ORGANIZATION OF ACT INTO DIVISIONS; TABLE OF CONTENTS.

(a) DIVISIONS.—This Act is organized into three divisions as follows:

(1) Division A—Department of Defense Authorizations.

(2) Division B—Military Construction Authorizations.

(3) Division C—Department of Energy National Security Authorizations and Other Authorizations.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title.
Sec. 2. Organization of Act into divisions; table of contents.
Sec. 3. Congressional defense committees defined.

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

TITLE I—PROCUREMENT

Subtitle A—Authorization of Appropriations

Sec. 101. Army.
Sec. 102. Navy and Marine Corps.
Sec. 103. Air force.
Sec. 104. Defense-wide activities.
Sec. 105. Reserve components.
Sec. 106. Chemical demilitarization program.

Subtitle B—Army Programs

Sec. 111. Procurement of helicopters.

Subtitle C—Navy Programs

Sec. 131. Repeal of prohibition on backfit of Trident submarines.
Sec. 132. Repeal of limitation on total cost for SSN–21 and SSN–22 Seawolf submarines.
Sec. 133. Competition required for selection of shipyards for construction of vessels for next generation attack submarine program.

Subtitle D—Air Force Programs

Sec. 141. Repeal of limitations.

Subtitle E—Chemical Demilitarization Program

Sec. 151. Repeal of requirement to proceed expeditiously with development of chemical demilitarization cryofracture facility at Tooele Army Depot, Utah.
Sec. 152. Sense of Congress regarding cost growth in program for destruction of the existing stockpile of lethal chemical agents and munitions.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Subtitle A—Authorization of Appropriations

Sec. 201. Authorization of appropriations.
Sec. 202. Amount for basic research and exploratory development.
Sec. 203. Modifications to Strategic Environmental Research and Development Program.

Subtitle B—Program Requirements, Restrictions, and Limitations

Sec. 211. Space launch modernization.
Sec. 212. Maneuver variant unmanned aerial vehicle.
Sec. 213. Tactical manned reconnaissance.
Sec. 214. Advanced lithography program.
Sec. 215. Enhanced fiber optic guided missile system.
Sec. 216. Joint Advanced Strike Technology (JAST) program.

Subtitle C—Ballistic Missile Defense Act of 1995

Sec. 231. Short title.
Sec. 232. Ballistic missile defense policy of the United States.
Sec. 233. Implementation of policy.
Sec. 234. Follow-on technologies research and development.
Sec. 235. Policy on compliance with the ABM Treaty.
Sec. 236. Ballistic Missile Defense program accountability.
Sec. 237. ABM Treaty defined.
Sec. 238. Repeal of Missile Defense Act of 1991.

Subtitle D—Other Ballistic Missile Defense Provisions

Sec. 241. Ballistic missile defense funding for fiscal year 1996.
Sec. 242. Policy concerning ballistic missile defense.
Sec. 243. Testing of theater missile defense interceptors.
Sec. 244. Repeal of missile defense provisions.

Subtitle E—Other Matters

Sec. 251. Allocation of funds for medical countermeasures against biowarfare threats.
Sec. 252. Analysis of consolidation of basic research accounts of military departments.
Sec. 253. Change in reporting period from calendar year to fiscal year for annual report on certain contracts to colleges and universities.
Sec. 254. Modification to University Research Initiative Support Program.
Sec. 255. Advanced Field Artillery System (Crusader).
Sec. 256. Review of C⁴I by National Research Council.
Sec. 257. Five-year plan for federally funded research and development centers (FFRDCs).
Sec. 258. Manufacturing technology program.
Sec. 259. Five-year plan for consolidation of defense laboratories and test and evaluation centers.
Sec. 260. Aeronautical research and test capabilities assessment.
Sec. 261. Limitation on T–38 Avionics Upgrade program.
Sec. 262. Cross reference to congressional defense policy concerning national technology and industrial base, reinvestment, and conversion in operation of defense research and development programs.

TITLE III—OPERATION AND MAINTENANCE

Subtitle A—Authorization of Appropriations

Sec. 301. Operation and maintenance funding.
Sec. 302. Working capital funds.
Sec. 303. Armed Forces Retirement Home.

Subtitle B—Defense Business Operations Fund

Sec. 311. Codification of Defense Business Operations Fund.
Sec. 312. Retention of centralized management of Defense Business Operations Fund and prohibition on further expansion of Fund.
Sec. 313. Charges for goods and services provided through Defense Business Operations Fund and termination of advance billing practices.
Sec. 314. Annual proposed budget for operation of Defense Business Operations Fund.
Sec. 315. Reduction in requests for transportation funded through Defense Business Operations Fund.

Subtitle C—Environmental Provisions

Sec. 321. Clarification of services and property that may be exchanged to benefit the historical collection of the Armed Forces.
Sec. 322. Addition of amounts creditable to defense environmental restoration account.
Sec. 323. Repeal of certain environmental education programs.
Sec. 324. Repeal of limitation on obligation of amounts transferred from environmental restoration transfer account.
Sec. 325. Elimination of authority to transfer amounts for toxicological profiles.
Sec. 326. Sense of Congress on use of Defense Environmental Restoration Account.

Subtitle D—Civilian Employees and Nonappropriated Fund Instrumentality Employees

Sec. 331. Management of Department of Defense civilian personnel.
Sec. 332. Management of depot employees.
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Sec. 334. Personnel actions involving employees of nonappropriated fund instrumentalities.
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TITLE XXXIII—NATIONAL DEFENSE STOCKPILE

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TITLE XXXIV—NAVAL PETROLEUM RESERVES

Sec. 3401. Authorization of appropriations.
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Sec. 3521. Short title.
Sec. 3522. Reconstitution of commission as government corporation.
Sec. 3523. Supervisory board.
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Sec. 3525. General and specific powers of commission.
Sec. 3526. Congressional review of budget.
Sec. 3527. Audits.
Sec. 3528. Prescription of measurement rules and rates of tolls.
Sec. 3529. Procedures for changes in rules of measurement and rates of tolls
Sec. 3530. Miscellaneous technical amendments.
Sec. 3531. Conforming amendment to title 31, United States Code.

SEC. 3. CONGRESSIONAL DEFENSE COMMITTEES DEFINED.

For purposes of this Act, the term "congressional defense committees" means—

(1) the Committee on Armed Services and the Committee on Appropriations of the Senate; and

(2) the Committee on National Security and the Committee on Appropriations of the House of Representatives.

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

TITLE I—PROCUREMENT

Subtitle A—Authorization of Appropriations

SEC. 101. ARMY.

Funds are hereby authorized to be appropriated for fiscal year 1996 for procurement for the Army as follows:

(1) For aircraft, $1,423,067,000.

(2) For missiles, $862,830,000.

(3) For weapons and tracked combat vehicles, $1,359,664,000.

(4) For ammunition, $1,062,715,000.

(5) For other procurement, $2,545,587,000.

SEC. 102. NAVY AND MARINE CORPS.

(a) NAVY.—Funds are hereby authorized to be appropriated for fiscal year 1996 for procurement for the Navy as follows:

(1) For aircraft, $4,106,488,000.

(2) For weapons, including missiles and torpedoes, $1,626,411,000.

(3) For shipbuilding and conversion, $6,227,958,000.

(4) For other procurement, $2,461,472,000.

(b) MARINE CORPS.—Funds are hereby authorized to be appropriated for fiscal year 1996 for procurement for the Marine Corps in the amount of $399,247,000.

(c) NAVY AND MARINE CORPS AMMUNITION.—Funds are hereby authorized to be appropriated for procurement of ammunition for Navy and the Marine Corps in the amount of $461,779,000.

SEC. 103. AIR FORCE.

Funds are hereby authorized to be appropriated for fiscal year 1996 for procurement for the Air Force as follows:

(1) For aircraft, $7,031,952,000.

(2) For missiles, $3,430,083,000.

(3) For ammunition, $321,328,000.

(4) For other procurement, $6,784,801,000.

SEC. 104. DEFENSE-WIDE ACTIVITIES.

Funds are hereby authorized to be appropriated for fiscal year 1996 for Defense-wide procurement in the amount of $2,205,917,000.

SEC. 105. RESERVE COMPONENTS.

Funds are hereby authorized to be appropriated for fiscal year 1996 for procurement of aircraft, vehicles, communications equipment, and other equipment for the reserve components of the Armed Forces as follows:

(1) For the Army National Guard, $150,000,000.

(2) For the Air National Guard, $227,800,000.

(3) For the Army Reserve, $84,300,000.

(4) For the Naval Reserve, $86,000,000.

(5) For the Air Force Reserve, $171,200,000.

(6) For the Marine Corps Reserve, $50,700,000.

SEC. 106. CHEMICAL DEMILITARIZATION PROGRAM.

(a) AUTHORIZATION.—There is hereby authorized to be appropriated for fiscal year 1996 the amount of $746,698,000 for—

(1) the destruction of lethal chemical agents and munitions in accordance with section 1412 of the Department of Defense Authorization Act, 1986 (50 U.S.C. 1521); and

(2) the destruction of chemical warfare materiel of the United States that is not covered by section 1412 of such Act.

(b) ALLOCATION.—Of the funds specified in subsection (a)—

(1) $393,850,000 is for operations and maintenance;

(2) $299,448,000 is for procurement; and

(3) $53,400,000 is for research and development.

Subtitle B—Army Programs

SEC. 111. PROCUREMENT OF HELICOPTERS.

The prohibition in section 133(a)(2) of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101–189; 103 Stat. 1383) does not apply to the obligation of funds in amounts not to exceed $125,000,000 for the procurement of not more than 20 OH–58D AHIP Scout aircraft from funds appropriated for fiscal year 1996 pursuant to section 101.

Subtitle C—Navy Programs

SEC. 131. REPEAL OF PROHIBITION ON BACKFIT OF TRIDENT SUBMARINES.

Section 124 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2683) is repealed.

SEC. 132. REPEAL OF LIMITATION ON TOTAL COST FOR SSN–21 AND SSN–22 SEAWOLF SUBMARINES.

Section 122 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2682) is repealed.

SEC. 133. COMPETITION REQUIRED FOR SELECTION OF SHIPYARDS FOR CONSTRUCTION OF VESSELS FOR NEXT GENERATION ATTACK SUBMARINE PROGRAM.

(a) COMPETITION REQUIRED.—The Secretary of the Navy shall select on a competitive basis the shipyard for construction of each vessel for the next generation attack submarine program.

(b) PROGRAM IDENTIFIED.—The next generation attack submarine program shall begin with the first submarine for which the Secretary of the Navy enters into a contract for construction after the submarine that is programmed to be constructed using funds appropriated for fiscal year 1998.

Subtitle D—Air Force Programs

SEC. 141. REPEAL OF LIMITATIONS.

The following provisions of law are repealed:

(1) Section 112 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101–189; 103 Stat. 1373).

(2) Section 151(c) of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 106 Stat. 2339).

(3) Sections 131(c) and 131(d) of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1569).

(4) Section 133(e) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2688).

Subtitle E—Chemical Demilitarization Program

SEC. 151. REPEAL OF REQUIREMENT TO PROCEED EXPEDITIOUSLY WITH DEVELOPMENT OF CHEMICAL DEMILITARIZATION CRYOFRACTURE FACILITY AT TOOELE ARMY DEPOT, UTAH.

Subsection (a) of section 173 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101–189; 103 Stat. 1393) is repealed.

SEC. 152. SENSE OF CONGRESS REGARDING COST GROWTH IN PROGRAM FOR DESTRUCTION OF THE EXISTING STOCKPILE OF LETHAL CHEMICAL AGENTS AND MUNITIONS.

The Congress is concerned that growth in the estimated cost of the program to demilitarize the United States' stockpile of lethal chemical agents and munitions raises serious questions regarding that program. Accordingly, it is the sense of Congress that the Secretary of Defense should consider measures to reduce the overall cost of the chemical stockpile demilitarization program, while minimizing total risk and ensuring the maximum protection for the environment, the general public, and the personnel involved in the destruction of lethal chemical agents and munitions.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Subtitle A—Authorization of Appropriations

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

Funds are hereby authorized to be appropriated for fiscal year 1996 for the use of the Department of Defense for research, development, test, and evaluation as follows:

(1) For the Army, $4,774,947,000.

(2) For the Navy, $8,516,509,000.

(3) For the Air Force, $13,184,102,000.

(4) For Defense-wide activities, $9,548,986,000, of which $239,341,000 is authorized for the activities of the Director, Test and Evaluation.

SEC. 202. AMOUNT FOR BASIC RESEARCH AND EXPLORATORY DEVELOPMENT.

(a) FISCAL YEAR 1996.—Of the amounts authorized to be appropriated by section 201,

$4,181,076,000 shall be available for basic research and exploratory development projects.

(b) BASIC RESEARCH AND EXPLORATORY DEVELOPMENT DEFINED.—For purposes of this section, the term "basic research and exploratory development" means work funded in program elements for defense research and development under Department of Defense category 6.1 or 6.2.

SEC. 203. MODIFICATIONS TO STRATEGIC ENVIRONMENTAL RESEARCH AND DEVELOPMENT PROGRAM.

(a) PURPOSES OF PROGRAM.—Section 2901(b) of title 10, United States Code, is amended—

(1) in paragraph (1)—

(A) by striking out "and the Department of Energy"; and

(B) by striking out "their" and inserting in lieu thereof "its";

(2) by striking out paragraph (3); and

(3) by redesignating paragraph (4) as paragraph (3).

(b) COUNCIL.—Section 2902 of such title is amended—

(1) in subsection (b)—

(A) by striking out "thirteen" and inserting in lieu thereof "12";

(B) by striking out paragraph (3);

(C) by redesignating paragraphs (4), (5), (6), (7), (8), (9), and (10) as paragraphs (3), (4), (5), (6), (7), (8), and (9), respectively; and

(D) in paragraph (8), as redesignated, by striking out ", who shall be nonvoting members";

(2) in subsection (d)—

(A) by striking out paragraph (3);

(B) by redesignating paragraph (4) as paragraph (3) and in that paragraph by striking out "Federal Coordinating Council on Science, Engineering, and Technology" and inserting in lieu thereof "National Science and Technology Council"; and

(C) by redesignating paragraphs (5) and (6) as paragraphs (4) and (5), respectively;

(3) in subsection (e)—

(A) by striking out paragraphs (1), (2), and (3);

(B) by redesignating paragraphs (4), (5), (6), (7), (8), (9), and (10) as paragraphs (1), (2), (3), (4), (5), (6), and (7) respectively;

(C) in paragraph (2), as redesignated, by striking out "such national and international environmental problems as climate change and ozone depletion" and inserting in lieu thereof "national and international environmental problems"; and

(D) in paragraph (4), as redesignated, by striking out "clauses (2) through (6)" and inserting in lieu thereof "paragraphs (1) through (3)";

(4) by striking out subsections (f) and (h); and

(5) by redesignating subsection (g) as subsection (f).

(c) COMPETITIVE PROCEDURES.—Section 2903(c) of such title is amended—

(1) by striking out "or" after "contracts" and inserting in lieu thereof "using competitive procedures. The Executive Director may enter into"; and

(2) by striking out "law, except that" and inserting in lieu thereof "law. In either case,".

(d) SCIENTIFIC ADVISORY BOARD.—Section 2904 of such title is amended—

(1) in subsection (a)—

(A) by striking out "and the Secretary of Energy"; and

(B) by inserting after "in consultation with" the following: "the Secretary of Energy and";

(2) in subsection (b)—

(A) by striking out paragraph (3); and

(B) by redesignating paragraph (4) as paragraph (3) and in that paragraph by striking out "three" and inserting in lieu thereof "not less than two years and not more than six";

(3) by striking out subsections (g) and (h); and

(4) by redesignating subsection (i) as subsection (g).

Subtitle B—Program Requirements, Restrictions, and Limitations

SEC. 211. SPACE LAUNCH MODERNIZATION.

(a) ALLOCATION OF FUNDS.—Of the amount appropriated pursuant to the authorization in section 201(3)—

(1) $100,000,000 shall be available for a competitive reusable rocket technology program (PE 63401F); and

(2) $7,500,000 shall be available for evaluation of prototype hardware of low-cost expendable launch vehicles (PE 63401F).

(b) LIMITATION.—Funds made available pursuant to subsection (a)(1) may be obligated only to the extent that the fiscal year 1996 current operating plan of the National Aeronautics and Space Administration allocates at least an equal amount for its Reusable Space Launch program.

SEC. 212. MANEUVER VARIANT UNMANNED AERIAL VEHICLE.

None of the amounts appropriated or otherwise made available pursuant to the authorizations in section 201 may be obligated for the Maneuver Variant Unmanned Aerial Vehicle.

SEC. 213. TACTICAL MANNED RECONNAISSANCE.

None of the amounts appropriated or otherwise made available pursuant to an authorization in this Act may be used by the Secretary of the Air Force to conduct research, development, test, or evaluation for a replacement aircraft, pod, or sensor payload for the tactical manned reconnaissance mission.

SEC. 214. ADVANCED LITHOGRAPHY PROGRAM.

Section 216 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2693) is amended—

(1) in subsection (a), by striking out "to help achieve" and all that follows through the end of the subsection and inserting in lieu thereof "to ensure that lithographic processes being developed by American-owned manufacturers operating in the United States will lead to superior performance electronics systems for the Department of Defense. For purposes of the preceding sentence, the term 'American-owned manufacturers' means a manufacturing company or other business entity the majority ownership or control of which is by United States citizens."; and

(2) in subsection (b), by adding at the end the following new paragraph:

"(3) The Director of the Defense Advanced Research Projects Agency may set priorities and funding levels for various technologies being developed for the ALP and shall consider funding recommendations by the SIA as advisory.".

SEC. 215. ENHANCED FIBER OPTIC GUIDED MISSILE SYSTEM.

(a) CERTIFICATION.—Not later than December 1, 1995, the Secretary of the Army shall certify to the congressional defense committees whether there is a requirement for the enhanced fiber optic guided missile (EFOG-M) system and whether there is a cost and effectiveness analysis supporting such requirement.

(b) LIMITATIONS.—(1) The Secretary of the Army may not obligate more than $280,000,000 (based on fiscal year 1995 constant dollars) to develop and deliver for test and evaluation by the Army the following items:

(A) 44 EFOG-M test missiles.

(B) 256 fully operational EFOG-M missiles.

(C) 12 fully operational fire units.

(2) The Secretary of the Army may not spend funds for the EFOG-M system after September 30, 1998, if the items described in paragraph (1) have not been delivered to the Army by that date at the cost estimated for such system as of the date of the enactment of this Act.

(c) GOVERNMENT-FURNISHED EQUIPMENT.—The Secretary of the Army shall assure that all Government-furnished equipment that the Army agrees to provide under the contract for the EFOG-M system is provided to the prime contractor in accordance with the terms of the contract.

SEC. 216. JOINT ADVANCED STRIKE TECHNOLOGY (JAST) PROGRAM.

(a) ALLOCATION OF FUNDS.—Of the amount appropriated pursuant to the authorizations in section 201, $280,156,000 shall be available for the Joint Advanced Strike Technology (JAST) program. Of that amount—

(1) $123,795,000 shall be available for PE 63800N;

(2) $125,686,000 shall be available for PE 63800F; and

(3) $30,675,000 shall be available for PE 63800E.

(b) LIMITATION.—Not more than 75 percent of the amount appropriated for such program pursuant to the authorizations in section 201 may be obligated until a period of 30 days has expired after the report specified in subsection (c) is submitted to the congressional defense committees.

(c) REPORT.—The Secretary of Defense shall submit to the congressional defense committees a report, in unclassified and classified form, not later than March 1, 1996, that sets forth in detail the following information for the period 1997 through 2005:

(1) What the total joint requirement, under two major regional contingency (MRC) assumptions, is for the following:

(A) Numbers of tactical combat aircraft and the characteristics required of those aircraft in terms of capabilities, range, and observability-stealthiness.

(B) Surface- and air-launched standoff precision guided munitions.

(C) Cruise missiles.

(D) Ground-based systems, such as Extended Range-Multiple Launch Rocket System and the Army Tactical Missile System (ATACMS), for joint warfighting capability.

(2) What the major regional contingency warning time assumptions are, and what the effect on future tactical fighter/attack aircraft requirements are using other warning time assumptions.

(3) What requirements exist for the Joint Advanced Strike Technology program that cannot be met by existing aircraft or by those in development.

Subtitle C—Ballistic Missile Defense Act of 1995

SEC. 231. SHORT TITLE.

This subtitle may be cited as the "Ballistic Missile Defense Act of 1995".

SEC. 232. BALLISTIC MISSILE DEFENSE POLICY OF THE UNITED STATES.

It is the policy of the United States—

(1) to deploy at the earliest practical date highly effective theater missile defenses (TMDs) to protect forward-deployed and expeditionary elements of the Armed Forces of the United States and to complement and support the missile defense capabilities of friendly forces and of allies of the United States; and

(2) to deploy at the earliest practical date a national missile defense (NMD) system that is capable of providing a highly effective defense of the United States against limited ballistic missile attacks.

SEC. 233. IMPLEMENTATION OF POLICY.

(a) TMD DEPLOYMENT.—To implement the policy established in section 232(1), the Secretary of Defense shall develop and deploy at the earliest practical date advanced theater missile defense (TMD) systems.

(b) NMD SYSTEM ARCHITECTURE.—To implement the policy established in section 232(2), the Secretary of Defense shall develop for deployment at the earliest practical date an affordable,

operationally-effective National Missile Defense (NMD) system designed to protect the United States against limited ballistic missile attacks. The system to be developed for deployment shall include the following:

(1) Up to 100 ground-based interceptors at a single site or a greater number of interceptors at a number of sites, as determined necessary by the Secretary.

(2) Fixed, ground-based radars.

(3) Space-based sensors, including, within the type of space-based sensors known as ABM-adjunct sensors (such sensors not being prohibited by the ABM Treaty), those sensor systems (such as the Space and Missile Tracking System) that are capable of cuing ground-based anti-ballistic missile interceptors and of providing initial targeting vectors.

(4) Battle management, command, control, and communications.

(c) REPORT ON PLAN FOR DEPLOYMENT.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report setting forth the Secretary's plan for—

(1) the deployment of advanced theater missile defense (TMD) systems pursuant to subsection (a); and

(2) the deployment of a national missile defense system which meets the requirements specified in subsection (b).

SEC. 234. FOLLOW-ON TECHNOLOGIES RESEARCH AND DEVELOPMENT.

(a) FOLLOW-ON NATIONAL AND THEATER MISSILE DEFENSE TECHNOLOGY.—The Secretary shall pursue research and development of technologies and systems related to national missile defense and theater missile defense in order to provide future options for—

(1) protecting the United States against limited ballistic missile attacks; and

(2) defending forward-deployed and expeditionary elements of the Armed Forces of the United States and complementing and supporting the missile defense capabilities of friendly forces and allies of the United States.

(b) EXCLUSION OF CERTAIN SYSTEMS FROM INITIAL DEPLOYMENT.—The initial National Missile Defense system architecture developed for deployment pursuant to section 233(b) may not include—

(1) ground-based or space-based directed energy weapons; or

(2) space-based interceptors.

SEC. 235. POLICY ON COMPLIANCE WITH THE ABM TREATY.

(a) POLICY CONCERNING SYSTEMS SUBJECT TO ABM TREATY.—Congress finds that, unless and until a missile defense system, system upgrade, or system component is flight tested in an ABM-qualifying flight test (as defined in subsection (c)), such system, system upgrade, or system component—

(1) has not, for purposes of the ABM Treaty, been tested in an ABM mode nor been given capabilities to counter strategic ballistic missiles; and

(2) therefore is not subject to any application, limitation, or obligation under the ABM Treaty.

(b) PROHIBITIONS.—(1) Funds appropriated to the Department of Defense may not be obligated or expended for the purpose of—

(A) prescribing, enforcing, or implementing any Executive order, regulation, or policy that would apply the ABM Treaty (or any limitation or obligation under such Treaty) to research, development, testing, or deployment of a theater missile defense system, a theater missile defense system upgrade, or a theater missile defense system component; or

(B) taking any other action to provide for the ABM Treaty (or any limitation or obligation under such Treaty) to be applied to research, development, testing, or deployment of a theater missile defense system, a theater missile defense system upgrade, or a theater missile defense system component.

(2) This subsection applies with respect to each missile defense system, missile defense system upgrade, or missile defense system component that is capable of countering modern theater ballistic missiles.

(3) This subsection shall cease to apply with respect to a missile defense system, missile defense system upgrade, or missile defense system component when that system, system upgrade, or system component has been flight tested in an ABM-qualifying flight test.

(c) ABM-QUALIFYING FLIGHT TEST DEFINED.—For purposes of this section, an ABM-qualifying flight test is a flight test against a ballistic missile which, in that flight test, exceeds (1) a range of 3,500 kilometers, or (2) a velocity of 5 kilometers per second.

SEC. 236. BALLISTIC MISSILE DEFENSE PROGRAM ACCOUNTABILITY.

(a) ANNUAL BMD PROGRAMS REPORT.—The Secretary of Defense shall submit to the congressional defense committees an annual report describing the technical milestones, schedule, and cost of each ballistic missile defense program specified in subsection (c).

(b) MATTERS TO BE INCLUDED.—Each report under subsection (a) shall list all technical milestones, program schedule milestones, and costs of each phase of development and acquisition, together with total estimated program costs, covering the entire life of each program specified in subsection (c).

(c) COVERED PROGRAMS.—The reports under this section shall cover the following programs:

(1) Theater High Altitude Area Defense (THAAD).

(2) Patriot Advanced Capability-3.

(3) Navy Lower Tier.

(4) Navy Upper Tier.

(5) Corps Surface-to-Air Missile.

(6) Hawk.

(7) Boost Phase Intercept.

(8) National Missile Defense.

(9) Arrow.

(10) Medium Extended Air Defense.

(11) Any theater missile defense program or national missile defense program which the Department of Defense initiates after the date of the enactment of this Act.

(d) VARIANCE REPORTING REQUIREMENTS.—(1) In the annual report under this section, the Secretary shall describe, with respect to each program covered in the report, any difference in the technical milestones, program schedule milestones, and costs for that program—

(A) compared with the information relating to that program in the report submitted in the previous year; and

(B) compared with the information relating to that program in the first report submitted under this section in which that program is covered.

(2) Paragraph (1)(A) shall not apply to the first report submitted under this section.

(e) DATE OF SUBMISSION.—The report required by this section for any year shall be submitted not later than 30 days after the date on which the President's budget for the next fiscal year is submitted, except that the first report shall be submitted not later than 90 days after the date of the enactment of this Act.

SEC. 237. ABM TREATY DEFINED.

For purposes of this subtitle and subtitle D, the term "ABM Treaty" means the Treaty Between the United States and the Union of Soviet Socialist Republics on the Limitation of Anti-Ballistic Missile Systems, and signed at Moscow on May 26, 1972, and includes Protocols to that Treaty, signed at Moscow on July 3, 1974.

SEC. 238. REPEAL OF MISSILE DEFENSE ACT OF 1991.

The Missile Defense Act of 1991 is repealed.

Subtitle D—Other Ballistic Missile Defense Provisions

SEC. 241. BALLISTIC MISSILE DEFENSE FUNDING FOR FISCAL YEAR 1996.

Of the amounts authorized to be appropriated pursuant to section 201 for fiscal year 1996 or otherwise made available to the Department of Defense for fiscal year 1996, not more than $3,070,199,000 may be obligated for Ballistic Missile Defense programs.

SEC. 242. POLICY CONCERNING BALLISTIC MISSILE DEFENSE.

(a) BALLISTIC MISSILE DEFENSE AND OTHER COUNTERPROLIFERATION EFFORTS.—The Congress views the deployment of ballistic missile defenses as a necessary, but not sufficient, element of a broader strategy to discourage both the proliferation of weapons of mass destruction and the proliferation of means of their delivery and to defend against the consequences of such proliferation. The Congress, therefore, endorses and supports measures designed to slow or halt the proliferation of advanced technologies that pose a threat to the safety and security of the United States and to international stability.

(b) BALLISTIC MISSILE DEFENSE AND STRATEGIC STABILITY.—(1) The Congress views the deployment of ballistic missile defenses as a strategically stabilizing measure.

(2) The deployment of Theater Missile Defense systems at the earliest practical date pursuant to section 232(a)(1) will deny potential adversaries the option of escalating a conflict by threatening or attacking United States forces, coalition partners of the United States, or allies of the United States with ballistic missiles armed with weapons of mass destruction to offset the operational and technical advantages of the United States and its coalition partners and allies.

(3) The deployment of a National Missile Defense system at the earliest practical date pursuant to section 232(a)(2) against the threat of limited ballistic missile attacks—

(A) will strengthen deterrence at the levels of forces agreed to by the United States and Russia under the Strategic Arms Reduction Talks Treaties (START–I and START–II); and

(B) would further strengthen deterrence if reductions below the levels permitted under START–II should be agreed to in the future.

(c) PRESIDENTIAL DISCUSSIONS WITH OTHER NATIONS.—(1) The Congress—

(A) notes that on the basis of section 235 it is no longer necessary for the United States to continue discussions with Russia to clarify the distinction between ABM and TMD systems and, therefore, urges the President to discontinue any such discussions;

(B) notes that the ABM Treaty prohibits deployment of ground-based interceptors in a number that would be sufficient to assure that the entire continental United States, Alaska, and Hawaii are defended against limited ballistic missile attacks; and

(C) notes that past discussions with Russia, based on Russian President Yeltsin's proposal for a Global Protection System, held promise of an agreement to amend the ABM Treaty to allow defense against a limited ballistic missile attack that would have included (among other measures) permitted deployment of as many as four ground-based interceptor sites in addition to the one site currently permitted under the ABM Treaty and unrestricted exploitation of ground-based and space-based sensors.

(2) In light of the findings in paragraph (1), Congress urges the President to pursue high-level discussions with Russia to amend the ABM Treaty to permit—

(A) deployment of the number of ground-based ABM sites necessary to provide effective defense of the entire territory of the United States against limited ballistic missile attack; and

(B) the unrestricted exploitation of sensors based within the atmosphere and in space.

(3) It is in the interest of the United States to develop its own missile defense capabilities in a manner that will permit the United States to complement and support the missile defense capabilities developed and deployed by its allies and possible coalition partners. Therefore, the Congress urges the President—

(A) to pursue high-level discussions with allies and selected other states on the means and methods by which the parties on a bilateral basis can cooperate in the development, deployment, and operation of ballistic missile defenses;

(B) to take the initiative within the North Atlantic Treaty Organization to develop consensus in the Alliance for a timely deployment of effective ballistic missile defenses by the Alliance; and

(C) in the interim, to seek agreement with allies and selected other states on steps the parties should take, consistent with their national interests, to reduce the risks posed by the threat of limited ballistic missile attacks, such steps to include—

(i) the sharing of early warning information derived from sensors deployed by the United States and other states;

(ii) the exchange on a reciprocal basis of technical data and technology to support both joint development programs and the sale and purchase of missile defense systems and components; and

(iii) operational level planning to exploit current missile defense capabilities and to help define future requirements.

SEC. 243. TESTING OF THEATER MISSILE DEFENSE INTERCEPTORS.

Subsection (a) of section 237 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1600) is amended to read as follows:

"(a) TESTING OF THEATER MISSILE DEFENSE INTERCEPTORS.—(1) The Secretary of Defense may not approve a theater missile defense interceptor program proceeding beyond the low-rate initial production acquisition stage until the Secretary certifies to the congressional defense committees that such program has successfully completed initial operational test and evaluation.

"(2) In order to be certified under paragraph (1) as having been successfully completed, the initial operational test and evaluation conducted with respect to an interceptors program must have included flight tests—

"(A) that were conducted with multiple interceptors and multiple targets in the presence of realistic countermeasures; and

"(B) the results of which demonstrate the achievement by the interceptors of the baseline performance thresholds.

"(3) For purposes of this subsection, the baseline performance thresholds with respect to a program are the weapons systems performance thresholds specified in the baseline description for the system established (pursuant to section 2435(a)(1) of title 10, United States Code) before the program entered the engineering and manufacturing development stage.

"(4) The number of flight tests described in paragraph (2) that are required in order to make the certification under paragraph (1) shall be a number determined by the Secretary of Defense to be sufficient for the purposes of this section.

"(5) The Secretary may augment live-fire testing to demonstrate weapons system performance goals for purposes of the certification under paragraph (1) through the use of modeling and simulation that is validated by ground and flight testing.".

SEC. 244. REPEAL OF MISSILE DEFENSE PROVISIONS.

The following provisions of law are repealed:

(1) Section 222 of the Department of Defense Authorization Act, 1986 (Public Law 99–145; 99 Stat. 613; 10 U.S.C. 2431 note).

(2) Section 225 of the Department of Defense Authorization Act, 1986 (Public Law 99–145; 99 Stat. 614).

(3) Section 226 of the National Defense Authorization Act for Fiscal Years 1988 and 1989 (Public Law 100–180; 101 Stat. 1057; 10 U.S.C. 2431 note).

(4) Section 8123 of the Department of Defense Appropriations Act, 1989 (Public Law 100–463; 102 Stat. 2270–40).

(5) Section 8133 of the Department of Defense Appropriations Act, 1992 (Public Law 102–172; 105 Stat. 1211).

(6) Section 234 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1595; 10 U.S.C. 2431 note).

Subtitle E—Other Matters

SEC. 251. ALLOCATION OF FUNDS FOR MEDICAL COUNTERMEASURES AGAINST BIOWARFARE THREATS.

Section 2370a of title 10, United States Code, is amended—

(1) in subsection (a), by striking out "Department of Defense—" and all that follows through "not more than 20 percent" and inserting in lieu thereof "Department of Defense, not more than 50 percent"; and

(2) in subsection (b), by striking out paragraph (2) and redesignating paragraphs (3), (4), and (5) as paragraphs (2), (3), and (4), respectively.

SEC. 252. ANALYSIS OF CONSOLIDATION OF BASIC RESEARCH ACCOUNTS OF MILITARY DEPARTMENTS.

(a) ANALYSIS REQUIRED.—The Secretary of Defense shall conduct an analysis of the cost and effectiveness of consolidating the basic research accounts of the military departments. The analysis shall determine potential infrastructure savings and other benefits of co-locating and consolidating the management of basic research.

(b) DEADLINE.—On or before March 1, 1996, the Secretary shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on the analysis conducted under subsection (a).

SEC. 253. CHANGE IN REPORTING PERIOD FROM CALENDAR YEAR TO FISCAL YEAR FOR ANNUAL REPORT ON CERTAIN CONTRACTS TO COLLEGES AND UNIVERSITIES.

Section 2361(c)(2) of title 10, United States Code, is amended—

(1) by striking out "calendar year" and inserting in lieu thereof "fiscal year"; and

(2) by striking out "after the year" and inserting in lieu thereof "after the fiscal year".

SEC. 254. MODIFICATION TO UNIVERSITY RESEARCH INITIATIVE SUPPORT PROGRAM.

Section 802 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1701) is amended—

(1) in subsections (a) and (b), by striking out "shall" both places it appears and inserting in lieu thereof "may"; and

(2) in subsection (e), by striking out the sentence beginning with "Such selection process".

SEC. 255. ADVANCED FIELD ARTILLERY SYSTEM (CRUSADER).

(a) AUTHORITY TO USE FUNDS FOR ALTERNATIVE PROPELLANT TECHNOLOGIES.—During fiscal year 1996, the Secretary of the Army may use funds appropriated for the liquid propellant portion of the Advanced Field Artillery System (Crusader) program for fiscal year 1996 for alternative propellant technologies and integration of those technologies into the design of the Crusader system if—

(1) the Secretary determines that the technical risk associated with liquid propellant will increase costs and delay the initial operational capability of the Crusader system; and

(2) the Secretary notifies the congressional defense committees of the proposed use of the funds and the reasons for the proposed use of the funds.

(b) LIMITATION.—The Secretary of the Army may not spend funds for the liquid propellant portion of the Crusader system after August 1, 1996, unless significant progress has been made toward meeting the objectives set forth in subsection (c) and the statement described in subsection (d) has been submitted to the congressional defense committees.

(c) OBJECTIVES.—The objectives referred to in subsection (b) are the following:

(1) Breech and ignition design criteria for rate of fire for the cannon of the Crusader system have been met.

(2) The final ignition concept has been designed and successfully bench tested for the next prototype of the cannon of the Crusader system.

(3) Designs to prevent chamber piston reversals have been tested in a fixed weapons test stand.

(4) The chemistry and physics of propellant burn resulting from the firing of liquid propellant into any target zone are fully understood, and predictable firings have been demonstrated.

(5) An analysis of the management of heat dissipation has been made for the full range of performance requirements for the cannon, and concept designs supported by that analysis are completed and proposed for engineering.

(6) Engineering designs to control pressure oscillations in the chamber during firing are proven and planned for integration into the next prototype of the cannon.

(7) Fill designs for the cannon chamber that focus on preventing future chamber explosions have been electronically simulated and bench tested.

(8) An assessment of the sensitivity of liquid propellant to contamination by various materials to which it may be exposed throughout the handling and operation of the cannon is completed.

(d) STATEMENT.—The statement referred to in subsection (b) is a statement submitted to the congressional defense committees not later than March 30, 1996, that contains the following:

(1) An assertion that all the hazards associated with liquid propellent have been identified and are controllable to acceptable levels.

(2) An assessment of the technology for each component of the Crusader system (the cannon, vehicle, and crew module). The technology assessment shall include, for each performance goal of the Crusader system (including total system weight), information about the maturity of the technology to achieve that goal, the maturity of the design of the technology, and the manner in which the design has been proven (for example, through simulation, bench testing, or weapon firing).

(3) An assessment of the cost of continued development of the Crusader system after August 1, 1996, the cost of each unit of the Crusader system in the year the Crusader system will be completed, and the cost of each unit of the Future Armored Resupply Vehicle (FARV) in the year that vehicle will be completed.

SEC. 256. REVIEW OF C^4I BY NATIONAL RESEARCH COUNCIL.

(a) REVIEW BY NATIONAL RESEARCH COUNCIL.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall enter into a contract with the National Research Council of the National Academy of Sciences to conduct a comprehensive review of current and planned service and defense-wide programs for command, control, communications, computers, and intelligence (C^4I)

with a special focus on cross-service and interservice issues.

(b) MATTERS TO BE ASSESSED IN REVIEW.—The review shall address the following:

(1) The match between the capabilities provided by current service and defense-wide C⁴I programs and the actual needs of users of these programs.

(2) The interoperability of service and defense-wide C⁴I systems that are planned to be operational in the future.

(3) The need for an overall defense-wide architecture for C⁴I.

(4) Proposed strategies for ensuring that future C⁴I acquisitions are compatible and interoperable with an overall architecture.

(5) Technological and administrative aspects of the C⁴I modernization effort to determine the soundness of the underlying plan and the extent to which it is consistent with concepts for joint military operations in the future.

(c) TWO-YEAR PERIOD FOR CONDUCTING REVIEW.—The National Research Council shall conduct the review over the two-year period beginning upon completion of the performance of the contract described in subsection (a).

(d) REPORTS.—(1) The National Research Council shall submit to the Department of Defense and Congress interim reports and progress updates on a regular basis as the review proceeds. A final report on the review shall set forth the findings, conclusions, and recommendations of the Council for defense-wide and service C⁴I programs and shall be submitted to the Committee on Armed Services of the Senate, the Committee on National Security of the House of Representatives, and the Secretary of Defense.

(2) To the maximum degree possible, the final report shall be submitted in unclassified form with classified annexes as necessary.

(e) INTERAGENCY COOPERATION WITH STUDY.—All military departments, defense agencies, and other components of the Department of Defense shall cooperate fully with the National Research Council in its activities in carrying out the review under this section.

(f) EXPEDITED PROCESSING OF SECURITY CLEARANCES FOR STUDY.—For the purpose of facilitating the commencement of the study under this section, the Secretary of Defense shall expedite to the fullest degree possible the processing of security clearances that are necessary for the National Research Council to conduct the study.

(g) FUNDING.—Of the amount authorized to be appropriated in section 201 for defense-wide activities, $900,000 shall be available for the study under this section.

SEC. 257. FIVE-YEAR PLAN FOR FEDERALLY FUNDED RESEARCH AND DEVELOPMENT CENTERS (FFRDCS).

(a) FIVE-YEAR PLAN.—The Secretary of Defense, in consultation with the Secretaries of the military departments, shall develop a five-year plan to reduce and consolidate the activities performed by federally funded research and development centers (FFRDCs) and establish a framework for the future workload of such centers.

(b) OBJECTIVES.—The plan shall set forth the manner in which the Secretary of Defense could achieve by October 1, 2000, the following:

(1) Implementation by federally funded research and development centers of only those core activities, as defined by the Secretary, that require the unique capabilities and arrangements afforded by such centers.

(2) Consolidation of such core level activities into as few federally funded research and development centers as is practical and possible.

(3) Acquisition of systems engineering and systems integration activities currently performed by federally funded research and development centers through the use of competitive procedures.

(4) Transfer of the management of the Software Engineering Initiative activities to the Defense Information Systems Agency for purposes of supporting command, control, communications, computing, and intelligence (C⁴I) programs.

(5) Transfer of the management of the core activities of Lincoln Laboratory to the Office of the Secretary of Defense.

(6) Acquisition of services provided to the Department of Defense by university-affiliated research centers (that operate like federally funded research and development centers) through the use of competitive procedures.

(c) OTHER MATTERS.—The plan also shall include the following:

(1) An assessment of the number of staff needed in each federally funded research and development center during each year over the five years covered by the plan.

(2) A specific timetable for phasing in the objectives set forth in subsection (b).

(d) REPORT.—Not later than February 1, 1996, the Secretary of Defense shall submit to the congressional defense committees a report on the plan.

(e) UNDISTRIBUTED REDUCTION.—The total amount authorized to be appropriated for research, development, test, and evaluation in section 201 is hereby reduced by $90,097,000.

SEC. 258. MANUFACTURING TECHNOLOGY PROGRAM.

(a) IN GENERAL.—Section 2525 of title 10, United States Code, is amended as follows:

(1) The heading is amended by striking out the second and third words.

(2) Subsection (a) is amended by striking out "Science and".

(3) Subsection (d) is amended—

(A) in paragraph (2)—

(i) by striking out "or" at the end of subparagraph (A);

(ii) by striking out the period at the end of subparagraph (B) and inserting in lieu thereof "; or"; and

(iii) by adding at the end the following new subparagraph:

"(C) will be carried out by an institution of higher education."; and

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

"(3) At least 25 percent of the funds available for the program each fiscal year shall be used for awarding grants and entering into contracts, cooperative agreements, and other transactions on a cost-share basis under which the ratio of recipient costs to Government costs is two to one.".

(b) CLERICAL AMENDMENT.—The item relating to section 2525 in the table of sections at the beginning of chapter 148 of title 10, United States Code, is amended to read as follows:

"2525. Manufacturing technology program.".

SEC. 259. FIVE-YEAR PLAN FOR CONSOLIDATION OF DEFENSE LABORATORIES AND TEST AND EVALUATION CENTERS.

(a) FIVE-YEAR PLAN.—The Secretary of Defense shall develop a five-year plan to consolidate and restructure the laboratories and test and evaluation centers of the Department of Defense.

(b) OBJECTIVE.—The plan shall set forth the specific actions needed to consolidate the laboratories and test and evaluation centers into as few laboratories and centers as is practical and possible, in the judgment of the Secretary, by October 1, 2005.

(c) MATTERS TO BE CONSIDERED.—In developing the plan, the Secretary shall consider the following:

(1) Consolidation of common support functions, including the following:

(A) Aircraft (fixed wing and rotary).

(B) Weapons.

(C) Space systems.

(D) Command, control, communications, computers, and intelligence.

(2) The extent to which any military construction is planned at the laboratories and centers.

(3) The encroachment on the laboratories and centers by residential and industrial expansion.

(4) The cost of operations and maintenance at the laboratories and centers.

(5) The cost of environmental remediation at the laboratories and centers.

(d) REPORT.—Not later than May 1, 1996, the Secretary of Defense shall submit to the congressional defense committees a report on the plan.

(e) LIMITATION.—Of the amounts appropriated or otherwise made available pursuant to an authorization in section 201 for the central test and evaluation investment development program, not more than 40 percent may be obligated before the report required by subsection (d) is submitted to Congress.

SEC. 260. AERONAUTICAL RESEARCH AND TEST CAPABILITIES ASSESSMENT.

(a) POLICY.—(1) It is in the Nation's long-term national security interests to maintain preeminence in the area of aeronautical research and test capabilities.

(2) Continued advances in aeronautical science and engineering are critical to sustaining the strategic and tactical air superiority of the United States and coalition forces, as well as United States economic security and international aerospace leadership.

(3) Encouragement of active Department of Defense partnership with other Government agencies, academic institutions, and private industry to develop, maintain, and enhance aeronautical research and test capabilities is in the national security and economic interest of the Department and the United States.

(b) REVIEW.—(1) In pursuit of the aeronautical research and test capabilities policy set forth in subsection (a), the Secretary of Defense shall conduct a comprehensive review of the aeronautical research and test facilities and capabilities of the United States in order to assess the current condition of such facilities and capabilities.

(2) The review shall identify options for providing affordable, operable, reliable, and responsive long-term aeronautical research and test capabilities for military and civilian purposes and for the organization and conduct of such capabilities within the Department or through shared operations with other Government agencies, academic institutions, and private industry. The review also shall set forth in detail the projected costs of such options, including costs of acquisition and technical and financial arrangements (including the use of Government facilities for reimbursable private use).

(c) REPORT.—Not later than March 1, 1996, the Secretary of Defense shall submit to the congressional defense committees a report setting forth in detail the findings of the review required by subsection (b). The report shall include recommendations on the most efficient and economic means of developing, maintaining, and continually modernizing aeronautical research and test capabilities to meet current, planned, and prospective military and civilian needs.

SEC. 261. LIMITATION ON T-38 AVIONICS UPGRADE PROGRAM.

(a) REQUIREMENT.—The Secretary of Defense shall ensure that, in evaluating proposals submitted in response to a solicitation issued for a contract for the T-38 Avionics Upgrade Program, the proposal of an entity may not be considered unless—

(1) in the case of an entity that conducts substantially all of its business in a foreign country, the foreign country provides equal access to

similar contract solicitations in that country to United States entities; and

(2) in the case of an entity that conducts business in the United States but that is owned or controlled by a foreign government or by an entity incorporated in a foreign country, the foreign government or foreign country of incorporation provides equal access to similar contract solicitations in that country to United States entities.

(b) DEFINITION.—In this section, the term "United States entity" means an entity that is owned or controlled by persons a majority of whom are United States citizens.

SEC. 262. CROSS REFERENCE TO CONGRESSIONAL DEFENSE POLICY CONCERNING NATIONAL TECHNOLOGY AND INDUSTRIAL BASE, REINVESTMENT, AND CONVERSION IN OPERATION OF DEFENSE RESEARCH AND DEVELOPMENT PROGRAMS.

(a) SECTION 2358 PROJECTS.—Section 2358(a)(2)(B) of title 10, United States Code, is amended by inserting before the period the following: "and advance the defense policies and objectives specified in section 2501 of this title".

(b) SECTION 2371 PROJECTS.—Section 2371(a) of such title is amended by inserting before the period in the first sentence the following: "for the purpose of advancing the defense policies and objectives specified in section 2501 of this title".

TITLE III—OPERATION AND MAINTENANCE

Subtitle A—Authorization of Appropriations

SEC. 301. OPERATION AND MAINTENANCE FUNDING.

Funds are hereby authorized to be appropriated for fiscal year 1996 for the use of the Armed Forces and other activities and agencies of the Department of Defense for expenses, not otherwise provided for, for operation and maintenance in amounts as follows:

(1) For the Army, $19,339,936,000.

(2) For the Navy, $21,677,510,000.

(3) For the Marine Corps, $2,603,622,000.

(4) For the Air Force, $18,984,162,000.

(5) For Defense-wide activities, $10,680,371,000.

(6) For the Army Reserve, $1,139,591,000.

(7) For the Naval Reserve, $838,042,000.

(8) For the Marine Corps Reserve, $91,783,000.

(9) For the Air Force Reserve, $1,507,447,000.

(10) For the Army National Guard, $2,394,108,000.

(11) For the Air National Guard, $2,734,221,000.

(12) For the Defense Inspector General, $177,226,000.

(13) For the United States Court of Appeals for the Armed Forces, $6,521,000.

(14) For Environmental Restoration, Defense, $1,422,200,000.

(15) For Drug Interdiction and Counter-drug Activities, Defense-wide, $680,432,000.

(16) For Medical Programs, Defense, $9,876,525,000.

(17) For Summer Olympics, $15,000,000.

(18) For Cooperative Threat Reduction programs, $200,000,000.

(19) For Overseas Humanitarian, Disaster, and Civic Aid programs, $50,000,000.

SEC. 302. WORKING CAPITAL FUNDS.

Funds are hereby authorized to be appropriated for fiscal year 1996 for the use of the Armed Forces and other activities and agencies of the Department of Defense for providing capital for working capital and revolving funds in amounts as follows:

(1) For the Defense Business Operations Fund, $878,700,000.

(2) For the National Defense Sealift Fund, $1,574,220,000.

SEC. 303. ARMED FORCES RETIREMENT HOME.

There is hereby authorized to be appropriated for fiscal year 1996 from the Armed Forces Retirement Home Trust Fund the sum of $59,120,000 for the operation of the Armed Forces Retirement Home, including the United States Soldiers' and Airmen's Home and the Naval Home.

Subtitle B—Defense Business Operations Fund

SEC. 311. CODIFICATION OF DEFENSE BUSINESS OPERATIONS FUND.

(a) MANAGEMENT OF WORKING-CAPITAL FUNDS.—(1) Chapter 131 of title 10, United States Code, is amended by inserting after section 2215 the following new section:

"§2216. Defense Business Operations Fund

"(a) MANAGEMENT OF WORKING-CAPITAL FUNDS AND CERTAIN ACTIVITIES.—The Secretary of Defense may manage the performance of the working-capital funds and industrial, commercial, and support type activities described in subsection (b) through the fund known as the Defense Business Operations Fund, which is established on the books of the Treasury. Except for the funds and activities specified in subsection (b), no other functions, activities, funds, or accounts of the Department of Defense may be managed through the Fund.

"(b) FUNDS AND ACTIVITIES INCLUDED.—The funds and activities referred to in subsection (a) are the following:

"(1) Working-capital funds established under section 2208 of this title and in existence on December 5, 1991.

"(2) Those activities that, on December 5, 1991, were funded through the use of a working-capital fund established under that section.

"(3) The Defense Finance and Accounting Service.

"(4) The Defense Industrial Plant Equipment Center.

"(5) The Defense Commissary Agency.

"(6) The Defense Technical Information Service.

"(7) The Defense Reutilization and Marketing Service.

"(c) SEPARATE ACCOUNTING, REPORTING, AND AUDITING OF FUNDS AND ACTIVITIES.—(1) The Secretary of Defense shall provide in accordance with this subsection for separate accounting, reporting, and auditing of funds and activities managed through the Fund.

"(2) The Secretary shall maintain the separate identity of each fund and activity managed through the Fund that (before the establishment of the Fund) was managed as a separate fund or activity.

"(3) The Secretary shall maintain separate records for each function for which payment is made through the Fund and which (before the establishment of the Fund) was paid directly through appropriations, including the separate identity of the appropriation account used to pay for the performance of the function.

"(d) CHARGES FOR GOODS AND SERVICES PROVIDED THROUGH THE FUND.—(1) Charges for goods and services provided through the Fund shall include the following amounts:

"(A) Amounts necessary to recover the full costs of—

"(i) the development, implementation, operation, and maintenance of systems supporting the wholesale supply and maintenance activities of the Department of Defense; and

"(ii) the use of members of the armed forces in the provision of the goods and services, computed by calculating, to the maximum extent practicable, such costs as if employees of the Department of Defense were used in the provision of the goods and services.

"(B) Amounts for depreciation of capital assets, set in accordance with generally accepted accounting principles.

"(C) Amounts necessary to recover the full cost of the operation of the Defense Finance Accounting Service.

"(2) Charges for goods and services provided through the Fund may not include the following amounts:

"(A) Amounts necessary to recover the costs of a military construction project (as defined in section 2801(b) of this title), other than a minor construction project financed by the Fund pursuant to section 2805(c)(1) of this title.

"(B) Amounts necessary to cover costs incurred in connection with the closure or realignment of a military installation.

"(e) CAPITAL ASSET SUBACCOUNT.—(1) Amounts charged for depreciation of capital assets pursuant to subsection (d)(1)(B) shall be credited to a separate capital asset subaccount established within the Fund.

"(2) The Secretary of Defense may award contracts for capital assets of the Fund in advance of the availability of funds in the subaccount.

"(f) PROCEDURES FOR ACCUMULATION OF FUNDS.—The Secretary of Defense shall establish billing procedures to ensure that the balance in the Fund does not exceed the amount necessary to provide for the working capital requirements of the Fund, as determined by the Secretary.

"(g) PURCHASE FROM OTHER SOURCES.—The Secretary of Defense or the Secretary of a military department may purchase goods and services that are available for purchase from the Fund from a source other than the Fund if the Secretary determines that such source offers a more competitive rate for the goods and services than the Fund offers.

"(h) ANNUAL REPORTS AND BUDGET.—The Secretary of Defense shall annually submit to Congress, at the same time that the President submits the budget under section 1105 of title 31, the following:

"(1) A detailed report that contains a statement of all receipts and disbursements of the Fund (including such a statement for each subaccount of the Fund) for the year for which the report is submitted.

"(2) A detailed proposed budget for the operation of the Fund for the fiscal year for which the budget is submitted.

"(3) A comparison of the amounts actually expended for the operation of the Fund for the previous fiscal year with the amount proposed for the operation of the Fund for that fiscal year in the President's budget.

"(4) A report on the capital asset subaccount of the Fund that contains the following information:

"(A) The opening balance of the subaccount as of the beginning of the fiscal year in which the report is submitted.

"(B) The estimated amounts to be credited to the subaccount in the fiscal year in which the report is submitted.

"(C) The estimated amounts of outlays to be paid out of the subaccount in the fiscal year in which the report is submitted.

"(D) The estimated balance of the subaccount at the end of the fiscal year in which the report is submitted.

"(E) A statement of how much of the estimated balance at the end of the fiscal year in which the report is submitted will be needed to pay outlays in the immediately following fiscal year that are in excess of the amount to be credited to the subaccount in the immediately following fiscal year.

"(i) DEFINITIONS.—In this section:

"(1) The term 'capital assets' means the following capital assets that have a development or acquisition cost of not less than $15,000:

"(A) Minor construction projects financed by the Fund pursuant to section 2805(c)(1) of this title.

"(B) Automatic data processing equipment, software, other equipment, and other capital improvements.

"(2) The term 'Fund' means the Defense Business Operations Fund.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2215 the following new item:

"2216. Defense Business Operations Fund.".

(b) CONFORMING REPEALS.—The following provisions of law are hereby repealed:

(1) Subsections (b), (c), (d), and (e) of section 311 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 10 U.S.C. 2208 note).

(2) Subsections (a) and (b) of section 333 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 10 U.S.C. 2208 note).

(3) Section 342 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 10 U.S.C. 2208 note).

(4) Section 316 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102–190; 10 U.S.C. 2208 note).

(5) Section 8121 of the Department of Defense Appropriations Act, 1992 (Public Law 102–172; 10 U.S.C. 2208 note).

SEC. 312. RETENTION OF CENTRALIZED MANAGEMENT OF DEFENSE BUSINESS OPERATIONS FUND AND PROHIBITION ON FURTHER EXPANSION OF FUND.

(a) CENTRALIZED MANAGEMENT.—Subsection (a) of section 2216 of title 10, United States Code, as added by section 311(a), is amended—

(1) by inserting "(1)" before "The Secretary of Defense"; and

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

"(2) Management of the Fund, including management of cash balances in the Fund, shall be exercised in the Office of the Secretary of Defense under the immediate authority of the Under Secretary of Defense (Comptroller). The Fund shall be treated as a single account for purposes of subchapter III of chapter 13 and subchapter II of chapter 15 of title 31.".

(b) EXPANSION OF FUND.—Such subsection is further amended by adding at the end of paragraph (1) the following new sentence: "The Secretary may not convert to management through the Fund any function, activity, fund, or account of the Department of Defense that is not managed through the Fund as of the date of the enactment of the National Defense Authorization Act for Fiscal Year 1996.".

SEC. 313. CHARGES FOR GOODS AND SERVICES PROVIDED THROUGH DEFENSE BUSINESS OPERATIONS FUND AND TERMINATION OF ADVANCE BILLING PRACTICES.

(a) CHARGES INCLUDED.—Paragraph (1)(A)(ii) of subsection (d) of section 2216 of title 10, United States Code, as added by section 311(a), is amended by striking out "as if employees of the Department of Defense were used in the provision of the goods and services" and inserting in lieu thereof "using the pay and allowances of the members".

(b) CHARGES EXCLUDED.—Paragraph (2) of such subsection is amended by adding at the end the following new subparagraph:

"(C) Amounts necessary to recover the costs of functions designated by the Secretary of Defense as mission critical, such as ammunition handling safety, and amounts for ancillary tasks not directly related to the mission of the function or activity managed through the Fund.".

(c) TERMINATION OF ADVANCE BILLING PRACTICES.—Such subsection is further amended by adding at the end the following new paragraph:

"(3) After September 30, 1996, functions and activities managed through the Fund may not use advance billing in the provision of goods and services to customers.".

SEC. 314. ANNUAL PROPOSED BUDGET FOR OPERATION OF DEFENSE BUSINESS OPERATIONS FUND.

Subsection (h)(2) of section 2216 of title 10, United States Code, as added by section 311(a), is amended by adding at the end the following new sentence: "The proposed budget shall include the amount necessary to cover the operating losses, if any, of the Fund for the previous fiscal year.".

SEC. 315. REDUCTION IN REQUESTS FOR TRANSPORTATION FUNDED THROUGH DEFENSE BUSINESS OPERATIONS FUND.

(a) REDUCTION.—The Secretary of Defense shall direct the heads of Defense-wide activities and the Secretaries of the military departments to reduce requests during fiscal year 1996 for purchasing transportation from the transportation accounts of the Defense Business Operations Fund by $70,000,000 below the level of such requests during fiscal year 1995. The rates charged for transportation funded through the Defense Business Operations Fund shall be reduced to reflect the effect of the reduced requests on overhead costs.

(b) REPORT REQUIRED.—Not later than March 1, 1996, the Secretary of Defense shall submit to Congress a report regarding—

(1) the effect on the Defense transportation organization of implementing certain consolidation proposals, such as the elimination of duplication in the component command structure; and

(2) the extent that transportation overhead, the cost of which is passed on to customers, can be significantly reduced without adversely affecting mobilization requirements.

Subtitle C—Environmental Provisions

SEC. 321. CLARIFICATION OF SERVICES AND PROPERTY THAT MAY BE EXCHANGED TO BENEFIT THE HISTORICAL COLLECTION OF THE ARMED FORCES.

Section 2572(b) of title 10, United States Code, is amended in paragraph (1) by striking out "not needed by the armed forces" and all that follows through the end of the paragraph and inserting in lieu thereof the following: "not needed by the armed forces for any of the following items or services if they directly benefit the historical collection of the armed forces:

"(A) Similar items held by any individual, organization, institution, agency, or nation.

"(B) Conservation supplies, equipment, facilities, or systems.

"(C) Search, salvage, or transportation services.

"(D) Restoration, conservation, or preservation services.

"(E) Educational programs.".

SEC. 322. ADDITION OF AMOUNTS CREDITABLE TO DEFENSE ENVIRONMENTAL RESTORATION ACCOUNT.

Section 2703(e) of title 10, United States Code is amended to read as follows:

"(e) AMOUNTS RECOVERED.—The following amounts shall be credited to the transfer account:

"(1) Amounts recovered under section 107 of CERCLA for response actions of the Secretary.

"(2) Any other amounts recovered by the Secretary or the Secretary of the military department concerned from a contractor, insurer, surety, or other person to reimburse the Department of Defense for any expenditure for environmental response activities.".

SEC. 323. REPEAL OF CERTAIN ENVIRONMENTAL EDUCATION PROGRAMS.

Sections 1333 and 1334 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 10 U.S.C. 2701 note) are repealed.

SEC. 324. REPEAL OF LIMITATION ON OBLIGATION OF AMOUNTS TRANSFERRED FROM ENVIRONMENTAL RESTORATION TRANSFER ACCOUNT.

(a) REPEAL OF LIMITATION.—Section 2703 of title 10, United States Code, is further amended—

(1) by striking out subsection (c); and

(2) by redesignating subsection (d), subsection (e) (as amended by section 322), and subsection (f) as subsections (c), (d), and (e), respectively.

(b) EFFECT ON CONTRACTS.—Nothing in the amendment made by subsection (a) shall be considered to negate or invalidate any legal protection or legal defense available to the Department of Defense under "force majeure" clauses in environmental restoration contracts or agreements existing on the date of the enactment of this Act.

SEC. 325. ELIMINATION OF AUTHORITY TO TRANSFER AMOUNTS FOR TOXICOLOGICAL PROFILES.

Section 2704 of title 10, United States Code, is amended in subsections (c) and (d)(3)—

(1) by striking out ", such sums from amounts appropriated to the Department of Defense,"; and

(2) by striking out ", including the manner for transferring funds and personnel and for coordination of activities under this section".

SEC. 326. SENSE OF CONGRESS ON USE OF DEFENSE ENVIRONMENTAL RESTORATION ACCOUNT.

It is the sense of Congress that the Secretary of Defense should make every effort to limit, by the end of fiscal year 1997, spending for administration, support, studies, and investigations associated with the Defense Environmental Restoration Account to 20 percent of the total funding for that account.

Subtitle D—Civilian Employees and Nonappropriated Fund Instrumentality Employees

SEC. 331. MANAGEMENT OF DEPARTMENT OF DEFENSE CIVILIAN PERSONNEL.

Section 129 of title 10, United States Code, is amended—

(1) in subsection (a)—

(A) by inserting "(including any limitation on full-time equivalent positions)" before the period at the end of the second sentence; and

(B) by adding at the end the following new sentence: "The Secretary shall not be required to make a reduction in the number of full-time equivalent positions in the Department of Defense unless such reduction is necessary due to a reduction in funds available to the Department or is required under a law that is enacted after the date of the enactment of the National Defense Authorization Act for Fiscal Year 1996 and that refers specifically to this subsection."; and

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

"(d) With respect to each budget activity within an appropriation for any fiscal year for operations and maintenance, the Secretary of Defense shall ensure that there are employed during that fiscal year employees in the number, and of the type and with the skill mix, that are necessary to carry out the functions within that budget activity for which funds are provided for that fiscal year.".

SEC. 332. MANAGEMENT OF DEPOT EMPLOYEES.

(a) DEPOT EMPLOYEES.—Chapter 146 of title 10, United States Code, is amended by adding at the end the following new section:

"§2472. Management of depot employees

"(a) PROHIBITION ON MANAGEMENT BY END STRENGTH.—The civilian employees of the Department of Defense involved in the depot-level maintenance and repair of materiel may not be managed on the basis of any end-strength constraint or limitation on the number of such employees who may be employed on the last day of

a fiscal year. Such employees shall be managed solely on the basis of the available workload and the funds made available for such depot-level maintenance and repair.

"(b) ANNUAL REPORT.—Not later than 60 days after the beginning of each fiscal year, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on the number of employees employed and expected to be employed by the Department of Defense during that fiscal year to perform depot-level maintenance and repair of materiel. The report shall indicate whether that number is sufficient to perform the depot-level maintenance and repair functions for which funds have been appropriated for that fiscal year for performance by Department of Defense employees.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 146 of such title is amended by adding at the end the following new item:

"2472. Management of depot employees.".

SEC. 333. CONVERSION TO PERFORMANCE BY CIVILIAN EMPLOYEES OF ACTIVE-DUTY POSITIONS.

(a) CONVERSION TO CIVILIAN PERFORMANCE.—During fiscal year 1996, the Secretary of Defense shall change to performance by employees of the Department of Defense the performance of not less than 10,000 positions in the Department of Defense that, as of September 30, 1995, were designated to be performed by members of the Armed Forces on active duty.

(b) IMPLEMENTATION PLAN.—Not later than March 31, 1996, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a plan for the implementation of subsection (a).

SEC. 334. PERSONNEL ACTIONS INVOLVING EMPLOYEES OF NONAPPROPRIATED FUND INSTRUMENTALITIES.

(a) CLARIFICATION OF DEFINITION OF NONAPPROPRIATED FUND INSTRUMENTALITY EMPLOYEE.—Subsection (a)(1) of section 1587 of title 10, United States Code, is amended by adding at the end the following new sentence: "Such term includes a civilian employee of a support organization within the Department of Defense or a military department, such as the Defense Finance and Accounting Service, who is paid from nonappropriated funds on account of the nature of the employee's duties.".

(b) DIRECT REPORTING OF VIOLATIONS.—Subsection (e) of such section is amended in the second sentence by inserting before the period the following: "and to permit the direct reporting of alleged violations of subsection (b) to the Inspector General of the Department of Defense".

(c) TECHNICAL AMENDMENT.—Subsection (a)(1) of such section is further amended by striking out "Navy Resale and Services Support Office" and inserting in lieu thereof "Navy Exchange Service Command".

(d) CLERICAL AMENDMENTS.—(1) The heading of such section is amended to read as follows:

"§1587. Employees of nonappropriated fund instrumentalities: personnel actions".

(2) The item relating to section 1587 in the table of sections at the beginning of chapter 81 of such title is amended to read as follows:

"1587. Employees of nonappropriated fund instrumentalities: personnel actions.".

SEC. 335. TERMINATION OF OVERSEAS LIVING QUARTERS ALLOWANCES FOR NONAPPROPRIATED FUND INSTRUMENTALITY EMPLOYEES.

(a) PROHIBITION OF ALLOWANCE FOR NEW EMPLOYEES.—A nonappropriated fund instrumentality employee hired after the date of the enactment of this Act may not be paid an overseas living quarters allowance from nonappropriated funds of the nonappropriated fund instrumentality that employs the employee.

(b) TERMINATION OF ALLOWANCE FOR CURRENT EMPLOYEES.—A nonappropriated fund instrumentality employee who is eligible for an overseas living quarters allowance on the date of the enactment of this Act shall cease to be eligible for such an allowance after the earlier of—

(1) September 30, 1998; or

(2) the date on which the employee otherwise ceases to be eligible for such an allowance.

(c) NONAPPROPRIATED FUND INSTRUMENTALITY EMPLOYEE DEFINED.—For purposes of this section, the term "nonappropriated fund instrumentality employee" has the meaning given such term in section 1587(a)(1) of title 10, United States Code.

SEC. 336. OVERTIME EXEMPTION FOR NONAPPROPRIATED FUND EMPLOYEES.

Section 6121(2) of title 5, United States Code, is amended to read as follows:

"(2) 'employee' has the meaning given it by section 2105(a) and also includes those paid from nonappropriated funds of the Army and Air Force Exchange Service, Navy Ship's Stores Ashore, Navy exchanges, Marine Corps exchanges, Coast Guard exchanges, and other instrumentalities of the United States under the jurisdiction of the armed forces conducted for the comfort, pleasure, contentment, and mental and physical improvement of personnel of the armed forces;".

SEC. 337. CONTINUED HEALTH INSURANCE COVERAGE.

Section 8905a(d)(4) of title 5, United States Code, is amended—

(1) in subparagraph (A), by inserting ", or a voluntary separation from a surplus position," after "an involuntary separation from a position"; and

(2) by adding at the end the following new subparagraph:

"(C) For the purpose of this paragraph, 'surplus position' means a position which is identified in pre-reduction in force planning as no longer required, and which is expected to be eliminated under formal reduction-in-force procedures.".

SEC. 338. CREDITABILITY OF CERTAIN NAFI SERVICE UNDER THE FEDERAL EMPLOYEES' RETIREMENT SYSTEM.

(a) IN GENERAL.—Subject to subsections (b) and (c), upon application to the Office of Personnel Management, any individual who, on the date of making such application, is an employee within the Department of Defense or the legislative branch of the Government shall be allowed credit under chapter 84 of title 5, United States Code (for purposes of benefits payable out of the Fund) for any service if—

(1) such service was performed by such individual as an employee of a nonappropriated fund instrumentality of the Department of Defense or the Coast Guard, described in section 2105(c) of such title; and

(2) such individual has served continuously, since moving (after December 31, 1986, and without a break in service of more than 3 days) from a nonappropriated fund instrumentality referred to in paragraph (1), in—

(A) the Department of Defense; or

(B) the legislative branch of the Government.

(b) CONDITIONS.—An individual may not be allowed credit for service under this section unless—

(1) an application is filed before the deadline under subsection (c);

(2) such individual has been subject to chapter 84 of title 5, United States Code, since moving in the manner described in subsection (a)(2); and

(3) such individual deposits to the credit of the Fund an amount equal to 1.3 percent of the basic pay paid to such individual for such service, with interest (computed in accordance with paragraphs (2) and (3) of section 8334(e) of title 5, United States Code).

(c) DEADLINE.—An application under this section may not be filed after—

(1) the end of the 6-month period beginning on the date of the enactment of this Act; or

(2) if earlier, the date on which a written determination is made by the Office of Personnel Management that the actuarial present value of all benefits payable as a result of the enactment of this section has reached $50,000,000.

(d) REGULATIONS.—The Office of Personnel Management shall prescribe any regulations necessary to carry out this section.

(e) DEFINITION.—For purposes of this section, the term "Fund" means the Civil Service Retirement and Disability Fund under section 8348 of title 5, United States Code.

Subtitle E—Commissaries and Nonappropriated Fund Instrumentalities

SEC. 341. OPERATION OF COMMISSARY STORE SYSTEM.

(a) COOPERATION WITH OTHER ENTITIES.—Section 2482 of title 10, United States Code, is amended—

*(1) in the section heading, by striking out "**private**";*

(2) by inserting "(a) PRIVATE OPERATION.—" before "Private persons"; and

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

"(b) CONTRACTS WITH OTHER AGENCIES AND INSTRUMENTALITIES.—(1) The Defense Commissary Agency, and other agencies of the Department of Defense that support the operation of the commissary store system, may enter into contracts or other agreements with other appropriated fund or nonappropriated fund instrumentalities of the Department of Defense or other departments or agencies of the United States to facilitate efficiency in the management and operation of the commissary store system.

"(2) A commissary store operated by a nonappropriated fund instrumentality shall be operated in accordance with section 2484 of this title. Subject to such section, the Secretary of Defense may authorize a transfer of goods, supplies, and facilities of, and funds appropriated for, the Defense Commissary Agency to a nonappropriated fund instrumentality operating a commissary store.".

(b) AUTHORIZATION FOR DISTRIBUTORS TO SERVE AS VENDOR AGENTS.—Such section is further amended by adding after subsection (b), as added by subsection (a), the following new subsection:

"(c) PAYMENTS TO VENDOR AGENTS.—If a distributor for a vendor of resale products under contract to the Defense Commissary Agency is designated as an agent by and for the vendor, the distributor may invoice the agency and accept payments from the agency under the vendor's contract. A distributor designated as a agent for purposes of this subsection may request payment for more than one product of the vendor on the same invoice. All payments made by the agency to a distributor designated by a vendor as the vendor's agent shall be considered payments under the vendor's contract, and the payments shall fulfill the payment obligations of the United States in the same manner as if the payments had been made directly to the vendor.".

(c) CLERICAL AMENDMENT.—The item relating to such section in the table of sections at the beginning of chapter 147 of such title is amended to read as follows:

"2482. Commissary stores: operation.".

SEC. 342. PRICING POLICIES FOR COMMISSARY STORE MERCHANDISE.

Section 2486(d)(1) of title 10, United States Code, is amended—

(1) by striking out "each item" and inserting in lieu thereof "items"; and

(2) by striking out "actual product cost of the item" and inserting in lieu thereof "total average product cost of merchandise sold".

SEC. 343. LIMITED RELEASE OF COMMISSARY STORES SALES INFORMATION TO MANUFACTURERS, DISTRIBUTORS, AND OTHER VENDORS DOING BUSINESS WITH DEFENSE COMMISSARY AGENCY.

Section 2487(b) of title 10, United States Code, is amended in the second sentence by inserting before the period the following: "unless the agreement is between the Defense Commissary Agency and a manufacturer, distributor, or other vendor doing business with the Agency and is restricted to information directly related to merchandise provided by that manufacturer, distributor, or vendor".

SEC. 344. ECONOMICAL DISTRIBUTION OF DISTILLED SPIRITS BY NONAPPROPRIATED FUND INSTRUMENTALITIES.

(a) ECONOMICAL DISTRIBUTION.—Subsection (a)(1) of section 2488 of title 10, United States Code, is amended by inserting after "most competitive source" the following: "and distributed in the most economical manner".

(b) DETERMINATION OF MOST ECONOMICAL DISTRIBUTION METHOD.—Such section is further amended—

(1) by redesignating subsection (c) as subsection (d); and

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

"(c)(1) In the case of covered alcoholic beverage purchases of distilled spirits, to determine whether a nonappropriated fund instrumentality of the Department of Defense represents the most economical method of distribution to package stores, the Secretary of Defense shall consider all components of the distribution costs incurred by the nonappropriated fund instrumentality, such as overhead costs (including management, logistics, administration, depreciation, and utilities), the costs of carrying inventory, and handling and distribution costs.

"(2) If the use of a private distributor would subject covered alcoholic beverage purchases of distilled spirits to direct or indirect State taxation, a nonappropriated fund instrumentality shall be considered to be the most economical method of distribution regardless the results of the determination under paragraph (1).

"(3) The Secretary shall use the agencies performing audit functions on behalf of the armed forces and the Inspector General of the Department of Defense to make determinations under this subsection.".

SEC. 345. TRANSPORTATION BY COMMISSARIES AND EXCHANGES TO OVERSEAS LOCATIONS.

(a) IN GENERAL.—Chapter 157 of title 10, United States Code, is amended by adding at the end the following new section:

"§2643. Commissary and exchange services: transportation overseas

"The Secretary of Defense shall give the officials responsible for operation of commissaries and military exchanges the authority to negotiate directly with private carriers for the most cost-effective transportation of commissary and exchange supplies by sea without relying on the Military Sealift Command or the Military Traffic Management Command. Section 2631 of this title, regarding the preference for vessels of the United States or belonging to the United States in the transportation of supplies by sea, shall apply to the negotiation of transportation contracts under the authority of this section.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"2643. Commissary and exchange services: transportation overseas.".

SEC. 346. DEMONSTRATION PROGRAM FOR UNIFORM FUNDING OF MORALE, WELFARE, AND RECREATION ACTIVITIES AT CERTAIN MILITARY INSTALLATIONS.

(a) DEMONSTRATION PROGRAM REQUIRED.—The Secretary of Defense shall conduct a demonstration program at six military installations, under which funds appropriated for the support of morale, welfare, and recreation programs at the installations are combined with nonappropriated funds available for such programs and treated as nonappropriated funds. Under this demonstration program, the combined appropriated funds shall be expended pursuant to the laws and regulations that apply to nonappropriated funds.

(b) COVERED MILITARY INSTALLATIONS.—The Secretary of Defense shall select two military installations from each military department to participate in the demonstration program.

(c) EFFECT ON CIVILIAN EMPLOYEES.—Civilian employees of the Department of Defense who are normally paid using the appropriated funds that are combined under subsection (a) shall be considered to be nonappropriated fund instrumentality employees unless they continue to be paid using other appropriated funds. Any converted employee shall automatically revert to the employee's former status at the end of the program or upon any action by management to terminate the employee, whichever occurs first. Any converted employee shall retain retirement and medical benefits under the employee's former status.

(d) PERIOD OF DEMONSTRATION PROGRAM.—The demonstration program shall terminate at the end of the first full fiscal year beginning on or after the date of the enactment of this Act.

(e) REPORT.—Not later than 90 days after the end of the demonstration program, the Secretary of Defense shall submit to Congress a report describing the results of the demonstration program.

SEC. 347. CONTINUED OPERATION OF BASE EXCHANGE MART AT FORT WORTH NAVAL AIR STATION AND AUTHORITY TO EXPAND BASE EXCHANGE MART PROGRAM.

(a) CONTINUED OPERATION OF BASE EXCHANGE MART.—Section 375 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2736) is amended by striking out ", until December 31, 1995,".

(b) EXPANSION OF BASE EXCHANGE MART PROGRAM.—(1) Subject to paragraph (2), the Secretary of Defense may provide for the operation by a nonappropriated fund instrumentality of not more than ten combined exchange and commissary stores, in which groceries are sold at five percent above cost and other items are sold at the typical military exchange markup.

(2) The Secretary may select a military installation as the location for a combined exchange and commissary store only if—

(A) the installation has been or is selected for closure or realignment; or

(B) the continued operation of a separate military exchange and commissary store at the installation is not economically feasible.

(3) If a nonappropriated fund instrumentality incurs a loss in operating a commissary store as a result of the pricing requirements specified in paragraph (1), the Secretary may authorize a transfer of funds appropriated for the Defense Commissary Agency to the nonappropriated fund instrumentality to offset the loss. However, the total amount of appropriated funds transferred during a fiscal year to support the operation of a commissary store may not exceed an amount equal to 25 percent of the appropriated funds provided during the last full year of operation of the commissary store by the Defense Commissary Agency.

(4) The combined military exchange and commissary stores authorized under this subsection shall include the combined military exchange and commissary store operated at the Naval Air Station Fort Worth, Joint Reserve Center, Carswell Field, Texas.

(5) For purposes of this section, the term "nonappropriated fund instrumentality" means the Army and Air Force Exchange Service, Navy Exchange Service Command, Marine Corps exchanges, or any other instrumentality of the United States under the jurisdiction of the Armed Forces which is conducted for the comfort, pleasure, contentment, or physical or mental improvement of members of the Armed Forces.

SEC. 348. UNIFORM DEFERRED PAYMENTS PROGRAM FOR MILITARY EXCHANGES.

(a) USE OF COMMERCIAL BANKING INSTITUTIONS.—As soon as possible after the date of the enactment of this Act, the Secretary of Defense shall endeavor to enter into an agreement with a commercial banking institution under which the commercial banking institution will fund and operate the deferred payment programs of the Army and Air Force Exchange Service and Navy Exchange Service Command. To ease the transition to commercial operation, the Secretary may initially limit the agreement to one of the two military exchange services.

(b) UNIFORM EXCHANGE CREDIT PROGRAM.—Not later than January 1, 1997, the Secretary shall establish a uniform deferred payment program for use in all military exchanges to replace the separate deferred payment programs currently operated by the Army and Air Force Exchange Service and Navy Exchange Service Command.

(c) REPORT.—Not later than December 31, 1995, the Secretary of Defense shall submit to Congress a report describing the implementation of this section.

SEC. 349. AVAILABILITY OF FUNDS TO OFFSET EXPENSES INCURRED BY ARMY AND AIR FORCE EXCHANGE SERVICE ON ACCOUNT OF TROOP REDUCTIONS IN EUROPE.

Of funds authorized to be appropriated under section 301(5), not more than $70,000,000 shall be available to the Secretary of Defense for transfer to the Army and Air Force Exchange Service to offset expenses incurred by the Army and Air Force Exchange Service on account of reductions in the number of members of the United States Armed Forces assigned to permanent duty ashore in Europe.

SEC. 350. STUDY REGARDING IMPROVING EFFICIENCIES IN OPERATION OF MILITARY EXCHANGES AND OTHER MORALE, WELFARE, AND RECREATION ACTIVITIES AND COMMISSARY STORES.

(a) STUDY REQUIRED.—The Secretary of Defense shall conduct a study regarding the manner in which greater efficiencies can be achieved in the operation of—

(1) military exchanges;

(2) other instrumentalities of the United States under the jurisdiction of the Armed Forces which are conducted for the comfort, pleasure, contentment, or physical or mental improvement of members of the Armed Forces; and

(3) commissary stores.

(b) REPORT OF STUDY.—Not later than March 1, 1996, the Secretary of Defense shall submit to Congress a report describing the results of the study and containing such recommendations as the Secretary considers appropriate to implement efficiency-building options identified in the study.

SEC. 351. EXTENSION OF DEADLINE FOR CONVERSION OF NAVY SHIPS' STORES TO OPERATION AS NONAPPROPRIATED FUND INSTRUMENTALITIES.

(a) EXTENSION.—Section 371(a) of the National Defense Authorization Act for Fiscal

Year 1994 (Public Law 103–160; 10 U.S.C. 7604 note) is amended by striking out "December 31, 1995" and inserting in lieu thereof "December 31, 1996".

(b) INSPECTOR GENERAL REVIEW.—Not later than April 1, 1996, the Inspector General of the Department of Defense shall submit to Congress a report—

(1) evaluating the costs and benefits of converting the operation of all Navy ships' stores to operation by the Navy Exchange Service Command, as required by section 371(a) of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 10 U.S.C. 7604 note); and

(2) reviewing the Navy Audit Agency report regarding such conversion prepared pursuant to section 374 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2736).

Subtitle F—Contracting Out

SEC. 357. PROCUREMENT OF ELECTRICITY FROM MOST ECONOMICAL SOURCE.

(a) PROCUREMENT OF ELECTRICITY.—(1) Chapter 147 of title 10, United States Code, is amended by inserting after section 2483 the following new section:

"§2483a. Procurement of electricity from most economical source

"The Secretary of Defense shall procure electricity for use on military installations and by other activities and functions of the Department of Defense from the most economical source, as determined by the Secretary. The Secretary shall make the determination required by this section in the manner provided in section 2462 of this title.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2483 the following new item:

"2483a. Procurement of electricity from most economical source.".

(b) EFFECTIVE DATE; RULE OF CONSTRUCTION.—The amendment made by subsection (a) shall take effect on March 1, 1996, except that the amendment shall not be construed to require the termination of any contract for the purchase of electricity for the Department of Defense entered into before that date.

SEC. 358. PROCUREMENT OF CERTAIN COMMODITIES FROM MOST ECONOMICAL SOURCE.

(a) PROCUREMENT OF SUPPLIES.—In the case of supplies for the Department of Defense procured through the General Services Administration as of the date of the enactment of this Act, the Secretary of Defense shall procure such supplies from another source if the Secretary determines that the source can provide the supplies at a lower cost. The Secretary shall make the determinations required by this section in the manner provided in section 2462 of title 10, United States Code.

(b) EFFECTIVE DATE; RULE OF CONSTRUCTION.—The amendment made by subsection (a) shall take effect on March 1, 1996, except that the amendment shall not be construed to require the termination of any contract between the Secretary of Defense and the General Services Administration entered into before that date.

SEC. 359. INCREASE IN COMMERCIAL PROCUREMENT OF PRINTING AND DUPLICATION SERVICES.

Notwithstanding any other provision of law, during fiscal year 1996, the Defense Printing Service may use private printing sources for up to 70 percent of its printing and duplication services.

SEC. 360. DIRECT DELIVERY OF ASSORTED CONSUMABLE INVENTORY ITEMS OF DEPARTMENT OF DEFENSE.

To reduce the expense and necessity of maintaining extensive warehouses for consumable inventory items of the Department of Defense, the Secretary of Defense shall arrange for direct vendor delivery of food, clothing, medical and pharmaceutical supplies, automotive, electrical, fuel, and construction supplies, and other consumable inventory items for military installations throughout the United States. The Secretary shall complete implementation of this direct vendor delivery system not later than September 30, 1996.

SEC. 361. OPERATIONS OF DEFENSE REUTILIZATION AND MARKETING SERVICE.

The Secretary of Defense shall enter into a contract, not later than July 1, 1996, for the performance by a commercial entity of all of the operations of the unit of the Defense Logistics Agency known as the Defense Reutilization and Marketing Service.

SEC. 362. PRIVATE OPERATION OF PAYROLL FUNCTIONS OF DEPARTMENT OF DEFENSE FOR PAYMENT OF CIVILIAN EMPLOYEES.

(a) PLAN ON CONTRACTING OUT.—Not later than March 1, 1996, the Secretary of Defense shall submit to Congress a plan regarding private operation of payroll functions for civilian employees of the Department of Defense.

(b) IMPLEMENTATION.—Not later than October 1, 1996, the Secretary shall implement the plan developed under subsection (a).

SEC. 363. DEMONSTRATION PROGRAM TO IDENTIFY UNDERDEDUCTIONS AND OVERPAYMENTS MADE TO VENDORS.

(a) DEMONSTRATION PROGRAM REQUIRED.—The Secretary of Defense shall conduct a demonstration program at the Defense Personnel Support Center, Philadelphia, Pennsylvania, to evaluate the feasibility of using private contractors to audit accounting and procurement records of the Department of Defense to identify moneys due the United States because of underdeductions and overpayments made to vendors. Pursuant to an agreement between the Secretary and one or more private contractors selected by the Secretary, the contractors shall perform an audit of accounting and procurement records of the Department for at least fiscal years 1993, 1994, and 1995 using commercial sector data processing techniques, which would compare purchase documents and agreements with vendor invoices to discover discrepancies in allowances, pricing, discounts, billback allowances, backhaul allowances, and freight routing instructions. The audit shall also attempt to identify duplicate payments and unauthorized invoice charges.

(b) BONUS PAYMENT.—From amounts made available to conduct the demonstration program, the Secretary may pay the contractors a negotiated amount not to exceed 25 percent of all amounts recovered as a result of the audit.

(c) AVAILABILITY OF FUNDS.—From amounts authorized to be appropriated pursuant to section 301(5), not more than $5,000,000 shall be available to cover the costs of the demonstration program, including the cost of any bonus payment under subsection (b).

SEC. 364. PILOT PROGRAM TO EVALUATE POTENTIAL FOR PRIVATE OPERATION OF OVERSEAS DEPENDENTS' SCHOOLS.

(a) PILOT PROGRAM.—The Secretary of Defense may conduct a pilot program to assess the feasibility of using private contractors to operate schools of the defense dependents' education system established under section 1402(a) of the Defense Dependents' Education Act of 1978 (20 U.S.C. 921(a)).

(b) SELECTION OF SCHOOL FOR PROGRAM.—If the Secretary of Defense conducts the pilot program, the Secretary shall select one school of the defense dependents' education system for participation in the program. Under the pilot program, the Secretary shall provide for the operation of the school by an appropriate private contractor for not less than one complete school year.

(c) REPORT.—Not later than 30 days after the end of the first school year in which the pilot program is conducted, the Secretary of Defense shall submit to Congress a report on the results of the program. The report shall include the recommendation of the Secretary with respect to the extent to which other schools of the defense dependents' education system should be operated by private contractors.

SEC. 365. PILOT PROGRAM FOR EVALUATION OF IMPROVED DEFENSE TRAVEL PROCESSING PROTOTYPES.

(a) PILOT PROGRAM REQUIRED; LOCATION.—(1) The Secretary of Defense, acting through the Under Secretary of Defense (Comptroller), shall conduct a pilot program regarding two prototype tests of commercial travel applications to determine the best approach for the Department of Defense Travel System.

(2) The Secretary shall conduct the pilot program at six military installations containing approximately equal numbers of members of the Armed Forces. Two installations shall be selected from each military department.

(b) DESCRIPTION OF PROTOTYPE TESTS.—The two respective tests shall be as follows:

(1) In this test, three installations (one for each military department), with the Department of Defense acting as its own integrator, will implement the travel processes proposed by the task force on travel management chartered by the Secretary of Defense in July 1994, and will offer specific business opportunities in the services areas currently utilized, namely reservations and credit card technologies.

(2) In this test, three installations (one for each military department), will contract out their entire travel process, reserving only essential elements, such as travel authorization, for performance by employees of the Department of Defense. Particular attention will be focused on the ability of the vendor to integrate all processes into a responsive, reasonably priced, uniform travel system.

(c) CONDUCT OF TESTS.—The two prototype tests shall be conducted as follows:

(1) Each test must accommodate the guidelines for travel management issued by the Under Secretary of Defense (Comptroller).

(2) The tests must take no more than 60 days to set up and be operational for one year.

(d) EVALUATION CRITERIA.—The Secretary of Defense shall establish evaluation criteria that include, at a minimum—

(1) aligning travel policy and cost estimates with mission at the point of reservation;

(2) using fully integrated solutions envisioned by the Department of Defense travel reengineering report of January 1995;

(3) matching credit card data and reservation data with cost estimate data;

(4) matching data with a trip pro forma plan to eliminate the need for further approvals; and

(5) a responsive and flexible management information system for managers at all levels to monitor travel expenses throughout the year, budget accurately for any future year, and assess cost and value relationship regarding temporary duty travel for each mission.

(e) PLAN FOR PROGRAM.—Before conducting the pilot program, the Secretary of Defense shall develop a plan for the program that addresses the following:

(1) The purposes of the prototype test, including the objective of reducing the total costs of managing travel by at least one-half.

(2) The methodology, duration, and anticipated costs, including an arrangement whereby the contractor would receive its agreed upon contract payment plus an additional negotiated amount not to exceed 50 percent of the dollar savings achieved in excess of the objective specified in paragraph (1).

(3) A specific citation to any provision or law, rule, or regulation that, if not waived, would prohibit the conduct of the program or any part of the program.

(4) The evaluation mechanism required by subsection (d).

(5) A provision for implementing the most successful prototype Department-wide, based upon final assessment of results.

SEC. 366. PILOT PROGRAM FOR PRIVATE OPERATION OF CONSOLIDATED INFORMATION TECHNOLOGY FUNCTIONS OF DEPARTMENT OF DEFENSE.

(a) PILOT PROGRAM REQUIRED.—(1) The Secretary of Defense shall enter into discussions with private sector entities for the purpose of issuing a request for proposal to establish a pilot program to test and evaluate the cost savings and efficiencies of private operation of all information technology services for the Department of Defense currently being consolidated in Defense MegaCenters. The negotiations shall be conducted so that the request for proposal may be issued within 60 days after the date of the enactment of this Act.

(2) The minimum workload to be contracted out in the pilot program shall be equivalent to the workload of at least three Defense MegaCenters.

(b) ESTABLISHMENT AND DURATION.—The Secretary of Defense shall implement private operations under the pilot program within one year after the date of the enactment of this Act. The pilot program shall operate for not more than a three-year period after implementation.

(c) GOAL OF PROGRAM.—The goal of the pilot program is to receive proposals from private sector entities that, if implemented, would reduce operating costs to the Department of Defense for information technology functions by at least 35 percent in comparison to annual operating cost as of the date of the enactment of this Act.

(d) PLAN OF PROGRAM.—Before conducting the pilot program, the Secretary of Defense shall develop a plan for the program that addresses the following:

(1) The purposes of the program.

(2) The methodology, duration, and anticipated costs of the program, including the cost of an arrangement whereby the private contractor would receive the agreed upon contract payment plus an additional negotiated amount not to exceed 50 percent of the dollar savings achieved in excess of the goal specified in subsection (c).

(3) A specific citation to any provisions of law, rule, or regulation that, if not waived, would prohibit the conduct of the program or any part of the program.

(4) An evaluation mechanism for the program.

(5) A provision for expanding the program to all information technology functions of the Department of Defense, based upon final assessment of the results of the program.

(e) SUSPENSION OF FURTHER CONSOLIDATION.—Until the completion of the pilot program and submission of the final report required under subsection (f)(2), none of the funds appropriated to the Department of Defense for a fiscal year after fiscal year 1995 may be used to reduce the number of data centers of the Department of Defense to fewer than the 16 Defense MegaCenters identified as of the date of the enactment of this Act.

(f) REPORTING REQUIREMENTS.—(1) Not later than six months after commencing contracting out activities under the pilot program, the Secretary of Defense shall submit to Congress an initial assessment report regarding the implementation of the pilot program.

(2) The Secretary shall submit to Congress a final assessment report, including a recommendation for expanding the program as appropriate, not later than one year after commencing contracting out activities under the pilot program.

SEC. 367. REPORT ON EFFORTS TO CONTRACT OUT CERTAIN FUNCTIONS OF DEPARTMENT OF DEFENSE.

Not later than March 1, 1996, the Secretary of Defense shall submit to Congress a report describing the advantages and disadvantages of using contractor personnel, rather than civilian employees of the Department of Defense, to perform functions of the Department that are not essential to the warfighting mission of the Armed Forces. The report shall specify all legislative and regulatory impediments to contracting those functions for private performance.

SEC. 368. PILOT PROGRAM FOR PRIVATE OPERATION OF PAYROLL AND ACCOUNTING FUNCTIONS OF NONAPPROPRIATED FUND INSTRUMENTALITIES.

(a) PILOT PROGRAM REQUIRED; LOCATION.—(1) The Secretary of Defense, acting through the Under Secretary of Defense (Comptroller), shall enter into discussions with private sector entities for the purpose of issuing a request for proposal to establish a pilot program to test and evaluate the cost savings and efficiencies of private operation of accounting and payroll function of nonappropriated fund instrumentalities of the Department of Defense. The negotiations shall be conducted so that the request for proposal may be issued within 60 days after the date of the enactment of this Act.

(2) The pilot program shall consist of a major Department of Defense Nonappropriated Fund Accounting and Payroll function.

(b) GOAL OF PROGRAM.—The goal of the pilot program is to receive proposals from private sector entities that, if implemented, would reduce by at least 25 percent the total costs to the Government for each pay event.

(c) PLAN OF PROGRAM.—Before conducting the pilot program, the Secretary of Defense shall develop a plan for the program that addresses the following:

(1) The purposes of the program.

(2) The methodology, duration, and anticipated costs of the program, including the cost of an arrangement whereby the private contractor would receive the agreed upon contract payment plus an additional negotiated amount not to exceed 50 percent of the dollar savings achieved in excess of the goal specified in subsection (b).

(3) A specific citation to any provisions of law, rule, or regulation that, if not waived, would prohibit the conduct of the program or any part of the program.

(4) An evaluation mechanism for the program.

(5) A provision for expanding the program to all accounting and payroll functions of nonappropriated fund instrumentalities of the Department of Defense, based upon final assessment of the results of the program.

Subtitle G—Miscellaneous Reviews, Studies, and Reports

SEC. 371. QUARTERLY READINESS REPORTS.

(a) IN GENERAL.—(1) Chapter 22 of title 10, United States Code, is amended by adding at the end the following new section:

"§452. Quarterly readiness reports

"(a) REQUIREMENT.—Not later than 30 days after the end of each calendar-year quarter, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on military readiness. The report for any quarter shall be based on assessments that are provided during that quarter—

"(1) to any council, committee, or other body of the Department of Defense (A) that has responsibility for readiness oversight, and (B) the membership of which includes at least one civilian officer in the Office of the Secretary of Defense at the level of Assistant Secretary of Defense or higher;

"(2) by senior civilian and military officers of the military departments and the commanders of the unified and specified commands; and

"(3) as part of any regularly established process of periodic readiness reviews for the Department of Defense as a whole.

"(b) MATTERS TO BE INCLUDED.—Each such report—

"(1) shall specifically describe identified readiness problems or deficiencies and planned remedial actions; and

"(2) shall include the key indicators and other relevant data related to the identified problem area or deficiency.

"(c) CLASSIFICATION OF REPORTS.—Reports under this section shall be submitted in unclassified form and may, as the Secretary determines necessary, also be submitted in classified form.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"452. Quarterly readiness reports.".

(b) EFFECTIVE DATE.—Section 452 of title 10, United States Code, as added by subsection (a), shall take effect with the calendar-year quarter during which this Act is enacted.

SEC. 372. REPORTS REQUIRED REGARDING EXPENDITURES FOR EMERGENCY AND EXTRAORDINARY EXPENSES.

Subsection (c) of section 127 of title 10, United States Code, is amended to read as follows:

"(c)(1) In any fiscal year in which funds are expended under the authority of this section, the Secretary of Defense shall submit a report of such expenditures on a quarterly basis to the committees specified in paragraph (3).

"(2) An obligation or expenditure in an amount of $1,000,000 or more may not be made under the authority of this section for any single transaction until the Secretary of Defense has notified the committees specified in paragraph (3).

"(3) The committees referred to in paragraphs (1) and (2) are—

"(A) the Committee on Armed Services and the Committee on Appropriations of the Senate; and

"(B) the Committee on National Security and the Committee on Appropriations of the House of Representatives.".

SEC. 373. RESTATEMENT OF REQUIREMENT FOR SEMIANNUAL REPORTS TO CONGRESS ON TRANSFERS FROM HIGH-PRIORITY READINESS APPROPRIATIONS.

Section 361 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2732) is amended to read as follows:

"SEC. 361. SEMIANNUAL REPORTS TO CONGRESS ON TRANSFERS FROM HIGH-PRIORITY READINESS APPROPRIATIONS.

"(a) ANNUAL REPORTS.—(1) During 1996 and 1997, the Secretary of Defense shall submit to the congressional defense committees a report on transfers during the preceding fiscal year from funds available for the budget activities specified in subsection (d) (hereinafter in this section referred to as 'covered budget activities'). The report each year shall be submitted not later than the date in that year on which the President submits the budget for the next fiscal year to Congress pursuant to section 1105 of title 31, United States Code.

"(2) Each such report shall include—

"(A) specific identification of each transfer during the preceding fiscal year of funds available for any covered budget activity, showing the amount of the transfer, the covered budget activity from which the transfer was made, and the budget activity to which the transfer was made; and

"(B) with respect to each such transfer, a statement of whether that transfer was made to a budget activity within a different appropriation than the appropriation containing the covered budget activity from which the transfer

was made or to a budget activity within the same appropriation.

"(b) MIDYEAR REPORTS.—On May 1 of each year specified in subsection (a), the Secretary of Defense shall submit to the congressional defense committees a report providing the same information, with respect to the first six months of the fiscal year in which the report is submitted, that is provided in reports under subsection (a) with respect to the preceding fiscal year.

"(c) MATTERS TO BE INCLUDED.—In each report under this section, the Secretary shall include the following:

"(1) With respect to each transfer of funds identified in the report, a statement of the specific reason for the transfer.

"(2) For each covered budget activity—

"(A) a statement, for the period covered by the report, of—

"(i) the total amount of transfers into funds available for that activity;

"(ii) the total amount of transfers from funds available for that activity; and

"(iii) the net amount of transfers into, or out of, funds available for that activity; and

"(B) a detailed explanation of the transfers into, and out of, funds available for that activity during the period covered by the report.

"(d) COVERED BUDGET ACTIVITIES.—The budget activities to which this section applies are the following:

"(1) The budget activity groups (known as 'subactivities') within the Operating Forces budget activity of the annual Operation and Maintenance, Army, appropriation that are designated as follows:

"(A) Combat Units.

"(B) Tactical Support.

"(C) Force-Related Training/Special Activities.

"(D) Depot Maintenance.

"(E) JCS Exercises.

"(2) The budget activity groups (known as 'subactivities') within the Operating Forces budget activity of the annual Operation and Maintenance, Navy, appropriation that are designated as follows:

"(A) Mission and Other Flight Operations.

"(B) Mission and Other Ship Operations.

"(C) Fleet Air Training.

"(D) Ship Operational Support and Training.

"(E) Aircraft Depot Maintenance.

"(F) Ship Depot Maintenance.

"(3) The budget activity groups (known as 'subactivities'), or other activity, within the Operating Forces budget activity of the annual Operation and Maintenance, Air Force, appropriation that are designated or otherwise identified as follows:

"(A) Primary Combat Forces.

"(B) Primary Combat Weapons.

"(C) Global and Early Warning.

"(D) Air Operations Training.

"(E) Depot Maintenance.

"(F) JCS Exercises.".

SEC. 374. MODIFICATION OF NOTIFICATION REQUIREMENT REGARDING USE OF CORE LOGISTICS FUNCTIONS WAIVER.

Section 2464(b) of title 10, United States Code, is amended by striking out paragraphs (3) and (4) and inserting in lieu thereof the following new paragraph:

"(3) A waiver under paragraph (2) may not take effect until the end of the 30-day period beginning on the date on which the Secretary submits a report on the waiver to the Committee on Armed Services and the Committee on Appropriations of the Senate and the Committee on National Security and the Committee on Appropriations of the House of Representatives.".

SEC. 375. LIMITATION ON DEVELOPMENT OR MODERNIZATION OF AUTOMATED INFORMATION SYSTEMS OF DEPARTMENT OF DEFENSE PENDING REPORT.

(a) OBLIGATIONS AND EXPENDITURES SUBJECT TO REPORT.—Of the amounts appropriated pursuant to the authorization of appropriations in section 301, the Secretary of Defense may not obligate or expend amounts in excess of $2,411,947,000 for the development and modernization of automated data processing programs of the Department of Defense until after the end of the 30-day period beginning on the date on which the Inspector General of the Department of Defense submits to Congress a report that—

(1) addresses the ongoing concerns about performance measures and management controls regarding automated information systems;

(2) certifies that the Inspector General has completed review of the Base Level System Modernization and the Sustaining Base Information System;

(3) certifies that the Inspector General has completed the tasks identified in the review of Standard Installation/Division Personnel System-3;

(4) provides complete functional economic analyses for Automated System for Transportation Data, Electronic Data Interchange, Flexible Computer Integrated Manufacturing, Navy Tactical Command Support System, and Defense Information System Network;

(5) contains the resolution of the existing problems with the Defense Information System Network, Continuous Acquisition and Life-Cycle Support, and the Joint Computer-Aided Acquisition and Logistics Support;

(6) provides the necessary waivers regarding compelling military value, or provides complete functional economic analyses, regarding Air Force Wargaming Center Air Force Command Exercise System, Cheyenne Mountain Upgrade, Transportation Coordinator Automated Command and Control Information Systems, and Wing Command and Control System; and

(7) certifies the termination of the Personnel Electronic Record Management System or provides justification for the continued need for the program.

(b) AUTOMATED INFORMATION SYSTEM DEFINED.—For purposes of this section, the term "automated information system" means an automated information system of the Department of Defense subject to section 381 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103-337; 108 Stat. 2738; 10 U.S.C. 113 note).

SEC. 376. REPORT REGARDING REDUCTION OF COSTS ASSOCIATED WITH CONTRACT MANAGEMENT OVERSIGHT.

(a) REPORT REQUIRED.—Not later than April 1, 1996, the Comptroller General of the United States shall submit to Congress a report identifying methods to reduce the cost to the Department of Defense of management oversight of contracts in connection with major defense acquisition programs.

(b) MAJOR DEFENSE ACQUISITION PROGRAMS DEFINED.—For purposes of this section, the term "major defense acquisition programs" has the meaning given that term in section 2430(a) of title 10, United States Code.

Subtitle H—Other Matters

SEC. 381. PROHIBITION ON CAPITAL LEASE FOR DEFENSE BUSINESS MANAGEMENT UNIVERSITY.

None of the funds appropriated to the Department of Defense for fiscal year 1996 may be used to enter into any lease with respect to the Center for Financial Management Education and Training of the Defense Business Management University if the lease would be treated as a capital lease for budgetary purposes.

SEC. 382. AUTHORITY OF INSPECTOR GENERAL OVER INVESTIGATIONS OF PROCUREMENT FRAUD.

(a) AUTHORITY.—Section 141 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(c) The Inspector General shall be responsible for and shall oversee all investigations of procurement fraud within the Department of Defense.".

(b) IMPLEMENTATION.—The Secretary of Defense shall take such action as may be necessary to implement the amendment made by subsection (a).

SEC. 383. PROVISION OF EQUIPMENT AND FACILITIES TO ASSIST IN EMERGENCY RESPONSE ACTIONS.

Section 372 of title 10, United States Code, is amended by adding at the end the following new sentence: "Assistance provided under this section may include training facilities, sensors, protective clothing, antidotes, and other materials and expertise of the Department of Defense appropriate for use by a Federal, State, or local law enforcement agency in preparing for or responding to an emergency involving chemical or biological agents if the Secretary determines that the materials or services to be provided are not reasonably available from another source.".

SEC. 384. CONVERSION OF CIVILIAN MARKSMANSHIP PROGRAM TO NONAPPROPRIATED FUND INSTRUMENTALITY AND ACTIVITIES UNDER PROGRAM.

(a) CONVERSION.—Section 4307 of title 10, United States Code, is amended to read as follows:

"§4307. Promotion of rifle practice and firearms safety: administration

"(a) NONAPPROPRIATED FUND INSTRUMENTALITY.—On and after October 1, 1995, the Civilian Marksmanship Program shall be operated as a nonappropriated fund instrumentality of the United States within the Department of Defense for the benefit of members of the armed forces and for the promotion of rifle practice and firearms safety among civilians.

"(b) NATIONAL BOARD.—(1) The Civilian Marksmanship Program shall be under the general supervision of a National Board for the Promotion of Rifle Practice and Firearms Safety, which shall replace the National Board for the Promotion of Rifle Practice. The National Board shall consist of nine members who are appointed by the Secretary of the Army.

"(2) The term of office of a member of the National Board shall be two years. However, in the case of the initial National Board, the Secretary shall appoint four members who will have a one-year term.

"(3) Members of the National Board shall serve without compensation, except that members shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, while away from their homes or regular places of business in the performance of services for the National Board.

"(c) DIRECTOR AND STAFF.—The National Board shall appoint a person to serve as director of the Civilian Marksmanship Program. The compensation and benefits of the director and all other civilian employees of the Department of Defense used by the Civilian Marksmanship Program shall be paid from nonappropriated funds available to the Civilian Marksmanship Program.

"(d) FUNDING.—(1) Except as provided in section 4310 of this title, funds appropriated or otherwise made available to the Department of Defense in appropriation Acts may not be obligated or expended to benefit the Civilian Marksmanship Program or activities conducted by the Civilian Marksmanship Program.

"(2) The National Board and the director may solicit, accept, hold, use, and dispose of, in furtherance of the activities of the Civilian Marksmanship Program, donations of money, property, and services received by gift, devise, bequest, or otherwise. Donations may be accepted from munitions and firearms manufacturers notwithstanding any legal restrictions otherwise

arising from their procurement relationships with the United States.

"(3) Amounts collected under the Civilian Marksmanship Program, including the proceeds from the sale of arms, ammunition, targets, and other supplies and appliances under section 4308 of this title, shall be credited to the Civilian Marksmanship Program and shall be available to carry out the Civilian Marksmanship Program. Amounts collected by, and available to, the National Board for the Promotion of Rifle Practice before the date of the enactment of this section from rifle sales programs and from fees in connection with competitions sponsored by that Board shall be transferred to the National Board to be available to carry out the Civilian Marksmanship Program.

"(4) Funds held on behalf of the Civilian Marksmanship Program shall not be construed to be Government or public funds or appropriated funds and shall not be available to support other nonappropriated fund instrumentalities of the Department of Defense. Funds held on behalf of other nonappropriated fund instrumentalities of the Department of Defense shall not be available to support the Civilian Marksmanship Program. Expenditures on behalf of the Civilian Marksmanship Program, including compensation and benefits for civilian employees, may not exceed $5,000,000 during any fiscal year. The approval of the National Board shall be required for any expenditure in excess of $50,000. Notwithstanding any other provision of law, funds held on behalf of the Civilian Marksmanship Program shall remain available until expended.

"(e) DEFINITIONS.—In this section and sections 4308 through 4313 of this title:

"(1) The term 'Civilian Marksmanship Program' means the rifle practice and firearms safety program carried out by the National Board under section 4308 and includes the National Matches and small-arms firing schools referred to in section 4312 of this title.

"(2) The term 'National Board' means the National Board for the Promotion of Rifle Practice and Firearms Safety.".

(b) ACTIVITIES.—Section 4308 of such title is amended to read as follows:

"§4308. Promotion of rifle practice and firearms safety: activities

"(a) INSTRUCTION, SAFETY, AND COMPETITION PROGRAMS.—(1) The Civilian Marksmanship Program shall provide for—

"(A) the operation and maintenance of indoor and outdoor rifle ranges and their accessories and appliances;

"(B) the instruction of citizens of the United States in marksmanship, and the employment of necessary instructors for that purpose;

"(C) the promotion of practice in the use of rifled arms and the maintenance and management of matches or competitions in the use of those arms; and

"(D) the award to competitors of trophies, prizes, badges, and other insignia.

"(2) In carrying out this subsection, the Civilian Marksmanship Program shall give priority to activities that benefit firearms safety training and competition for youth and reach as many youth participants as possible.

"(3) Before a person may participate in any activity sponsored or supported by the Civilian Marksmanship Program under this subsection, the person shall be required to certify that the person has not violated any Federal or State firearms laws.

"(b) SALE AND ISSUANCE OF ARMS AND AMMUNITION.—(1) The Civilian Marksmanship Program may issue, without cost, the arms, ammunition (including caliber .22 and caliber .30 ammunition), targets, and other supplies and appliances necessary for activities conducted under subsection (a). Issuance shall be made only to gun clubs under the direction of the National Board that provide training in the use of rifled arms to youth, the Boy Scouts of America, 4-H Clubs, Future Farmers of America, and other youth-oriented organizations for training and competition.

"(2) The Civilian Marksmanship Program may sell at fair market value caliber .30 rifles, caliber .22 rifles, and air rifles, and ammunition for such rifles, to gun clubs that are under the direction of the National Board and provide training in the use of rifled arms. In lieu of sales, the Civilian Marksmanship Program may loan such rifles to such gun clubs.

"(3) The Civilian Marksmanship Program may sell at fair market value small arms, ammunition, targets, and other supplies and appliances necessary for target practice to citizens of the United States over 18 years of age who are members of a gun club under the direction of the National Board.

"(4) Before conveying any weapon or ammunition to a person, whether by sale or lease, the National Board shall provide for a criminal records check of the person with appropriate Federal and State law enforcement agencies.

"(c) OTHER AUTHORITIES.—The National Board shall provide for—

"(1) the procurement of necessary supplies, appliances, trophies, prizes, badges, and other insignia, clerical and other services, and labor to carry out the Civilian Marksmanship Program; and

"(2) the transportation of employees, instructors, and civilians to give or to receive instruction or to assist or engage in practice in the use of rifled arms, and the transportation and subsistence, or an allowance instead of subsistence, of members of teams authorized by the National Board to participate in matches or competitions in the use of rifled arms.

"(d) FEES.—The National Board may impose reasonable fees for persons and gun clubs participating in any program or competition conducted under the Civilian Marksmanship Program for the promotion of rifle practice and firearms safety among civilians.

"(e) RECEIPT OF EXCESS ARMS AND AMMUNITION.—(1) The Secretary of the Army shall reserve for the Civilian Marksmanship Program all remaining M-1 Garand rifles, and ammunition for such rifles, still held by the Army. After the date of the enactment of this section, the Secretary of the Army shall cease demilitarization of remaining M-1 Garand rifles in the Army inventory unless such rifles are determined to be irreparable by the Defense Logistics Agency.

"(2) Transfers under this subsection shall be made without cost to the Civilian Marksmanship Program, except that the National Board shall assume the costs of transportation for the transferred small arms and ammunition.

"(f) PARTICIPATION CONDITIONS.—(1) All participants in the Civilian Marksmanship Program and activities sponsored or supported by the National Board shall be required, as a condition of participation, to sign affidavits stating that—

"(A) they have never been convicted of a firearms violation under State or Federal law; and

"(B) they are not members of any organization which advocates the violent overthrow of the United States Government.

"(2) Any person found to have violated this subsection shall be ineligible to participate in the Civilian Marksmanship Program and future activities sponsored or supported by the National Board.".

(c) PARTICIPATION OF MEMBERS OF THE ARMED FORCES IN INSTRUCTION AND COMPETITION.—Section 4310 of such title is amended to read as follows:

"§4310. Rifle instruction and competitions: participation of members

"(a) PARTICIPATION AUTHORIZED.—The commander of a major command of the armed forces may detail regular or reserve officers and noncommissioned officers under the authority of the commander to duty as instructors at rifle ranges for training civilians in the safe use of military arms. The commander of a major command may detail enlisted members under the authority of the commander as temporary instructors in the safe use of the rifle to organized rifle clubs requesting that instruction. The commander of a major command may detail members under the authority of the commander to provide other logistical and administrative support for competitions and other activities conducted by the Civilian Marksmanship Program. Members of a reserve component may be detailed only if the service to be provided meets a legitimate training need of the members involved.

"(b) COSTS OF PARTICIPATION.—The commander of a major command of the armed forces may pay the personnel costs and travel and per diem expenses of members of an active or reserve component of the armed forces who participate in a competition sponsored by the Civilian Marksmanship Program or who provide instruction or other services in support of the Civilian Marksmanship Program.".

(d) CONFORMING AMENDMENTS.—(1) Section 4312(a) of such title is amended by striking out "as prescribed by the Secretary of the Army" and inserting in lieu thereof "as part of the Civilian Marksmanship Program".

(2) Section 4313 of such title is amended—

(A) in subsection (a), by striking out "Secretary of the Army" both places it appears and inserting in lieu thereof "National Board"; and

(B) in subsection (b), by striking out "Appropriated funds available for the Civilian Marksmanship Program (as defined in section 4308(e) of this title) may" and inserting in lieu thereof "Nonappropriated funds available to the Civilian Marksmanship Program shall".

(e) CLERICAL AMENDMENTS.—The table of sections at the beginning of chapter 401 of such title is amended by striking out the items relating to sections 4307, 4308, and 4310 and inserting in lieu thereof the following new items:

"4307. Promotion of rifle practice and firearms safety: administration.

"4308. Promotion of rifle practice and firearms safety: activities.

"4310. Rifle instruction and competitions: participation of members.".

(f) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1995.

SEC. 385. PERSONNEL SERVICES AND LOGISTICAL SUPPORT FOR CERTAIN ACTIVITIES HELD ON MILITARY INSTALLATIONS.

Section 2544 of title 10, United States Code, is amended—

(1) by redesignating subsection (g) as subsection (h); and

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

"(g) In the case of a Boy Scout Jamboree held on a United States military installation, the Secretary of Defense may provide personnel services and logistical support at the military installation in addition to the support authorized under subsections (a) and (d).".

SEC. 386. RETENTION OF MONETARY AWARDS.

(a) MONETARY AWARDS.—Chapter 155 of title 10, United States Code, is amended by adding at the end the following new section:

"§2610. Acceptance of monetary awards from competition for excellence

"(a) ACCEPTANCE AUTHORIZED.—The Secretary of Defense may accept any monetary award given to the Department of Defense by a nongovernmental entity as an award in competition recognizing excellence or innovation in providing services or administering programs.

"(b) DISPOSITION OF AWARDS.—(1) Subject to paragraph (2), a monetary award accepted

under subsection (a) shall be credited to the appropriation supporting the operation of the command, installation, or other activity that is recognized for the award and, in such amount as is provided in advance in appropriation Acts, shall be available for the same purposes as the underlying appropriation.

"(2) Subject to such limitations as may be provided in appropriation Acts, the Secretary of Defense may disburse an amount not to exceed 50 percent of the monetary award to persons who are responsible for the excellence or innovation recognized by the award. A person may not receive more than $10,000 under the authority of this paragraph from any monetary reward.

"(c) INCIDENTAL EXPENSES.—Subject to such limitations as may be provided in appropriation Acts, appropriations available to the Department of Defense may be used to pay incidental expenses incurred to compete in a competition described in subsection (a) or to accept a monetary award under this section.

"(d) REGULATIONS AND REPORTING.—(1) The Secretary of Defense shall prescribe regulations to determine the disposition of any monetary awards accepted under this section and the payment of incidental expenses under subsection (c).

"(2) The Secretary of Defense shall submit to Congress an annual report describing the disposition of any monetary awards accepted under this section and the payment of any incidental expenses under this subsection (c).".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"2610. Acceptance of monetary awards from competition for excellence.".

SEC. 387. CIVIL RESERVE AIR FLEET.

Section 9512 of title 10, United States Code, is amended by striking out "full" before "Civil Reserve Air Fleet" in subsections (b)(2) and (e).

SEC. 388. PERMANENT AUTHORITY REGARDING USE OF PROCEEDS FROM SALE OF LOST, ABANDONED, AND UNCLAIMED PERSONAL PROPERTY AT CERTAIN INSTALLATIONS.

(a) CONVERSION OF EXISTING DEMONSTRATION PROJECT.—Section 343 the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102-190; 105 Stat. 1343) is amended by striking out subsections (d) and (e) and inserting in lieu thereof the following new subsection:

"(d) APPLICATION OF SPECIAL RULE.—The special rule provided by subsection (a) shall apply with respect to the disposal under section 2575 of title 10, United States Code, of property found on the military installations referred to in subsection (b).".

(b) CONFORMING AMENDMENTS.—Subsection (a) of such section is amended—

(1) by striking out "DEMONSTRATION PROJECT" in the subsection heading and inserting in lieu thereof "SPECIAL RULE REGARDING PROCEEDS"; and

(2) by striking out "demonstration project" and inserting in lieu thereof "permanent program".

SEC. 389. TRANSFER OF EXCESS PERSONAL PROPERTY TO SUPPORT LAW ENFORCEMENT ACTIVITIES.

Section 1208(a)(1)(A) of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (P.L. 101-189; 10 U.S.C. 372 note) is amended by striking out "counter-drug activities" and inserting in lieu thereof "law enforcement activities, including counter-drug activities".

SEC. 390. DEVELOPMENT AND IMPLEMENTATION OF INNOVATIVE PROCESSES TO IMPROVE OPERATION AND MAINTENANCE.

Of the amounts authorized to be appropriated under section 301(5), $350,000,000 shall be available to the Secretary of Defense for the development or acquisition of information technologies and reengineered functional processes, such as in the areas of personnel management, finance, and depot-level maintenance, for implementation within the Department of Defense. Before obligating or expending funds under this section for an information technology or reengineered functional process, the Secretary shall certify to Congress that the information technology or reengineered functional process—

(1) demonstrates a rate of return, within three years, of 300 percent compared to the investment made under this section; or

(2) would have a measurable effect upon the effectiveness of the readiness of the Armed Forces or the operation and management of the Department of Defense.

SEC. 391. REVIEW OF USE OF DEFENSE LOGISTICS AGENCY TO MANAGE INVENTORY CONTROL POINTS.

(a) REVIEW OF CONSOLIDATION OF INVENTORY CONTROL POINTS.—The Secretary of Defense shall conduct a review regarding the consolidation under the Defense Logistics Agency of all inventory control points, including the inventory management and acquisition of depot-level repairables.

(b) SUBMISSION OF RESULTS.—Not later than March 31, 1996, the Secretary shall complete the review and submit a report to the congressional defense committees describing the results of the review.

(c) LIMITATION ON IMPLEMENTATION OF MATERIEL MANAGEMENT STANDARD SYSTEM.—Pending the submission of the report, the Secretary of Defense may not proceed with the implementation of the automated data processing program of the Department of Defense known as the Materiel Management Standard System.

SEC. 392. SALE OF 50 PERCENT OF CURRENT WAR RESERVE FUEL STOCKS.

(a) SALE REQUIRED.—Notwithstanding section 2390(a) of title 10, United States Code, the Secretary of Defense shall reduce war reserve fuel stocks of the Department of Defense to a level equal to 50 percent of the level of such stocks on January 1, 1995. The Secretary shall achieve the reduction through consumption of fuel in the Department of Defense and, if necessary, sales of fuel outside the Department to the highest qualified bidders.

(b) SUBSEQUENT FUEL PURCHASES.—After the date of the enactment of this Act, fuel purchases for the Department of Defense shall be made on the basis of the actual fuel needs of the Department.

(c) REPORT.—Not later than March 1, 1996, the Secretary of Defense shall submit to Congress a report describing the manner in which the reduction of war reserve fuel stocks is to be made and the time period within which the reduction is to be achieved.

(d) SUSPENSION OF REDUCTION; INCREASES.—The Secretary of Defense may suspend the reduction of war reserve fuel stocks, and in fact increase such stocks as otherwise authorized by law, in the event of a national emergency or to advance the national security interests of the United States.

SEC. 393. MILITARY CLOTHING SALES STORES, REPLACEMENT SALES.

(a) IN GENERAL.—(1) Chapter 651 of title 10, United States Code, is amended by adding at the end the following new section:

"§7606. Subsistence and other supplies: members of armed forces; veterans; executive or military departments and employees; prices

"(a) The branch, office, or officer designated by the Secretary of the Navy shall procure and sell, for cash or credit—

"(1) articles specified by the Secretary of the Navy or a person designated by the Secretary, to members of the Navy and Marine Corps; and

"(2) items of individual clothing and equipment to members of the Navy and Marine Corps, under such restrictions as the Secretary may prescribe.

An account of sales on credit shall be kept and the amount due reported to any branch office, or officer designated by the Secretary. Except for articles and items acquired through the use of working capital funds under section 2208 of this title, sales of articles shall be at cost, and sales of individual clothing and equipment shall be at average current prices, including overhead, as determined by the Secretary.

"(b) The branch, office, or officer designated by the Secretary shall sell subsistence supplies to members of other armed forces at the prices at which like property is sold to members of the Navy and Marine Corps.

"(c) The branch, office, or officer designated by the Secretary may sell serviceable supplies, other than subsistence supplies, to members of other armed forces at the prices at which like property is sold to members of the Navy and Marine Corps.

"(d) A person who has been discharged honorably or under honorable conditions from the Army, Navy, Air Force, or Marine Corps and who is receiving care and medical treatment from the Public Health Service or the Department of Veterans Affairs may buy subsistence supplies and other supplies, except articles of uniform, at the prices at which like property is sold to members of the Navy and Marine Corps.

"(e) Under such conditions as the Secretary may prescribe, exterior articles of uniform may be sold to a person who has been discharged from the Navy or Marine Corps honorably or under honorable conditions at the prices at which like articles are sold to members of the Navy or Marine Corps. This subsection does not modify section 772 or 773 of this title.

"(f) Under regulations prescribed by the Secretary, payment for subsistence supplies shall be made in cash or by commercial credit.

"(g) The Secretary may provide for the procurement and sale of stores designated by him to such civilian officers and employees of the United States, and such other persons, as he considers proper—

"(1) at military installations outside the United States (provided such sales conform with host nation support agreements); and

"(2) at military installations inside the United States where the Secretary determines that it is impracticable for those civilian officers, employees, and persons to obtain those stores from commercial enterprises without impairing the efficient operation of military activities.

However, sales to such civilian officers and employees inside the United States may be only to those who reside within military installations.

"(h) Appropriations for subsistence of the Navy or Marine Corps may be applied to the purchase of subsistence supplies for sale to members of the Navy and Marine Corps on active duty for the use of themselves and their families.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"7606. Subsistence and other supplies: members of armed forces; veterans; executive or military departments and employees; prices.".

(b) CONFORMING AMENDMENTS FOR OTHER ARMED FORCES.—(1) Section 4621(f) of such title is amended by inserting before the period at the end the following: "or by commercial credit".

(2) Section 9621(f) of such title is amended by inserting before the period at the end the following: "or by commercial credit".

SEC. 394. ASSISTANCE TO LOCAL EDUCATIONAL AGENCIES THAT BENEFIT DEPENDENTS OF MEMBERS OF THE ARMED FORCES AND DEPARTMENT OF DEFENSE CIVILIAN EMPLOYEES.

(a) CONTINUATION OF DEPARTMENT OF DEFENSE PROGRAM.—Of the amounts authorized to be appropriated in section 301(5)—

(1) $50,000,000 shall be available for providing educational agencies assistance (as defined in subsection (d)(1)) to local educational agencies; and

(2) $8,000,000 shall be available for making educational agencies payments (as defined in subsection (d)(2)) to local educational agencies.

(b) NOTIFICATION OF AVAILABILITY OF FUNDS.—Not later than June 30, 1996—

(1) the Secretary of Defense shall notify each local educational agency that is eligible for educational agencies assistance for fiscal year 1996 of that agency's eligibility for such assistance and the amount of such assistance for which that agency is eligible; and

(2) the Secretary of Education shall notify each local educational agency that is eligible for an educational agencies payment for fiscal year 1996 of that agency's eligibility for such payment and the amount of the payment for which that agency is eligible.

(c) DISBURSEMENT.—The Secretary of Defense (with respect to funds made available under subsection (a)(1)) and the Secretary of Education (with respect to funds made available under subsection (a)(2)) shall disburse such funds not later than 30 days after the date on which notification to the eligible local education agencies is provided pursuant to subsection (b).

(d) DEFINITIONS.—For purposes of this section:

(1) The term "educational agencies assistance" means assistance authorized under subsection (b) of section 386 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 20 U.S.C. 238 note).

(2) The term "educational agencies payments" means payments authorized under subsection (d) of that section.

(e) REDUCTION IN IMPACT THRESHOLD.—Subsection (c)(1) of section 386 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 20 U.S.C. 238 note) is amended—

(1) by striking out "30 percent" and inserting in lieu thereof "20 percent"; and

(2) by striking out "counted under subsection (a) or (b) of section 3 of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress; 20 U.S.C. 238)".

(f) EXTENSION OF REPORTING REQUIREMENT.—Subsection (e)(1) of section 386 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 20 U.S.C. 238 note) is amended by striking out "and 1995" and inserting in lieu thereof "1995, and 1996".

(g) TECHNICAL AMENDMENTS TO CORRECT REFERENCES TO REPEALED LAW.—Section 386 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 20 U.S.C. 238 note) is amended—

(1) in subsection (d), by striking out "under section 3" and all that follows through "of such subsection that result from" and inserting in lieu thereof "payments under section 8003(e) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7703(e)) as a result of";

(2) in subsection (e)(2)(C), by inserting after "et seq.)," the following: "title VIII of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7701 et seq.),";

(3) in subsection (e)(2)(D), by striking out "under subsections (a) and (b) of section 3 of such Act (20 U.S.C. 238)"; and

(4) in subsection (h)—

(A) in paragraph (1), by striking out "section 1471(12) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2891(12))" and inserting in lieu thereof "section 8013(9) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7713(9))"; and

(B) by striking out paragraph (3) and inserting in lieu thereof the following new paragraph:

"(3) The term 'State' does not include Puerto Rico, Wake Island, Guam, American Samoa, the Northern Mariana Islands, or the Virgin Islands.".

SEC. 395. CORE LOGISTICS CAPABILITIES OF THE DEPARTMENT OF DEFENSE.

(a) IN GENERAL.—Chapter 146 of title 10, United States Code, is amended by adding at the end the following new section:

"§2473. Depot-level maintenance and repair workload

"(a) IMPORTANCE OF DEPOT-LEVEL MAINTENANCE AND REPAIR CORE CAPABILITIES.—It is essential for the national defense that the United States maintain a core depot-level maintenance and repair capability (including skilled personnel, equipment, and facilities) within facilities owned and operated by the Department of Defense that—

"(1) is of the proper size (A) to ensure a ready and controlled source of technical competence and repair and maintenance capability necessary to meet the requirements of the National Military Strategy and other requirements for responding to military contingencies, and (B) to provide for rapid augmentation in time of emergency; and

"(2) is assigned sufficient workload to ensure cost efficiency and proficiency in time of peace.

"(b) DETERMINATION OF CORE DEPOT MAINTENANCE ACTIVITIES.—(1) The Secretary of each military department shall identify those depot-level maintenance and repair activities under that Secretary's jurisdiction that are necessary to ensure for that military department the depot-level maintenance and repair capability described in subsection (a) and as required by section 2464 of this title.

"(2) The Secretary of each military department shall prescribe the procedures to be used to quantify the requirements necessary to support the capability described in subsection (a).

"(c) PERFORMANCE OF WORKLOAD THAT SUPPORTS DEPOT-LEVEL MAINTENANCE AND REPAIR CORE CAPABILITIES.—The Secretary of each military department shall require the performance of depot-level maintenance and repair of activities identified under subsection (b) at organic Department of Defense maintenance depots at levels sufficient to ensure that the Department of Defense maintains the core depot-level maintenance and repair capability described in subsection (a).

"(d) INTERSERVICING OF WORKLOAD.—The Secretary of Defense, after consultation with the Secretaries of the military departments, may transfer workload that supports the core capability described in subsection (a) from one military department to another. The Secretary of Defense shall use merit-based criteria in evaluating such transfers.

"(e) SOURCE OF REPAIR FOR OTHER DEPOT-LEVEL WORKLOADS.—In the case of depot-level maintenance and repair workloads in excess of the workload required pursuant to subsection (c) to be performed at organic Department of Defense depots, the Secretary of Defense, after consultation with the Secretaries of the military departments, may provide for the performance of those workloads through sources selected by competition. The Secretary of Defense shall use competition between private firms and organic Department of Defense depots for any such workload when the Secretary determines there are less than two qualified sources of supply among private firms for the performance of that specific depot-level maintenance workload.

"(f) DEPOT-LEVEL WORKLOAD COMPETITIONS.—In any competition under this section for a depot-level workload (whether among private firms or between Department of Defense activities and private firms), bids from any entity participating in the competition shall accurately disclose all costs properly and consistently derived from accounting systems and practices that comply with laws, policies, and standards applicable to that entity. In any competition between Department of Defense activities and private firms, the Government calculation for the cost of performance of the function by Department of Defense civilian employees shall be based on an estimate using the most efficient and cost effective manner for performance of such function by Department of Defense civilian employees.

"(g) ANNUAL REPORT.—Not later than March 1 of each year, the Secretary of Defense shall submit to Congress a report specifying depot maintenance core capability requirements determined in accordance with the procedures established to comply with subsection (b)(2) and the planned amount of workload to be accomplished in the organic depots of each military department in support of those requirements for the following fiscal year. The report shall identify the planned amount of workload measured by direct labor hours and by amounts expended and shall be shown separately for each commodity group.".

(b) REPEAL OF 60/40 REQUIREMENT AND REQUIREMENT RELATING TO COMPETITION.—Effective December 31, 1996—

(1) section 2466 of title 10, United States Code, is repealed unless Congress takes further action regarding such repeal; and

(2) section 2469 of title 10, United States Code, is repealed unless Congress takes further action regarding such repeal.

(c) INTERIM EXCLUSION OF LARGE MAINTENANCE AND REPAIR PROJECTS FROM 60/40 REQUIREMENT.—Effective on the date of the enactment of this Act, section 2466(d) of title 10, United States Code, is amended—

(1) by striking out "EXCEPTION.—" and inserting in lieu thereof "EXCEPTIONS.—(1)"; and

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

"(2) If a maintenance or repair project for a single item that is contracted for performance by non-Federal Government personnel accounts for 5 percent or more of the funds made available in a fiscal year to a military department or a Defense Agency for depot-level maintenance and repair workload, the project and the funds necessary for the project shall not be considered when applying the percentage limitation specified in subsection (a) to that military department or Defense Agency.".

(d) CLERICAL AMENDMENTS.—The table of sections at the beginning of chapter 146 of such title is amended—

(1) effective December 31, 1996, by striking out the items relating to sections 2466 and 2469; and

(2) by adding at the end the following new item:

"2473. Depot-level maintenance and repair workload.".

(e) REPORT ON DEPOT-LEVEL MAINTENANCE AND REPAIR WORKLOAD.—Not later than March 1, 1996, the Secretary of Defense shall submit to Congress a report on the depot-level maintenance and repair workload of the Department of Defense. The report shall include the following:

(1) The analysis required by subsection (f) of the effect on that workload of the so-called 60/40 requirement.

(2) The analysis required by subsection (g) of the projected effect on that workload using a definition of core capability consistent with the description in section 2473(a) of title 10, United States Code, as added by subsection (a).

(3) The comparison of those analyses required by subsection (h).

(4) Identification and analysis of significant issues that arise if organic Department of Defense depots are allowed to participate in a full and open competition with private firms for repair workloads in excess of work that supports core capabilities.

(f) 60/40 REQUIREMENT.—(1) The report under subsection (e) shall include an analysis of the requirement under section 2466 of title 10, United States Code, that no more than 40 percent of the depot-level maintenance and repair work of the Department of Defense be contracted for performance by non-Government personnel. That analysis shall include the following:

(A) A description of the effect on military readiness and the national security resulting from that requirement, including a description of any specific difficulties experienced by the Department of Defense as a result of that requirement.

(B) A determination of the depot-level maintenance and repair workload of the Department of Defense allocated for performance by organic Department of Defense depots for any fiscal year during which the requirement has been in effect, the percentage of funds for that workload that were obligated to private sector entities, shown for each such fiscal year and for the entire period during which the requirement has been in effect.

(2) That analysis shall be made with respect to—

(A) the distribution during the five fiscal years ending with fiscal year 1995 of the depot-level maintenance and repair workload of the Department of Defense between organic Department of Defense depots and non-Government personnel, measured by direct labor hours and by amounts expended, and displayed, for that five-year period and for each year of that period, so as to show (for each military department (and separately for the Navy and Marine Corps)) such distribution for each commodity group (such as naval vessels, aircraft, tracked combat vehicles); and

(B) the projected distribution during the five fiscal years beginning with fiscal year 1996 of the depot-level maintenance and repair workload of the Department of Defense between organic Department of Defense depots and non-Government personnel, set forth in the same manner as described in subparagraph (A).

(g) CORE WORKLOAD ANALYSIS.—The report under subsection (e) shall include an analysis of the depot-level maintenance and repair workload of the Department of Defense in which the Secretary uses the capability described in section 2473(a) of title 10, United States Code, as added by subsection (a), as the standard for determining that portion of such workload that is required to be performed in organic Department of Defense facilities. That analysis shall be made with respect to—

(1) the distribution that would (using that standard) have been made during the five fiscal years ending with fiscal year 1995 of the depot-level maintenance and repair workload of the Department of Defense between organic Department of Defense depots and non-Government personnel, measured by direct labor hours and by amounts expended, and displayed, for that five-year period and for each year of that period, so as to show (for each military department (and separately for the Navy and Marine Corps)) such distribution for each commodity group (such as naval vessels, aircraft, tracked combat vehicles); and

(2) the projected distribution (using that standard) during the five fiscal years beginning with fiscal year 1996 of the depot-level maintenance and repair workload of the Department of Defense between organic Department of Defense depots and non-Government personnel, set forth in the same manner as described in paragraph (1).

(h) COMPARISON.—The report under subsection (e) shall include a comparison of the results of the analysis of the depot-level maintenance and repair workload of the Department of Defense under subsection (f) with the results of the analysis of that workload under subsection (g). The comparison shall include a comparison of the two analyses by service and commodity group with respect to each of the following:

(1) Identification, based on each analysis, of core workloads and of the capabilities and equipment needed to perform depot-level maintenance and repair for those core workloads.

(2) Identification, based on each analysis, of depot-level maintenance and repair work performed (or that would be performed) at organic Department of Defense depots and of depot-level maintenance and repair work performed (or that would be performed) by non-Government personnel.

(3) Readiness.

(4) The Department of Defense budget.

(5) The depot-level maintenance and repair workload distribution, under each analysis, by direct labor hours performed and by dollars expended.

(6) Projected level, for each analysis, of Government capital investment in public and private depot-level maintenance and repair facilities.

(i) REVIEW BY GAO.—(1) The Comptroller General of the United States shall conduct an independent audit of the findings of the Secretary of Defense in the report under subsection (e). The Secretary of Defense shall provide to the Comptroller General for such purpose all information used by the Secretary in preparing such report.

(2) Not later than April 1, 1996, the Comptroller General shall submit to the congressional defense committees a report on the analysis by the Comptroller General of the report submitted by the Secretary of Defense under this section.

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

Subtitle A—Active Forces

SEC. 401. END STRENGTHS FOR ACTIVE FORCES.

The Armed Forces are authorized strengths for active duty personnel as of September 30, 1996 , as follows:

(1) The Army, 495,000.

(2) The Navy, 428,000.

(3) The Marine Corps, 174,000.

(4) The Air Force, 388,200.

SEC. 402. TEMPORARY VARIATIONS IN DOPMA AUTHORIZED END STRENGTH LIMITATIONS FOR ACTIVE DUTY NAVY AND AIR FORCE OFFICERS IN CERTAIN GRADES.

(a) AIR FORCE OFFICERS IN GRADE OF MAJOR.—Notwithstanding section 523(a)(1) of title 10, United States Code, and except as provided in section 523(c) of such title, of the total number of commissioned officers serving on active duty in the Air Force at the end of any fiscal year through fiscal year 1997 (excluding officers in categories specified in section 523(b) of title 10, United States Code), the number of officers who may be serving on active duty in the grade of major may not, as of the end of such fiscal year, exceed the number determined in accordance with the following table:

Total number of Air Force commissioned officers (excluding officers in categories specified in section 523(b) of title 10, United States Code) on active duty	Number of officers who may be serving on active duty in grade of major
70,000	14,612
75,000	15,407
80,000	16,202
85,000	16,997
90,000	17,792
95,000	18,587
100,000	19,382
105,000	20,177
110,000	20,971
115,000	21,766
120,000	22,561
125,000	23,356

(b) NAVY OFFICERS IN GRADES OF LIEUTENANT COMMANDER, COMMANDER, AND CAPTAIN.—Notwithstanding section 523(a)(2) of title 10, United States Code, and except as provided in section 523(c) of such title, of the total number of commissioned officers serving on active duty in the Navy at the end of any fiscal year through fiscal year 1997 (excluding officers in categories specified in section 523(b) of title 10, United States Code), the number of officers who may be serving on active duty in each of the grades of lieutenant commander, commander, and captain may not, as of the end of such fiscal year, exceed a number determined in accordance with the following table:

Total number of Navy commissioned officers (excluding officers in categories specified in section 523(b) of title 10, United States Code) on active duty	Number of officers who may be serving on active duty in grade of		
	Lieutenant Commander	Commander	Captain
45,000	10,034	6,498	2,801
48,000	10,475	6,706	2,902
51,000	10,916	6,912	3,002
54,000	11,357	7,120	3,103
57,000	11,798	7,328	3,204
60,000	12,239	7,535	3,305
63,000	12,680	7,742	3,406
66,000	13,121	7,949	3,506
70,000	13,709	8,226	3,641
90,000	16,649	9,608	4,313

Subtitle B—Reserve Forces

SEC. 411. END STRENGTHS FOR SELECTED RESERVE.

(a) IN GENERAL.—The Armed Forces are authorized strengths for Selected Reserve personnel of the reserve components as of September 30, 1996, as follows:

(1) The Army National Guard of the United States, 373,000.

(2) The Army Reserve, 230,000.

(3) The Naval Reserve, 98,608.

(4) The Marine Corps Reserve, 42,000.

(5) The Air National Guard of the United States, 109,458.

(6) The Air Force Reserve, 73,969.

(7) The Coast Guard Reserve, 8,000.

(b) WAIVER AUTHORITY.—The Secretary of Defense may vary the end strength authorized by subsection (a) by not more than 2 percent.

(c) ADJUSTMENTS.—The end strengths prescribed by subsection (a) for the Selected Reserve of any reserve component shall be proportionately reduced by—

(1) the total authorized strength of units organized to serve as units of the Selected Reserve of such component which are on active duty (other than for training) at the end of the fiscal year, and

(2) the total number of individual members not in units organized to serve as units of the Selected Reserve of such component who are on active duty (other than for training or for unsatisfactory participation in training) without their consent at the end of the fiscal year.

Whenever such units or such individual members are released from active duty during any fiscal year, the end strength prescribed for such fiscal year for the Selected Reserve of such reserve component shall be proportionately increased by the total authorized strengths of such units and by the total number of such individual members.

SEC. 412. END STRENGTHS FOR RESERVES ON ACTIVE DUTY IN SUPPORT OF THE RESERVES.

Within the end strengths prescribed in section 411(a), the reserve components of the Armed Forces are authorized, as of September 30, 1996 , the following number of Reserves to be serving on full-time active duty or full-time duty, in the case of members of the National Guard, for the purpose of organizing, administering, recruiting, instructing, or training the reserve components:

(1) The Army National Guard of the United States, 23,390.

(2) The Army Reserve, 11,575.

(3) The Naval Reserve, 17,490.

(4) The Marine Corps Reserve, 2,285.

(5) The Air National Guard of the United States, 9,817.

(6) The Air Force Reserve, 628.

SEC. 413. COUNTING OF CERTAIN ACTIVE COMPONENT PERSONNEL ASSIGNED IN SUPPORT OF RESERVE COMPONENT TRAINING.

Section 414(c) of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102-190; 10 U.S.C. 12001 note) is amended—

(1) by inserting "(1)" before "The Secretary"; and

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

"(2) The Secretary of Defense may count toward the number of active component personnel required under paragraph (1) to be assigned to serve as advisers under the program under this section any active component personnel who are assigned to an active component unit (A) that was established principally for the purpose of providing dedicated training support to reserve component units, and (B) the primary mission of which is to provide such dedicated training support.".

Subtitle C—Military Training Student Loads

SEC. 421. AUTHORIZATION OF TRAINING STUDENT LOADS.

(a) IN GENERAL.—For fiscal year 1996, the components of the Armed Forces are authorized average military training loads as follows:

(1) The Army, 75,013.

(2) The Navy, 44,238.

(3) The Marine Corps, 26,095.

(4) The Air Force, 33,232.

(b) SCOPE.—The average military training student loads authorized for an armed force under subsection (a) apply to the active and reserve components of that armed force.

(c) ADJUSTMENTS.—The average military student loads authorized in subsection (a) shall be adjusted consistent with the end strengths authorized in subtitles A and B. The Secretary of Defense shall prescribe the manner in which such adjustments shall be apportioned.

Subtitle D—Authorization of Appropriations

SEC. 431. AUTHORIZATION OF APPROPRIATIONS FOR MILITARY PERSONNEL.

There is hereby authorized to be appropriated to the Department of Defense for military personnel for fiscal year 1996 a total of $68,951,663,000. The authorization in the preceding sentence supersedes any other authorization of appropriations (definite or indefinite) for such purpose for fiscal year 1996.

SEC. 432. AUTHORIZATION FOR INCREASE IN ACTIVE-DUTY END STRENGTHS.

(a) AUTHORIZATION.—There is hereby authorized to be appropriated to the Department of Defense for fiscal year 1996 for military personnel the sum of $112,000,000. Any amount appropriated pursuant to this section shall be allocated, in such manner as the Secretary of Defense prescribes, among appropriations for active-component military personnel for that fiscal year and shall be available only to increase the number of members of the Armed Forces on active duty during that fiscal year (compared to the number of members that would be on active duty but for such appropriation).

(b) EFFECT ON END STRENGTHS.—The end-strength authorizations in section 401 shall each be deemed to be increased by such number as necessary to take account of additional members of the Armed Forces authorized by the Secretary of Defense pursuant to subsection (a).

TITLE V—MILITARY PERSONNEL POLICY

Subtitle A—Officer Personnel Policy

SEC. 501. AUTHORITY TO EXTEND TRANSITION PERIOD FOR OFFICERS SELECTED FOR EARLY RETIREMENT.

(a) SELECTIVE RETIREMENT OF WARRANT OFFICERS.—Section 581 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(e) The Secretary concerned may defer for not more than 90 days the retirement of an officer otherwise approved for early retirement under this section in order to prevent a personal hardship to the officer or for other humanitarian reasons.".

(b) SELECTIVE EARLY RETIREMENT OF ACTIVE-DUTY OFFICERS.—Section 638(b) of title 10, United States Code, is amended by adding at the end the following new paragraph:

"(3) The Secretary concerned may defer for not more than 90 days the retirement of an officer otherwise approved for early retirement under this section or section 638a of this title in order to prevent a personal hardship to the officer or for other humanitarian reasons.".

Subtitle B—Matters Relating to Reserve Components

SEC. 511. MILITARY TECHNICIAN FULL-TIME SUPPORT PROGRAM FOR ARMY AND AIR FORCE RESERVE COMPONENTS.

(a) REQUIREMENT OF ANNUAL AUTHORIZATION OF END STRENGTH.—(1) Section 115 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(g) Congress shall authorize for each fiscal year the end strength for military technicians for each reserve component of the Army and Air Force. Funds available to the Department of Defense for any fiscal year may not be used for the pay of a military technician during that fiscal year unless the technician fills a position that is within the number of such positions authorized by law for that fiscal year for the reserve component of that technician. This subsection applies without regard to section 129 of this title.".

(2) The amendment made by paragraph (1) does not apply with respect to fiscal year 1995.

(b) AUTHORIZATION FOR FISCAL YEARS 1996 AND 1997.—For each of fiscal years 1996 and 1997, the number of military technicians, as of the last day of that fiscal year, for the Army and the Air Force (notwithstanding section 129 of title 10, United States Code) may not exceed the following:

(1) Army National Guard, 25,500.

(2) Army Reserve, 6,630.

(3) Air National Guard, 22,906.

(4) Air Force Reserve, 9,802.

(c) ADMINISTRATION OF MILITARY TECHNICIAN PROGRAM.—(1) Chapter 1007 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 10216. Military technicians

"(a) PRIORITY FOR MANAGEMENT OF MILITARY TECHNICIANS.—(1) As a basis for making the annual request to Congress pursuant to section 115 of this title for authorization of end strengths for military technicians of the Army and Air Force reserve components, the Secretary of Defense shall give priority to supporting authorizations for dual status military technicians in the following high-priority units and organizations:

"(A) Units of the Selected Reserve that are scheduled to deploy no later than 90 days after mobilization.

"(B) Units of the Selected Reserve that are or will deploy to relieve active duty peacetime operations tempo.

"(C) Those organizations with the primary mission of providing direct support surface and aviation maintenance for the reserve components of the Army and Air Force, to the extent that the military technicians in such units would mobilize and deploy in a skill that is compatible with their civilian position skill.

"(2) For each fiscal year, the Secretary of Defense shall, for the high-priority units and organizations referred to in paragraph (1), achieve a programmed manning level for military technicians that is not less than 90 percent of the programmed manpower structure for those units and organizations for military technicians for that fiscal year.

"(3) For each fiscal year, the Secretary of Defense shall, for reserve component management headquarters organizations (including national and State-level National Guard headquarters, in United States Property and Fiscal Offices, and in similar management-level headquarters in the Army and Air Force Reserve), achieve a programmed manning level for military technicians that is not more than 70 percent of the programmed manpower structure for those organizations for military technicians for that fiscal year.

"(4) Military technician authorizations and personnel in high-priority units and organizations specified in paragraph (1) shall be exempt from any requirement (imposed by law or otherwise) for reductions in Department of Defense civilian personnel and shall only be reduced as part of military force structure reductions. Planned reductions in Department of Defense civilian personnel that would apply to such technician authorizations and personnel but for this paragraph shall be reallocated by the Secretary of Defense on a proportional basis throughout the Department of Defense, with an emphasis on reducing headquarters personnel.

"(b) DUAL-STATUS REQUIREMENT.—The Secretary of Defense shall require the Secretary of the Army and the Secretary of the Air Force to establish as a condition of employment for each individual who is hired after the date of the enactment of this section as a military technician that the individual maintain membership in the Selected Reserve (so as to be a so-called 'dual-status' technician) and shall require that the civilian and military position skill requirements of dual-status military technicians be compatible. No Department of Defense funds may be spent for compensation for any military technician hired after the date of the enactment of this section who is not a member of the Selected Reserve, except that compensation may be paid for up to six months following loss of membership in the selected reserve if such loss of membership was not due to the failure to meet military standards.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"10216. Military technicians.".

(d) REVIEW OF RESERVE COMPONENT MANAGEMENT HEADQUARTERS.—(1) The Secretary of Defense shall, within six months after the date of the enactment of this Act, undertake steps to reduce, consolidate, and streamline management headquarters operations of the reserve components. As part of those steps, the Secretary shall

identify those military technicians positions in such headquarters operations that are excess to the requirements of those headquarters.

(2) Of the military technicians positions that are identified under paragraph (1), the Secretary shall reallocate up to 95 percent of those positions to the high-priority units and activities specified in section 10216(a) of title 10, United States Code, as added by subsection (c).

(e) ANNUAL DEFENSE MANPOWER REQUIREMENTS REPORT.—Section 115a of title 10, United States Code, is amended by adding at the end the following new subsection:

"(h) In each such report, the Secretary shall include a separate report on the Army and Air Force military technician programs. The report shall include a presentation, shown by reserve component and shown both as of the end of the preceding fiscal year and for the next fiscal year, of the following:

"(1) The number of military technicians required to be employed (as specified in accordance with Department of Defense procedures), the number authorized to be employed under Department of Defense personnel procedures, and the number actually employed.

"(2) Within each of the numbers under paragraph (1)—

"(A) the number applicable to a reserve component management headquarter organization; and

"(B) the number applicable to high-priority units and organizations (as specified in section 10216(a) of this title).

"(3) Within each of the numbers under paragraph (1), the numbers of military technicians who are not themselves members of a reserve component (so-called 'single-status' technicians), with a further display of such numbers as specified in paragraph (2).".

SEC. 512. MILITARY LEAVE FOR MILITARY RESERVE TECHNICIANS FOR CERTAIN DUTY OVERSEAS.

Section 6323 of title 5, United States Code is amended by adding at the end the following new subsection:

"(d)(1) A military reserve technician described in section 8401(30) is entitled at such person's request to leave without loss of, or reduction in, pay, leave to which such person is otherwise entitled, credit for time or service, or performance or efficiency rating for each day, not to exceed 44 workdays in a calendar year, in which such person is on active duty without pay, as authorized pursuant to section 12315 of title 10, under section 12301(b) or 12301(d) of title 10 (other than active duty during a war or national emergency declared by the President or Congress) for participation in noncombat operations outside the United States, its territories and possessions.

"(2) An employee who requests annual leave or compensatory time to which the employee is otherwise entitled, for a period during which the employee would have been entitled upon request to leave under this subsection, may be granted such annual leave or compensatory time without regard to this section or section 5519.".

SEC. 513. REVISIONS TO ARMY GUARD COMBAT REFORM INITIATIVE TO INCLUDE ARMY RESERVE UNDER CERTAIN PROVISIONS AND MAKE CERTAIN REVISIONS.

(a) PRIOR ACTIVE DUTY PERSONNEL.—Section 1111 of the Army National Guard Combat Readiness Reform Act of 1992 (title XI of Public Law 102–484) is amended—

(1) in the section heading, by striking out the first three words;

(2) by striking out subsections (a) and (b) and inserting in lieu thereof the following:

"(a) ADDITIONAL PRIOR ACTIVE DUTY OFFICERS.—The Secretary of the Army shall increase the number of qualified prior active-duty officers in the Army National Guard by providing a program that permits the separation of officers on active duty with at least two, but less than three, years of active service upon condition that the officer is accepted for appointment in the Army National Guard. The Secretary shall have a goal of having not fewer than 150 officers become members of the Army National Guard each year under this section.

"(b) ADDITIONAL PRIOR ACTIVE DUTY ENLISTED MEMBERS.—The Secretary of the Army shall increase the number of qualified prior active-duty enlisted members in the Army National Guard through the use of enlistments as described in section 8020 of the Department of Defense Appropriations Act, 1994 (Public Law 103–139). The Secretary shall enlist not fewer than 1,000 new enlisted members each year under enlistments described in that section."; and

(3) by striking out subsections (d) and (e).

(b) SERVICE IN THE SELECTED RESERVE IN LIEU OF ACTIVE DUTY SERVICE FOR ROTC GRADUATES.—Section 1112(b) of such Act (106 Stat. 2537) is amended by striking out "National Guard" before the period at the end and inserting in lieu thereof "Selected Reserve".

(c) REVIEW OF OFFICER PROMOTIONS.—Section 1113 of such Act (106 Stat. 2537) is amended—

(1) in subsection (a), by striking out "National Guard" both places it appears and inserting in lieu thereof "Selected Reserve";

(2) by striking out subsection (b) and inserting in lieu thereof the following:

"(b) COVERAGE OF SELECTED RESERVE COMBAT AND EARLY DEPLOYING UNITS.—(1) Subsection (a) applies to officers in all units of the Selected Reserve that are designated as combat units or that are designated for deployment within 75 days of mobilization.

"(2) Subsection (a) shall take effect with respect to officers of the Army Reserve, and with respect to officers of the Army National Guard in units not subject to subsection (a) as of the date of the enactment of the National Defense Authorization Act for Fiscal Year 1996, at the end of the 90-day period beginning on such date of enactment.".

(d) INITIAL ENTRY TRAINING AND NONDEPLOYABLE PERSONNEL.—Section 1115 of such Act (106 Stat. 2538) is amended—

(1) in subsections (a) and (b), by striking out "National Guard" each place it appears and inserting in lieu thereof "Selected Reserve"; and

(2) in subsection (c)—

(A) by striking out "a member of the Army National Guard enters the National Guard" and inserting in lieu thereof "a member of the Army Selected Reserve enters the Army Selected Reserve"; and

(B) by striking out "from the Army National Guard".

(e) ACCOUNTING OF MEMBERS WHO FAIL PHYSICAL DEPLOYABILITY STANDARDS.—Section 1116 of such Act (106 Stat. 2539) is amended by striking out "National Guard" each place it appears and inserting in lieu thereof "Selected Reserve".

(f) USE OF COMBAT SIMULATORS.—Section 1120 of such Act (106 Stat. 2539) is amended by inserting "and the Army Reserve" before the period at the end.

SEC. 514. ROTC SCHOLARSHIPS FOR THE NATIONAL GUARD.

(a) CLARIFICATION OF RESTRICTION ON ACTIVE DUTY.—Paragraph (2) of section 2107(h) of title 10, United States Code, is amended by inserting "full-time" before "active duty" in the second sentence.

(b) REDESIGNATION OF ROTC SCHOLARSHIPS.—Such paragraph is further amended by inserting after the first sentence the following new sentence: "A cadet designated under this paragraph who, having initially contracted for service as provided in subsection (b)(5)(A) and having received financial assistance for two years under an award providing for four years of financial assistance under this section, modifies such contract with the consent of the Secretary of the Army to provide for service as described in subsection (b)(5)(B), may be counted, for the year in which the contract is modified, toward the number of appointments required under the preceding sentence for financial assistance awarded for a period of four years.".

SEC. 515. REPORT ON FEASIBILITY OF PROVIDING EDUCATION BENEFITS PROTECTION INSURANCE FOR SERVICE ACADEMY AND ROTC SCHOLARSHIP STUDENTS WHO BECOME MEDICALLY UNABLE TO SERVE.

Not later than June 30, 1996, the Secretary of Defense shall submit to Congress a report on the desirability and the feasibility of the establishment of an insurance program, to operate at no cost to the Government, to insure individuals who are cadets or midshipmen at one of the service academies or who hold Reserve Officer Training Corps scholarships under section 2107 or 2107a of title 10, United States Code, against the loss of the value of attendance at such service academy (in terms of the cost of education at another institution), or the value of the scholarship, in cases in which such attendance or such scholarship is terminated by the Secretary of the military department concerned because the individual has become, through no fault of the individual, medically disqualified from military service.

SEC. 516. ACTIVE DUTY OFFICERS DETAILED TO ROTC DUTY AT SENIOR MILITARY COLLEGES TO SERVE AS COMMANDANT AND ASSISTANT COMMANDANT OF CADETS AND AS TACTICAL OFFICERS.

(a) IN GENERAL.—Chapter 103 of title 10, United States Code, is amended by adding at the end the following new section:

"§2111a. Detail of officers to senior military colleges

"(a) DETAIL OF OFFICERS TO SERVE AS COMMANDANT OR ASSISTANT COMMANDANT OF CADETS.—(1) Upon the request of a senior military college, the Secretary of Defense shall detail an officer on the active-duty list to serve as Commandant of Cadets at that college or (in the case of a college with an Assistant Commandant of Cadets) detail an officer on the active-duty list to serve as Assistant Commandant of Cadets at that college (but not both).

"(2) In the case of an officer detailed as Commandant of Cadets, the officer may, upon the request of the college, be assigned from among the Professor of Military Science, the Professor of Naval Science (if any), and the Professor of Aerospace Science (if any) at that college or may be in addition to any other officer detailed to that college in support of the program.

"(3) In the case of an officer detailed as Assistant Commandant of Cadets, the officer may, upon the request of the college, be assigned from among officers otherwise detailed to duty at that college in support of the program or may be in addition to any other officer detailed to that college in support of the program.

"(b) DESIGNATION OF OFFICERS AS TACTICAL OFFICERS.—Upon the request of a senior military college, the Secretary of Defense shall authorize officers (other than officers covered by subsection (a)) who are detailed to duty as instructors at that college to act simultaneously as tactical officers (with or without compensation) for the Corps of Cadets at that college.

"(c) DETAIL OF OFFICERS.—The Secretary of a military department shall designate officers for detail to the program at a senior military college in accordance with criteria provided by the college. An officer may not be detailed to a senior military college without the approval of that college.

"(d) SENIOR MILITARY COLLEGES.—The senior military colleges are the following:

"(1) Texas A&M University.

"(2) Norwich College.
"(3) The Virginia Military Institute.
"(4) The Citadel.
"(5) Virginia Polytechnic Institute and State University.
"(6) North Georgia College.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"2111a. Detail of officers to senior military colleges.".

SEC. 517. MOBILIZATION INCOME INSURANCE PROGRAM FOR MEMBERS OF READY RESERVE.

(a) ESTABLISHMENT OF PROGRAM.—(1) Subtitle E of title 10, United States Code, is amended by inserting after chapter 1213 the following new chapter:

"CHAPTER 1214—READY RESERVE INCOME INSURANCE

"Sec.
"12521. Definitions.
"12522. Establishment and purpose of program.
"12523. Program administration.
"12524. Eligible insurance companies.
"12525. Persons insured; amount.
"12526. Deductions; payment.
"12527. Payment of insurance; beneficiaries.
"12528. Premiums; accounting to the Secretary.
"12529. Forfeiture.

"§ 12521. Definitions

"In this chapter:

"(1) The term 'covered service' means active duty in the armed forces performed by a member of a reserve component under orders for more than 30 days which specify that the member's service is in support of an operational mission for which members of the reserve components have been ordered to active duty without their consent or in support of forces activated during a period of war or during a period of national emergency as declared by the President or Congress.

"(2) The term 'covered member' means a member of the Ready Reserve who is eligible for and who has not declined coverage under this chapter.

"(3) The term 'Secretary' means the Secretary of Defense.

"(4) The term 'Department' means the Department of Defense.

"(5) The term 'Board' means the Board of Actuaries established under section 2006(e)(1) of this title.

"(6) The term 'Fund' means the Department of Defense Ready Reserve Income Insurance Fund.

"§ 12522. Establishment and purpose of program

"(a) ESTABLISHMENT.—There is established an insurance program for members of the Ready Reserve to be known as the Department of Defense Ready Reserve Income Insurance Program which shall be administered by the Secretary. There is also established on the books of the Treasury a fund to be known as the Department of Defense Ready Reserve Income Insurance Fund, which shall be administered by the Secretary of the Treasury. The Fund shall be used for the accumulation of funds in order to finance on an actuarially sound basis liabilities of the Program.

"(b) ASSETS OF FUND.—There shall be deposited into the Fund the following, which shall constitute the assets of the Fund:

"(1) Amounts paid into the Fund under sections 12526 and 12528 of this title.

"(2) Any amount appropriated to the Fund.

"(3) Any return on investment of the assets of the Fund.

"(c) BOARD OF ACTUARIES.—The Department of Defense Education Benefits Fund Board of Actuaries shall have the actuarial responsibility for the Program.

"(d) DETERMINATION OF CONTRIBUTIONS TO THE FUND.—(1) Not later than six months after the Program is established, the Board shall determine (project) the premium rate for the coverage to be offered.

"(2) If at the time of any such valuation there has been a change in benefits under the Program that has been made since the last such valuation and such change in benefits increases or decreases the present value of amounts payable from the Fund, the Board shall determine a premium rate methodology and schedule for the liquidation of any liability (or actuarial gain to the Fund) created by such change and any previous such changes so that the present value of the sum of the scheduled premium payments (or reduction in payments that would otherwise be made) equals the cumulative increase (or decrease) in the present value of such benefits.

"(3) If at the time of any such valuation the Board determines that, based upon changes in actuarial assumptions since the last valuation, there has been an actuarial gain or loss to the Fund, the Board shall recommend a premium rate schedule for the amortization of the cumulative gain or loss to the Fund created by such change in assumptions and any previous such changes in assumptions through an increase or decrease in the payments that would otherwise be made to the Fund.

"(4) If at any time liabilities exceed assets of the Fund as a result of a call up, and funds are unavailable to pay benefits, the Secretary shall seek a special appropriation to cover the unfunded liability. If appropriations are not made, in any fiscal year, the Secretary shall limit the value of any benefits conferred by this program to an amount that does not exceed assets of the Fund expected to accrue at the end of such fiscal year. Benefits that cannot be paid because of such limitation of funds shall be deferred and paid only after funds become available.

"(e) PAYMENTS INTO THE FUND.—(1) Payment into the Fund under this subsection shall accumulate in accordance with the provisions of section 12526 of this title.

"(2) At the beginning of each fiscal year, the Secretary shall determine the sum of the following:

"(A) The projected amount of the premiums to be collected, investment earnings, and any special appropriations received for that fiscal year.

"(B) The amount for that year of any cumulative unfunded liability (including any negative amount or any gain to the Fund) resulting from payments of benefits.

"(C) The amount for that year (including any negative amount) of any cumulative actuarial gain or loss to the Fund.

"(f) INVESTMENT OF ASSETS OF FUND.—The Secretary of the Treasury shall invest such portion of the Fund as is not in the judgment of the Secretary of Defense required to meet current liabilities. Such investments shall be in public debt securities with maturities suitable to the needs of the Fund, as determined by the Secretary of Defense, and bearing interest at rates determined by the Secretary of the Treasury, taking into consideration current market yields on outstanding marketable obligations of the United States of comparable maturities. The income on such investments shall be credited to and form a part of the Fund.

"§ 12523. Program administration

"The insurance program provided for in this chapter shall be administered by the Secretary, who is authorized to adopt such rules, procedures, and policies as in the Secretary's judgment may be necessary or appropriate to carry out the purposes of this chapter.

"§ 12524. Eligible insurance companies

"(a) The Secretary may, without regard to section 3709 of the Revised Statutes (41 U.S.C. 5), purchase from one or more insurance companies a policy or policies of group insurance to offer benefits to all members. Each such insurance company shall (1) be licensed to issue insurance in each of the 50 States and in the District of Columbia, and (2) as of the most recent December 31 for which information is available to the Secretary, have in effect at least 1 percent of the total amount of insurance which all such insurance companies have in effect in the United States.

"(b) Any insurance company which issues a policy under subsection (a) shall establish an administrative office at a place and under a name designated by the Secretary.

"(c) The Secretary may use the facilities and services of any insurance company issuing any policy under this chapter and may designate one such company as the representative of the other companies and contract to pay a reasonable fee to the designated company for its services.

"(d) The Secretary shall arrange with the insurance company issuing any policy under this chapter to reinsure, under conditions approved by the Secretary, portions of the total amount of insurance under such policy or policies with such other insurance companies (which meet qualifying criteria set forth by the Secretary) as may elect to participate in such reinsurance.

"(e) The Secretary may at any time discontinue any policy purchased under this section.

"§ 12525. Persons insured; amount

"(a)(1) Any policy of insurance provided under this chapter shall insure each covered member of the Ready Reserve against covered service. Any covered member ordered into covered service shall be entitled to payment of a basic benefit of $1,000 for each month of covered service which is in excess of the initial 30 days of covered service, unless the member has elected in writing (A) not to be insured under this chapter, (B) to be insured for a lower benefit of half the basic benefit, or (C) to be insured in a greater amount, in increments of $500, above the basic benefit not to exceed $5,000 per month of covered service (adjusted pursuant to paragraph (2)), following the initial 30 days of covered service, except that no member may be paid under this chapter for more than 12 months of covered service served during any period of 18 months. Payment for any period of covered service less than one month shall be at the rate of one-thirtieth of the monthly rate for each day served. Payment shall be based solely on insured status and on the period of covered service served; no proof of lost income or expenses incurred as a result of covered service shall be required.

"(2) The Secretary shall determine annually the effect of inflation on the benefits and establish an adjustment rate which ensures that there is no loss of value in the benefits payable to a member. Adjustments shall apply to benefits for members with existing coverage and for newly eligible members. Such adjustments for inflation will be rounded to the nearest $10 increment.

"(3) Members of the Ready Reserve who, under regulations prescribed by the Secretary of Defense in coordination with the Secretary of Transportation, are serving on active duty (or full-time National Guard duty) shall not be eligible to purchase insurance under this chapter. Additional categories of members of the Ready Reserve, in the discretion of the Secretary of Defense, may also be excluded from eligibility to purchase insurance under this chapter.

"(b) Promptly following the effective date of this chapter, the Secretary shall make a one-time offer of insurance coverage under this chapter to all persons who were members of the Ready Reserve of an armed force on that date

and who remain members of the Ready Reserve. Members of the Ready Reserve, first becoming eligible for coverage after the effective date of this chapter, shall be automatically enrolled for the basic benefit unless declined, or another amount is elected under subsection (a)(1).

"(c) Members shall be given a written explanation of the insurance and be advised that they have the right (1) to decline coverage altogether, (2) to select half the basic benefit, or (3) to select increased benefits. The right of a member of the Ready Reserve to decline, increase, or decrease coverage shall be exercised within 30 days of first being eligible for coverage.

"§12526. Deductions; payment

"(a)(1) During any period in which a member insured under this chapter is participating in paid reserve training or other duty, there shall be deducted each month from the member's basic pay or compensation for inactive duty training an amount determined by the Secretary to be the same for all members of the Ready Reserve who subscribe to the same amount of insurance as the share of the cost attributable to insuring such member. As provided in section 12525 of this title, the Secretary may establish graduated monthly premiums for an amount of insurance less than the basic amount of coverage or in excess of the basic coverage amount.

"(2) Any member insured under this chapter who is not in a pay status in which the member receives pay on a monthly basis shall pay the cost attributable to insuring such member in accordance with regulations to be adopted by the Secretary.

"(b) An amount equal to the first amount due on insurance under this chapter may be advanced from current appropriations for military pay to any such member, which amount shall constitute a lien upon the pay for military service accruing to the person to whom such advance was made, and shall be collected therefrom if not otherwise paid. No disbursing or certifying officer shall be responsible for any loss by reason of such advance.

"(c) The sums withheld from the basic or other pay of insured members or deposited by insured members, together with the income derived from any dividends or premium rate adjustments, shall be deposited to the credit of the Fund. All premium payments for insurance issued under this chapter shall be deposited into the Fund.

"§12527. Payment of insurance; beneficiaries

"(a) A member insured under this chapter who serves in excess of 30 days of covered service shall be paid the amount to which such member is entitled on a monthly basis, with the first payment due no later than one month following the 30th day of covered service. The Secretary shall adopt regulations prescribing the manner in which payments shall be made, either to the member or, in accordance with subsection (d), to a designated person or entity.

"(b) A member may designate in writing another person (including a spouse, parent, or other person with an insurable interest as determined by the Secretary by regulation) to whom the insurance payments to which such member is entitled are to be paid. Such designation may be made to a bank or other financial institution, to the credit of a designated person. In the latter event, insurance payments to which a member becomes entitled shall be paid to the designated person, bank or financial institution.

"(c) Any amount of insurance payable under this chapter on account of a deceased member's period of covered service shall be paid, upon the establishment of a valid claim therefor, to the beneficiary or beneficiaries which the former member had designated in writing. If no such designation has been made, the amount shall be payable in accordance with the laws of the State of the member's domicile.

"§12528. Premiums; accounting to the Secretary

"(a) Each policy of insurance provided by the Secretary under this chapter shall include for the first policy years a fixed monetary premium per $1,000 of insurance, based, in consultation with the Board, on the best available estimate of risk and financial exposure, levels of subscription by members, and other relevant factors. Different premium levels may be established for different amounts of coverage, provided that the premium rate established for the basic benefit shall not be at a premium rate higher than the premium rate set for increased coverages.

"(b) Each policy shall include provisions whereby the premium rate for the first policy year shall be continued for subsequent policy years (but the premium amount may be increased to account or inflation-adjusted benefit increases). The rate may be readjusted for any subsequent year with the consent of the Secretary based on prior consultation with the Board of Actuaries.

"§12529. Forfeiture

"Any person found guilty of mutiny, treason, spying, or desertion, or who refuses to perform service in the armed forces or refuses to wear the uniform of any of the armed forces, shall forfeit all rights to insurance under this chapter.".

(2) The tables of chapters at the beginning of subtitle E, and at the beginning of part II of subtitle E, of title 10, United States Code, are amended by inserting after the item relating to chapter 1213 the following new item:

"1214. Ready Reserve Income Insurance ..... 12521".

(b) EFFECTIVE DATE.—The insurance program provided for in chapter 1218 of title 10, United States Code, as added by subsection (a), and the deductions and contributions for that program shall take effect on a date designated by the Secretary. Such date may not be later than September 30, 1996. The Secretary shall publish in the Federal Register notice of such effective date.

SEC. 518. DELAY IN REORGANIZATION OF ARMY ROTC REGIONAL HEADQUARTERS STRUCTURE.

(a) DELAY.—The Secretary of the Army may not take any action to reorganize the regional headquarters and basic camp structure of the Reserve Officers Training Corps program of the Army until six months after the date on which the report required by subsection (d) is submitted.

(b) COST-BENEFIT ANALYSIS.—The Secretary of the Army shall conduct a comparative cost-benefit analysis of various options for the reorganization of the regional headquarters and basic camp structure of the Army ROTC program. As part of such analysis, the Secretary shall measure each reorganization option considered against a common set of criteria.

(c) SELECTION OF REORGANIZATION OPTION FOR IMPLEMENTATION.—Based on the findings resulting from the cost-benefit analysis under subsection (b) and such other factors as the Secretary considers appropriate, the Secretary shall select one reorganization option for implementation. The Secretary may select an option for implementation only if the Secretary finds that the cost-benefit analysis and other factors considered clearly demonstrate that such option, better than any other option considered—

(1) provides the structure to meet projected mission requirements;

(2) achieves the most significant personnel and cost savings;

(3) uses existing basic and advanced camp facilities to the maximum extent possible;

(4) minimizes additional military construction costs; and

(5) makes maximum use of the reserve components to support basic and advanced camp operations, thereby minimizing the effect of those operations on active duty units.

(d) REPORT.—Not later than 60 days after the date of the enactment of this Act, the Secretary of the Army shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report describing the reorganization option selected under subsection (c). The report shall include the results of the cost-benefit analysis under subsection (b) and a detailed rationale for the reorganization option selected.

Subtitle C—Matters Relating to Force Levels

SEC. 521. FLOOR ON END STRENGTHS.

(a) IN GENERAL.—Chapter 39 of title 10, United States Code, is amended by adding at the end the following new section:

"§691. Permanent end strength levels to support two major regional contingencies

"(a) The end strengths specified in subsection (b) are the minimum strengths necessary to enable the armed forces to fulfill a national defense strategy calling for the United States to be able to successfully conduct two nearly simultaneous major regional contingencies.

"(b) Unless otherwise provided by law, the number of members of the armed forces (other than the Coast Guard) on active duty at the end of any fiscal year shall be not less than the following:

"(1) For the Army, 495,000.

"(2) For the Navy, 395,000.

"(3) For the Marine Corps, 174,000.

"(4) For the Air Force, 381,000.

"(c) No funds appropriated to the Department of Defense may be used to reduce the active duty end strengths for the armed forces below the levels specified in subsection (b) unless the Secretary of Defense submits to Congress notice of the proposed lower end strength levels and a justification for those levels. No action may then be taken to reduce such end strengths below the levels specified in subsection (b) until the end of the six-month period beginning on the date of the submission of such notification to Congress.

"(d) The number of members of the armed forces on active duty shall be counted for purposes of this section in the same manner as applies under section 115(a)(1) of this title.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"691. Permanent end strength levels to support two major regional contingencies.".

SEC. 522. ARMY OFFICER MANNING LEVELS.

(a) IN GENERAL.—(1) Chapter 331 of title 10, United States Code, is amended by inserting after the table of sections the following new section:

"§3201. Officers on active duty: minimum strength based on requirements

"(a) The Secretary of the Army shall ensure that (beginning with fiscal year 1999) the strength at the end of each fiscal year of officers on active duty is sufficient to enable the Army to meet at least 90 percent of the programmed manpower structure for the active component of the Army.

"(b) The number of officers on active duty shall be counted for purposes of this section in the same manner as applies under section 115(a)(1) of this title.

"(c) In this section:

"(1) The term 'programmed manpower structure' means the aggregation of billets describing the full manpower requirements for units and organizations in the programmed force structure.

"(2) The term 'programmed force structure' means the set of units and organizations that

exist in the current year and that is planned to exist in each future year under the then-current Future-Years Defense Program.".

(2) The table of sections at the beginning of such chapter is amended by inserting after "Sec." the following new item:

"3201. Officers on active duty: minimum strength based on requirements.".

(b) ASSISTANCE IN ACCOMPLISHING REQUIREMENT.—The Secretary of Defense shall provide to the Army sufficient personnel and financial resources (including resources from outside Army accounts) to enable the Army to meet the requirement specified in section 3201 of title 10, United States Code, as added by subsection (a).

SEC. 523. COMPTROLLER GENERAL REVIEW OF PROPOSED ARMY END STRENGTH ALLOCATIONS.

(a) IN GENERAL.—During fiscal years 1996 through 2001, the Comptroller General of the United States shall analyze the plans of the Secretary of the Army for the allocation of assigned active component end strengths for the Army through the requirements process known as Total Army Analysis 2003 and through any subsequent similar requirements process of the Army that is conducted before 2002. The Comptroller General's analysis shall consider whether the proposed active component end strengths and planned allocation of forces for that period will be sufficient to implement the national military strategy. In monitoring those plans, the Comptroller General shall determine the extent to which the Army will be able during that period—

(1) to man fully the combat force based on the projected active component Army end strength for each of fiscal years 1996 through 2001;

(2) to meet the support requirements for the force and strategy specified in the report of the Bottom-Up Review, including requirements for operations other than war; and

(3) to streamline further Army infrastructure in order to eliminate duplication and inefficiencies and replace active duty personnel in overhead positions, whenever practicable, with civilian or reserve personnel.

(b) ACCESS TO DOCUMENTS, ETC.—The Secretary of the Army shall ensure that the Comptroller General is provided access, on a timely basis and in accordance with the needs of the Comptroller General, to all analyses, models, memoranda, reports, and other documents prepared or used in connection with the requirements process of the Army known as Total Army Analysis 2003 and any subsequent similar requirements process of the Army that is conducted before 2002.

(c) ANNUAL REPORT.—Not later than March 1 of each year through 2002, the Comptroller General shall submit to Congress a report on the findings and conclusions of the Comptroller General under this section.

SEC. 524. MANNING STATUS OF HIGHLY DEPLOYABLE SUPPORT UNITS.

Not later than September 30, 1996, the Secretary of each military department shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on the units under that Secretary's jurisdiction that (as determined by the Secretary) are high-priority support units that would deploy early in a contingency operation or other crisis and that are, as a matter of policy, managed at less than 100 percent of their authorized strengths. The Secretary shall include in the report the number of such high-priority support units (shown by type of unit), the level of manning within such high-priority support units, and either the justification for manning of less than 100 percent or the status of corrective action.

SEC. 525. SENSE OF CONGRESS CONCERNING PERSONNEL TEMPO RATES.

(a) FINDINGS.—Congress makes the following findings:

(1) Excessively high personnel tempo rates for members of the Armed Forces resulting from high-tempo unit operations degrades unit readiness and morale and eventually can be expected to adversely affect unit retention.

(2) The Armed Forces have begun to develop methods to measure and manage personnel tempo rates.

(3) The Armed Forces have attempted to reduce operations and personnel tempo for heavily tasked units by employing alternative capabilities and reducing tasking requirements.

(b) SENSE OF CONGRESS.—The Secretary of Defense should continue to enhance the knowledge within the Armed Forces of personnel tempo and to improve the techniques by which personnel tempo is managed with a view toward establishing and achieving reasonable personnel tempo standards for all personnel, regardless of unit or assignment.

Subtitle D—Amendments to the Uniform Code of Military Justice

SEC. 541. REFERENCES TO UNIFORM CODE OF MILITARY JUSTICE.

Except as otherwise expressly provided, whenever in this subtitle 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 chapter 47 of title 10, United States Code (the Uniform Code of Military Justice).

SEC. 542. FORFEITURE OF PAY AND ALLOWANCES DURING CONFINEMENT BY SENTENCE OF COURT-MARTIAL.

(a) FORFEITURE.—(1) Subchapter VIII is amended by inserting after section 857 (article 57) the following new section (article):

"§857a. Art. 57a. Sentences: forfeiture of pay and allowances during confinement by sentence of court-martial

"(a) A court-martial sentence, as announced by the sentencing authority, that includes confinement shall result in the forfeiture of pay and allowances due that member during the period of the confinement or while on parole. The forfeiture shall be effective on the date on which the sentence is announced. The percentage of pay and allowances forfeited shall be the maximum percentage that the court-martial could have directed as part of the sentence.

"(b) If the sentence of a member who forfeits pay and allowances under subsection (a) is set aside or disapproved or, as finally approved, does not provide for confinement, the member shall be paid the pay and allowances which the member would have been paid, but for the forfeiture, for the period during which the forfeiture was in effect.".

(2) The table of sections at the beginning of subchapter VIII is amended by inserting after the item relating to section 857 (article 57) the following new item:

"857a. 57a. Sentences: forfeiture of pay and allowances during confinement by sentence of court-martial.".

(b) ACTION BY THE CONVENING AUTHORITY.—Section 860 (article 60) is amended—

(1) by redesignating subsections (d) and (e) as subsections (e) and (f) respectively; and

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

"(d) In a case involving an accused who has dependents and in which the sentence, as approved, includes confinement, the convening authority or other person taking action under this section may waive some or all of the forfeiture of pay and allowances otherwise required by section 857a of this title (article 57a). Any amount of pay and allowances payable only by reason of such a waiver shall be paid, as the convening authority or other person taking action under this section directs, to the dependents of the accused."

(c) CONFORMING AMENDMENT.—(1) Section 804 of title 37, United States Code, is repealed.

(2) The table of sections at the beginning of chapter 15 of such title is amended by striking out the item relating to section 804.

SEC. 543. REFUSAL TO TESTIFY BEFORE COURT-MARTIAL.

Section 847(b) (article 47(b)) is amended by striking out "shall be" in the second sentence and all that follows inserting in lieu thereof "shall be fined or imprisoned, or both, at the court's discretion.".

SEC. 544. FLIGHT FROM APPREHENSION.

(a) IN GENERAL.—Section 895 (article 95) is amended to read as follows:

"§895. Art. 95. Resistance, flight, breach of arrest, and escape

"Any person subject to this chapter who—

"(1) resists apprehension;

"(2) flees from apprehension;

"(3) breaks arrest; or

"(4) escapes from custody or confinement;

shall be punished as a court-martial may direct.".

(b) CLERICAL AMENDMENT.—The item relating to section 895 (article 95) in the table of sections at the beginning of subchapter X is amended to read as follows:

"895. 95. Resistance, flight, breach of arrest, and escape.".

SEC. 545. CARNAL KNOWLEDGE.

(a) GENDER NEUTRALITY.—Subsection (b) of section 920 (article 120) is amended to read as follows:

"(b) Any person subject to this chapter who, under circumstances not amounting to rape, commits an act of sexual intercourse with a person—

"(1) who is not that person's spouse; and

"(2) who has not attained the age of sixteen years;

is guilty of carnal knowledge and shall be punished as a court-martial may direct.".

(b) MISTAKE OF FACT.—Such section (article) is further amended by adding at the end the following new subsection:

"(d) In a prosecution under subsection (b), it is a defense that—

"(1) the person with whom the accused committed the act of sexual intercourse had at the time of the alleged offense attained the age of twelve years; and

"(2) the accused reasonably believed that that person had at the time of the alleged offense attained the age of sixteen years.".

SEC. 546. TIME AFTER ACCESSION FOR INITIAL INSTRUCTION IN THE UNIFORM CODE OF MILITARY JUSTICE.

Section 937(a)(1) (article 137(a)(1)) is amended by striking out "within six days" and inserting in lieu thereof "within fourteen days".

SEC. 547. PERSONS WHO MAY APPEAR BEFORE THE UNITED STATES COURT OF APPEALS FOR THE ARMED FORCES.

Section 944 (article 144) is amended by adding at the end the following new sentence: "However, no person may appear before the court (whether on a brief or in person) other than an attorney who is admitted to practice before the court or who is authorized to appear by the court in a particular case (except that the court may permit a third-year law student certified under a State rule for practical training of law students to appear as an amicus curiae).".

SEC. 548. DISCRETIONARY REPRESENTATION BY GOVERNMENT APPELLATE DEFENSE COUNSEL IN PETITIONING SUPREME COURT FOR WRIT OF CERTIORARI.

Section 870 (article 70) is amended—

(1) in subsection (c), by inserting "(except as provided in subsection (f))" before "the Supreme Court"; and

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

"(f) Representation of the accused by appellate defense counsel in preparation of a petition to the Supreme Court for a writ of certiorari shall be at the discretion of the appellate defense counsel.".

SEC. 549. REPEAL OF TERMINATION OF AUTHORITY FOR CHIEF JUSTICE OF UNITED STATES TO DESIGNATE ARTICLE III JUDGES FOR TEMPORARY SERVICE ON COURT OF APPEALS FOR THE ARMED FORCES.

Subsection (i) of section 1301 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101-189; 10 U.S.C. 942 note) is repealed.

SEC. 550. TECHNICAL AMENDMENT.

Section 866(f) (article 66(f)) is amended by striking out "Courts of Military Review" both places it appears and inserting in lieu thereof "Courts of Criminal Appeals".

Subtitle E—Other Matters

SEC. 551. EQUALIZATION OF ACCRUAL OF SERVICE CREDIT FOR OFFICERS AND ENLISTED MEMBERS.

(a) ENLISTED SERVICE CREDIT.—Section 972 of title 10, United States Code, is amended—

(1) by inserting "(a) ENLISTED MEMBERS REQUIRED TO MAKE UP TIME LOST.—" before "An enlisted member";

(2) by striking out paragraphs (3) and (4) and inserting in lieu thereof the following:

"(3) is confined by military or civilian authorities for more than one day before, during, or after trial; or"; and

(3) by redesignating paragraph (5) as paragraph (4).

(b) OFFICER SERVICE CREDIT.—Such section is further amended by adding at the end the following:

"(b) OFFICERS NOT ALLOWED SERVICE CREDIT FOR TIME LOST.—In the case of an officer of an armed force who after the date of the enactment of the National Defense Authorization Act for Fiscal Year 1996—

"(1) deserts;

"(2) is absent from his organization, station, or duty for more than one day without proper authority, as determined by competent authority;

"(3) is confined by military or civilian authorities for more than one day before, during, or after trial; or

"(4) is unable for more than one day, as determined by competent authority, to perform his duties because of intemperate use of drugs or alcoholic liquor, or because of disease or injury resulting from his misconduct;

the period of such desertion, absence, confinement, or inability to perform duties may not be counted in computing, for any purpose other than basic pay under section 205 of title 37, the officer's length of service.".

(c) CLERICAL AMENDMENTS.—(1) The heading of such section is amended to read as follows:

"§972. Members: effect of time lost

(2) The item relating to section 972 in the table of sections at the beginning of chapter 49 of such title is amended to read as follows:

"972. Members: effect of time lost.".

(d) CONFORMING AMENDMENTS.—(1) Section 1405(c) is amended—

(A) by striking out "MADE UP.—Time" and inserting in lieu thereof "MADE UP OR EXCLUDED.—(1) Time";

(B) by striking out "section 972" and inserting in lieu thereof "section 972(a)";

(C) by inserting after "of this title" the following: ", or required to be made up by an enlisted member of the Navy, Marine Corps, or Coast Guard under that section with respect to a period of time after the date of the enactment of the National Defense Authorization Act for Fiscal Year 1995,"; and

(D) by adding at the end the following:

"(2) Section 972(b) of this title excludes from computation of an officer's years of service for purposes of this section any time identified with respect to that officer under that section.".

(2) Chapter 367 of such title is amended—

(A) in section 3925(b), by striking out "section 972" and inserting in lieu thereof "section 972(a)"; and

(B) by adding at the end of section 3926 the following new subsection:

"(e) Section 972(b) of this title excludes from computation of an officer's years of service for purposes of this section any time identified with respect to that officer under that section.".

(3)(A) Chapter 571 of such title is amended by inserting after section 6327 the following new section:

"§6328. Computation of years of service: voluntary retirement

"(a) ENLISTED MEMBERS.—Time required to be made up under section 972(a) of this title after the date of the enactment of this section may not be counted in computing years of service under this chapter.

"(b) OFFICERS.—Section 972(b) of this title excludes from computation of an officer's years of service for purposes of this chapter any time identified with respect to that officer under that section.".

(B) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 6327 the following new item:

"6328. Computation of years of service: voluntary retirement.".

(4) Chapter 867 of such title is amended—

(A) in section 8925(b), by striking out "section 972" and inserting in lieu thereof "section 972(a)"; and

(B) by adding at the end of section 8926 the following new subsection:

"(d) Section 972(b) of this title excludes from computation of an officer's years of service for purposes of this section any time identified with respect to that officer under that section.".

(e) EFFECTIVE DATE AND APPLICABILITY.—The amendments made by this section shall take effect on the date of the enactment of this Act and shall apply to any period of time covered by section 972 of title 10, United States Code, that occurs after that date.

SEC. 552. EXTENSION OF EXPIRING PERSONNEL AUTHORITIES.

(a) GRADE DETERMINATION AUTHORITY FOR CERTAIN RESERVE MEDICAL OFFICERS.—Sections 3359(b) and 8359(b) of title 10, United States Code, are amended by striking out "September 30, 1995" and inserting in lieu thereof "September 30, 1996".

(n) PROMOTION AUTHORITY FOR CERTAIN RESERVE OFFICERS SERVING ON ACTIVE DUTY.—Sections 3380(d) and 8380(d) of such title are amended by striking out "September 30, 1995" and inserting in lieu thereof "September 30, 1996".

(c) YEARS OF SERVICE FOR MANDATORY TRANSFER TO THE RETIRED RESERVE.—Section 1016(d) of the Department of Defense Authorization Act, 1984 (10 U.S.C. 3360 note), is amended by striking out "September 30, 1995" and inserting in lieu thereof "September 30, 1996".

(d) AUTHORITY FOR TEMPORARY PROMOTIONS OF CERTAIN NAVY LIEUTENANTS.—Section 5721 of title 10, United States Code, is amended by striking out "September 30, 1995" and inserting in lieu thereof "September 30, 1998".

SEC. 553. INCREASE IN EDUCATIONAL ASSISTANCE ALLOWANCE WITH RESPECT TO SKILLS OR SPECIALTIES FOR WHICH THERE IS A CRITICAL SHORTAGE OF PERSONNEL.

Section 16131 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(j)(1) In the case of a person who has a skill or specialty designated by the Secretary concerned as a skill or specialty in which there is a critical shortage of personnel or for which it is difficult to recruit or, in the case of critical units, retain personnel, the Secretary concerned may increase the rate of the educational assistance allowance applicable to that person to such rate in excess of the rate prescribed under subparagraphs (A) through (D) of subsection (b)(1) as the Secretary of Defense considers appropriate, but the amount of any such increase may not exceed $350 per month.

"(2) The authority provided by paragraph (1) shall be exercised by the Secretaries of the military departments under regulations prescribed by the Secretary of Defense.".

SEC. 554. AMENDMENTS TO EDUCATION LOAN REPAYMENT PROGRAMS.

(a) GENERAL EDUCATION LOAN REPAYMENT PROGRAM.—Section 2171(a)(1) of title 10, United States Code, is amended—

(1) by striking out "or" at the end of subparagraph (A);

(2) by redesignating subparagraph (B) as subparagraph (C); and

(3) by inserting after subparagraph (A) the following new subparagraph (B):

"(B) any loan made under part D of such title (the William D. Ford Federal Direct Loan Program, 20 U.S.C. 1087a et seq.); or".

(b) EDUCATION LOAN REPAYMENT PROGRAM FOR ENLISTED MEMBERS OF SELECTED RESERVE WITH CRITICAL SPECIALTIES.—Section 16301(a)(1) of such title is amended—

(1) by striking out "or" at the end of subparagraph (A);

(2) by redesignating subparagraph (B) as subparagraph (C); and

(3) by inserting after subparagraph (A) the following new subparagraph (B):

"(B) any loan made under part D of such title (the William D. Ford Federal Direct Loan Program, 20 U.S.C. 1087a et seq.); or".

(c) EDUCATION LOAN REPAYMENT PROGRAM FOR HEALTH PROFESSIONS OFFICERS SERVING IN SELECTED RESERVE WITH WARTIME CRITICAL MEDICAL SKILL SHORTAGES.—Section 16302(a) of such title is amended—

(1) by redesignating paragraphs (2) through (4) as paragraphs (3) through (5) respectively; and

(2) by inserting after paragraph (1) the following new paragraph (2):

"(2) any loan made under part D of such title (the William D. Ford Federal Direct Loan Program, 20 U.S.C. 1087a et seq.); or".

SEC. 555. RECOGNITION BY STATES OF LIVING WILLS OF MEMBERS, CERTAIN FORMER MEMBERS, AND THEIR DEPENDENTS.

(a) RECOGNITION BY STATES REQUIRED.—(1) Chapter 53 of title 10, United States Code, is amended by inserting after section 1044b the following new section:

"§1044c. Military advance medical directives: requirement for recognition by States

"(a) INSTRUMENTS TO BE GIVEN LEGAL EFFECT WITHOUT REGARD TO STATE LAW.—A military advance medical directive—

"(1) is exempt from any requirement of form, substance, formality, or recording that is provided for advance medical directives under the laws of a State; and

"(2) shall be given the same legal effect as an advance medical directive prepared and executed in accordance with the laws of the State concerned.

"(b) MILITARY ADVANCE MEDICAL DIRECTIVES.—For the purposes of this section, a military advance medical directive is any written declaration regarding future medical treatment that—

"(1) is executed by a person eligible for legal assistance under section 1044(a) of this title or regulations of the Secretary concerned; and

"(2) is intended—

"(A) to provide, withdraw, or withhold life-prolonging procedures, including hydration and sustenance, in the event of a terminal condition or persistent vegetative state of the declarant; or

"(B) to appoint another person to make health care decisions for the declarant under circumstances stated in the declaration if the declarant is determined to be incapable of making informed health care decisions.

"(c) STATEMENT TO BE INCLUDED.—Under regulations prescribed by the Secretary concerned, a written declaration described in subsection (b) shall contain a statement that clearly indicates the purpose of the declaration to serve as the military advance medical directive of the declarant. However, the failure of a military advance medical directive to include such a statement shall not be construed to negate the legal effect of the directive under subsection (a).

"(d) STATE DEFINED.—In this section, the term 'State' includes the District of Columbia, the Commonwealth of Puerto Rico, and a possession of the United States.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1044b the following new item:

"1044c. Military advance medical directives: requirement for recognition by States.".

(b) EFFECTIVE DATE.—Section 1044c of title 10, United States Code, as added by subsection (a), shall apply with respect to any military advance medical directive described in such section declared before, on, or after the date of the enactment of this Act.

SEC. 556. TRANSITIONAL COMPENSATION FOR DEPENDENTS OF MEMBERS OF THE ARMED FORCES SEPARATED FOR DEPENDENT ABUSE.

(a) MANDATORY PROGRAM.—Subsection (a) of section 1059 of title 10, United States Code, is amended by striking out "may each establish a program" and inserting in lieu thereof "shall each establish a program".

(b) PAYMENT TO DEPENDENTS OF MEMBERS NOT DISCHARGED.—Subsection (d) of such section is amended by striking out "of a separation from active duty as" in the first sentence.

SEC. 557. ARMY RANGER TRAINING.

(a) IN GENERAL.—(1) Chapter 401 of title 10, United States Code, is amended by inserting after section 4302 the following new section:

"§4303. Army Ranger Training: instructor staffing; safety

"(a) LEVELS OF PERSONNEL ASSIGNED TO BE NOT LESS THAN NUMBER REQUIRED.—(1) The Secretary of the Army shall ensure that at all times the number of officers, and the number of enlisted members, permanently assigned to the Army Ranger Training Brigade (or other organizational element of the Army primarily responsible for ranger student training) are not less than the required manning spaces for that brigade.

"(2) If at any time the number of officers, or the number of enlisted members, permanently assigned to the Ranger Training Brigade is less than the required manning spaces for officers, or for enlisted members, as the case may be, for the Brigade, the Secretary of the Army shall submit to Congress a notice of such shortage, together with a statement of the reasons for the shortage and of the expected date when the number assigned will be not less than the required manning spaces, in accordance with paragraph (1).

"(b) REQUIRED MANNING SPACES.—(1) The Secretary of the Army may not (except as provided in paragraph (3)) reduce the required manning spaces for the Ranger Training Brigade below the baseline required manning spaces.

"(2) In this section:

"(A) The term 'required manning spaces' means the number of personnel spaces for officers, and the number of personnel spaces for enlisted members, that are designated in Army authorization documents as the number required to accomplish the missions of a particular unit or organization.

"(B) The term 'baseline required manning spaces' means the required manning spaces for the Army Ranger Training Brigade as of February 10, 1995, of 94 officers and 658 enlisted members.

"(3) The Secretary may (subject to paragraph (4)) make reductions in required manning spaces for the Army Ranger Training Brigade from the baseline required manning spaces if—

"(A) reductions in ranger student training loads result in decreased instructor workload; and

"(B) one or more of the three major phases of the Ranger Course (conducted at Fort Benning, Georgia, at the Mountain Ranger Camp, and in Florida) is eliminated.

"(4) Before making a reduction authorized by paragraph (3) in required manning spaces, the Secretary of the Army shall submit to Congress a report on the proposed reduction. Such a reduction may not be made unless the report includes a certification by the Secretary that the reduction will not reduce the ability of the commander of the Ranger Training Brigade to conduct training safely. The report shall include a description of the reduction (including specification of the number of officers and the number of enlisted members that will be considered to be required to carry out the missions of the Army Ranger Training Brigade after the reduction) and shall set forth the rationale of the Secretary for the reduction.

"(c) TRAINING SAFETY CELLS.—(1) The Secretary of the Army shall establish and maintain an organizational entity known as a 'safety cell' as part of the organizational elements of the Army responsible for conducting each of the three major phases of the Ranger Course. The safety cell in each different geographic area of Ranger Course training shall be comprised of personnel who have sufficient continuity and experience in that geographic area of such training to be knowledgeable of the local conditions year-round, including conditions of terrain, weather, water, and climate and other conditions and the potential effect on those conditions on Ranger student training and safety.

"(2) Members of each safety cell shall be assigned in sufficient numbers to serve as advisers to the officers in charge of the major phase of Ranger training and shall assist those officers in making informed daily 'go' and 'no-go' decisions regarding training in light of all relevant conditions, including conditions of terrain, weather, water, and climate and other conditions.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 4302 the following new item:

"4303. Army Ranger Training: instructor staffing; safety.".

(b) ACCOMPLISHMENT OF REQUIRED MANNING LEVELS.—(1) If, as of the date of the enactment of this Act, the number of officers, or the number of enlisted members, permanently assigned to the Ranger Training Brigade is not 100 percent (or more) of the requirement specified in subsection (b) of section 4303 of title 10, United States Code, as added by subsection (a), the Secretary of the Army—

(A) shall take such steps as necessary to accomplish that requirement within 12 months after such date of enactment; and

(B) not later than 90 days after such date of enactment, shall submit to Congress a plan to achieve and maintain that requirement.

(2) If the Secretary does not accomplish the requirement referred to in paragraph (1) with respect to both officers and enlisted members within 12 months after the date of the enactment of this Act (as required by paragraph (1)(A)), the Secretary shall halt all training activities of the Ranger Training Brigade until the requirement is met.

SEC. 558. REPEAL OF CERTAIN CIVIL-MILITARY PROGRAMS.

(a) REPEAL OF CIVIL-MILITARY COOPERATIVE ACTION PROGRAM.—(1) Section 410 of title 10, United States Code, and section 1081(a) of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 10 U.S.C. 410 note) are repealed.

(2) The table of sections at the beginning of chapter 20 of title 10, United States Code, is amended by striking out the item relating to section 410.

(b) REPEAL OF RELATED PROVISIONS.—The following sections of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484) are repealed.

(1) Section 1045 (10 U.S.C. 410 note), relating to a pilot outreach program to reduce demand for illegal drugs.

(2) Section 1091 (32 U.S.C. 501 note), relating to the National Guard Civilian Youth Opportunities Program.

(c) TERMINATION OF SUPPORT OF CIVILIAN COMMUNITY CORPS.—(1) The Secretary of Defense may not provide support to, or participate in, the Civilian Community Corps Demonstration Program established under subtitle E of title I of the National and Community Service Act of 1990 (42 U.S.C. 12611–12626) or the Civilian Community Corps required as part of that demonstration program.

(2) Section 1093 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 42 U.S.C. 12612 note), relating to coordination between the National Guard Civilian Youth Opportunities Pilot Program and the Civilian Community Corps Demonstration Program, is repealed.

SEC. 559. ELIGIBILITY FOR ARMED FORCES EXPEDITIONARY MEDAL BASED UPON SERVICE IN EL SALVADOR.

(a) IN GENERAL.—For the purpose of determining eligibility of members and former members of the Armed Forces for the Armed Forces Expeditionary Medal, the country of El Salvador during the period beginning on January 1, 1981 and ending on February 1, 1992, shall be treated as having been designated as an area and a period of time in which members of the Armed Forces participated in operations in significant numbers and otherwise met the general requirements for the award of that medal.

(b) INDIVIDUAL DETERMINATION.—The Secretary of the military department concerned shall determine whether individual members or former members of the Armed Forces who served in El Salvador during the period beginning on January 1, 1981 and ending on February 1, 1992 meet the individual service requirements for award of the Armed Forces Expeditionary Medal as established in applicable regulations. Such determinations shall be made as expeditiously as possible after the date of the enactment of this Act.

SEC. 560. REVISION AND CODIFICATION OF MILITARY FAMILY ACT AND MILITARY CHILD CARE ACT.

(a) IN GENERAL.—(1) Subtitle A of title 10, United States Code, is amended by inserting after chapter 87 the following new chapter:

"CHAPTER 88—MILITARY FAMILY PROGRAMS AND MILITARY CHILD CARE

"Subchapter	Sec.
"I. Military Family Programs	1781
"II. Military Child Care	1791

"SUBCHAPTER I—MILITARY FAMILY PROGRAMS

"Sec.
"1781. Office of Family Policy.
"1782. Surveys of military families.
"1783. Family members serving on advisory committees.
"1784. Employment opportunities for military spouses.
"1785. Youth sponsorship program.
"1786. Dependent student travel within the United States.
"1787. Reporting of child abuse.

"§1781. Office of Family Policy

"(a) ESTABLISHMENT.—There is in the Office of the Secretary of Defense an Office of Family Policy (hereinafter in this section referred to as the 'Office'). The Office shall be under the Assistant Secretary of Defense for Force Management and Personnel.

"(b) DUTIES.—The Office—

"(1) shall coordinate programs and activities of the military departments to the extent that they relate to military families; and

"(2) shall make recommendations to the Secretaries of the military departments with respect to programs and policies regarding military families.

"(c) STAFF.—The Office shall have not less than five professional staff members.

"§1782. Surveys of military families

"(a) AUTHORITY.—The Secretary of Defense may conduct surveys of members of the armed forces on active duty or in an active status, members of the families of such members, and retired members of the armed forces to determine the effectiveness of Federal programs relating to military families and the need for new programs.

"(b) RESPONSES TO BE VOLUNTARY.—Responses to surveys conducted under this section shall be voluntary.

"(c) FEDERAL RECORDKEEPING REQUIREMENTS.—With respect to such surveys, family members of members of the armed forces and reserve and retired members of the armed forces shall be considered to be employees of the United States for purposes of section 3502(4)(A) of title 44.

"§1783. Family members serving on advisory committees

"A committee within the Department of Defense which advises or assists the Department in the performance of any function which affects members of military families and which includes members of military families in its membership shall not be considered an advisory committee under section 3(2) of the Federal Advisory Committee Act (5 U.S.C. App.) solely because of such membership.

"§1784. Employment opportunities for military spouses

"(a) AUTHORITY.—The President shall order such measures as the President considers necessary to increase employment opportunities for spouses of members of the armed forces. Such measures may include—

"(1) excepting, pursuant to section 3302 of title 5, from the competitive service positions in the Department of Defense located outside of the United States to provide employment opportunities for qualified spouses of members of the armed forces in the same geographical area as the permanent duty station of the members; and

"(2) providing preference in hiring for positions in nonappropriated fund activities to qualified spouses of members of the armed forces stationed in the same geographical area as the nonappropriated fund activity for positions in wage grade UA-8 and below and equivalent positions and for positions paid at hourly rates.

"(b) REGULATIONS.—The Secretary of Defense shall prescribe regulations—

"(1) to implement such measures as the President orders under subsection (a);

"(2) to provide preference to qualified spouses of members of the armed forces in hiring for any civilian position in the Department of Defense if the spouse is among persons determined to be best qualified for the position and if the position is located in the same geographical area as the permanent duty station of the member;

"(3) to ensure that notice of any vacant position in the Department of Defense is provided in a manner reasonably designed to reach spouses of members of the armed forces whose permanent duty stations are in the same geographic area as the area in which the position is located; and

"(4) to ensure that the spouse of a member of the armed forces who applies for a vacant position in the Department of Defense shall, to the extent practicable, be considered for any such position located in the same geographic area as the permanent duty station of the member.

"(c) STATUS OF PREFERENCE ELIGIBLES.—Nothing in this section shall be construed to provide a spouse of a member of the armed forces with preference in hiring over an individual who is a preference eligible.

"§1785. Youth sponsorship program

"(a) REQUIREMENT.—The Secretary of Defense shall require that there be at each military installation a youth sponsorship program to facilitate the integration of dependent children of members of the armed forces into new surroundings when moving to that military installation as a result of a parent's permanent change of station.

"(b) DESCRIPTION OF PROGRAMS.—The program at each installation shall provide for involvement of dependent children of members presently stationed at the military installation and shall be directed primarily toward children in their preteen and teenage years.

"§1786. Dependent student travel within the United States

"Funds available to the Department of Defense for the travel and transportation of dependent students of members of the armed forces stationed overseas may be obligated for transportation allowances for travel within or between the contiguous States.

"§1787. Reporting of child abuse

"(a) IN GENERAL.—The Secretary of Defense shall request each State to provide for the reporting to the Secretary of any report the State receives of known or suspected instances of child abuse and neglect in which the person having care of the child is a member of the armed forces (or the spouse of the member).

"(b) DEFINITION.—In this section, the term 'child abuse and neglect' has the meaning provided in section 3(1) of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5102).

"SUBCHAPTER II—MILITARY CHILD CARE

"Sec.
"1791. Funding for military child care.
"1792. Child care employees.
"1793. Parent fees.
"1794. Child abuse prevention and safety at facilities.
"1795. Parent partnerships with child development centers.
"1796. Subsidies for family home day care.
"1797. Early childhood education program.
"1798. Definitions.

"§1791. Funding for military child care

"It is the policy of Congress that the amount of appropriated funds available during a fiscal year for operating expenses for military child development centers and programs shall be not less than the amount of child care fee receipts that are estimated to be received by the Department of Defense during that fiscal year.

"§1792. Child care employees

"(a) REQUIRED TRAINING.—(1) The Secretary of Defense shall prescribe regulations implementing, a training program for child care employees. Those regulations shall apply uniformly among the military departments. Subject to paragraph (2), satisfactory completion of the training program shall be a condition of employment of any person as a child care employee.

"(2) Under those regulations, the Secretary shall require that each child care employee complete the training program not later than six months after the date on which the employee is employed as a child care employee.

"(3) The training program established under this subsection shall cover, at a minimum, training in the following:

"(A) Early childhood development.

"(B) Activities and disciplinary techniques appropriate to children of different ages.

"(C) Child abuse prevention and detection.

"(D) Cardiopulmonary resuscitation and other emergency medical procedures.

"(b) TRAINING AND CURRICULUM SPECIALISTS.—(1) The Secretary of Defense shall require that at least one employee at each military child development center be a specialist in training and curriculum development. The Secretary shall ensure that such employees have appropriate credentials and experience.

"(2) The duties of such employees shall include the following:

"(A) Special teaching activities at the center.

"(B) Daily oversight and instruction of other child care employees at the center.

"(C) Daily assistance in the preparation of lesson plans.

"(D) Assistance in the center's child abuse prevention and detection program.

"(E) Advising the director of the center on the performance of other child care employees.

"(3) Each employee referred to in paragraph (1) shall be an employee in a competitive service position.

"(c) COMPETITIVE RATES OF PAY.—For the purpose of providing military child development centers with a qualified and stable civilian workforce, employees at a military installation who are directly involved in providing child care and are paid from nonappropriated funds—

"(1) in the case of entry-level employees, shall be paid at rates of pay competitive with the rates of pay paid to other entry-level employees at that installation who are drawn from the same labor pool; and

"(2) in the case of other employees, shall be paid at rates of pay substantially equivalent to the rates of pay paid to other employees at that installation with similar training, seniority, and experience.

"(d) EMPLOYMENT PREFERENCE PROGRAM FOR MILITARY SPOUSES.—(1) The Secretary of Defense shall conduct a program under which qualified spouses of members of the armed forces shall be given a preference in hiring for the position of child care employee in a position paid from nonappropriated funds if the spouse is among persons determined to be best qualified for the position.

"(2) A spouse who is provided a preference under this subsection at a military child development center may not be precluded from obtaining another preference, in accordance with

section 1794 of this title, in the same geographic area as the military child development center.

"(e) COMPETITIVE SERVICE POSITION DEFINED.—In this section, the term 'competitive service position' means a position in the competitive service, as defined in section 2102(a)(1) of title 5.

"§1793. Parent fees

"(a) IN GENERAL.—The Secretary of Defense shall prescribe regulations establishing fees to be charged parents for the attendance of children at military child development centers. Those regulations shall be uniform for the military departments and shall require that, in the case of children who attend the centers on a regular basis, the fees shall be based on family income.

"(b) LOCAL WAIVER AUTHORITY.—The Secretary of Defense may provide authority to installation commanders, on a case-by-case basis, to establish fees for attendance of children at child development centers at rates lower than those prescribed under subsection (a) if the rates prescribed under subsection (a) are not competitive with rates at local non-military child development centers.

"§1794. Child abuse prevention and safety at facilities

"(a) CHILD ABUSE TASK FORCE.—The Secretary of Defense shall maintain a special task force to respond to allegations of widespread child abuse at a military installation. The task force shall be composed of personnel from appropriate disciplines, including, where appropriate, medicine, psychology, and childhood development. In the case of such allegations, the task force shall provide assistance to the commander of the installation, and to parents at the installation, in helping them to deal with such allegations.

"(b) NATIONAL HOTLINE.—(1) The Secretary of Defense shall maintain a national telephone number for persons to use to report suspected child abuse or safety violations at a military child development center or family home day care site. The Secretary shall ensure that such reports may be made anonymously if so desired by the person making the report. The Secretary shall establish procedures for following up on complaints and information received over that number.

"(2) The Secretary shall publicize the existence of the number.

"(c) ASSISTANCE FROM LOCAL AUTHORITIES.—The Secretary of Defense shall prescribe regulations requiring that, in a case of allegations of child abuse at a military child development center or family home day care site, the commander of the military installation or the head of the task force established under subsection (a) shall seek the assistance of local child protective authorities if such assistance is available.

"(d) SAFETY REGULATIONS.—The Secretary of Defense shall prescribe regulations on safety and operating procedures at military child development centers. Those regulations shall apply uniformly among the military departments.

"(e) INSPECTIONS.—The Secretary of Defense shall require that each military child development center be inspected not less often than four times a year. Each such inspection shall be unannounced. At least one inspection a year shall be carried out by a representative of the installation served by the center, and one inspection a year shall be carried out by a representative of the major command under which that installation operates.

"(f) REMEDIES FOR VIOLATIONS.—(1) Except as provided in paragraph (2), any violation of a safety, health, or child welfare law or regulation (discovered at an inspection or otherwise) at a military child development center shall be remedied immediately.

"(2) In the case of a violation that is not life threatening, the commander of the major command under which the installation concerned operates may waive the requirement that the violation be remedied immediately for a period of up to 90 days beginning on the date of the discovery of the violation. If the violation is not remedied as of the end of that 90-day period, the military child development center shall be closed until the violation is remedied. The Secretary of the military department concerned may waive the preceding sentence and authorize the center to remain open in a case in which the violation cannot reasonably be remedied within that 90-day period or in which major facility reconstruction is required.

"(3) If a military child development center is closed under paragraph (2), the Secretary of the military department concerned shall promptly submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report notifying those committees of the closing. The report shall include—

"(A) notice of the violation that resulted in the closing and the cost of remedying the violation; and

"(B) a statement of the reasons why the violation has not been remedied as of the time of the report.

"§1795. Parent partnerships with child development centers

"(a) PARENT BOARDS.—The Secretary of Defense shall require that there be established at each military child development center a board of parents, to be composed of parents of children attending the center. The board shall meet periodically with staff of the center and the commander of the installation served by the center for the purpose of discussing problems and concerns. The board, together with the staff of the center, shall be responsible for coordinating the parent participation program described in subsection (b).

"(b) PARENT PARTICIPATION PROGRAMS.—The Secretary of Defense shall require the establishment of a parent participation program at each military child development center. As part of such program, the Secretary of Defense may establish fees for attendance of children at such a center, in the case of parents who participate in the parent participation program at that center, at rates lower than the rates that otherwise apply.

"§1796. Subsidies for family home day care

"The Secretary of Defense may use appropriated funds available for military child care purposes to provide assistance to family home day care providers so that family home day care services can be provided to members of the armed forces at a cost comparable to the cost of services provided by military child development centers. The Secretary shall prescribe regulations for the provision of such assistance.

"§1797. Early childhood education program

"The Secretary of Defense shall require that all military child development centers meet standards of operation necessary for accreditation by an appropriate national early childhood programs accrediting body.

"§1798. Definitions

"In this subchapter:

"(1) The term 'military child development center' means a facility on a military installation (or on property under the jurisdiction of the commander of a military installation) at which child care services are provided for members of the armed forces or any other facility at which such child care services are provided that is operated by the Secretary of a military department.

"(2) The term 'family home day care' means home-based child care services that are provided for members of the armed forces by an individual who (A) is certified by the Secretary of the military department concerned as qualified to provide those services, and (B) provides those services on a regular basis for compensation.

"(3) The term 'child care employee' means a civilian employee of the Department of Defense who is employed to work in a military child development center (regardless of whether the employee is paid from appropriated funds or nonappropriated funds).

"(4) The term 'child care fee receipts' means those nonappropriated funds that are derived from fees paid by members of the armed forces for child care services provided at military child development centers.".

(2) The tables of chapters at the beginning of subtitle A, and at the beginning of part II of subtitle A, of title 10, United States Code, are amended by inserting after the item relating to chapter 87 the following new item:

"88. Military Family Programs and Military Child Care ..... 1781".

(b) REPORT ON FIVE-YEAR DEMAND FOR CHILD CARE.—(1) Not later than the date of the submission of the budget for fiscal year 1997 pursuant to section 1105 of title 31, United States Code, the Secretary of Defense shall submit to Congress a report on the expected demand for child care by military and civilian personnel of the Department of Defense during fiscal years 1997 through 2001.

(2) The report shall include—

(A) a plan for meeting the expected child care demand identified in the report; and

(B) an estimate of the cost of implementing that plan.

(3) The report shall also include a description of methods for monitoring family home day care programs of the military departments.

(c) PLAN FOR IMPLEMENTATION OF ACCREDITATION REQUIREMENT.—The Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a plan for carrying out the requirements of section 1787 of title 10, United States Code, as added by subsection (a). The plan shall be submitted not later than April 1, 1997.

(d) CONTINUATION OF DELEGATION OF AUTHORITY WITH RESPECT TO HIRING PREFERENCE FOR QUALIFIED MILITARY SPOUSES.—The provisions of Executive Order No. 12568, issued October 2, 1986 (10 U.S.C. 113 note), shall apply as if the reference in that Executive order to section 806(a)(2) of the Department of Defense Authorization Act of 1986 refers to section 1784 of title 10, United States Code, as added by subsection (a).

(e) CONFORMING AMENDMENT.—Effective October 1, 1995, section 1782(c) of title 10, United States Code, as added by subsection (a), is amended by striking out "section 3502(4)(A) of title 44" and inserting in lieu thereof "section 3502(3)(A)(i) of title 44".

(f) REPEALER.—The following provisions of law are repealed:

(1) The Military Family Act of 1985 (title VIII of Public Law 99-145; 10 U.S.C. 113 note).

(2) The Military Child Care Act of 1989 (title XV of Public Law 101-189; 10 U.S.C. 113 note).

SEC. 561. DISCHARGE OF MEMBERS OF THE ARMED FORCES WHO HAVE THE HIV-1 VIRUS.

(a) IN GENERAL.—(1) Section 1177 of title 10, United States Code, is amended to read as follows:

"§1177. Members infected with HIV-1 virus: mandatory discharge or retirement

"(a) MANDATORY SEPARATION.—A member of the armed forces who is HIV-positive shall be separated. Such separation shall be made on a date determined by the Secretary concerned, which shall be as soon as practicable after the

date on which the determination is made that the member is HIV-positive and not later than the last day of the sixth month beginning after such date.

"(b) FORM OF SEPARATION.—If a member to be separated under this section is eligible to retire under any provision of law or to be transferred to the Fleet Reserve or Fleet Marine Corps Reserve, the member shall be so retired or so transferred. Otherwise, the member shall be discharged. The characterization of the service of the member shall be determined without regard to the determination that the member is HIV-positive.

"(c) DEFERRAL OF SEPARATION FOR MEMBERS IN 18-YEAR RETIREMENT SANCTUARY.—In the case of a member to be discharged under this section who on the date on which the member is to be discharged is within two years of qualifying for retirement under any provision of law, or of qualifying for transfer to the Fleet Reserve or Fleet Marine Corps Reserve under section 6330 of this title, the member may, as determined by the Secretary concerned, be retained on active duty until the member is qualified for retirement or transfer to the Fleet Reserve or Fleet Marine Corps Reserve, as the case may be, and then be so retired or transferred, unless the member is sooner retired or discharged under any other provision of law.

"(d) SEPARATION TO BE CONSIDERED INVOLUNTARY.—A separation under this section shall be considered to be an involuntary separation for purposes of any other provision of law.

"(e) COUNSELING ABOUT AVAILABLE MEDICAL CARE.—A member to be separated under this section shall be provided information, in writing, before such separation of the available medical care (through the Department of Veterans Affairs and otherwise) to treat the member's condition. Such information shall include identification of specific medical locations near the member's home of record or point of discharge at which the member may seek necessary medical care.

"(f) HIV-POSITIVE MEMBERS.—A member shall be considered to be HIV-positive for purposes of this section if there is serologic evidence that the member is infected with the virus known as Human Immunodeficiency Virus-1 (HIV-1), the virus most commonly associated with the acquired immune deficiency syndrome (AIDS) in the United States. Such serologic evidence shall be considered to exist if there is a reactive result given by an enzyme-linked immunosorbent assay (ELISA) serologic test that is confirmed by a reactive and diagnostic immunoelectrophoresis test (Western blot) on two separate samples. Any such serologic test must be one that is approved by the Food and Drug Administration.".

(2) The item relating to such section in the table of sections at the beginning of chapter 59 of such title is amended to read as follows:

"1177. Members infected with HIV-1 virus: mandatory discharge or retirement.".

(b) EFFECTIVE DATE.—Section 1177 of title 10, United States Code, as amended by subsection (a), applies with respect to members of the Armed Forces determined to be HIV-positive before, on, or after the date of the enactment of this Act. In the case of a member of the Armed Forces determined to be HIV-positive before such date, the deadline for separation of the member under subsection (a) of such section, as so amended, shall be determined from the date of the enactment of this Act (rather than from the date of such determination).

SEC. 562. AUTHORITY TO APPOINT BRIGADIER GENERAL CHARLES E. YEAGER, UNITED STATES AIR FORCES (RETIRED) TO THE GRADE OF MAJOR GENERAL ON THE RETIRED LIST.

The President is authorized to appoint, by and with the advice and consent of the Senate, Brigadier General Charles E. Yeager, United States Air Force (retired), to the grade of major general on the retired list of the Air Force. Any such appointment shall not affect the retired pay or other benefits of Charles E. Yeager or any benefits to which any other person is or may become entitled based upon his service.

SEC. 563. DETERMINATION OF WHEREABOUTS AND STATUS OF MISSING PERSONS.

(a) PURPOSE.—The purpose of this section is to ensure that any member of the Armed Forces and any civilian employee of the Department of Defense or contractor of the Department of Defense who serves with or accompanies the Armed Forces in the field under orders is accounted for by the United States (by the return of such person alive, by the return of the remains of such person, or by the decision that credible evidence exists to support another determination of the status of such person) and, as a general rule, is not declared dead solely because of the passage of time.

(b) IN GENERAL.—(1) Part II of subtitle A of title 10, United States Code, is amended by inserting after chapter 75 the following new chapter:

"CHAPTER 76—MISSING PERSONS

"Sec.
"1501. System for accounting for missing persons.
"1502. Missing persons: initial report.
"1503. Initial inquiry.
"1504. Subsequent inquiry.
"1505. Further review.
"1506. Personnel files.
"1507. Recommendation of status of death.
"1508. Persons previously declared dead.
"1509. Return alive of person declared missing or dead.
"1510. Effect on State law.
"1511. Definitions.

"§1501. System for accounting for missing persons

"(a) OFFICE FOR MISSING PERSONS.—The Secretary of Defense shall establish within the Office of the Secretary of Defense an office to be responsible for the policy, control, and oversight of the entire process for investigation and recovery related to persons covered by subsection (c). In carrying out the responsibilities of that office, the head of the office shall coordinate the efforts of the office with those of other departments and agencies of the Government and other elements of the Department of Defense for such purposes and shall be responsible for the coordination for such purposes within the Department of Defense among the military departments, the Joint Staff, and the commanders of the combatant commands.

"(b) UNIFORM DOD PROCEDURES.—(1) The Secretary of Defense shall prescribe procedures, to apply uniformly through the Department of Defense, for—

"(A) the determination of the status of persons described in subsection (c); and

"(B) for the systematic, comprehensive, and timely collection, analysis, review, dissemination, and periodic update of information related to such persons.

"(2) Such procedures shall be prescribed in a single directive applicable to all elements of the Department of Defense.

"(c) COVERED PERSONS.—This chapter applies to the following persons:

"(1) Any member of the Army, Navy, Air Force, or Marine Corps on active duty who, during a period of war or national emergency or any other period of hostilities specified by the Secretary of Defense for the purposes of this section, disappears in the theater of such hostilities (except under circumstances suggesting that the disappearance is voluntary).

"(2) Any civilian employee of the Department of Defense (including an employee of a contractor of the Department of Defense) who, during a period described in paragraph (1), disappears in the theater of such hostilities (except under circumstances suggesting that the disappearance is voluntary) while serving with or accompanying the Army, Navy, Air Force, or Marine Corps in the field during such period.

"(d) PRIMARY NEXT OF KIN.—The individual who is primary next of kin of any person described in subsection (c) may for purposes of this chapter designate another individual to act on behalf of that individual as primary next of kin. The Secretary of Defense shall treat an individual so designated as if the individual designated were the primary next of kin for purposes of this chapter. A designation under this subsection may be revoked at any time by the person who made the designation.

"§1502. Missing persons: initial report

"(a) PRELIMINARY ASSESSMENT AND RECOMMENDATION BY COMMANDER.—After receiving information that the whereabouts or status of a person covered by this chapter is uncertain and that the absence of the person may be involuntary, the commander of the unit, facility, or area to or in which the person is assigned shall make a preliminary assessment of the circumstances. If, as a result of that assessment, the commander concludes that the person is missing, the commander shall—

"(1) recommend that the person be placed in a missing status; and

"(2) submit that recommendation to the commander of the unified command for that area in accordance with procedures prescribed under section 1501(b) of this title.

"(b) FORWARDING OF RECORDS.—The commander making the initial assessment shall (in accordance with procedures prescribed under section 1501(b) of this title) safeguard and forward for official use any information relating to the whereabouts or status of the person that result from the preliminary assessment or from actions taken to locate the person.

"§1503. Initial inquiry

"(a) APPOINTMENT OF BOARD.—Not later than ten days after receiving notification under section 1502(a)(2) of this title that a person has been recommended for placement in a missing status, the commander of the unified command having responsibility for the area in which the disappearance occurred shall appoint a board to conduct an inquiry into the whereabouts and status of the person.

"(b) INQUIRIES INVOLVING MORE THAN ONE MISSING PERSON.—If it appears to the commander who appoints a board under this section that the absence or missing status of two or more persons is factually related, the commander may appoint a single board under this section to conduct the inquiry into the whereabouts or status of all such persons.

"(c) COMPOSITION.—(1) A board appointed under this section shall consist of at least one individual described in paragraph (2) who has experience with and understanding of military operations or activities similar to the operation or activity in which the person disappeared.

"(2) An individual referred to in paragraph (1) is the following:

"(A) A military officer, in the case of an inquiry with respect to a member of the armed forces.

"(B) A civilian, in the case of an inquiry with respect to a civilian employee of the United States or of a contractor of the Department of Defense.

"(3) An individual may be appointed as a member of a board under this section only if the individual has a security clearance that affords the member access to all information relating to the whereabouts and status of the missing persons covered by the inquiry.

"(d) DUTIES OF BOARD.—A board appointed to conduct an inquiry into the whereabouts or status of a missing person under this section shall—

"(1) collect, develop, and investigate all facts and evidence relating to the disappearance, whereabouts, or status of that person;

"(2) collect appropriate documentation of the facts and evidence covered by the investigation;

"(3) analyze the facts and evidence, make findings based on that analysis, and draw conclusions as to the current whereabouts and status of the person; and

"(4) with respect to each person covered by the inquiry, recommend to the commander who appointed the board that—

"(A) the person be placed in a missing status; or

"(B) the person be declared to have deserted, to be absent without leave, or to be dead.

"(e) INQUIRY PROCEEDINGS.—During the proceedings of an inquiry under this section, a board shall—

"(1) collect, record, and safeguard all facts, documents, statements, photographs, tapes, messages, maps, sketches, reports, and other information (whether classified or unclassified) relating to the whereabouts or status of each person covered by the inquiry;

"(2) gather information relating to actions taken to find the person, including any evidence of the whereabouts or status of the person arising from such actions; and

"(3) maintain a record of its proceedings.

"(f) COUNSEL FOR MISSING PERSON.—(1) The commander appointing a board to conduct an inquiry under this section shall appoint counsel to represent each person covered by the inquiry, or, in the case described by 1503(c) of this title, one counsel to represent all persons covered by the inquiry. Counsel appointed under this paragraph may be referred to as 'missing person's counsel'.

"(2) To be appointed as a missing person's counsel, a person must—

"(A) have the qualifications specified in section 827(b) of this title (article 27(b) of the Uniform Code of Military Justice) for trial counsel or defense counsel detailed for a general court-martial; and

"(B) have a security clearance that affords the counsel access to all information relating to the whereabouts or status of the person or persons covered by the inquiry.

"(3) A missing person's counsel—

"(A) shall have access to all facts and evidence considered by the board during the proceedings under the inquiry for which the counsel is appointed;

"(B) shall observe all official activities of the board during such proceedings;

"(C) may question witnesses before the board; and

"(D) shall monitor the deliberations of the board; and

"(4) A missing person's counsel shall review the report of the board under subsection (i) and submit to the commander who appointed the board an independent review of that report. That review shall be made an official part of the record of the board.

"(g) ACCESS TO PROCEEDINGS.—The proceedings of a board during an inquiry under this section shall be closed to the public (including, with respect to any missing person covered by the inquiry, the primary next of kin, other members of the immediate family, and any other previously designated person designated under section 655 of this title).

"(h) RECOMMENDATION ON STATUS OF MISSING PERSONS.—(1) Upon completion of its inquiry, a board appointed under this section shall make a recommendation to the commander who appointed the board as to the appropriate determination of the current whereabouts or status of each person whose whereabouts were covered by the inquiry.

"(2)(A) A board may not recommend under paragraph (1) that a person be declared dead unless the board determines that the evidence before it established conclusive proof of the death of the person.

"(B) In this paragraph, the term 'conclusive proof of death' means evidence establishing that death is the only credible explanation for the absence of the person.

"(i) REPORT.—(1) A board appointed under this section shall submit to the commander who appointed it a report on the inquiry carried out by the board. The report shall include—

"(A) a discussion of the facts and evidence considered by the board in the inquiry;

"(B) the recommendation of the board under subsection (h) with respect to each person covered by the report; and

"(C) disclosure of whether classified documents and information were reviewed by the board or were otherwise used by the board in forming recommendations under subparagraph (B).

"(2) A report submitted under this subsection may not be made public until one year after the date on which the report is submitted.

"(j) ACTIONS BY REGIONAL COMMANDER.—(1) Not later than 15 days after the date of the receipt of a report under subsection (i), the commander who appointed the board shall review—

"(A) the report; and

"(B) the review of that report submitted under subsection (f)(4) by the missing person's counsel.

"(2) In reviewing a report under paragraph (1), the commander receiving the report shall determine whether or not the report is complete and free of administrative error. If the commander determines that the report is incomplete, or that the report is not free of administrative error, the commander may return the report to the board for further action on the report by the board.

"(3) Upon a determination by the commander concerned that a report reviewed under this subsection is complete and free of administrative error, the commander shall make a recommendation concerning the status of each person covered by the report.

"(4) The report, together with the recommendations under paragraph (3), shall be forwarded to the Secretary of Defense in accordance with procedures prescribed under section 1501(b) of this title.

"(k) DETERMINATION BY SECRETARY.—The Secretary of Defense (or the Secretary of the military department concerned acting under delegation of authority from the Secretary of Defense) shall review the recommendations of a report forwarded under subsection (j)(4). After conducting such review, the Secretary shall make a determination, with respect to each person whose status is covered by the report, whether such person shall (1) continue to have a missing status, (2) be declared to have deserted, (3) be declared to be absent without leave, or (4) be declared to be dead. In making such determination, the Secretary may convene a board in accordance with section 1504 of this title.

"(l) REPORT TO FAMILY MEMBERS AND OTHER INTERESTED PERSONS.—Not later than 30 days after the date on which the Secretary makes a determination under subsection (k), the Secretary of Defense, acting through the head of the office established under section 1501(a) of this title, shall—

"(1) provide an unclassified summary of the report of the board (including the name of the missing person's counsel for the inquiry, the names of the members of the board, and the name of the commander who convened the board) to the primary next of kin, to the other members of the immediate family, and to any other previously designated person of the missing person; and

"(2) inform each individual referred to in paragraph (1) that the United States will conduct a subsequent inquiry into the whereabouts or status of the person not earlier than one year after the date of the first official notice of the disappearance of the person, unless information becomes available sooner that would result in a substantial change in the official status of the person.

"§1504. Subsequent inquiry

"(a) ADDITIONAL BOARD.—If information on the whereabouts or status of a person covered by an inquiry under section 1503 of this title becomes available within one year after the date of the submission of the report submitted under section 1502 of this title, the Secretary of Defense, acting through the head of the office established under section 1501(a) of this title, shall appoint a board under this section to conduct an inquiry into the information.

"(b) AUTHORITY FOR INQUIRY.—The Secretary of Defense may delegate authority over such subsequent inquiry to the Secretary concerned.

"(c) SECRETARY CONCERNED.—In this section, the term 'Secretary concerned' includes, in the case of a civilian employee of the Department of Defense or contractor of the Department of Defense, the Secretary of the military department or head of the agency employing the employee or contracting with the contractor, as the case may be.

"(d) DATE OF APPOINTMENT.—The Secretary shall appoint a board under this section to conduct an inquiry into the whereabouts and status of a missing person on or about one year after the date of the report concerning that person submitted under section 1502 of this title.

"(e) COMBINED INQUIRIES.—If it appears to the Secretary that the absence or status of two or more persons is factually related, the Secretary may appoint one board under this section to conduct the inquiry into the whereabouts or status of all such persons.

"(f) COMPOSITION.—(1) Subject to paragraphs (2) and (3), a board appointed under this section shall consist of the following:

"(A) In the case of a board appointed to inquire into the whereabouts or status of a member of the armed forces, not less than three officers having the grade of major or lieutenant commander or above.

"(B) In the case of a board appointed to inquire into the whereabouts or status of a civilian employee of the Department of Defense or contractor of the Department of Defense—

"(i) not less than three employees of the Department of Defense whose rate of annual pay is equal to or greater than the rate of annual pay payable for grade GS-13 of the General Schedule under section 5332 of title 5; and

"(ii) such members of the armed forces as the Secretary of Defense considers advisable.

"(2) The Secretary shall designate one member of a board appointed under this section as president of the board. The president of the board shall have a security clearance that affords the president access to all information relating to the whereabouts and status of each person covered by the inquiry.

"(3)(A) One member of each board appointed under this subsection shall be an attorney or judge advocate who has expertise in the public law relating to missing persons, the determination of death of such persons, and the rights of family members and dependents of such persons.

"(B) One member of each board appointed under this subsection shall be an individual who—

"(i) has an occupational specialty similar to that of one or more of the persons covered by the inquiry; and

"(ii) has an understanding of and expertise in the official activities of one or more such persons at the time such person or persons disappeared.

"(g) DUTIES OF BOARD.—A board appointed under this section to conduct an inquiry into the whereabouts or status of a person shall—

"(1) review the report under subsection (i) of section 1503 of this title of the board appointed to conduct the inquiry into the status or whereabouts of the person under section 1503 of this title and the recommendation under subsection (j)(3) of that section of the commander who appointed the board under that subsection as to the status of the person;

"(2) collect and evaluate any document, fact, or other evidence with respect to the whereabouts or status of the person that has become available since the completion of the inquiry under section 1503 of this title;

"(3) draw conclusions as to the whereabouts or status of the person;

"(4) determine on the basis of the activities under paragraphs (1) and (2) whether the status of the person should be continued or changed; and

"(5) submit to the Secretary of Defense a report describing the findings and conclusions of the board, together with a recommendation for a determination by the Secretary concerning the whereabouts or status of the person.

"(h) COUNSEL FOR MISSING PERSONS.—(1) When the Secretary appoints a board to conduct an inquiry under this section, the Secretary shall appoint counsel to represent each person covered by the inquiry.

"(2) A person appointed as counsel under this subsection shall meet the qualifications and have the duties set forth in section 1503(f) of this title for a missing person's counsel appointed under that section.

"(3) The review of the report of a board on an inquiry that is submitted by such counsel shall be made an official part of the record of the board with respect to the inquiry.

"(i) ATTENDANCE OF FAMILY MEMBERS AND CERTAIN OTHER INTERESTED PERSONS AT PROCEEDINGS.—(1) With respect to any person covered by an inquiry under this section, the primary next of kin, other members of the immediate family, and any other previously designated persons of the missing person may attend the proceedings of the board during the inquiry in accordance with this section.

"(2) The Secretary shall notify each individual referred to in paragraph (1) of the opportunity to attend the proceedings of a board. Such notice shall be provided not less than 60 days before the first meeting of the board.

"(3) An individual who receives a notice under paragraph (2) shall notify the Secretary of the intent, if any, of that individual to attend the proceedings of the board not less than 21 days after the date on which the individual receives the notice.

"(4) Each individual who notifies the Secretary under paragraph (3) of the individual's intent to attend the proceedings of the board—

"(A) in the case of an individual who is the primary next of kin or another member of the immediate family of a missing person whose status is a subject of the inquiry and whose receipt of the pay or allowances (including allotments) of the missing person could be reduced or terminated as a result of a revision in the status of the missing person, may attend the proceedings of the board with private counsel;

"(B) shall have access to the personnel file of the missing person, to unclassified reports (if any) of the board appointed under section 1503 of this title to conduct the inquiry into the whereabouts and status of the person, and to any other unclassified information or documents relating to the whereabouts and status of the person;

"(C) shall be afforded the opportunity to present information at the proceedings of the board that such individual considers to be relevant to those proceedings; and

"(D) subject to paragraph (5), shall be given the opportunity to submit in writing objection to any recommendation of the board under subsection (k) as to the status of the missing person.

"(5) Objections under paragraph (4)(D) to any recommendation of the board shall be submitted to the president of the board not later than 24 hours after the date on which the recommendations are made. The president shall include any such objections in the report of the board under subsection (k).

"(6) An individual referred to in paragraph (1) who attends the proceedings of a board under this subsection shall not be entitled to reimbursement by the United States for any costs (including travel, lodging, meals, local transportation, legal fees, transcription costs, witness expenses, and other expenses) incurred by that individual in attending such proceedings.

"(j) AVAILABILITY OF INFORMATION TO BOARDS.—(1) In conducting proceedings in an inquiry under this section, a board may secure directly from any department or agency of the United States any information that the board considers necessary in order to conduct the proceedings.

"(2) Upon written request from the president of a board, the head of a department or agency of the United States shall release information covered by the request to the board. In releasing such information, the head of the department or agency shall—

"(A) declassify to an appropriate degree classified information; or

"(B) release the information in a manner not requiring the removal of markings indicating the classified nature of the information.

"(3)(A) If a request for information under paragraph (2) covers classified information that cannot be declassified, cannot be removed before release from the information covered by the request, or cannot be summarized in a manner that prevents the release of classified information, the classified information shall be made available only to president of the board making the request and the counsel for the missing person appointed under subsection (f).

"(B) The president of a board shall close to persons who do not have appropriate security clearances the proceeding of the board at which classified information is discussed. Participants at a proceeding of a board at which classified information is discussed shall comply with all applicable laws and regulations relating to the disclosure of classified information. The Secretary concerned shall assist the president of a board in ensuring that classified information is not compromised through board proceedings.

"(k) RECOMMENDATION ON STATUS.—(1) Upon completion of an inquiry under this subsection, a board shall make a recommendation as to the current whereabouts or status of each missing person covered by the inquiry.

"(2) A board may not recommend under paragraph (1) that a person be declared dead unless—

"(A) proof of death is established by the board; and

"(B) in making the recommendation, the board complies with section 1507 of this title.

"(l) REPORT.—A board appointed under this section shall submit to the Secretary of Defense a report on the inquiry carried out by the board, together with the evidence considered by the board during the inquiry. The report may include a classified annex.

"(m) ACTIONS BY SECRETARY.—(1) Not later than 30 days after the receipt of a report from a board under subsection (k), the Secretary shall review—

"(A) the report;

"(B) the review of the report submitted to the Secretary under subsection (f)(3) by the counsel for each person covered by the report; and

"(C) the objections, if any, to the report submitted to the president of the board under subsection (g)(6).

"(2) In reviewing a report under paragraph (1) (including the review and objections described in subparagraphs (A) and (B) of that paragraph), the Secretary shall determine whether or not the report is complete and free of administrative error. If the Secretary determines that the report is incomplete, or that the report is not free of administrative error, the Secretary may return the report to the board for further action on the report by the board.

"(3) Upon a determination by the Secretary that a report reviewed under this subsection is complete and free of administrative error, the Secretary shall make a determination concerning the status of each person covered by the report.

"(n) REPORT TO FAMILY MEMBERS AND OTHER INTERESTED PERSONS.—Not later than 90 days after the date on which a board submits a report on a person under subsection (l), the Secretary of Defense shall—

"(1) with respect to each missing person whose status or whereabouts are covered by the report, provide an unclassified summary of the report to the primary next of kin, the other members of the immediate family, and any other previously designated person; and

"(2) in the case of a person who continues to be in a missing status, inform each individual referred to in paragraph (1) that the United States will conduct a further investigation into the whereabouts or status of the person not later than three years after the date of the official notice of the disappearance of the person, unless information becomes available within that time that would result in a substantial change in the official status of the person.

"§1505. Further review

"(a) SUBSEQUENT REVIEW.—(1) The Secretary shall conduct subsequent inquiries into the whereabouts or status of any person determined by the Secretary under section 1504 of this title to be in a missing status.

"(2) Subject to paragraph (4), the Secretary shall appoint a board to conduct an inquiry with respect to a person under this subsection—

"(A) on or about three years after the date of the official notice of the disappearance of the person; and

"(B) not later than every three years thereafter.

"(3) In addition to appointment of boards under paragraph (2), the Secretary shall appoint a board to conduct an inquiry with respect to a person under this subsection upon receipt of information that could result in a change or revision of status of a missing person. Whenever the Secretary appoints a board under this paragraph, the time for subsequent appointments of a board under paragraph (2)(B) shall be determined from the date of the receipt of such information.

"(4) The Secretary is not required to appoint a board under paragraph (2) with respect to the disappearance of any person—

"(A) more than 20 years after the initial report under section 1502 of this title of the disappearance of that person; or

"(B) if, before the end of such 20-year period, the missing person is accounted for.

"(b) CONDUCT OF PROCEEDINGS.—The appointment of, and activities before, a board appointed under this section shall be governed by the provisions of section 1504 of this title with respect to a board appointed under that section.

"§1506. Personnel files

"(a) INFORMATION IN FILES.—Except as provided in subsection (b), the Secretary of the department having jurisdiction over a missing person at the time of the person's disappearance shall, to the maximum extent practicable, ensure that the personnel file of the person contains all information in the possession of the United States relating to the disappearance and whereabouts or status of the person.

"(b) CLASSIFIED INFORMATION.—(1) The Secretary concerned may withhold classified information from a personnel file under this section.

"(2) If the Secretary concerned withholds classified information from the personnel file of a person, the Secretary shall ensure that the file contains the following:

"(A) A notice that the withheld information exists.

"(B) A notice of the date of the most recent review of the classification of the withheld information.

"(c) WRONGFUL WITHHOLDING.—Any person who knowingly and willfully withholds from the personnel file of a missing person any information (other than classified information) relating to the disappearance or whereabouts or status of a missing person shall be fined as provided in title 18 or imprisoned not more than one year, or both.

"(d) AVAILABILITY OF INFORMATION.—The Secretary concerned shall, upon request, make available the contents of the personnel file of a missing person to the missing person's primary next of kin, the other members of the missing person's immediate family, or any other previously designated person of the missing person.

"§1507. Recommendation of status of death

"(a) REQUIREMENTS RELATING TO RECOMMENDATION.—A board appointed under section 1504 or 1505 of this title may not recommend that a person be declared dead unless—

"(1) credible evidence exists to suggest that the person is dead;

"(2) the United States possesses no credible evidence that suggests that the person is alive;

"(3) representatives of the United States have made a complete search of the area where the person was last seen (unless, after making a good faith effort to obtain access to such area, such representatives are not granted such access); and

"(4) representatives of the United States have examined the records of the government or entity having control over the area where the person was last seen (unless, after making a good faith effort to obtain access to such records, such representatives are not granted such access).

"(b) SUBMITTAL OF INFORMATION ON DEATH.—If a board appointed under section 1504 or 1505 of this title makes a recommendation that a missing person be declared dead, the board shall include in the report of the board with respect to the person under such section the following:

"(1) A detailed description of the location where the death occurred.

"(2) A statement of the date on which the death occurred.

"(3) A description of the location of the body, if recovered.

"(4) If the body has been recovered and is not identifiable through visual means, a certification by a practitioner of an appropriate forensic science that the body recovered is that of the missing person.

"§1508. Persons previously declared dead

"(a) REVIEW OF STATUS.—(1) Not later than three years after the date of the enactment of this chapter, a person referred to in paragraph (2) may submit to the Secretary of Defense a request for appointment by the Secretary of a board to review the status of a person previously declared dead, in a case in which the death is declared to have occurred on or after January 1, 1950.

"(2) A board shall be appointed under this section with respect to the death of any person based on the request of any of the following persons:

"(A) An adult member of the immediate family of the person previously declared dead.

"(B) An adult dependent of such person.

"(C) The primary next of kin of such person.

"(D) A person previously designated by such person.

"(3) A request under this paragraph shall be submitted to the Secretary of the department of the United States that had jurisdiction over the person covered by the request at the time of the person's disappearance.

"(b) APPOINTMENT OF BOARD.—Upon request of a person under subsection (a), the Secretary of Defense shall appoint a board to review the status of the person covered by the request.

"(c) DUTIES OF BOARD.—A board appointed under this section to review the status of a person shall—

"(1) conduct an investigation to determine the status of the person; and

"(2) issue a report describing the findings of the board under the investigation and the recommendations of the board as to the status of the person.

"(d) EFFECT OF CHANGE IN STATUS.—If a board appointed under this section recommends placing in a missing status a person previously declared dead, such person shall accrue no pay or allowances as a result of the placement of the person in such status.

"§1509. Return alive of person declared missing or dead

"(a) PAY AND ALLOWANCES.—Any person in a missing status or declared dead under the Missing Persons Act of 1942 (56 Stat. 143) or by a board appointed under this chapter who is found alive and returned to the control of the United States shall be paid for the full time of the absence of the person while given that status or declared dead under the law and regulations relating to the pay and allowances of persons returning from a missing status.

"(b) EFFECT ON GRATUITIES PAID AS A RESULT OF STATUS.—Subsection (a) shall not be interpreted to invalidate or otherwise affect the receipt by any person of a death gratuity or other payment from the United States on behalf of a person referred to in subsection (a) before the date of the enactment of this chapter.

"§1510. Effect on State law

"Nothing in this chapter shall be construed to invalidate or limit the power of any State court or administrative entity, or the power of any court or administrative entity of any political subdivision thereof, to find or declare a person dead for purposes of such State or political subdivision.

"§1511. Definitions

"In this chapter:

"(1) The term 'missing person' means—

"(A) a member of the armed forces on active duty who is missing; or

"(B) a civilian employee of the Department of Defense or of a contractor of the Department of Defense who is serving with or accompanying an armed force under orders and who is missing.

"(2) The term 'missing status' means the status of a missing person who is determined to be absent in a status of—

"(A) missing;

"(B) missing in action;

"(C) interned in a foreign country;

"(D) captured, beleaguered, or besieged by a hostile force; or

"(E) detained in a foreign country against that person's will.

"(3) The term 'accounted for', with respect to a person in a missing status, means that the person is returned to United States control alive, that the remains of the person are returned to the United States, or that credible evidence exists to support another determination of the person's status.

"(4) The term 'primary next of kin', in the case of a missing person, means—

"(A) the principal individual who, but for the status of the person, would receive financial support from the person; or

"(B) in the case of a missing person for whom there is no individual described in subparagraph (A), the family member or other individual designated by the missing person to receive a death gratuity.

"(5) The term 'member of the immediate family', in the case of a missing person, means the spouse or a child, parent, or sibling of the person.

"(6) The term 'previously designated person', in the case of a missing person, means an individual (other than an individual who is a member of the immediate family of the missing person) designated by the missing person under section 655 of this title for purposes of this chapter.

"(7) The term 'classified information' means any information the unauthorized disclosure of which (as determined under applicable law and regulations) could reasonably be expected to damage the national security.

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

(2) The tables of chapters at the beginning of subtitle A, and at the beginning of part II of subtitle A, of title 10, United States Code, are amended by inserting after the item relating to chapter 75 the following new item:

"76. Missing Persons ..... 1501".

(c) CONFORMING AMENDMENTS.—Chapter 10 of title 37, United States Code, is amended as follows:

(1)(A) Section 555 is repealed.

(B) The table of sections at the beginning of such chapter is amended by striking out the item relating to section 555.

(2) Section 552 is amended—

(A) in subsection (a), by striking out "for all purposes," in the second sentence of the flush matter following paragraph (2) and all that follows through the end of the sentence and inserting in lieu thereof "for all purposes.";

(B) in subsection (b), by striking out paragraph (2) and inserting in lieu thereof the following:

"(2) that his death is determined under chapter 76 title 10."; and

(C) in subsection (e), by striking out "section 555 of this title" and inserting in lieu thereof "chapter 76 of title 10".

(3) Section 553 is amended—

(A) in subsection (f), by inserting "under chapter 76 of title 10" after "When the Secretary concerned";

(B) in subsection (f), by striking out "the Secretary concerned receives evidence" and inserting in lieu thereof "a board convened under chapter 76 of title 10 reports"; and

(C) in subsection (g), by striking out "section 555 of this title" and inserting "chapter 76 of title 10".

(4) Section 556 is amended—

(A) in subsection (a)—

(i) by striking paragraphs (1), (5), (6), and (7) and redesignating paragraphs (2), (3), and (4) as paragraphs (1), (2), and (3), respectively;

(ii) by inserting "and" at the end of paragraph (2), as so redesignated; and

(iii) by striking out the semicolon at the end of paragraph (3), as so redesignated, and inserting in lieu thereof a period;

(B) by striking out subsection (b) and redesignating subsections (c), (d), (e), (f), (g), and (h) as subsections (b), (c), (d), (e), (f), and (g), respectively; and

(C) in subsection (g), as so redesignated—

(i) by striking out the second sentence; and

(ii) by striking out "status" and inserting in lieu thereof "pay".

(5) Section 557(a)(1) is amended by striking out ", 553, and 555" and inserting in lieu thereof "and 553".

(6) Section 559(b)(4)(B) is amended by striking out "section 556(f)" and inserting in lieu thereof "section 556(e)".

(d) DESIGNATION OF INDIVIDUALS HAVING INTEREST IN STATUS OF SERVICE MEMBERS.—(1) Chapter 37 of title 10, United States Code, is amended by adding at the end the following new section:

"§655. Designation of persons having interest in status of missing persons

"(a) The Secretary concerned shall, upon the enlistment or appointment of a person in the Army, Navy, Air Force, or Marine Corps, require that the person specify in writing the person or persons, if any, to whom information on the whereabouts or status of the member shall be provided if such whereabouts or status are investigated under chapter 76 of this title. The Secretary shall periodically, and whenever the member is deployed as part of a contingency operation or in other circumstances specified by the Secretary, require that such designation be reconfirmed, or modified, by the member.

"(b) The Secretary concerned shall, upon the request of a member, permit the member to revise the person or persons specified by the member under subsection (a) at any time. Any such revision shall be in writing.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"655. Designation of persons having interest in status of missing persons.".

SEC. 564. NOMINATIONS TO SERVICE ACADEMIES FROM COMMONWEALTH OF THE NORTHERN MARIANAS ISLANDS.

(a) MILITARY ACADEMY.—Section 4342(a) of title 10, United States Code, is amended by inserting after paragraph (9) the following new paragraph:

"(10) One cadet from the Commonwealth of the Northern Marianas Islands, nominated by the resident representative from the commonwealth.".

(b) NAVAL ACADEMY.—Section 6954(a) of title 10, United States Code, is amended by inserting after paragraph (9) the following new paragraph:

"(10) One from the Commonwealth of the Northern Marianas Islands, nominated by the resident representative from the commonwealth.".

(c) AIR FORCE ACADEMY.—Section 9342(a) of title 10, United States Code, is amended by inserting after paragraph (9) the following new paragraph:

"(10) One cadet from the Commonwealth of the Northern Marianas Islands, nominated by the resident representative from the commonwealth.".

SEC. 565. REPORT ON THE CONSISTENCY OF REPORTING OF FINGERPRINT CARDS AND FINAL DISPOSITION FORMS TO THE FEDERAL BUREAU OF INVESTIGATION.

(a) REPORT.—The Secretary of Defense shall submit to Congress a report on the consistency with which fingerprint cards and final disposition forms, as described in Criminal Investigations Policy Memorandum 10 issued by the Defense Inspector General on March 25, 1987, are reported by the Defense Criminal Investigative Organizations to the Federal Bureau of Investigation for inclusion in the Bureau's criminal history identification files.

(b) MATTERS TO BE INCLUDED.—In the report, the Secretary shall—

(1) survey fingerprint cards and final disposition forms filled out in the past 24 months by each investigative organization;

(2) compare the fingerprint cards and final disposition forms filled out to all judicial and nonjudicial procedures initiated as a result of actions taken by each investigative service in the past 24 months;

(3) account for any discrepancies between the forms filled out and the judicial and nonjudicial procedures initiated;

(4) compare the fingerprint cards and final disposition forms filled out with the information held by the Federal Bureau of Investigation criminal history identification files;

(5) identify any weaknesses in the collection of fingerprint cards and final disposition forms and in the reporting of that information to the Federal Bureau of Investigation; and

(6) determine whether or not other law enforcement activities of the military services collect and report such information or, if not, should collect and report such information.

(c) SUBMISSION OF REPORT.—The report shall be submitted not later than 180 days after the date of the enactment of this Act.

(d) DEFINITION.—For the purposes of this section, the term "criminal history identification files", with respect to the Federal Bureau of Investigation, means the criminal history record system maintained by the Federal Bureau of Investigation based on fingerprint identification and any other method of positive identification.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

Subtitle A—Pay and Allowances

SEC. 601. MILITARY PAY RAISE FOR FISCAL YEAR 1996.

(a) WAIVER OF SECTION 1009 ADJUSTMENT.—Any adjustment required by section 1009 of title 37, United States Code, in elements of compensation of members of the uniformed services to become effective during fiscal year 1996 shall not be made.

(b) INCREASE IN BASIC PAY AND BAS.—Effective on January 1, 1996, the rates of basic pay and basic allowance for subsistence of members of the uniformed services are increased by 2.4 percent.

(c) INCREASE IN BAQ.—Effective on January 1, 1996, the rates of basic allowance for quarters of members of the uniformed services are increased by 5.2 percent.

(d) UNIFORMED SERVICES DEFINED.—For purposes of this section, the term "uniformed services" does not include the National Oceanic and Atmospheric Administration.

SEC. 602. LIMITATION ON BASIC ALLOWANCE FOR SUBSISTENCE FOR MEMBERS WITHOUT DEPENDENTS RESIDING IN GOVERNMENT QUARTERS.

(a) PERCENTAGE LIMITATION.—Subsection (b) of section 402 of title 37, United States Code, is amended by adding after the last sentence the following new paragraph:

"(4) In the case of members of the Army, Navy, Air Force, or Marine Corps who, when present at their permanent duty station, reside without dependents in Government quarters, the Secretary concerned may not provide a basic allowance for subsistence to more than 12 percent of such members under the jurisdiction of the Secretary concerned. The Secretary concerned may exceed such percentage during a fiscal year if the Secretary determines that compliance would increase costs to the Government, would impose financial hardships on members otherwise entitled to a basic allowance for subsistence, or would reduce the quality of life for such members. This paragraph shall not apply to members described in the first sentence when the members are not residing at their permanent duty station. The percentage limitation specified in this paragraph shall be achieved as soon as possible after the date of the enactment of this paragraph, but in no case later than September 30, 1996.".

(b) STYLISTIC AMENDMENTS.—Such subsection is further amended—

(1) by redesignating paragraphs (1), (2), and (3) as subparagraphs (A), (B), and (C);

(2) by inserting "(1)" after "(b)";

(3) by designating the second sentence as paragraph (2); and

(4) by designating the fifth sentence as paragraph (3).

(c) CONFORMING AMENDMENTS.—(1) Subsection (e) of such section is amended—

(A) in paragraph (1), by striking out "the third sentence of subsection (b)" and inserting in lieu thereof "subsection (b)(2)"; and

(B) in paragraph (2), by striking out "subsection (b)" and inserting in lieu thereof "subsection (b)(2)".

(2) Section 1012 of title 37, United States Code, is amended by striking out "the last sentence of section 402(b)" and inserting in lieu thereof "section 402(b)(3)".

(d) REPORT REQUIRED.—Not later than March 31, 1996, the Secretary of Defense shall submit to Congress a report identifying, for the Army, Navy, Air Force, and the Marine Corps—

(1) the number of members without dependents who reside in Government quarters at their permanent duty stations and receive a basic allowance for subsistence under section 402 of title 37, United States Code;

(2) such number as a percentage of the total number of members without dependents who reside in Government quarters;

(3) a recommended maximum percentage of members without dependents who reside in Government quarters at their permanent duty station and should receive a basic allowance for subsistence; and

(4) the reasons such maximum percentage was selected.

SEC. 603. AUTHORIZATION OF PAYMENT OF BASIC ALLOWANCE FOR QUARTERS TO ADDITIONAL MEMBERS ASSIGNED TO SEA DUTY.

(a) EXPANSION OF ELIGIBLE MEMBERS.—Section 403(c)(2) of title 37, United States Code, is amended—

(1) in the first sentence, by striking out "E–7" and inserting in lieu thereof "E–6"; and

(2) in the second sentence, by striking out "E–6" and inserting in lieu thereof "E–5".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on July 1, 1996.

SEC. 604. ESTABLISHMENT OF MINIMUM AMOUNTS OF VARIABLE HOUSING ALLOWANCE FOR HIGH HOUSING COST AREAS AND ADDITIONAL LIMITATION ON REDUCTION OF ALLOWANCE FOR CERTAIN MEMBERS.

(a) MINIMUM AMOUNTS OF VHA.—Subsection (c) of section 403a of title 37, United States Code, is amended by striking out paragraph (1) and inserting in lieu thereof the following new paragraph:

"(1) The monthly amount of a variable housing allowance under this section for a member of a uniformed service with respect to an area is equal to the greater of the following:

"(A) An amount equal to the difference between—

"(i) the median monthly cost of housing in that area for members of the uniformed services serving in the same pay grade and with the same dependency status as that member; and

"(ii) 80 percent of the median monthly cost of housing in the United States for members of the uniformed services serving in the same pay

grade and with the same dependency status as that member.

"(B) An amount determined by the Secretary of Defense as the minimum necessary to meet the cost of adequate housing in that area, as determined by the Secretary, for all residents in that area with an appropriate income level selected by the Secretary.".

(b) LIMITATION ON REDUCTION IN VHA.—Paragraph (3) of such subsection is amended by adding at the end the following new sentence: "However, on and after January 1, 1996, the monthly amount of a variable housing allowance under this section for a member of a uniformed service with respect to an area may not be reduced so long as the member retains uninterrupted eligibility to receive a variable housing allowance within that area and the member's certified housing costs are not reduced, as indicated by certifications provided by the member under subsection (b)(4).".

(c) EFFECT ON TOTAL AMOUNT AVAILABLE FOR VHA.—Subsection (d)(3) of such section is amended by inserting after the first sentence the following new sentence: "In addition, the total amount determined under paragraph (1) shall be adjusted to ensure that sufficient amounts are available to allow payment of any additional variable housing allowance necessary as a result of paragraph (1)(B) and the requirements of the second sentence of paragraph (3)."

(d) CONFORMING AMENDMENTS.—Subsection (c) of such section is further amended—

(1) in paragraph (3), as amended by subsection (b), by striking out "this subsection" and inserting in lieu thereof "paragraph (1)(A) or minimum levels of variable housing allowances under paragraph (1)(B)"; and

(2) in paragraph (5), by inserting "or minimum levels of variable housing allowances" after "costs of housing".

(e) DELAYED IMPLEMENTATION OF MINIMUM AMOUNTS OF VHA.—Subsection (c)(1)(B) of section 403a of title 37, United States Code, as added by subsection (a), shall be used to determine the monthly amount of a variable housing allowance under such section for members of the uniformed services only for months beginning after June 30, 1996.

(f) REPORT ON IMPLEMENTATION.—Not later than June 1, 1996, the Secretary of Defense shall submit to Congress a report describing the procedures to be used to implement the amendments made by this section and the costs of such amendments.

SEC. 605. CLARIFICATION OF LIMITATION ON RECEIPT OF FAMILY SEPARATION ALLOWANCE.

Section 427(b)(4) of title 37, United States Code, is amended by inserting before the period at the end of the first sentence the following: "unless such entitlement is based on paragraph (1)(B)".

Subtitle B—Bonuses and Special and Incentive Pays

SEC. 611. EXTENSION OF CERTAIN BONUSES FOR RESERVE FORCES.

(a) SELECTED RESERVE REENLISTMENT BONUS.—Section 308b(f) of title 37, United States Code, is amended by striking out "September 30, 1996" and inserting in lieu thereof "September 30, 1998".

(b) SELECTED RESERVE ENLISTMENT BONUS.—Section 308c(e) of such title is amended by striking out "September 30, 1996" and inserting in lieu thereof "September 30, 1998".

(c) SELECTED RESERVE AFFILIATION BONUS.—Section 308e(e) of such title is amended by striking out "September 30, 1996" and inserting in lieu thereof "September 30, 1998".

(d) READY RESERVE ENLISTMENT AND REENLISTMENT BONUS.—Section 308h(g) of such title is amended by striking out "September 30, 1996" and inserting in lieu thereof "September 30, 1998".

(e) PRIOR SERVICE ENLISTMENT BONUS.—Section 308i(i) of such title is amended by striking out "September 30, 1996" and inserting in lieu thereof "September 30, 1998".

SEC. 612. EXTENSION OF CERTAIN BONUSES AND SPECIAL PAY FOR NURSE OFFICER CANDIDATES, REGISTERED NURSES, AND NURSE ANESTHETISTS.

(a) NURSE OFFICER CANDIDATE ACCESSION PROGRAM.—Section 2130a(a)(1) of title 10, United States Code, is amended by striking out "September 30, 1996" and inserting in lieu thereof "September 30, 1998".

(b) ACCESSION BONUS FOR REGISTERED NURSES.—Section 302d(a)(1) of title 37, United States Code, is amended by striking out "September 30, 1996" and inserting in lieu thereof "September 30, 1998".

(c) INCENTIVE SPECIAL PAY FOR NURSE ANESTHETISTS.—Section 302e(a)(1) of title 37, United States Code, is amended by striking out "September 30, 1996" and inserting in lieu thereof "September 30, 1998".

SEC. 613. EXTENSION OF AUTHORITY RELATING TO PAYMENT OF OTHER BONUSES AND SPECIAL PAYS.

(a) AVIATION OFFICER RETENTION BONUS.—Section 301b(a) of title 37, United States Code, is amended by striking out "September 30, 1995" and inserting in lieu thereof "September 30, 1998".

(b) REENLISTMENT BONUS FOR ACTIVE MEMBERS.—Section 308(g) of such title is amended by striking out "September 30, 1996" and inserting in lieu thereof "September 30, 1998".

(c) ENLISTMENT BONUSES FOR CRITICAL SKILLS.—Sections 308a(c) and 308f(c) of such title are each amended by striking out "September 30, 1996" and inserting in lieu thereof "September 30, 1998".

(d) SPECIAL PAY FOR ENLISTED MEMBERS OF THE SELECTED RESERVE ASSIGNED TO CERTAIN HIGH PRIORITY UNITS.—Section 308d(c) of such title is amended by striking out "September 30, 1996" and inserting in lieu thereof "September 30, 1998".

(e) SPECIAL PAY FOR NUCLEAR-QUALIFIED OFFICERS EXTENDING PERIOD OF ACTIVE SERVICE.—Section 312(e) of such title is amended by striking out "September 30, 1996" and inserting in lieu thereof "September 30, 1998".

(f) NUCLEAR CAREER ACCESSION BONUS.—Section 312b(c) of such title is amended by striking out "September 30, 1996" and inserting in lieu thereof "September 30, 1998".

(g) NUCLEAR CAREER ANNUAL INCENTIVE BONUS.—Section 312c(d) of such title is amended by striking out "October 1, 1996' and inserting in lieu thereof "October 1, 1998".

(h) REPAYMENT OF EDUCATION LOANS FOR CERTAIN HEALTH PROFESSIONALS WHO SERVE IN THE SELECTED RESERVE.—Section 16302(d) of title 10, United States Code, is amended by striking out "October 1, 1996" and inserting in lieu thereof "October 1, 1998".

SEC. 614. CODIFICATION AND EXTENSION OF SPECIAL PAY FOR CRITICALLY SHORT WARTIME HEALTH SPECIALISTS IN THE SELECTED RESERVES.

(a) SPECIAL PAY AUTHORIZED.—(1) Chapter 5 of title 37, United States Code, is amended by inserting after section 302f the following new section:

"§302g. Special pay: Selected Reserve health care professionals in critically short wartime specialties

"(a) SPECIAL PAY AUTHORIZED.—An officer of a reserve component of the armed forces described in subsection (b) who executes a written agreement under which the officer agrees to serve in the Selected Reserve of an armed force for a period of not less than one year nor more than three years, beginning on the date the officer accepts the award of special pay under this section, may be paid special pay at an annual rate not to exceed $10,000.

"(b) ELIGIBLE OFFICERS.—An officer referred to in subsection (a) is an officer in a health care profession who is qualified in a specialty designated by regulations as a critically short wartime specialty.

"(c) TIME FOR PAYMENT.—Special pay under this section shall be paid annually at the beginning of each twelve-month period for which the officer has agreed to serve.

"(d) REFUND REQUIREMENT.—An officer who voluntarily terminates service in the Selected Reserve of an armed force before the end of the period for which a payment was made to such officer under this section shall refund to the United States the full amount of the payment made for the period on which the payment was based.

"(e) INAPPLICABILITY OF DISCHARGE IN BANKRUPTCY.—A discharge in bankruptcy under title 11 that is entered less than five years after the termination of an agreement under this section does not discharge the person receiving special pay under the agreement from the debt arising under the agreement.

"(f) TERMINATION OF AGREEMENT AUTHORITY.—No agreement under this section may be entered into after September 30, 1998.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 302f the following new item:

"302g. Special pay: Selected Reserve health care professionals in critically short wartime specialties.".

(b) CONFORMING AMENDMENT.—Section 303a of title 37, United States Code is amended by striking out "302, 302a, 302b, 302c, 302d, 302e," each place it appears and inserting in lieu thereof "302 through 302g,".

(c) CONFORMING REPEAL.—(1) Section 613 of the National Defense Authorization Act, Fiscal Year 1989 (Public Law 100–456; 37 U.S.C. 302 note) is repealed.

(2) The repeal of section 613 of the National Defense Authorization Act, Fiscal Year 1989, by paragraph (1) shall not affect the validity or terms of any agreement entered into under such section before the date of the enactment of this Act.

SEC. 615. CHANGE IN ELIGIBILITY REQUIREMENTS FOR CONTINUOUS MONTHLY AVIATION INCENTIVE PAY.

(a) LOWER INCENTIVE PAY GATE.—Section 301a(a)(4) of title 37, United States Code, is amended by striking out "9" in the first sentence and inserting in lieu thereof "8".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 1995.

SEC. 616. CONTINUOUS ENTITLEMENT TO CAREER SEA PAY FOR CREWMEMBERS OF SHIPS DESIGNATED AS TENDERS.

(a) CONTINUOUS ENTITLEMENT.—Section 305a(d)(1)(A) of title 37, United States Code, is amended—

(1) by striking out "or" after "under way" and inserting in lieu thereof a comma; and

(2) by inserting before the semicolon at the end the following: ", or while serving as a member of a tender-class ship (with the hull classification of submarine or destroyer)".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 1995.

SEC. 617. INCREASE IN MAXIMUM RATE OF SPECIAL DUTY ASSIGNMENT PAY FOR ENLISTED MEMBERS SERVING AS RECRUITERS.

(a) SPECIAL MAXIMUM RATE FOR RECRUITERS.—Section 307(a) of title 37, United States Code, is amended by adding at the end the following new sentence: "In the case of a member

who is serving as a military recruiter and is eligible for special duty assignment pay under this subsection on account of such duty, the Secretary concerned may increase the monthly rate of special duty assignment pay for the member to not more than $375.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on January 1, 1996.

Subtitle C—Travel and Transportation Allowances

SEC. 621. AUTHORIZATION OF RETURN TO UNITED STATES OF FORMERLY DEPENDENT CHILDREN OF MEMBERS.

(a) RETURN AT GOVERNMENT EXPENSE.—Section 406(h)(1) of title 37, United States Code, is amended in the last sentence—

(1) by striking out "who became 21 years of age" and inserting in lieu thereof "who, by reason of age or graduation from (or cessation of enrollment in) an institution of higher education, would otherwise cease to be a dependent of the member"; and

(2) by inserting "still" after "shall".

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1995.

SEC. 622. AUTHORIZATION OF DISLOCATION ALLOWANCE FOR MOVES IN CONNECTION WITH BASE REALIGNMENTS AND CLOSURES.

(a) DISLOCATION ALLOWANCE AUTHORIZED.—Subsection (a) of section 407 of title 37, United States Code, is amended—

(1) by striking out "or" at the end of paragraph (3);

(2) by striking out the period at the end of paragraph (4)(B) and inserting in lieu thereof "; or"; and

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

"(5) the member's dependents actually make an authorized move in connection with the member's directed order to move as a result of the closure or realignment of a military installation.".

(b) CONFORMING AMENDMENTS.—Such section is further amended—

(1) in the sentence following subsection (a)(4)—

(A) by striking out "clause (3) or (4)(B)" and inserting in lieu thereof "paragraph (3) or (4)(B)"; and

(B) by striking out "clause (1)" and inserting in lieu thereof "paragraph (1) or (5)";

(2) in subsection (b)—

(A) by striking out "subsection (a)(3) or (a)(4)(B)" and inserting in lieu thereof "paragraph (3) or (4)(B) of subsection (a)"; and

(B) by striking out "subsection (a)(1)" and inserting in lieu thereof "paragraph (1) or (5) of subsection (a)".

Subtitle D—Other Matters

SEC. 631. ELIMINATION OF UNNECESSARY ANNUAL REPORTING REQUIREMENTS REGARDING COMPENSATION MATTERS.

(a) REPORT ON TRAVEL AND TRANSPORTATION ALLOWANCES FOR DEPENDENTS.—(1) Section 406 of title 37, United States Code, is amended—

(A) by striking out subsection (i); and

(B) by redesignating subsections (j), (k), (l), (m), and (n) as subsections (i), (j), (k), (l), and (m), respectively.

(2) Section 2634(d) of title 10, United States Code, is amended by striking out "section 406(l) of title 37" and inserting in lieu thereof "section 406(k) of title 37".

(b) ANNUAL REVIEW OF PAY AND ALLOWANCES.—Subsection (a) of section 1008 of title 37, United States Code, is amended to read as follows:

"(a) Not later than March 31 of each year, the President shall submit to Congress such recommendations (if any) as the President considers appropriate for adjustments in the rates of pay and allowances authorized by this title for members of the uniformed services.".

SEC. 632. STUDY REGARDING JOINT PROCESS FOR DETERMINING LOCATION OF RECRUITING STATIONS.

(a) STUDY REQUIRED.—The Secretary of Defense shall conduct a study regarding the feasibility of—

(1) using a joint process among the Armed Forces for determining the location of recruiting stations and the number of military personnel required to operate such stations; and

(2) basing such determinations on market research and analysis conducted jointly by the Armed Forces.

(b) REPORT.—Not later than March 31, 1996, the Secretary of Defense shall submit to Congress a report describing the results of the study. The report shall include a recommended method for measuring the efficiency of individual recruiting stations, such as cost per accession or other efficiency standard, as determined by the Secretary.

SEC. 633. ELIMINATION OF DISPARITY BETWEEN EFFECTIVE DATES FOR MILITARY AND CIVILIAN RETIREE COST-OF-LIVING ADJUSTMENTS FOR FISCAL YEAR 1996.

(a) IN GENERAL.—The fiscal year 1996 increase in military retired pay shall (notwithstanding subparagraph (B) of section 1401a(b)(2) of title 10, United States Code) first be payable as part of such retired pay for the month of March 1996.

(b) DEFINITIONS.—For the purposes of subsection (a):

(1) The term "fiscal year 1996 increase in military retired pay" means the increase in retired pay that, pursuant to paragraph (1) of section 1401a(b) of title 10, United States Code, becomes effective on December 1, 1995.

(2) The term "retired pay" includes retainer pay.

(c) LIMITATION.—Subsection (a) shall be effective only if there is appropriated to the Department of Defense Military Retirement Fund (in an Act making appropriations for the Department of Defense for fiscal year 1996 that is enacted before March 1, 1996) such amount as is necessary to offset increased outlays to be made from that fund during fiscal year 1996 by reason of the provisions of subsection (a).

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for fiscal year 1996 to the Department of Defense Military Retirement Fund the sum of $403,000,000 to offset increased outlays to be made from that fund during fiscal year 1996 by reason of the provisions of subsection (a).

TITLE VII—HEALTH CARE PROVISIONS

Subtitle A—Health Care Services

SEC. 701. MODIFICATION OF REQUIREMENTS REGARDING ROUTINE PHYSICAL EXAMINATIONS AND IMMUNIZATIONS UNDER CHAMPUS.

Section 1079(a) of title 10, United States Code, is amended by striking out paragraph (2) and inserting in lieu thereof the following new paragraph:

"(2) consistent with such regulations as the Secretary of Defense may prescribe regarding the content of health promotion and disease prevention visits, the schedule of pap smears and mammograms, and the types and schedule of immunizations—

"(A) for dependents under six years of age, both health promotion and disease prevention visits and immunizations may be provided; and

"(B) for dependents six years of age or older, health promotion and disease prevention visits may be provided in connection with immunizations or with diagnostic or preventive pap smears and mammograms;".

SEC. 702. CORRECTION OF INEQUITIES IN MEDICAL AND DENTAL CARE AND DEATH AND DISABILITY BENEFITS FOR CERTAIN RESERVISTS.

(a) MEDICAL AND DENTAL CARE.—Section 1074a(a) of title 10, United States Code, is amended by adding at the end the following new paragraph:

"(3) Each member of the armed forces who incurs or aggravates an injury, illness, or disease in the line of duty while remaining overnight, between successive periods of inactive-duty training, at or in the vicinity of the site of the inactive-duty training, and the site is outside reasonable commuting distance from the member's residence.".

(b) RECOVERY, CARE, AND DISPOSITION OF REMAINS.—Section 1481(a)(2) of title 10, United States Code, is amended—

(1) in subparagraph (C), by striking out "or" at the end of the subparagraph;

(2) by redesignating subparagraph (D) as subparagraph (E); and

(3) by inserting after subparagraph (C) the following new subparagraph:

"(D) remaining overnight, between successive periods of inactive-duty training, at or in the vicinity of the site of the inactive-duty training, and the site is outside reasonable commuting distance from the member's residence; or".

(c) ENTITLEMENT TO BASIC PAY.—(1) Subsection (g)(1) of section 204 of title 37, United States Code, is amended—

(A) in subparagraph (B), by striking out "or" at the end of the subparagraph;

(B) in subparagraph (C), by striking out the period at the end of the subparagraph and inserting in lieu thereof "; or"; and

(C) by inserting after subparagraph (C) the following new subparagraph:

"(D) in line of duty while remaining overnight, between successive periods of inactive-duty training, at or in the vicinity of the site of the inactive-duty training, and the site is outside reasonable commuting distance from the member's residence.".

(2) Subsection (h)(1) of such section is amended—

(A) in subparagraph (B), by striking out "or" at the end of the subparagraph;

(B) in subparagraph (C), by striking out the period at the end of the subparagraph and inserting in lieu thereof "; or"; and

(C) by inserting after subparagraph (C) the following new subparagraph:

"(D) in line of duty while remaining overnight, between successive periods of inactive-duty training, at or in the vicinity of the site of the inactive-duty training, and the site is outside reasonable commuting distance from the member's residence.".

(d) COMPENSATION FOR INACTIVE-DUTY TRAINING.—Section 206(a)(3) of title 37, United States Code, is amended—

(1) in subparagraph (A), by striking out "or" at the end of clause (ii);

(2) in subparagraph (B), by striking out the period at the end of the subparagraph and inserting in lieu thereof "; or"; and

(3) by inserting after subparagraph (B) the following new subparagraph:

"(C) in line of duty while remaining overnight, between successive periods of inactive-duty training, at or in the vicinity of the site of the inactive-duty training, and the site is outside reasonable commuting distance from the member's residence.".

SEC. 703. MEDICAL AND DENTAL CARE FOR MEMBERS OF THE SELECTED RESERVE.

(a) MEMBERS OF EARLY DEPLOYING UNITS OF THE ARMY SELECTED RESERVE.—Section 1074a of title 10, United States Code, is amended—

(1) in subsection (c), by striking out "this section" and inserting in lieu thereof "subsection (b)"; and

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

"(d)(1) The Secretary of the Army shall provide to members of the Selected Reserve of the Army who are assigned to units scheduled for deployment within 75 days after mobilization the following medical and dental services:

"(A) An annual medical screening.

"(B) For members who are over 40 years of age, a full physical examination not less often than once every two years.

"(C) An annual dental screening.

"(D) The dental care identified in an annual dental screening as required to ensure that a member meets the dental standards required for deployment in the event of mobilization.

"(2) The services provided under this subsection shall be provided at no cost to the member.".

(b) VOLUNTARY DEMONSTRATION PROGRAM TO IMPROVE DENTAL READINESS OF SELECTED RESERVE.—(1) For members of the Selected Reserve who are not covered by subsection (a), the Secretary of Defense shall conduct a demonstration program to offer such members affordable dental care for the purpose of ensuring that such members meet the dental standards required for deployment in the event of mobilization. The Secretary shall determine the geographical scope of the demonstration program and the number of members of the Selected Reserve who will be invited to participate in the program. However, participation in the demonstration program shall be offered to the members of at least one ground combat maneuver unit of the Selected Reserve of the Army scheduled for deployment within 90 days after mobilization.

(2) The Secretary may model the dental demonstration program after the dependents' dental program authorized under section 1076a of title 10, United States Code, except that participants in the demonstration program shall be responsible for all costs incurred to provide dental care under the program. The Secretary shall provide for allotment or deduction from the military pay of participants as a means to pay any premiums required under the demonstration program.

(3) The authority to carry out the dental demonstration program under this subsection shall expire on September 30, 1997.

(c) EVALUATION OF DEMONSTRATION PROGRAM.—Not later than March 1, 1997, the Secretary shall submit to Congress a report evaluating the success of the dental demonstration program conducted under subsection (b) in improving the dental readiness of the Selected Reserve. The Secretary shall submit a revised report under this subsection not later than 30 days after the expiration of the demonstration program.

(d) CONFORMING REPEALS.—Sections 1117 and 1118 of the Army National Guard Combat Readiness Reform Act of 1992 (title XI of Public Law 102–484; 10 U.S.C. 3077 note) are repealed.

Subtitle B—TRICARE Program

SEC. 711. PRIORITY USE OF MILITARY TREATMENT FACILITIES FOR PERSONS ENROLLED IN MANAGED CARE INITIATIVES.

Section 1097(c) of title 10, United States Code, is amended in the third sentence by striking out "However, the Secretary may" and inserting in lieu thereof "Notwithstanding the preferences established by sections 1074(b) and 1076 of this title, the Secretary shall".

SEC. 712. STAGGERED PAYMENT OF ENROLLMENT FEES FOR TRICARE.

Section 1097(e) of title 10, United States Code, is amended by adding at the end the following new sentence: "Without imposing additional costs on covered beneficiaries who participate in contracts for health care services under this section or health care plans offered under section 1099 of this title, the Secretary shall permit such covered beneficiaries to pay, on a monthly or quarterly basis, any enrollment fee required for such participation.".

SEC. 713. REQUIREMENT OF BUDGET NEUTRALITY FOR TRICARE TO BE BASED ON ENTIRE PROGRAM.

(a) CHANGE IN BUDGET NEUTRALITY REQUIREMENTS.—Subsection (c) of section 731 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 10 U.S.C. 1073 note) is amended—

(1) by striking out "each managed health care initiative that includes the option" and inserting in lieu thereof "the TRICARE program"; and

(2) by striking out "covered beneficiaries who enroll in the option" and inserting in lieu thereof "members of the uniformed services and covered beneficiaries who participate in the TRICARE program".

(b) ADDITION OF DEFINITION OF TRICARE PROGRAM.—Subsection (d) of such section is amended to read as follows:

"(d) DEFINITIONS.—For purposes of this section:

"(1) The term 'covered beneficiary' means a beneficiary under chapter 55 of title 10, United States Code, other than a beneficiary under section 1074(a) of such title.

"(2) The term 'TRICARE program' means the managed health care program that is established by the Secretary of Defense under the authority of chapter 55 of title 10, United States Code, principally section 1097 of such title, and includes the competitive selection of contractors to financially underwrite the delivery of health care services under the Civilian Health and Medical Program of the Uniformed Services.".

SEC. 714. TRAINING IN HEALTH CARE MANAGEMENT AND ADMINISTRATION FOR TRICARE LEAD AGENTS.

(a) PROVISION OF TRAINING.—Not later than six months after the date of the enactment of this Act, the Secretary of Defense shall implement a professional educational program to provide appropriate training in health care management and administration to each commander of a military medical treatment facility of the Department of Defense who is selected to serve as a lead agent to coordinate the delivery of health care by military and civilian providers under the TRICARE program.

(b) TRICARE PROGRAM DEFINED.—For purposes of this section, the term "TRICARE program" means the managed health care program that is established by the Secretary of Defense under the authority of chapter 55 of title 10, United States Code, principally section 1097 of such title, and includes the competitive selection of contractors to financially underwrite the delivery of health care services under the Civilian Health and Medical Program of the Uniformed Services.

(c) REPORT ON IMPLEMENTATION.—Not later than six months after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report describing the professional educational program implemented pursuant to this section.

SEC. 715. EVALUATION AND REPORT ON TRICARE EFFECTIVENESS.

(a) EVALUATION REQUIRED.—The Secretary of Defense shall arrange for an on-going evaluation of the effectiveness of the TRICARE program in meeting the goals of increasing the access of covered beneficiaries under chapter 55 of title 10, United States Code, to health care and improving the quality of health care provided to covered beneficiaries, without increasing the costs incurred by the Government or covered beneficiaries. The evaluation shall specifically address the impact of the TRICARE program on military retirees with regard to access, costs, and quality of health care services and identify noncatchment areas in which the HMO option of the TRICARE program will be available. The Secretary shall use a federally funded research and development center to conduct the evaluation required by this section.

(b) ANNUAL REPORT.—Not later than March 1 of each year, the center conducting the evaluation under subsection (a) shall submit to Congress a report describing the results of the evaluation during the preceding year.

(c) TRICARE PROGRAM DEFINED.—For purposes of this section, the term "TRICARE program" means the managed health care program that is established by the Secretary of Defense under the authority of chapter 55 of title 10, United States Code, principally section 1097 of such title, and includes the competitive selection of contractors to financially underwrite the delivery of health care services under the Civilian Health and Medical Program of the Uniformed Services.

Subtitle C—Uniformed Services Treatment Facilities

SEC. 721. LIMITATION ON EXPENDITURES TO SUPPORT UNIFORMED SERVICES TREATMENT FACILITIES AND LIMITATION ON NUMBER OF PARTICIPANTS IN USTF MANAGED CARE PLANS.

Subsection (f) of section 1252 of the Department of Defense Authorization Act, 1984 (42 U.S.C. 248d), is amended to read as follows:

"(f) LIMITATION ON EXPENDITURES AND PARTICIPANTS.—(1) The total amount of expenditures by the Secretary of Defense to carry out this section and section 911 of the Military Construction Authorization Act, 1982 (42 U.S.C. 248c), for fiscal year 1996 may not exceed $300,000,000, adjusted by the Secretary to reflect the inflation factor used by the Department of Defense for such year.

"(2) During fiscal year 1996, the number of covered beneficiaries under chapter 55 of title 10, United States Code (including covered beneficiaries described in section 1086(d)(1) of such title), who are enrolled in managed care plans offered by facilities described in subsection (a) and designated under subsection (c) may not exceed the number of such covered beneficiaries so enrolled as of September 30, 1995.".

SEC. 722. APPLICATION OF FEDERAL ACQUISITION REGULATION TO PARTICIPATION AGREEMENTS WITH UNIFORMED SERVICES TREATMENT FACILITIES.

Section 718(c) of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 104 Stat. 1587) is amended—

(1) in the second sentence of paragraph (1), by striking out "A participation agreement" and inserting in lieu thereof "Except as provided in paragraph (4), a participation agreement";

(2) by redesignating paragraph (4) as paragraph (6); and

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

"(4) APPLICATION OF FEDERAL ACQUISITION REGULATION.—On and after the date of the enactment of this paragraph, Uniformed Services Treatment Facilities and any participation agreement between Uniformed Services Treatment Facilities and the Secretary of Defense shall be subject to the Federal Acquisition Regulation issued pursuant to section 25(c) of the Office of Federal Procurement Policy Act (41 U.S.C. 421(c)) notwithstanding any provision to the contrary in such a participation agreement. The requirements regarding competition in the Federal Acquisition Regulation shall apply with regard to the negotiation of any new participation agreement between the Uniformed Services Treatment Facilities and the Secretary of Defense under this subsection or any other provision of law.".

SEC. 723. DEVELOPMENT OF PLAN FOR INTEGRATING UNIFORMED SERVICES TREATMENT FACILITIES IN MANAGED CARE PROGRAMS OF DEPARTMENT OF DEFENSE.

Section 718(c) of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 104 Stat. 1587) is amended by inserting after paragraph (4), as added by section 722, the following new paragraph:

"(5) PLAN FOR INTEGRATING FACILITIES.—(A) Not later than March 1, 1996, the Secretary of Defense shall submit to Congress a plan under which Uniformed Services Treatment Facilities, on or before September 30, 1997, shall be included in the exclusive health care provider networks established by the Secretary for the geographic regions in which the facilities are located. The Secretary shall address in the plan the feasibility of implementing the managed care plan of the Uniformed Services Treatment Facilities, known as Option II, on a mandatory basis for all USTF Medicare-eligible beneficiaries and the potential cost savings to the Military Health Care Program that could be achieved under such option.

"(B) The plan developed under this paragraph shall be consistent with the requirements specified in paragraph (4). If the plan is not submitted to Congress by the expiration date of the participation agreements entered into under this section, the participation agreements shall remain in effect, at the option of the Uniformed Services Treatment Facilities, until the end of the 180-day period beginning on the date the plan is finally submitted.

"(C) For purposes of this paragraph, the term 'USTF Medicare-eligible beneficiaries' means covered beneficiaries under chapter 55 of title 10, United States Code, who are enrolled in a managed health plan offered by the Uniformed Services Treatment Facilities and entitled to hospital insurance benefits under part A of title XVIII of the Social Security Act (42 U.S.C. 1395c et seq.).".

SEC. 724. EQUITABLE IMPLEMENTATION OF UNIFORM COST SHARING REQUIREMENTS FOR UNIFORMED SERVICES TREATMENT FACILITIES.

The uniform managed care benefit fee and copayment schedule developed by the Secretary of Defense for use in all managed care initiatives of the military health service system, including the managed care program of the Uniformed Services Treatment Facilities, shall be extended to the managed care program of a Uniformed Services Treatment Facility only upon the implementation of the TRICARE regional program covering the service area of the Uniformed Services Treatment Facility.

Subtitle D—Other Changes to Existing Laws Regarding Health Care Management

SEC. 731. MAXIMUM ALLOWABLE PAYMENTS TO INDIVIDUAL HEALTH-CARE PROVIDERS UNDER CHAMPUS.

(a) MAXIMUM PAYMENT.—Subsection (h) of section 1079 of title 10, United States Code, is amended by striking out paragraph (1) and inserting in lieu thereof the following new paragraph:

"(1) Payment for a charge for services by an individual health care professional (or other noninstitutional health care provider) for which a claim is submitted under a plan contracted for under subsection (a) may not exceed the lesser of—

"(A) an amount equivalent to the 80th percentile of billed charges made for similar services in the same locality during a 12-month base period; or

"(B) an amount determined to be appropriate, to the extent practicable, in accordance with the same reimbursement rules as apply to payments for similar services under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.).".

(b) COMPARISON TO MEDICARE PAYMENTS.—Such subsection is further amended by adding at the end the following new paragraph:

"(3) For the purposes of paragraph (1)(B), the appropriate payment amount shall be determined by the Secretary of Defense, in consultation with the other administering Secretaries.".

(c) EXCEPTIONS AND LIMITATIONS.—Such subsection is further amended by inserting after paragraph (3), as added by subsection (b), the following new paragraphs:

"(4) The Secretary of Defense, in consultation with the other administering Secretaries, shall prescribe regulations to provide for such exceptions to the payment limitations under paragraph (1) as the administering Secretaries determine to be necessary to assure that covered beneficiaries retain adequate access to health care services. Such exceptions may include the payment of amounts greater than the amount allowed under paragraph (1) when enrollees in managed care programs obtain covered emergency services from nonparticipating providers. To transition from the payment methods in effect before the date of the enactment of this paragraph to the methodology required by paragraph (1), the amount allowable for any service may not be reduced by more than 15 percent from the amount allowed for the same service during the immediately preceding 12-month period (or other period as established by the Secretary of Defense).

"(5) The Secretary of Defense, in consultation with the other administering Secretaries, shall prescribe regulations to establish limitations (similar to those limitations established under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.)) on beneficiary liability for charges of an individual health care professional (or other noninstitutional health care provider).".

(d) CONFORMING AMENDMENT.—Paragraph (2) of such subsection is amended by striking out "paragraph (1)" and inserting in lieu thereof "paragraph (1)(A)".

(e) REPORT ON EFFECT OF AMENDMENTS.—Not later than March 1, 1996, the Secretary of Defense shall submit to Congress a report analyzing the effect of the amendments made by this section on the ability or willingness of individual health care professionals and other noninstitutional health care providers to participate in the Civilian Health and Medical Program of the Uniformed Services.

SEC. 732. EXPANSION OF EXISTING RESTRICTION ON USE OF DEFENSE FUNDS FOR ABORTIONS.

(a) INCLUSION OF DEFENSE FACILITIES.—Section 1093 of title 10, United States Code, is amended by inserting after "Department of Defense" the following: ", and medical treatment facilities or other facilities of the Department of Defense,".

*(b) CLERICAL AMENDMENTS.—(1) The heading of such section is amended by inserting "**or facilities**" after "**funds**".*

(2) The item relating to such section in the table of sections at the beginning of chapter 55 of such title is amended to read as follows:

"1093. Restriction on use of funds or facilities for abortions.".

SEC. 733. IDENTIFICATION OF THIRD-PARTY PAYER SITUATIONS.

Section 1095 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(k)(1) To improve the administration of this section and sections 1079(j)(1) and 1086(d) of this title, the Secretary of Defense, in consultation with the other administering Secretaries, may prescribe regulations to collect information regarding insurance, medical service, or health plans of third-party payers held by covered beneficiaries.

"(2) The collection of information under regulations issued under paragraph (1) shall be conducted in the same manner as provided in section 1862(b)(5) of the Social Security Act (42 U.S.C. 1395y(b)(5)). The Secretary may provide for obtaining from the Commissioner of Social Security employment information comparable to the information provided to the Administrator of the Health Care Financing Administration pursuant to such section. Such regulations may require the mandatory disclosure of social security account numbers for all covered beneficiaries.

"(3) The Secretary of Defense may disclosure relevant employment information collected under this subsection to fiscal intermediaries or other designated contractors.

"(4) The Secretary of Defense may provide for contacting employers of covered beneficiaries to obtain group health plan information comparable to the information authorized to be obtained under section 1862(b)(5)(C) of the Social Security Act (42 U.S.C. 1395y(b)(5)(C)). Clause (ii) of such section regarding the imposition of civil money penalties shall apply to the collection of information under this paragraph.

"(5) Information obtained under this subsection may not be disclosed for any purpose other than to carry out the purpose of this section and sections 1079(j)(1) and 1086(d) of this title.".

SEC. 734. REDESIGNATION OF MILITARY HEALTH CARE ACCOUNT AS DEFENSE HEALTH PROGRAM ACCOUNT AND TWO-YEAR AVAILABILITY OF CERTAIN ACCOUNT FUNDS.

(a) REDESIGNATION.—Section 1100 of title 10, United States Code, is amended—

(1) in subsection (a)(1)—

(A) by striking out "Military Health Care Account" and inserting in lieu thereof "Defense Health Program Account"; and

(B) by striking out "the Civilian Health and Medical Program of the Uniformed Services" and inserting in lieu thereof "medical and health care programs of the Department of Defense"; and

(2) in subsection (b)—

(A) by striking out "entering into a contract" and inserting in lieu thereof "conducting programs and activities under this chapter, including contracts entered into"; and

(B) by inserting a comma after "title".

(b) TWO YEAR AVAILABILITY OF CERTAIN APPROPRIATIONS.—Subsection (a)(2) of such section is amended to read as follows:

"(2) Three percent of the funds appropriated annually for the operation and maintenance of the programs and activities authorized by this chapter shall remain available for obligation until the end of the fiscal year following the fiscal year for which the funds were appropriated. This paragraph shall not apply for a fiscal year to the extent that a provision of law specifically refers to this paragraph and specifies that this paragraph shall not apply for that fiscal year.".

(c) CONFORMING AMENDMENTS.—Such section is further amended—

(1) by striking out subsections (c), (d), and (f); and

(2) by redesignating subsection (e) as subsection (c).

(d) CLERICAL AMENDMENTS.—(1) The heading of such section is amended to read as follows:

"§ 1100. Defense Health Program Account".

(2) The item relating to such section in the table of sections at the beginning of chapter 55 of such title is amended to read as follows:

"1100. Defense Health Program Account.".

SEC. 735. EXPANSION OF FINANCIAL ASSISTANCE PROGRAM FOR HEALTH-CARE PROFESSIONALS IN RESERVE COMPONENTS TO INCLUDE DENTAL SPECIALTIES.

Section 16201(b) of title 10, United States Code, is amended—

(1) in the subsection heading, by inserting "AND DENTISTS" after "PHYSICIANS";

(2) in paragraph (1)(A), by inserting "or dental school" after "medical school";

(3) in paragraphs (1)(B) and (2)(B), by inserting "or dental officer" after "medical officer"; and

(4) in paragraph (1)(C), by striking out "physicians in a medical specialty" and inserting in lieu thereof "physicians or dentists in a medical or dental specialty".

SEC. 736. ELIMINATION OF UNNECESSARY ANNUAL REPORTING REQUIREMENTS REGARDING MILITARY HEALTH CARE.

Section 1252 of the Department of Defense Authorization Act, 1984 (42 U.S.C. 248d), is amended by striking out subsection (d).

Subtitle E—Other Matters

SEC. 741. TERMINATION OF PROGRAM TO TRAIN AND UTILIZE MILITARY PSYCHOLOGISTS TO PRESCRIBE PSYCHOTROPIC MEDICATIONS.

(a) TERMINATION.—Immediately after the date of the enactment of this Act, the Secretary of Defense shall terminate the demonstration pilot program for training and utilizing military psychologists in the prescription of psychotropic medications, which is referred to in section 8097 of the Department of Defense Appropriations Act, 1991 (Public Law 101-511; 104 Stat. 1897). None of the funds appropriated to the Department of Defense for a fiscal year after fiscal year 1995 may be used to train psychologists to be able to prescribe psychotropic medications.

(b) EFFECT ON AUTHORITY TO PRESCRIBE PSYCHOTROPIC MEDICATIONS.—Psychologists who participated in the demonstration pilot training program regarding the prescription of psychotropic medications shall not be authorized to prescribe such medications despite the completion of training under the program.

SEC. 742. WAIVER OF COLLECTION OF PAYMENTS DUE FROM CERTAIN PERSONS UNAWARE OF LOSS OF CHAMPUS ELIGIBILITY.

(a) AUTHORITY TO WAIVE COLLECTION.—The administering Secretaries may waive the collection of payments otherwise due from a person described in subsection (b) as a result of the receipt by the person of health benefits under section 1086 of title 10, United States Code, after the termination of the person's eligibility for such benefits.

(b) PERSONS ELIGIBLE FOR WAIVER.—A person shall be eligible for relief under subsection (a) if the person—

(1) is a person described in paragraph (1) of subsection (d) of section 1086 of title 10, United States Code;

(2) in the absence of such paragraph, would have been eligible for health benefits under such section; and

(3) at the time of the receipt of such benefits, satisfied the criteria specified in subparagraphs (A) and (B) of paragraph (2) of such subsection.

(c) EXTENT OF WAIVER AUTHORITY.—The authority to waive the collection of payments pursuant to this section shall apply with regard to health benefits provided under section 1086 of title 10, United States Code, to persons described in subsection (b) during the period beginning on January 1, 1967, and ending on the later of—

(1) the termination date of any special enrollment period provided under title XVIII of the Social Security Act (42 U.S.C. 1395c et seq.) specifically for such persons; and

(2) July 1, 1996.

(d) DEFINITIONS.—For purposes of this section, the term "administering Secretaries" has the meaning given such term in section 1072(3) of title 10, United States Code.

SEC. 743. NOTIFICATION OF CERTAIN CHAMPUS COVERED BENEFICIARIES OF LOSS OF CHAMPUS ELIGIBILITY.

Section 1086(d) of title 10, United States Code, is amended by adding at the end the following new paragraph:

"(4) The administering Secretaries shall develop a mechanism by which persons described in paragraph (1) who satisfy only the criteria specified in subparagraphs (A) and (B) of paragraph (2), but not subparagraph (C) of such paragraph, are promptly notified of their ineligibility for health benefits under this section. The administering Secretaries shall consult with the Secretary of Health and Human Services and the Health Care Financing Administration regarding a method to promptly identify persons requiring notice under this subsection.".

SEC. 744. DEMONSTRATION PROGRAM TO TRAIN MILITARY MEDICAL PERSONNEL IN CIVILIAN SHOCK TRAUMA UNITS.

(a) DEMONSTRATION PROGRAM.—Not later than April 1, 1996, the Secretary of Defense shall implement a demonstration program to evaluate the feasibility of providing shock trauma training for military medical personnel through the use of civilian hospitals. Pursuant to an agreement between the Secretary and one or more public or nonprofit hospitals, the Secretary shall assign military medical personnel participating in the demonstration program to temporary duty in shock trauma units operated by the hospitals that are parties to the agreement. As consideration for the services provided by military medical personnel under the agreement, the agreement shall require the hospitals to provide appropriate care to members of the Armed Forces and to other persons whose care in the hospital would otherwise require reimbursement by the Secretary. The value of the services provided by the hospitals shall be at least equal to the value of the services provided by military medical personnel under the agreement.

(b) TERMINATION OF PROGRAM.—The authority of the Secretary of Defense to conduct the demonstration program under this section, and any agreement entered into under the demonstration program, shall expire on March 31, 1998.

(c) REPORT AND EVALUATION OF PROGRAM.—(1) Not later than March 1 of each year in which the demonstration program is conducted under this section, the Secretary of Defense shall submit to Congress a report describing the scope and activities of the demonstration program during the preceding year.

(2) Not later than May 1, 1998, the Comptroller General of the United States shall submit to Congress a report evaluating the effectiveness of the demonstration program in providing shock trauma training for military medical personnel.

SEC. 745. STUDY REGARDING DEPARTMENT OF DEFENSE EFFORTS TO DETERMINE APPROPRIATE FORCE LEVELS OF WARTIME MEDICAL PERSONNEL.

(a) STUDY REQUIRED.—The Comptroller General of the United States shall conduct a study to evaluate the reasonableness of the models used by each military department for determining the appropriate wartime force level for medical personnel in the department. The study shall include the following:

(1) An assessment of the modeling techniques used by each department.

(2) An analysis of the data used in the models to identify medical personnel requirements.

(3) An identification of the ability of the models to integrate personnel of reserve components to meet department requirements.

(4) An evaluation of the ability of the Secretary of Defense to integrate the various modeling efforts into a comprehensive, coordinated plan for obtaining the optimum force level for wartime medical personnel.

(b) REPORT OF STUDY.—Not later than June 30, 1996, the Comptroller General shall report to Congress on the results of the study conducted under subsection (a).

SEC. 746. STUDY REGARDING EXPANDED MENTAL HEALTH SERVICES FOR CERTAIN COVERED BENEFICIARIES.

(a) STUDY REQUIRED.—In connection with the mental health services already available for covered beneficiaries under chapter 55 of title 10, United States Code, who are children and require residential treatment, the Secretary of Defense shall conduct a study regarding the feasibility of expanding such services to include a program of individualized continued care following completion of the residential treatment to compliment the residential treatment and prevent recidivism.

(b) REPORT OF STUDY.—Not later than March 1, 1996, the Secretary of Defense shall submit to Congress a report describing the results of the study conducted under subsection (a).

SEC. 747. REPORT ON IMPROVED ACCESS TO MILITARY HEALTH CARE FOR COVERED BENEFICIARIES ENTITLED TO MEDICARE.

Not later than March 1, 1996, the Secretary of Defense shall submit to Congress a report evaluating the feasibility, costs, and consequences for the military health care system of improving access to the system for covered beneficiaries under chapter 55 of title 10, United States Code, who have limited access to military medical treatment facilities and are ineligible for the Civilian Health and Medical Program of the Uniformed Services under section 1086(d)(1) of such title. The alternatives the Secretary shall consider to improve access for such covered beneficiaries shall include—

(1) whether CHAMPUS should serve as a second payer for covered beneficiaries who are entitled to hospital insurance benefits under part A of title XVIII of the Social Security Act (42 U.S.C. 1395c et seq.); and

(2) whether such covered beneficiaries should be offered enrollment in the Federal Employees Health Benefits program under chapter 89 of title 5, United States Code.

SEC. 748. SENSE OF CONGRESS ON CONTINUITY OF HEALTH CARE SERVICES FOR COVERED BENEFICIARIES ADVERSELY AFFECTED BY CLOSURES OF MILITARY MEDICAL TREATMENT FACILITIES.

(a) FINDING.—Congress finds the following:

(1) Military installations selected for closure in the 1991 and 1993 rounds of the base closure process are approaching their closing dates.

(2) Additional military installations are being selected for closure in the 1995 round of the base closure process.

(3) As a result of these base closures, tens of thousands of covered beneficiaries under chapter 55 of title 10, United States Code, who reside in the vicinity of affected installations will be left without immediate access to military medical treatment facilities.

(b) SENSE OF CONGRESS.—In light of the findings specified in subsection (a), it is the sense of Congress that the Secretary of Defense should take all appropriate steps necessary to ensure the continuation of medical and pharmaceutical benefits to covered beneficiaries adversely affected by the closure of military installations.

TITLE VIII—ACQUISITION POLICY, ACQUISITION MANAGEMENT, AND RELATED MATTERS

SEC. 801. REPEALS OF CERTAIN PROCUREMENT PROVISIONS.

(a) POST-EMPLOYMENT RESTRICTIONS.—Sections 2397, 2397a, 2397b, and 2397c of title 10, United States Code, are repealed.

(b) LIMITATION ON EXPENDITURE OF APPROPRIATIONS.—Section 2207 of such title is repealed.

(c) CERTAIN DELEGATION AUTHORITY.—Section 2356 of such title is repealed.

(d) SPARE PARTS CONTROL.—Section 2383 of such title is repealed.

(e) CLERICAL AMENDMENTS.—(1) The table of sections at the beginning of chapter 131 of title 10, United States Code, is amended by striking out the item relating to section 2207.

(2) The table of sections at the beginning of chapter 139 of such title is amended by striking out the item relating to section 2356.

(3) The table of sections at the beginning of chapter 141 of title 10, United States Code, is amended by striking out the items relating to sections 2383, 2397, 2397a, 2397b, and 2397c.

SEC. 802. FEES FOR CERTAIN TESTING SERVICES.

Section 2539b(c) of title 10, United States Code, is amended by inserting "and indirect" after "recoup the direct".

SEC. 803. TESTING OF DEFENSE ACQUISITION PROGRAMS.

(a) IN GENERAL.—Section 2366 to title 10, United States Code, is amended—

(1) by striking out "survivability" each place it appears (including in the section heading) and inserting in lieu thereof "vulnerability"; and

(2) in subsection (b)—

(A) by striking out "Survivability" and inserting in lieu thereof "Vulnerability"; and

(B) by inserting after paragraph (2) the following new paragraph:

"(3) Testing should begin at the component, subsystem, and subassembly level, culminating with tests of the complete system configured for combat.".

(b) CLERICAL AMENDMENT.—The item relating to such section in the table of sections at the beginning of chapter 139 of such title is amended to read as follows:

"2366. Major systems and munitions programs: vulnerability testing and lethality testing required before full-scale production.".

SEC. 804. COORDINATION AND COMMUNICATION OF DEFENSE RESEARCH ACTIVITIES.

Section 2364 of title 10, United States Code, is amended—

(1) in subsection (b)(5), by striking out "milestone O, milestone I, and milestone II" and inserting in lieu thereof "acquisition program"; and

(2) in subsection (c), by striking out paragraphs (2), (3), and (4) and inserting in lieu thereof the following:

"(2) The term 'acquisition program decisions' has the meaning prescribed by the Secretary of Defense in regulations.".

SEC. 805. ADDITION OF CERTAIN ITEMS TO DOMESTIC SOURCE LIMITATION.

(a) LIMITATION.—Paragraph (3) of section 2534(a) of title 10, United States Code, is amended to read as follows:

"(3) VESSEL COMPONENTS.—(A) The following components of vessels:

"(i) Air circuit breakers.

"(ii) Vessel propellers with a diameter of six feet or more, if the propellers incorporate only castings poured and finished in the United States.

"(iii) Welded shipboard anchor and mooring chain with a diameter of four inches or less.

"(B) The following components of vessels, to the extent they are unique to marine applications: ship and marine cable assemblies, hose assemblies, hydraulics and pumps for steering, gyrocompasses, marine autopilots, electronic navigation chart systems, attitude and heading reference units, power supplies, and steering controls.".

(b) EXTENSION OF LIMITATION RELATING TO BALL BEARINGS AND ROLLER BEARINGS.—Section 2534(c)(3) of such title is amended by striking out "October 1, 1995" and inserting in lieu thereof "October 1, 2000".

(c) INAPPLICABILITY OF SIMPLIFIED ACQUISITION LIMITATION TO CONTRACTS FOR BALL BEARINGS AND ROLLER BEARINGS.—Section 2534(g) of title 10, United States Code, is amended—

(1) by inserting "(1)" before "This section"; and

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

"(2) Paragraph (1) does not apply to contracts for items described in subsection (a)(5) (relating to ball bearings and roller bearings).".

SEC. 806. REVISIONS TO PROCUREMENT NOTICE PROVISIONS.

Section 18(a) of the Office of Federal Procurement Policy Act (41 U.S.C. 416(a)) is amended—

(1) in subparagraph (B) of paragraph (1)—

(A) by striking out "subsection (f)—" and all that follows through the end of the subparagraph and inserting in lieu thereof "subsection (b); and"; and

(B) by inserting after "property or services" the following: "for a price expected to exceed $10,000 but not to exceed $25,000";

(2) by striking out paragraph (4); and

(3) by redesignating paragraphs (5) and (6) as paragraphs (4) and (5), respectively.

SEC. 808. ENCOURAGEMENT OF USE OF LEASING AUTHORITY.

(a) IN GENERAL.—(1) Chapter 137 of title 10, United States Code, is amended by inserting after section 2316 the following new section:

"§2317. Equipment leasing

"The Secretary of Defense shall authorize and encourage the use of leasing in the acquisition of equipment whenever such leasing is practicable and otherwise authorized by law.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"2317. Equipment leasing.".

(b) REPORT.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report setting forth changes in legislation that would be required in order to facilitate the use of leases by the Department of Defense in the acquisition of equipment.

TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

SEC. 901. REORGANIZATION OF OFFICE OF THE SECRETARY OF DEFENSE.

(a) REORGANIZATION.—The Secretary of Defense shall carry out in accordance with this section a reorganization of the Office of the Secretary of Defense. The reorganization shall include a substantial streamlining and reduction in size of that office, as provided in this section.

(b) PLAN FOR REORGANIZATION.—The Secretary shall submit to Congress a report setting forth a comprehensive plan by which the Secretary will carry out the reorganization of the Office of the Department of Defense required by this section. The Secretary shall include in the report identification of all provisions of law (or other congressional directives) that preclude or inhibit any proposed reorganization or streamlining of the Office of the Secretary of Defense set forth in the plan. The report shall be submitted when the budget of the President for fiscal year 1997 is submitted to Congress.

(c) CONTENT OF PLAN.—The plan required by subsection (b) shall enable the Secretary to accomplish the following:

(1) Reduce the number of military and civilian personnel assigned to, or employed in, the Office of the Secretary of Defense by 25 percent over a period of four years, as required by subsection (e).

(2) Increase organizational efficiency and civilian control.

(3) Eliminate (or substantially reduce) duplication of functions between the Office of the Secretary of Defense and the military departments.

(4) Eliminate (or substantially reduce) duplication of functions between the Office of the Secretary of Defense and the Joint Chiefs of Staff.

(d) DEVELOPMENT OF PLAN.—In developing the plan required by subsection (b), the Secretary shall—

(1) reassess the appropriate function and mission of the Office of the Secretary of Defense;

(2) reassess whether the current organization of the Office of the Secretary of Defense provides the most efficient and effective organization to support the Secretary in carrying out the Secretary's responsibilities;

(3) examine alternative organizational structures for that office and alternative allocations of functional responsibilities within that office, including—

(A) a reduction in the number of Under Secretaries of Defense;

(B) a reduction in the number of Deputy Assistant Secretaries of Defense and Deputy Under Secretaries of Defense; and

(C) decentralizing functions of the Office of the Secretary of Defense; and

(4) reassess the size, number, and functional allocation of the Defense Agencies and other Department of Defense support organizations.

(e) PERSONNEL REDUCTION.—(1) The number of military and civilian personnel of the Department of Defense who as of October 1, 1998, are assigned to, or employed in, functions in the Office of the Secretary of Defense (including Direct Support Activities of that Office and the Washington Headquarters Services of the Department of Defense) may not exceed 75 percent of the number of such personnel as of October 1, 1994.

(2) In carrying out reductions under paragraph (1), the Secretary may not reassign functions solely in order to evade the requirement contained in that paragraph.

(f) REDUCTION IN NUMBER AND SPECIFICATION OF ASSISTANT SECRETARY OF DEFENSE POSITIONS.—(1) Section 138 of title 10, United States Code, is amended—

(A) in subsection (a), by striking out "eleven" and inserting in lieu thereof "nine"; and

(B) by striking out subsection (b) and inserting in lieu thereof the following:

"(b) The Assistant Secretaries shall perform such duties and exercise such powers as the Secretary of Defense may prescribe.".

(2) Section 5315 of title 5, United States Code, is amended by striking out "(11)" after "Assistant Secretaries of Defense" and inserting in lieu thereof "(9)".

(g) REPEAL OF STATUTORY ESTABLISHMENT OF VARIOUS OSD POSITIONS.—(1)(A) The following sections of chapter 4 of title 10, United States Code, are repealed: sections 133a, 134a, 137, 139, and 142.

(B) The table of sections at the beginning of such chapter is amended by striking out the items relating to the sections specified in paragraph (1).

(2) Section 1056 is amended by striking out subsection (d).

(h) SENIOR STAFF FLOOR FOR SPECIFIED ASSISTANT SECRETARY OF DEFENSE.—Section 355 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510; 104 Stat. 1540) is repealed.

(i) CONFORMING AMENDMENTS TO TITLE 10, UNITED STATES CODE.—Title 10, United States Code, is amended as follows:

(1) Section 131(b) is amended—

(A) by striking out paragraphs (6) and (8); and

(B) by redesignating paragraphs (7), (9), (10), and (11), as paragraphs (6), (7), (8), and (9), respectively.

(2) Section 138(d) is amended by striking out "the Under Secretaries of Defense, and the Director of Defense Research and Engineering" and inserting in lieu thereof "and the Under Secretaries of Defense".

(3) Section 176(a)(3) is amended—

(A) by striking out "Assistant Secretary of Defense for Health Affairs" and inserting in lieu thereof "official in the Department of Defense with principal responsibility for health affairs"; and

(B) by striking out "Chief Medical Director of the Department of Veterans Affairs" and inserting in lieu thereof "Under Secretary for Health of the Department of Veterans Affairs".

(4) Section 1216(d) is amended by striking out "Assistant Secretary of Defense for Health Affairs" and inserting in lieu thereof "official in the Department of Defense with principal responsibility for health affairs".

(5) Section 1587(d) is amended by striking out "Assistant Secretary of Defense for Manpower and Logistics" and inserting in lieu thereof "official in the Department of Defense with principal responsibility for personnel and readiness".

(6) The text of section 10201 is amended to read as follows:

"The official in the Department of Defense with responsibility for overall supervision of reserve component affairs of the Department of Defense is the official designated by the Secretary of Defense to have that responsibility.".

(j) CONFORMING AMENDMENTS RELATING TO OPERATIONAL TEST AND EVALUATION AUTHORITY.—Section 2399 of such title is amended—

(1) in subsection (a)—

(A) in paragraph (2)—

(i) by inserting "a conventional weapons system that" after "means" in the matter preceding subparagraph (A); and

(ii) in subparagraph (A), by striking out "a conventional weapons system that"; and

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

"(3) The Secretary of Defense shall designate an official of the Department of Defense to perform the duties of the position referred to in this section as the 'designated OT&E official'.";

(2) in subsection (b)—

(A) by striking out "Director of Operational Test and Evaluation of the Department of Defense" in paragraph (1) and inserting in lieu thereof "designated OT&E official"; and

(B) by striking out "Director" each place it appears in paragraphs (2) and (3) and inserting in lieu thereof "designated OT&E official";

(3) in subsection (c), by striking out "Director of Operational Test and Evaluation of the Department of Defense" and inserting in lieu thereof "designated OT&E official";

(4) in subsection (e), by striking out "Director" each place it appears and inserting in lieu thereof "designated OT&E official";

(5) by striking out subsection (g); and

(6) by redesignating subsection (h) as subsection (g).

(k) OTHER CONFORMING AMENDMENT.—Section 1211(b)(2) of the National Defense Authorization Act for Fiscal Year 1988 and 1989 (P.L. 100–180; 101 Stat 1155; 10 U.S.C. 167 note) is amended by striking out "the Assistant Secretary of Defense for Special Operations and Low Intensity Conflict" and inserting in lieu thereof "the official designated by the Secretary of Defense to have principal responsibility for matters relating to special operations and low intensity conflict".

SEC. 902. RESTRUCTURING OF DEPARTMENT OF DEFENSE ACQUISITION ORGANIZATION AND WORKFORCE.

(a) RESTRUCTURING REPORT.—Not later than March 1, 1996, the Secretary of Defense shall submit to Congress a report on the acquisition organization and workforce of the Department of Defense. The report shall include—

(1) the plan described in subsection (b); and

(2) the assessment of streamlining and restructuring options described in subsection (c).

(b) PLAN FOR RESTRUCTURING.—(1) The Secretary shall include in the report under subsection (a) a plan on how to restructure the current acquisition organization of the Department of Defense in a manner that would enable the Secretary to accomplish the following:

(A) Reduce the number of military and civilian personnel assigned to, or employed in, acquisition organizations of the Department of Defense by 25 percent over a period of four years, as required by subsection (d).

(B) Eliminate duplication of functions among existing acquisition organizations of the Department of Defense.

(C) Maximize opportunity for consolidation among acquisition organizations of the Department of Defense to reduce management overhead.

(2) In the report, the Secretary shall also identify any statutory requirement or congressional directive that inhibits any proposed restructuring plan or reduction in the size of the defense acquisition organization.

(3) In designing the plan under paragraph (1), the Secretary shall give full consideration to the process efficiencies expected to be achieved through the implementation of the Federal Acquisition Streamlining Act of 1994 (Public Law 103–355) and other ongoing initiatives to increase the use of commercial practices and reduce contract overhead in the defense procurement system.

(c) ASSESSMENT OF SPECIFIED RESTRUCTURING OPTIONS.—The Secretary shall include in the report under subsection (a) a detailed assessment of each of the following options for streamlining and restructuring the existing defense acquisition organization, together with a specific recommendation as to whether each such option should be implemented:

(1) Consolidation of certain functions of the Defense Contract Audit Agency and the Defense Contract Management Command.

(2) Contracting for performance of a significant portion of the workload of the Defense Contract Audit Agency and other Defense Agencies that perform acquisition functions.

(3) Consolidation or selected elimination of Department of Defense acquisition organizations.

(4) Any other defense acquisition infrastructure streamlining or restructuring option the Secretary may determine.

(d) REDUCTION OF ACQUISITION WORKFORCE.—(1) Effective as of October 1, 1998, the total number of defense acquisition personnel may not exceed 75 percent of the total number of defense acquisition personnel as of October 1, 1994.

(2) In carrying out paragraph (1), the Secretary of Defense shall exempt personnel who possess technical competence in trade-skill maintenance and repair positions involved in performing depot maintenance functions for the Department of Defense.

(3) In carrying out paragraph (1), the Secretary of Defense shall accomplish reductions in defense acquisition personnel positions during fiscal year 1996 so that the total number of such personnel as of October 1, 1996, is less than the total number of such personnel as of October 1, 1995, by at least 30,000.

(4) For purposes of this section, the term "defense acquisition personnel" means military and civilian personnel of the Department of Defense assigned to, or employed in, acquisition organizations of the Department of Defense.

(e) ACQUISITION ORGANIZATION DEFINED.—For purposes of this section, acquisition organizations of the Department of Defense are those organizations specified in Department of Defense Instruction Numbered 5000.58, dated January 14, 1992.

SEC. 903. PLAN FOR INCORPORATION OF DEPARTMENT OF ENERGY NATIONAL SECURITY FUNCTIONS IN DEPARTMENT OF DEFENSE.

(a) REPORT REQUIRED.—The Secretary of Defense shall submit to Congress a report setting forth the Secretary's plan for the incorporation into the Department of Defense of the national security programs of the Department of Energy. The plan submitted shall be one which could be implemented if the Department of Energy is abolished and the national security programs of that department are transferred to the Department of Defense and consolidated with programs of the Department of Defense.

(b) MATTERS TO BE INCLUDED.—The plan submitted in the report under subsection (a) shall include the following:

(1) A detailed plan for the integration into the Department of Defense of the offices and laboratories of the Department of Energy which could be anticipated to be transferred to the Department of Defense as part of such a transfer of functions.

(2) An assessment of the personnel end-strength reductions estimated to be achieved as a result of such a transfer of functions.

(3) An assessment of costs, or savings, associated with the various transfer of function options.

(4) An identification of all applicable provisions of law that may inhibit or preclude such a transfer of functions.

(c) PRESERVATION OF INTEGRITY OF DOE NATIONAL SECURITY PROGRAMS.—In developing the plan under subsection (a), the Secretary shall make every effort to ensure that the mission and functioning of the national security programs of the Department of Energy are not unduly affected adversely during the transfer of those functions to the Department of Defense and the consolidation of those functions into activities of the Department.

(d) SUBMISSION OF REPORT.—The report required under subsection (a) shall be submitted not later than February 1, 1996.

SEC. 904. CHANGE IN TITLES OF CERTAIN MARINE CORPS GENERAL OFFICER BILLETS RESULTING FROM REORGANIZATION OF THE HEADQUARTERS, MARINE CORPS.

(a) HEADQUARTERS, MARINE CORPS, FUNCTION; COMPOSITION.—Subsection (b) of section 5041 of title 10, United States Code, is amended by striking out paragraphs (2) through (5) and inserting in lieu thereof the following:

"(2) The Vice Commandant of the Marine Corps.

"(3) The Director of the Marine Corps Staff.

"(4) The Deputy Commandants of the Marine Corps.

"(5) The Assistant Commandants of the Marine Corps.".

(b) VICE COMMANDANT.—(1) Section 5044 of such title is amended by striking out "Assistant Commandant" each place it appears and inserting in lieu thereof "Vice Commandant".

(2) The heading of such section is amended to read as follows:

"§5044. Vice Commandant of the Marine Corps".

(c) DIRECTOR OF THE MARINE CORPS STAFF; DEPUTY AND ASSISTANT COMMANDANTS.—Section 5045 of such title is amended to read as follows:

"§5045. Director of the Marine Corps Staff; Deputy and Assistant Commandants

"(a) There are in the Headquarters, Marine Corps, the following:

"(1) A Director of the Marine Corps Staff.

"(2) Not more than five Deputy Commandants of the Marine Corps.

"(3) Not more than three Assistant Commandants of the Marine Corps.

"(b) The officers specified in subsection (a) shall be detailed by the Secretary of the Navy

from officers on the active-duty list of the Marine Corps.".

(d) CLERICAL AMENDMENT.—The items relating to sections 5044 and 5045 in the table of sections at the beginning of chapter 506 of such title are amended to read as follows:

"5044. Vice Commandant of the Marine Corps.

"5045. Director of the Marine Corps Staff; Deputy and Assistant Commandants.".

SEC. 905. INCLUSION OF INFORMATION RESOURCES MANAGEMENT COLLEGE IN THE NATIONAL DEFENSE UNIVERSITY.

(a) TECHNICAL AMENDMENT AND ADDITION OF INFORMATION RESOURCES MANAGEMENT COLLEGE TO THE DEFINITION OF THE NATIONAL DEFENSE UNIVERSITY.—Section 1595(d)(2) of title 10, United States Code, is amended by striking out "the Institute for National Strategic Study," and inserting in lieu thereof "the Institute for National Strategic Studies, the Information Resources Management College,".

(b) CONFORMING AMENDMENT.—Section 2162(d)(2) of such title is amended by inserting "the Institute for National Strategic Studies, the Information Resources Management College," after "the Armed Forces Staff College,".

SEC. 906. EMPLOYMENT OF CIVILIANS AT THE ASIA-PACIFIC CENTER FOR SECURITY STUDIES.

Section 1595 of title 10, United States Code, is amended—

(1) in subsection (c), by adding at the end the following new paragraph:

"(4) The Asia-Pacific Center for Security Studies."; and

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

"(f) APPLICATION TO DIRECTOR AND DEPUTY DIRECTOR AT ASIA-PACIFIC CENTER FOR SECURITY STUDIES.—In the case of the Asia-Pacific Center for Security Studies, this section also applies with respect to the Director and the Deputy Director.".

SEC. 907. CONTINUED OPERATION OF UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES.

(a) CLOSURE PROHIBITED.—In light of the important role of the Uniformed Services University of the Health Sciences in providing trained health care providers for the uniformed services, Congress reaffirms the requirement contained in section 922 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103-337; 108 Stat 2829) that the Uniformed Services University of the Health Sciences may not be closed.

(b) BUDGETARY COMMITMENT TO CONTINUATION.—It is the sense of Congress that the Secretary of Defense should budget for the operation of the Uniformed Services University of the Health Sciences during fiscal year 1997 at a level at least equal to the level of operations conducted at the University during fiscal year 1995.

SEC. 908. REDESIGNATION OF ADVANCED RESEARCH PROJECTS AGENCY.

(a) REDESIGNATION.—The agency in the Department of Defense known as the Advanced Research Projects Agency shall after the date of the enactment of this Act be designated as the Defense Advanced Research Projects Agency.

(b) REFERENCES.—Any reference in any law, regulation, document, record, or other paper of the United States to the Advanced Research Projects Agency shall be considered to be a reference to the Defense Advanced Research Projects Agency.

TITLE X—GENERAL PROVISIONS

Subtitle A—Financial Matters

SEC. 1001. TRANSFER AUTHORITY.

(a) AUTHORITY TO TRANSFER AUTHORIZATIONS.—(1) Upon determination by the Secretary of Defense that such action is necessary in the national interest, the Secretary may transfer amounts of authorizations made available to the Department of Defense in this division for fiscal year 1996 between any such authorizations for that fiscal year (or any subdivisions thereof). Amounts of authorizations so transferred shall be merged with and be available for the same purposes as the authorization to which transferred.

(2) The total amount of authorizations that the Secretary of Defense may transfer under the authority of this section may not exceed $2,000,000,000.

(b) LIMITATIONS.—The authority provided by this section to transfer authorizations—

(1) may only be used to provide authority for items that have a higher priority than the items from which authority is transferred; and

(2) may not be used to provide authority for an item that has been denied authorization by Congress.

(c) EFFECT ON AUTHORIZATION AMOUNTS.—A transfer made from one account to another under the authority of this section shall be deemed to increase the amount authorized for the account to which the amount is transferred by an amount equal to the amount transferred.

SEC. 1002. INCORPORATION OF CLASSIFIED ANNEX.

(a) STATUS OF CLASSIFIED ANNEX.—The Classified Annex prepared by the Committee on National Security of the House of Representatives to accompany the bill H.R. 1530 of the One Hundred Fourth Congress and transmitted to the President is hereby incorporated into this Act.

(b) CONSTRUCTION WITH OTHER PROVISIONS OF ACT.—The amounts specified in the Classified Annex are not in addition to amounts authorized to be appropriated by other provisions of this Act.

(c) LIMITATION ON USE OF FUNDS.—Funds appropriated pursuant to an authorization contained in this Act that are made available for a program, project, or activity referred to in the Classified Annex may only be expended for such program, project, or activity in accordance with such terms, conditions, limitations, restrictions, and requirements as are set out for that program, project, or activity in the Classified Annex.

(d) DISTRIBUTION OF CLASSIFIED ANNEX.—The President shall provide for appropriate distribution of the Classified Annex, or of appropriate portions of the annex, within the executive branch of the Government.

SEC. 1003. IMPROVED FUNDING MECHANISMS FOR UNBUDGETED OPERATIONS.

(a) REVISION OF FUNDING MECHANISM.—(1) Chapter 3 of title 10, United States Code, is amended by striking out section 127a and inserting in lieu thereof the following:

"§127a. Operations for which funds are not provided in advance: funding mechanisms

"(a) IN GENERAL.—(1) The Secretary of Defense shall use the procedures prescribed by this section with respect to any operation of the Department of Defense—

"(A) that involves the deployment (other than for a training exercise) of elements of the armed forces for a purpose other than a purpose for which funds have been specifically provided in advance; or

"(B) that involves humanitarian assistance, disaster relief, or support for law enforcement (including immigration control) for which funds have not been specifically provided in advance.

"(2) Whenever any operation described in paragraph (1) is commenced, the Secretary of Defense shall designate and identify that operation for the purposes of this section and shall promptly notify Congress of that designation (and of the identification of the operation).

"(3) This section does not provide authority for the President or the Secretary of Defense to carry out any operation, but establishes mechanisms for the Department of Defense by which funds are provided for operations that the armed forces are required to carry out under some other authority.

"(b) WAIVER OF REQUIREMENT TO REIMBURSE SUPPORT UNITS.—(1) The Secretary of Defense shall direct that, when a unit of the armed forces participating in an operation described in subsection (a) receives services from an element of the Department of Defense that operates through the Defense Business Operations Fund (or a successor fund), such unit of the armed forces may not be required to reimburse that element for the incremental costs incurred by that element in providing such services, notwithstanding any other provision of law or any Government accounting practice.

"(2) The amounts which but for paragraph (1) would be required to be reimbursed to an element of the Department of Defense (or a fund) shall be recorded as an expense attributable to the operation and shall be accounted for separately.

"(c) TRANSFER AUTHORITY.—(1) Whenever there is an operation of the Department of Defense described in subsection (a), the Secretary of Defense may, subject to the provisions of appropriations Acts, transfer amounts described in paragraph (3) to accounts from which incremental expenses for that operation were incurred in order to reimburse those accounts for those incremental expenses. Amounts so transferred shall be merged with and be available for the same purposes as the accounts to which transferred.

"(2) The total amount that the Secretary of Defense may transfer under the authority of this section in any fiscal year is $200,000,000.

"(3) Transfers under this subsection may only be made from amounts appropriated to the Department of Defense for any fiscal year that remain available for obligation from any of the following accounts:

"(A) Environmental Restoration, Defense.

"(B) Cooperative Threat Reduction programs.

"(C) Overseas Humanitarian, Disaster, and Civic Aid (OHDACA) programs.

"(D) Operations and Maintenance, Defense-Wide (but only from funds available for administration and service-wide activities).

"(4) The authority provided by this subsection is in addition to any other authority provided by law authorizing the transfer of amounts available to the Department of Defense. However, the Secretary may not use any such authority under another provision of law for a purpose described in paragraph (1) if there is authority available under this subsection for that purpose.

"(5) The authority provided by this subsection to transfer amounts may not be used to provide authority for an activity that has been denied authorization by Congress.

"(6) A transfer made from one account to another under the authority of this subsection shall be deemed to increase the amount authorized for the account to which the amount is transferred by an amount equal to the amount transferred.

"(d) FINANCIAL PLAN.—(1) Within 30 days after the beginning of an operation described in subsection (a), the Secretary of Defense shall submit to Congress a financial plan for the operation that sets forth the manner by which the Secretary proposes to obtain funds for the cost to the United States of the operation. The plan shall specify in detail how the Secretary proposes to restore balances in the Defense Business Operations Fund (or a successor fund) to the levels that would have been anticipated but for the provisions of subsection (b). The Secretary may not include in such a plan a means to restore such balances that is prohibited by paragraph (2) or (4).

"(2) The Secretary may not restore (or propose in a plan under paragraph (1) to restore) balances in the Defense Business Operations Fund through increases in rates charged by that fund in order to compensate for costs incurred and not reimbursed due to subsection (b).

"(3) If the Secretary of Defense transfers funds under subsection (c), the Secretary shall submit to Congress, within 30 days of such transfer, a plan for the restoration of the balance in the each account from which the transfer was made to the level that would have been the case but for the transfer.

"(4) The Secretary may not restore (or propose in a plan under paragraph (1) or (3) to restore) balances in any the Defense Business Operations Fund or any other fund or account through the use of unobligated amounts in an appropriation made for operation and maintenance that are available within that appropriation for an account (known as a budget activity 1 account) that is specified as being for operating forces.

"(e) SUBMISSION OF REQUESTS FOR SUPPLEMENTAL APPROPRIATIONS.—(1) Whenever there is an operation described in subsection (a), the President shall submit to Congress a request for the enactment of supplemental appropriations for the then-current fiscal year, to be designated as an emergency supplemental appropriations, in order to provide funds to replenish the Defense Business Operations Fund or any other fund or account of the Department of Defense from which funds for the incremental expenses of that operation were derived under this section.

"(2) A request under paragraph (1) shall be submitted not later than the earlier of (A) the time at which incremental expenses for the operation exceed $10,000,000, or (B) 90 days after the date on which the operation begins. The request shall be submitted as a separate request from any other legislative proposal.

"(f) INCREMENTAL COSTS.—For purposes of this section, incremental costs of the Department of Defense with respect to an operation are the costs of the Department that are directly attributable to the operation (and would not have been incurred but for the operation).

"(g) RELATIONSHIP TO WAR POWERS RESOLUTION.—This section may not be construed as altering or superseding the War Powers Resolution. This section does not provide authority to conduct any military operation.

"(h) GAO COMPLIANCE REVIEWS.—The Comptroller General of the United States shall from time to time, and when requested by a committee of Congress, conduct a review of the defense funding structure under this section to determine whether the Department of Defense is complying with the requirements and limitations of this section.

"§127b. Budgeting for ongoing operations

"(a) REQUIREMENT FOR INCLUSION IN BUDGET.—In the case of an operation of the Department of Defense described in subsection (c), the President shall include with the budget submitted to Congress pursuant to section 1105 of title 31 for the next fiscal year a specific request for enactment of legislation to provide for the provision of funds for such operation for that fiscal year in a manner that will result in there not being a lower amount of funds available to the Department of Defense for that fiscal year than would be the case if that operation were not carried out during that year. Such a request shall include one or more of the following:

"(1) A request for enactment of appropriation of funds for the incremental costs for that operation that are expected to be incurred by the Department of Defense during the fiscal year for which the budget is submitted, with such funds to be provided in, and charged to, a budget function other than the national defense budget function (function 050).

"(2) A request for enactment of appropriation of funds for the incremental costs for that operation that are expected to be incurred by the Department of Defense during the fiscal year for which the budget is submitted, with such designations or waivers as may be necessary to ensure that (if enacted) such appropriations are not counted against the total amount of funds for the Department of Defense, or for the national defense budget function, for purpose of any statutory limitation or restriction.

"(3) A request for enactment of rescissions.

"(b) LIMITATION.—In the case of any operation to which the requirement of subsection (a) applies, no funds may be obligated or expended for that operation after the beginning of the fiscal year for which the budget is submitted if the requirement in subsection (a) is not complied with.

"(c) COVERED OPERATIONS.—This section applies with respect to any operation of the Department of Defense involving the use of the Armed Forces that—

"(1) is ongoing in the first quarter of a fiscal year;

"(2) is not expected to end during the current fiscal year;

"(3) for which appropriations were not specifically provided in advance for the current fiscal year.

"(d) WAIVER AUTHORITY.—The President may waive the provisions of this section for any fiscal year—

"(1) during which there is in effect a declaration of war; or

"(2) during which authority is in effect pursuant to section 12302 of this title to order units and members of the Ready Reserve to active duty without the consent of the persons concerned.".

(2) The table of sections at the beginning of such chapter is amended by striking out the item relating to section 127a and inserting in lieu thereof the following:

"127a. Operations for which funds are not provided in advance: funding mechanisms.

"127b. Budgeting for ongoing operations.".

(b) EFFECTIVE DATE.—The amendment to section 127a of title 10, United States Code, made by subsection (a) shall take effect on October 1, 1995, and shall apply to any operation of the Department of Defense, whether begun before, on, or after such date. In the case of any operation begun before such date, any reference in such section to the date of the beginning of such operation shall be treated as referring to the effective date under the preceding sentence.

SEC. 1004. DESIGNATION AND LIABILITY OF DISBURSING AND CERTIFYING OFFICIALS.

(a) DISBURSING OFFICIALS.—(1) Section 3321(c) of title 31, United States Code, is amended by striking out paragraph (2) and inserting in lieu thereof the following:

"(2) The Department of Defense.

"(3) The Coast Guard (when not operating as a service in the Navy).".

(2) Section 2773 of title 10, United States Code, is amended—

(A) in subsection (a)—

(i) by striking out "With the approval of the Secretary of a military department when the Secretary considers it necessary, a disbursing official of the military department" and inserting in lieu thereof "Subject to paragraph (3), a disbursing official of the Department of Defense"; and

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

"(3) A disbursing official may make a designation under paragraph (1) only with the approval of the Secretary of Defense or, in the case of a disbursing official of a military department, the Secretary of that military department."; and

(B) in subsection (b)(1)—

(i) by striking out "any military department" and inserting in lieu thereof "the Department of Defense"; and

(ii) by striking out "2d month" and inserting in lieu thereof "second month".

(b) DESIGNATION OF MEMBERS OF THE ARMED FORCES TO HAVE AUTHORITY TO CERTIFY VOUCHERS.—(1) Section 3325(b) of title 31, United States Code, is amended to read as follows:

"(b) In addition to officers and employees referred to in subsection (a)(1)(B) of this section as having authorization to certify vouchers, the Secretary of Defense and the Secretary of Transportation (with respect to the Coast Guard when it is not operating as a service in the Navy) may authorize, in writing, members of the armed forces under their jurisdiction to certify vouchers.".

(2) Section 3528(d) of title 31, United States Code, is repealed.

(c) RELIEF OF ACCOUNTABLE OFFICIALS AND AGENTS FROM LIABILITY.—Section 3527(b)(1) of title 31, United States Code, is amended—

(1) by striking out "armed forces" in the matter preceding subparagraph (A) and inserting in lieu thereof "Department of Defense or the Coast Guard"; and

(2) in subparagraph (A), by striking out "appropriate Secretary of the military department of the Department of Defense" and inserting in lieu thereof "Secretary of Transportation (with respect to the Coast Guard when it is not operating as a service in the Navy)".

(d) CONFORMING AMENDMENTS.—(1) Section 1012 of title 37, United States Code, is amended by striking out "Secretary concerned" both places it appears and inserting in lieu thereof "Secretary of Defense".

(2)(A) Section 7863 of title 10, United States Code, is amended—

(i) in the first sentence, by striking out "disbursements of public moneys or" and "the money was paid or"; and

(ii) in the second sentence, by striking out "disbursement or".

(B)(i) The heading of such section is amended to read as follows:

"§7863. Disposal of public stores by order of commanding officer".

(ii) The item relating to such section in the table of sections at the beginning of chapter 661 of such title is amended to read as follows:

"7863. Disposal of public stores by order of commanding officer.".

SEC. 1005. AUTHORITY FOR OBLIGATION OF CERTAIN UNAUTHORIZED FISCAL YEAR 1995 DEFENSE APPROPRIATIONS.

(a) AUTHORITY.—The amounts described in subsection (b) may be obligated and expended for programs, projects, and activities of the Department of Defense in accordance with fiscal year 1995 defense appropriations.

(b) COVERED AMOUNTS.—The amounts referred to in subsection (a) are the amounts provided for programs, projects, and activities of the Department of Defense in fiscal year 1995 defense appropriations that are in excess of the amounts provided for such programs, projects, and activities in fiscal year 1995 defense authorizations.

(c) DEFINITIONS.—For the purposes of this section:

(1) FISCAL YEAR 1995 DEFENSE APPROPRIATIONS.—The term "fiscal year 1995 defense appropriations" means amounts appropriated or otherwise made available to the Department of Defense for fiscal year 1995 in the Department of Defense Appropriations Act, 1995 (Public Law 103-335).

(2) FISCAL YEAR 1995 DEFENSE AUTHORIZATIONS.—The term "fiscal year 1995 defense authorizations" means amounts authorized to be appropriated for the Department of Defense for

fiscal year 1995 in the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337).

SEC. 1006. AUTHORIZATION OF PRIOR EMERGENCY SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 1995.

(a) ADJUSTMENT TO PREVIOUS AUTHORIZATIONS.—Amounts authorized to be appropriated to the Department of Defense for fiscal year 1995 in the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337) are hereby adjusted, with respect to any such authorized amount, by the amount by which appropriations pursuant to such authorization were increased (by a supplemental appropriation) or decreased (by a rescission), or both, in title I of the Emergency Supplemental Appropriations and Rescissions for the Department of Defense to Preserve and Enhance Military Readiness Act of 1995 (Public Law 104–6).

(b) NEW AUTHORIZATION.—The appropriation provided in section 104 of such Act is hereby authorized.

SEC. 1007. PROHIBITION OF INCREMENTAL FUNDING OF PROCUREMENT ITEMS.

Section 114 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(f)(1) No funds may be appropriated, or authorized to be appropriated, for any fiscal year for a purpose named in paragraph (1), (3), (4), or (5) of subsection (a) using incremental funding.

"(2) In the budget submitted by the President for any fiscal year, the President may not request appropriations, or authorization of appropriations, on the basis of incremental funding for a purpose specified in paragraph (1).

"(3) In this subsection, the term 'incremental funding' means the provision of funds for a fiscal year for a procurement in less than the full amount required for procurement of a complete and usable product, with the expectation (or plan) for additional funding to be made for subsequent fiscal years to complete the procurement of a complete and usable product.

"(4) This subsection does not apply with respect to funding classified as advance procurement funding.".

Subtitle B—Naval Vessels and Shipyards

SEC. 1021. CONTRACT OPTIONS FOR LMSR VESSELS.

(a) FINDINGS.—Congress makes the following findings:

(1) A requirement for the Department of the Navy to acquire 19 large, medium-speed, roll-on/roll-off (LMSR) vessels was established by the Secretary of Defense in the Mobility Requirements Study conducted after the Persian Gulf War pursuant to section 909 of the National Defense Authorization Act for Fiscal Year 1991 (Public law 101–510; 104 Stat. 1623) and was revalidated by the Secretary of Defense in the report entitled "Mobility Requirements Study Bottom-Up Review Update", submitted to Congress in April 1995.

(2) The Strategic Sealift Program is a vital element of the national military strategy calling for the Nation to be able to fight and win two nearly simultaneous major regional contingencies.

(3) The Secretary of the Navy has entered into contracts with shipyards covering acquisition of a total of 17 such LMSR vessels, of which five are vessel conversions and 12 are new construction vessels. Under those contracts, the Secretary has placed orders for the acquisition of 11 vessels and has options for the acquisition of six more, all of which would be new construction vessels. The options allow the Secretary to place orders for one vessel to be constructed at each of two shipyards for award before December 31, 1995, December 31, 1996, and December 31, 1997, respectively.

(4) Acquisition of an additional two such LMSR vessels, for a total of 19 vessels (the requirement described in paragraph (1)) would contribute to preservation of the industrial base of United States shipyards capable of building auxiliary and sealift vessels.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the Secretary of the Navy should plan for, and budget to provide for, the acquisition as soon as possible of a total of 19 large, medium-speed, roll-on/roll-off (LMSR) vessels (the number determined to be required in the Mobility Requirements Study referred to in subsection (a)(1)), rather than only 17 such vessels (the number of vessels under contract as of May 1995).

(c) ADDITIONAL NEW CONSTRUCTION CONTRACT OPTION.—The Secretary of the Navy should negotiate with each of the two shipyards holding new construction contracts referred to in subsection (a)(3) (Department of the Navy contracts numbered N00024–93–C–2203 and N00024–93–C–2205) for an option under each such contract for construction of one additional such LMSR vessel, with such option to be available to the Secretary for exercise during 1995, 1996, or 1997.

(d) REPORT.—The Secretary of the Navy shall submit to the congressional defense committees, by March 31, 1996, a report stating the intentions of the Secretary regarding the acquisition of options for the construction of two additional LMSR vessels as described in subsection (c).

SEC. 1022. VESSELS SUBJECT TO REPAIR UNDER PHASED MAINTENANCE CONTRACTS.

(a) IN GENERAL.—(1) Chapter 633 of title 10, United States Code, is amended by adding at the end the following new section:

"§7315. Phased maintenance contracts: vessels covered

"In any case in which the Secretary of the Navy enters into a contract for the phased maintenance of a class of vessels or vessels of an identified type, the Secretary shall ensure that—

"(1) any vessel that is covered by the contract when it is entered into remains covered by the contract, regardless of operating command to which the vessel is subsequently assigned, unless the vessel is taken out of service for the Department of the Navy; and

"(2) any vessel of a class or type covered by the contract that is delivered to the Navy while the contract is in effect is covered by the contract.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"7315. Phased maintenance contracts: vessels covered.".

(b) EFFECTIVE DATE.—Section 7315 of title 10, United States Code, as added by subsection (a), shall apply with respect to contracts entered into after the date of the enactment of this Act.

SEC. 1023. CLARIFICATION OF REQUIREMENTS RELATING TO REPAIRS OF VESSELS.

Section 7310(a) of title 10, United States Code, is amended by inserting "or Guam" after "the United States" the second place it appears.

SEC. 1024. NAMING OF NAVAL VESSEL.

It is the sense of Congress that the Secretary of the Navy should name an appropriate ship of the United States Navy the U.S.S. Joseph Vittori, in honor of Marine Corporal Joseph Vittori (1929–1951) of Beverly, Massachusetts, who was posthumously awarded the Medal of Honor for actions against the enemy in Korea on September 15–16, 1951.

SEC. 1025. TRANSFER OF RIVERINE PATROL CRAFT.

(a) AUTHORITY TO TRANSFER VESSEL.—Notwithstanding subsections (a) and (d) of section 7306 of title 10, United States Code, but subject to subsections (b) and (c) of that section, the Secretary of the Navy may transfer a vessel described in subsection (b) to Tidewater Community College, Portsmouth, Virginia, for scientific and educational purposes.

(b) VESSEL.—The authority under subsection (a) applies in the case of a riverine patrol craft of the U.S.S. Swift class.

(c) LIMITATION.—The transfer authorized by subsection (a) may be made only if the Secretary determines that the vessel to be transferred is of no further use to the United States for national security purposes.

(d) TERMS AND CONDITIONS.—The Secretary may require such terms and conditions in connection with the transfer authorized by this section as the Secretary considers appropriate.

Subtitle C—Other Matters

SEC. 1031. TERMINATION AND MODIFICATION OF AUTHORITIES REGARDING NATIONAL DEFENSE TECHNOLOGY AND INDUSTRIAL BASE, DEFENSE REINVESTMENT, AND DEFENSE CONVERSION PROGRAMS.

(a) CONGRESSIONAL DEFENSE POLICY.—Section 2501 of title 10, United States Code, is amended—

(1) in subsection (a), by striking out paragraph (5); and

(2) in subsection (b)—

(A) by striking out "DEFENSE REINVESTMENT, DIVERSIFICATION, AND CONVERSION" in the subsection heading and inserting in lieu thereof "TECHNOLOGY DEVELOPMENT FOR NATIONAL SECURITY";

(B) by striking out ", during a period of reduction in defense expenditures," in the matter preceding paragraph (1);

(C) by striking out "of reinvestment, diversification, and conversion of defense resources" in the matter preceding paragraph (1); and

(D) in paragraph (5), by striking out "defense economic reinvestment" and inserting in lieu thereof "economic investment".

(b) NATIONAL DEFENSE TECHNOLOGY AND INDUSTRIAL BASE COUNCIL.—Section 2502(c) of such title is amended—

(1) in paragraph (1)(B), by striking out ", during a period of reduction in defense expenditures, the defense reinvestment, diversification, and conversion objectives" and inserting in lieu thereof "the objectives";

(2) by striking out paragraph (2); and

(3) by redesignating paragraph (3) as paragraph (2).

(c) MODIFICATION OF DEFENSE DUAL-USE CRITICAL TECHNOLOGY PARTNERSHIPS PROGRAM.—(1) Subsection (a) of section 2511 of such title is amended—

(A) by striking out "PARTNERSHIPS" in the subsection heading and inserting in lieu thereof "PROGRAM";

(B) in the first sentence, by striking out ", by providing for the establishment" and all that follows through "encourage and provide" and inserting in lieu thereof "by encouraging and providing";

(C) in the second sentence, by striking out "in order to establish the partnerships" and inserting in lieu thereof "in furtherance of the program"; and

(D) by adding at the end the following new sentence: "The Secretary shall identify projects to be conducted as part of the program.".

(2) Such section is further amended by striking out subsections (b), (c), and (d) and inserting in lieu thereof the following new subsection:

"(b) ASSISTANCE AUTHORIZED.—The Secretary of Defense may provide technical and other assistance to facilitate the achievement of the purposes of projects conducted under the program. In providing such assistance, the Secretary may make available, as appropriate for the work to be performed, equipment and facilities of Department of Defense laboratories (including the

scientists and engineers at those laboratories) for purposes of projects selected by the Secretary.".

(3) Such section is further amended—

(A) by redesignating subsections (e), (f), and (g), as subsections (c), (d), and (e), respectively;

(B) in subsection (c), as so redesignated, by striking out "establishment of partnerships" and inserting in lieu thereof "conduct of the program"; and

(C) in subsection (d), as so redesignated—

(i) by striking out "proposed partnerships for establishment under this section" in the matter preceding paragraph (1) and inserting in lieu thereof "projects under the program";

(ii) in paragraphs (1) and (2), by striking out "program proposed to be conducted by the partnership" both places it appears and inserting in lieu thereof "proposed project";

(iii) in paragraph (3), by striking out "partnership's" and inserting in lieu thereof "proposed project's"; and

(iv) in paragraphs (4) through (7), by striking out "partnership" each place it appears and inserting in lieu thereof "project".

(d) REPEAL OF COMMERCIAL-MILITARY INTEGRATION PARTNERSHIPS PROGRAM.—Section 2512 of such title is repealed.

(e) REPEAL OF REGIONAL TECHNOLOGY ALLIANCES ASSISTANCE PROGRAM.—Section 2513 of such title is repealed.

(f) MILITARY-CIVILIAN INTEGRATION AND TECHNOLOGY TRANSFER ADVISORY BOARD.—Section 2516(b) of such title is amended—

(1) by inserting "and" at the end of paragraph (2);

(2) by striking out "; and" at the end of paragraph (3) and inserting in lieu thereof a period; and

(3) by striking out paragraph (4).

(g) FEDERAL DEFENSE LABORATORY DIVERSIFICATION PROGRAM.—Section 2519 of such title is amended—

(1) in subsection (b), by striking out "referred to in section 2511(b) of this title";

(2) in subsection (d)—

(A) by striking out "(1)" before "The Secretary shall"; and

(B) by striking out paragraph (2); and

(3) in subsection (f), by striking out "section 2511(f)" and inserting in lieu thereof "section 2511(d)".

(h) REPEAL OF NAVY REINVESTMENT PROGRAM.—Section 2520 of such title is repealed.

(i) REPEAL OF NATIONAL DEFENSE MANUFACTURING TECHNOLOGY PROGRAM.—Section 2521 of such title is repealed.

(j) REPEAL OF DEFENSE ADVANCED MANUFACTURING TECHNOLOGY PARTNERSHIPS PROGRAM.—Section 2522 of such title is repealed.

(k) REPEAL OF MANUFACTURING EXTENSION PROGRAM.—Section 2523 of such title is repealed.

(l) REPEAL OF DEFENSE DUAL-USE ASSISTANCE EXTENSION PROGRAM.—Section 2524 of such title is repealed.

(m) CLERICAL AMENDMENTS.—(1) The heading of section 2511 of such title is amended to read as follows:

"§2511. Defense dual-use critical technology program".

(2) The table of sections at the beginning of subchapter III of chapter 148 of such title is amended—

(A) by striking out the item relating to section 2511 and inserting in lieu thereof the following new item:

"2511. Defense dual-use critical technology program."; and

(B) by striking out the items relating to sections 2512, 2513, and 2520.

(3) The table of sections at the beginning of subchapter IV of such chapter is amended by striking out the items relating to sections 2521, 2522, 2523, and 2524.

SEC. 1032. REPEAL OF MISCELLANEOUS PROVISIONS OF LAW.

(a) VOLUNTEERS INVESTING IN PEACE AND SECURITY PROGRAM.—(1) Chapter 89 of title 10, United States Code, is repealed.

(2) The tables of chapters at the beginning of subtitle A, and at the beginning of part II of subtitle A, of such title are amended by striking out the item relating to chapter 89.

(b) SECURITY AND CONTROL OF SUPPLIES.—(1) Chapter 171 of such title is repealed.

(2) The tables of sections at the beginning of subtitle A, and at the beginning of part IV of subtitle A, of such title are each amended by striking out the item relating to chapter 171.

(c) ANNUAL AUTHORIZATION OF MILITARY TRAINING STUDENT LOADS.—Section 115 of such title is amended—

(1) in subsection (a), by striking out paragraph (3);

(2) in subsection (b)—

(A) by inserting "or" at the end of paragraph (1);

(B) by striking out "; or" at the end of paragraph (2) and inserting in lieu thereof a period; and

(C) by striking out paragraph (3); and

(3) by striking out subsection (f).

(d) PORTIONS OF ANNUAL MANPOWER REQUIREMENTS REPORT.—Section 115a of such title is amended—

(1) in subsection (b)(2), by striking out subparagraph (C);

(2) by striking out subsection (d);

(3) by redesignating subsection (e) as subsection (d) and striking out paragraphs (4) and (5) thereof;

(4) by striking out subsection (f); and

(5) by redesignating subsection (g) as subsection (e).

(e) OBSOLETE AUTHORITY FOR PAYMENT OF STIPENDS FOR MEMBERS OF CERTAIN ADVISORY COMMITTEES AND BOARDS OF VISITORS OF SERVICE ACADEMIES.—(1) The second sentence of each of sections 173(b) and 174(b) of such title is amended to read as follows: "Other members and part-time advisers shall (except as otherwise specifically authorized by law) serve without compensation for such service.".

(2) Sections 4355(h), 6968(h), and 9355(h) of such title are amended by striking out "is entitled to not more than $5 a day and".

(f) ANNUAL BUDGET INFORMATION CONCERNING RECRUITING COSTS.—(1) Section 227 of such title is repealed.

(2) The table of sections at the beginning of chapter 9 of such title is amended by striking out the item relating to section 227.

(g) EXPIRED AUTHORITY RELATING TO PEACEKEEPING ACTIVITIES.—(1) Section 403 of such title is repealed.

(2) The table of sections at the beginning of subchapter I of chapter 20 of such title is amended by striking out the item relating to section 403.

(h) MANAGEMENT TRAINING PROGRAM IN JAPANESE LANGUAGE AND CULTURE.—(1) Section 2198 of such title is repealed.

(2) The table of sections at the beginning of chapter 111 of such title is amended by striking out the item relating to section 2198.

(i) PROCUREMENT OF GASOHOL FOR DEPARTMENT OF DEFENSE MOTOR VEHICLES.—(1) Subsection (a) of section 2398 of such title is repealed.

(2) Such section is further amended—

(A) by redesignating subsections (b) and (c) as subsections (a) and (b), respectively; and

(B) in subsection (b), as so redesignated, by striking out "subsection (b)" and inserting in lieu thereof "subsection (a)".

(j) REQUIREMENT OF NOTICE OF CERTAIN DISPOSALS AND GIFTS BY SECRETARY OF NAVY.—Section 7545 of such title is amended by striking out subsection (c).

(k) ANNUAL REPORT ON BIOLOGICAL DEFENSE RESEARCH PROGRAM.—(1) Section 2370 of such title is repealed.

(2) The table of sections at the beginning of chapter 139 of such title is amended by striking out the item relating to such section.

(l) REPORTS AND NOTIFICATIONS RELATING TO CHEMICAL AND BIOLOGICAL AGENTS.—(1) Subsection (a) of section 409 of Public Law 91-121 (50 U.S.C. 1511) is repealed.

(2) Subsection (b) of such section (50 U.S.C. 1512) is amended—

(A) by inserting "and" at the end of paragraph (2);

(B) by striking out "; and" at the end of paragraph (3) and inserting in lieu thereof a period; and

(C) by striking out paragraph (4).

(3) Subsection (c) of such section (50 U.S.C. 1513) is amended by striking out the second sentence of paragraph (1).

(m) PROVISION GIVING PERMANENT STATUS TO EXECUTIVE ORDER RELATING TO NAVAL NUCLEAR PROPULSION PROGRAM.—Section 1634 of the Department of Defense Authorization, 1985 (Public Law 98-525; 98 Stat. 2649; 42 U.S.C. 7158 note), is repealed.

(n) ANNUAL REPORT ON BALANCED TECHNOLOGY INITIATIVE.—Subsection (e) of section 211 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101-189; 103 Stat. 1394) is repealed.

(o) OBSOLETE AUTHORITY REGARDING ANNISTON ARMY DEPOT, ALABAMA.—Section 352 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510; 104 Stat. 1539) is repealed.

(p) REPORT ON ENVIRONMENTAL RESTORATION COSTS FOR INSTALLATIONS TO BE CLOSED UNDER 1990 BASE CLOSURE LAW.—Section 2827 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102-190; 10 U.S.C. 2687 note) is amended by striking out subsection (b).

(q) LIMITATION ON AMERICAN DIPLOMATIC FACILITIES IN GERMANY.—Section 1432 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103-160; 107 Stat. 1833) is repealed.

(r) REQUIREMENT RELATING TO ATHLETIC DIRECTOR OF NAVAL ACADEMY.—Section 556(b) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103-337; 108 Stat. 2774) (including the section of title 10, United States Code, added by that section effective January 1, 1996, and the table of sections item added by that section) is repealed.

TITLE XI—COOPERATIVE THREAT REDUCTION WITH STATES OF FORMER SOVIET UNION

SEC. 1101. SPECIFICATION OF COOPERATIVE THREAT REDUCTION PROGRAMS.

(a) IN GENERAL.—For purposes of section 301 and other provisions of this Act, Cooperative Threat Reduction programs are the programs specified in subsection (b).

(b) SPECIFIED PROGRAMS.—The programs referred to in subsection (a) are the following:

(1) Programs to facilitate the elimination, and the safe and secure transportation and storage, of nuclear, chemical, and other weapons and their delivery vehicles.

(2) Programs to facilitate the safe and secure storage of fissile materials derived from the elimination of nuclear weapons.

(3) Programs to prevent the proliferation of weapons, weapons components, and weapons-related technology and expertise.

(4) Programs to expand military-to-military and defense contacts.

SEC. 1102. FISCAL YEAR 1996 AUTHORIZATION.

Of the amount authorized in section 301 for Cooperative Threat Reduction programs, not

more than the following amounts shall be available for the purposes specified:

(1) $50,000,000 for elimination of Russian strategic offensive weapons.

(2) $20,000,000 for elimination of Ukraine strategic nuclear weapons.

(3) $15,000,000 for elimination of Kazakhstan strategic nuclear weapons.

(4) $5,000,000 for elimination of Belarus strategic nuclear weapons.

(5) $6,000,000 for design of a storage facility for Russian fissile material.

(6) $42,500,000 for weapons security in Russia.

(7) $35,000,000 for nuclear infrastructure elimination in Ukraine, Belarus, and Kazakhstan.

(8) $10,000,000 for activities designated as Defense and Military Contacts/General Support/Training in Russia, Ukraine, Belarus, and Kazakhstan.

(9) $16,500,000 for activities designated as Other Assessments/Support.

SEC. 1103. REPEAL OF DEMILITARIZATION ENTERPRISE FUND AUTHORITY.

Section 1204 of the Cooperative Threat Reduction Act of 1993 (title XII of Public Law 103-160; 22 U.S.C. 5953) is repealed.

SEC. 1104. PROHIBITION ON USE OF FUNDS FOR PEACEKEEPING EXERCISES AND RELATED ACTIVITIES WITH RUSSIA.

None of the funds appropriated pursuant to the authorization in section 301 for Cooperative Threat Reduction programs may be obligated or expended for the purpose of conducting with Russia any peacekeeping exercise or other peacekeeping-related activity.

SEC. 1105. REVISION TO AUTHORITY FOR ASSISTANCE FOR WEAPONS DESTRUCTION.

Section 211(b) of Public Law 102-228 (105 Stat. 1694) is amended by striking out "committed to" in the matter preceding paragraph (1).

SEC. 1106. PRIOR NOTICE TO CONGRESS OF OBLIGATION OF FUNDS.

(a) ANNUAL REQUIREMENT.—(1) Not less than 15 days before any obligation of any funds appropriated for any fiscal year for a program specified under section 1101 as a Cooperative Threat Reduction program, the Secretary of Defense shall submit to the congressional committees specified in paragraph (2) a report on that proposed obligation for that program for that fiscal year.

(2) The congressional committees referred to in paragraph (1) are the following:

(A) The Committee on Armed Services, the Committee on Foreign Relations, and the Committee on Appropriations of the Senate.

(B) The Committee on National Security, the Committee on International Relations, and the Committee on Appropriations of the House of Representatives.

(b) MATTERS TO BE SPECIFIED IN REPORTS.—Each such report shall specify—

(1) the activities and forms of assistance for which the Secretary of Defense plans to obligate funds;

(2) the amount of the proposed obligation; and

(3) the projected involvement (if any) of any department or agency of the United States (in addition to the Department of Defense) and of the private sector of the United States in the activities and forms of assistance for which the Secretary of Defense plans to obligate such funds.

SEC. 1107. REPORT ON ACCOUNTING FOR UNITED STATES ASSISTANCE.

(a) REPORT.—(1) The Secretary of Defense shall submit to Congress an annual report on the efforts made by the United States (including efforts through the use of audits, examinations, and on-site inspections) to ensure that assistance provided under Cooperative Threat Reduction programs is fully accounted for and that such assistance is being used for its intended purposes.

(2) A report shall be submitted under this section not later than January 31 of each year until the Cooperative Threat Reduction programs are completed.

(b) INFORMATION TO BE INCLUDED.—Each report under this section shall include the following:

(1) A list of cooperative threat reduction assistance that has been provided before the date of the report.

(2) A description of the current location of the assistance provided and the current condition of such assistance.

(3) A determination of whether the assistance has been used for its intended purpose.

(4) A description of the activities planned to be carried out during the next fiscal year to ensure that cooperative threat reduction assistance provided during that fiscal year is fully accounted for and is used for its intended purpose.

(c) COMPTROLLER GENERAL ASSESSMENT.—Not later than 30 days after the date on which a report of the Secretary under subsection (a) is submitted to Congress, the Comptroller General of the United States shall submit to Congress a report giving the Comptroller General's assessment of the report and making any recommendations that the Comptroller General considers appropriate.

TITLE XII—MATTERS RELATING TO OTHER NATIONS

Subtitle A—Peacekeeping Provisions

SEC. 1201. LIMITATION ON EXPENDITURE OF DEPARTMENT OF DEFENSE FUNDS FOR UNITED STATES FORCES PLACED UNDER UNITED NATIONS COMMAND OR CONTROL.

(a) IN GENERAL.—(1) Chapter 20 of title 10, United States Code, is amended by inserting after section 404 the following new section:

"§405. Placement of United States forces under United Nations command or control: limitation

"(a) LIMITATION.—Except as provided in subsections (b) and (c), funds appropriated or otherwise made available for the Department of Defense may not be obligated or expended for activities of any element of the Armed Forces that after the date of the enactment of this section is placed under United Nations command or control, as defined in subsection (f).

"(b) EXCEPTION FOR PRESIDENTIAL CERTIFICATION.—(1) Subsection (a) shall not apply in the case of a proposed placement of an element of the Armed Forces under United Nations command or control if the President, not less than 15 days before the date on which such United Nations command or control is to become effective (or as provided in paragraph (2)), meets the requirements of subsection (d).

"(2) If the President certifies to Congress that an emergency exists that precludes the President from meeting the requirements of subsection (d) 15 days before placing an element of the Armed Forces under United Nations command or control, the President may place such forces under such command or control and meet the requirements of subsection (d) in a timely manner, but in no event later than 48 hours after such command or control becomes effective.

"(c) ADDITIONAL EXCEPTIONS.—

"(1) EXCEPTION FOR AUTHORIZATION BY LAW.—Subsection (a) shall not apply in the case of a proposed placement of any element of the Armed Forces under United Nations command or control if the Congress specifically authorizes by law that particular placement of United States forces under United Nations command or control.

"(2) EXCEPTION FOR NATO OPERATIONS.—Subsection (a) shall not apply in the case of a proposed placement of any element of the armed forces in an operation conducted by the North Atlantic Treaty Organization.

"(d) PRESIDENTIAL CERTIFICATIONS.—The requirements referred to in subsection (b)(1) are that the President submit to Congress the following:

"(1) Certification by the President that—

"(A) such a United Nations command or control arrangement is necessary to protect national security interests of the United States;

"(B) the commander of any unit of the Armed Forces proposed for placement under United Nations command or control will at all times retain the right—

"(i) to report independently to superior United States military authorities; and

"(ii) to decline to comply with orders judged by the commander to be illegal, militarily imprudent, or beyond the mandate of the mission to which the United States agreed with the United Nations, until such time as that commander receives direction from superior United States military authorities with respect to the orders that the commander has declined to comply with;

"(C) any element of the Armed Forces proposed for placement under United Nations command or control will at all times remain under United States administrative command for such purposes as discipline and evaluation; and

"(D) the United States will retain the authority to withdraw any element of the Armed Forces from the proposed operation at any time and to take any action it considers necessary to protect those forces if they are engaged.

"(2) A report setting forth the following:

"(A) A description of the national security interests that require the placement of United States forces under United Nations command or control.

"(B) The mission of the United States forces involved.

"(C) The expected size and composition of the United States forces involved.

"(D) The incremental cost to the United States of participation in the United Nations operation by the United States forces which are proposed to be placed under United Nations command or control.

"(E) The precise command and control relationship between the United States forces involved and the United Nations command structure.

"(F) The precise command and control relationship between the United States forces involved and the commander of the United States unified command for the region in which those United States forces are to operate.

"(G) The extent to which the United States forces involved will rely on non-United States forces for security and self-defense and an assessment on the ability of those non-United States forces to provide adequate security to the United States forces involved.

"(H) The timetable for complete withdrawal of the United States forces involved.

"(e) CLASSIFICATION OF REPORT.—A report under subsection (d) shall be submitted in unclassified form and, if necessary, in classified form.

"(f) UNITED NATIONS COMMAND OR CONTROL.—For purposes of this section, an element of the Armed Forces shall be considered to be placed under United Nations command or control if—

"(1) that element is under the command or operational control of an individual acting on behalf of the United Nations for the purpose of international peacekeeping, peacemaking, peace-enforcing, or similar activity that is authorized by the Security Council under chapter VI or VII of the Charter of the United Nations; and

"(2) the senior military commander of the United Nations force or operation—

"(A) is a foreign national or is a citizen of the United States who is not a United States military officer serving on active duty; or

"(B) is a United States military officer serving on active duty but—

"(i) that element of the armed forces is under the command or operational control of a subordinate commander who is a foreign national or a citizen of the United States who is not a United States military officer serving on active duty; and

"(ii) that senior military commander does not have the authority—

"(I) to dismiss any subordinate officer in the chain of command who is exercising command or operational control over United States forces and who is a foreign national or a citizen of the United States who is not a United States military officer serving on active duty;

"(II) to establish rules of engagement for United States forces involved; and

"(III) to establish criteria governing the operational employment of United States forces involved.

"(g) INTERPRETATION.—Nothing in this section may be construed—

"(1) as authority for the President to use any element of the armed forces in any operation;

"(2) as authority for the President to place any element of the armed forces under the command or operational control of a foreign national; or

"(3) as an unconstitutional infringement on the authority of the President as commander-in-chief.".

(2) The table of sections at the beginning of subchapter I of such chapter is amended by adding at the end the following new item:

"405. Placement of United States forces under United Nations command or control: limitation.".

(b) REPORT RELATING TO CONSTITUTIONALITY.—No certification may be submitted by the President under section 405(d)(1) of title 10, United States Code, as added by subsection (a), until the President has submitted to the Congress (after the date of the enactment of this Act) a memorandum of legal points and authorities explaining why the placement of elements of United States Armed Forces under the command or operational control of a foreign national acting on behalf of the United Nations does not violate the Constitution.

(c) EXCEPTION FOR ONGOING OPERATIONS IN MACEDONIA AND CROATIA.—Section 405 of title 10, United States Code, as added by subsection (a), does not apply in the case of activities of the Armed Forces as part of the United Nations force designated as the United Nations Protection Force (UNPROFOR) that are carried out—

(1) in Macedonia pursuant to United Nations Security Council Resolution 795, adopted December 11, 1992, and subsequent reauthorization Resolutions; or

(2) in Croatia pursuant to United Nations Security Council Resolution 743, adopted February 21, 1992, and subsequent reauthorization Resolutions.

SEC. 1202. LIMITATION ON USE OF DEPARTMENT OF DEFENSE FUNDS FOR UNITED STATES SHARE OF COSTS OF UNITED NATIONS PEACEKEEPING ACTIVITIES.

(a) IN GENERAL.—(1) Chapter 20 of title 10, United States Code, is amended by inserting after section 405, as added by section 1201, the following new section:

"§406. Use of Department of Defense funds for United States share of costs of United Nations peacekeeping activities: limitation

"(a) PROHIBITION ON USE OF FUNDS.—Funds available to the Department of Defense may not be used to make a financial contribution (directly or through another department or agency of the United States) to the United Nations—

"(1) for the costs of a United Nations peacekeeping activity; or

"(2) for any United States arrearage to the United Nations.

"(b) APPLICATION OF PROHIBITION.—The prohibition in subsection (a) applies to voluntary contributions, as well as to contributions pursuant to assessment by the United Nations for the United States share of the costs of a peacekeeping activity.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 405, as added by section 1201, the following new item:

"406. Use of Department of Defense funds for United States share of costs of United Nations peacekeeping activities: limitation.".

(b) EFFECTIVE DATE.—Section 406 of title 10, United States Code, as added by subsection (a), shall take effect on October 1, 1995.

Subtitle B—Humanitarian Assistance Programs

SEC. 1211. OVERSEAS HUMANITARIAN, DISASTER, AND CIVIC AID PROGRAMS.

For purposes of section 301 and other provisions of this Act, programs of the Department of Defense designated as Overseas Humanitarian, Disaster, and Civic Aid (OHDACA) programs are the programs provided by sections 401, 402, 404, 2547, and 2551 of title 10, United States Code.

SEC. 1212. HUMANITARIAN ASSISTANCE.

Section 2551 of title 10, United States Code is amended—

(1) by striking out subsections (b) and (c);

(2) by redesignating subsection (d) as subsection (b);

(3) by striking out subsection (e) and inserting in lieu thereof the following:

"(c) STATUS REPORTS.—(1) The Secretary of Defense shall submit to the congressional committees specified in subsection (f) an annual report on the provision of humanitarian assistance pursuant to this section for the prior fiscal year. The report shall be submitted each year at the time of the budget submission by the President for the next fiscal year.

"(2) Each report required by paragraph (1) shall cover all provisions of law that authorize appropriations for humanitarian assistance to be available from the Department of Defense for the purposes of this section.

"(3) Each report under this subsection shall set forth the following information regarding activities during the previous fiscal year:

"(A) The total amount of funds obligated for humanitarian relief under this section.

"(B) The number of scheduled and completed transportation missions for purposes of providing humanitarian assistance under this section.

"(C) A description of any transfer of excess nonlethal supplies of the Department of Defense made available for humanitarian relief purposes under section 2547 of this title. The description shall include the date of the transfer, the entity to whom the transfer is made, and the quantity of items transferred.";

(4) by redesignating subsection (f) as subsection (d) and in that subsection striking out "the Committees on" and all that follows through "House of Representatives of the" and inserting in lieu thereof "the congressional committees specified in subsection (f) and the Committees on Appropriations of the Senate and House of Representatives of the";

(5) by redesignating subsection (g) as subsection (e); and

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

"(f) CONGRESSIONAL COMMITTEES.—The congressional committees referred to in subsections (c)(1) and (d) are the following:

"(1) The Committee on Armed Services and the Committee on Foreign Relations of the Senate.

"(2) The Committee on National Security and the Committee on International Relations of the House of Representatives.".

SEC. 1213. LANDMINE CLEARANCE PROGRAM.

(a) INCLUSION IN GENERAL HUMANITARIAN ASSISTANCE PROGRAM.—Subsection (e) of section 401 of title 10, United States Code, is amended—

(1) by striking out "means—" and inserting in lieu thereof "means:";

(2) by revising the first word in each of paragraphs (1) through (4) so that the first letter of such word is upper case;

(3) by striking out the semicolon at the end of paragraphs (1) and (2) and inserting in lieu thereof a period;

(4) by striking out "; and" at the end of paragraph (3) and inserting in lieu thereof a period; and

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

"(5) Detection and clearance of landmines, including activities relating to the furnishing of education, training, and technical assistance with respect to the detection and clearance of landmines.".

(b) LIMITATION ON LANDMINE ASSISTANCE BY MEMBERS OF ARMED FORCES.—Subsection (a) of such section is amended by adding at the end the following new paragraph:

"(4) The Secretary of Defense shall ensure that no member of the armed forces, while providing assistance under this section that is described in subsection (e)(5)—

"(A) engages in the physical detection, lifting, or destroying of landmines (unless the member does so for the concurrent purpose of supporting a United States military operation); or

"(B) provides such assistance as part of a military operation that does not involve the armed forces.".

(c) REPEAL.—Section 1413 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2913; 10 U.S.C. 401 note) is repealed.

Subtitle C—Other Matters

SEC. 1221. REVISION OF DEFINITION OF LANDMINE FOR PURPOSES OF LANDMINE EXPORT MORATORIUM.

Section 1423(d)(3) of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1831) is amended by striking out "by remote control or".

SEC. 1222. EXTENSION AND AMENDMENT OF COUNTERPROLIFERATION AUTHORITIES.

(a) ONE-YEAR EXTENSION OF PROGRAM.—Section 1505 of the Weapons of Mass Destruction Control Act of 1992 (title XV of Public Law 102–484; 22 U.S.C. 5859a) is amended—

(1) in subsection (a), by striking out "during fiscal years 1994 and 1995";

(2) in subsection (e)(1), by striking out "fiscal years 1994 and 1995" and inserting in lieu thereof "a fiscal year during which the authority of the Secretary of Defense to provide assistance under this section is in effect"; and

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

"(f) TERMINATION OF AUTHORITY.—The authority of the Secretary of Defense to provide assistance under this section terminates at the close of fiscal year 1996.".

(b) PROGRAM AUTHORITIES.—(1) Subsections (b)(2) and (d)(3) of such section are amended by striking out "the On-Site Inspection Agency" and inserting in lieu thereof "the Department of Defense".

(2) Subsection (c)(3) of such section is amended by striking out "will be counted" and all that follows and inserting in lieu thereof "will be counted as discretionary spending in the national defense budget function (function 050).".

(c) AMOUNT OF ASSISTANCE.—Subsection (d) of such section is amended—

(1) in paragraph (1)—

(A) by striking out "for fiscal year 1994" the first place it appears and all that follows through the period at the end of the second sentence and inserting in lieu thereof "for any fiscal year shall be derived from amounts made available to the Department of Defense for that fiscal year."; and

(B) by striking out "referred to in this paragraph"; and

(2) in paragraph (3)—

(A) by striking out "may not exceed" and all that follows through "1995"; and

(B) by inserting before the period at the end the following: ", may not exceed $25,000,000 for fiscal year 1994, $20,000,000 for fiscal year 1995, or $15,000,000 for fiscal year 1996".

SEC. 1223. PROHIBITION ON USE OF FUNDS FOR ACTIVITIES ASSOCIATED WITH THE UNITED STATES-PEOPLE'S REPUBLIC OF CHINA JOINT DEFENSE CONVERSION COMMISSION.

Funds appropriated to the Department of Defense for fiscal year 1996 may not be obligated or expended for any activity associated with the United States-People's Republic of China Joint Defense Conversion Commission.

SEC. 1224. DEFENSE EXPORT LOAN GUARANTEES.

(a) ESTABLISHMENT OF PROGRAM.—(1) Chapter 148 of title 10, United States Code, is amended by adding at the end the following new subchapter:

"SUBCHAPTER VI—DEFENSE EXPORT LOAN GUARANTEES

"Sec.
"2540. Establishment of loan guarantee program.
"2540a. Transferability.
"2540b. Limitations.
"2540c. Fees charged and collected.
"2540d. Definitions.

"§2540. Establishment of loan guarantee program

"(a) ESTABLISHMENT.—In order to meet the national security objectives in section 2501(a) of this title, the Secretary of Defense shall establish a program under which the Secretary may issue guarantees assuring a lender against losses of principal or interest, or both principal and interest, arising out of the financing of the sale or long-term lease of defense articles, defense services, or design and construction services to a country referred to in subsection (b).

"(b) COVERED COUNTRIES.—The authority under subsection (a) applies with respect to the following countries:

"(1) A member nation of the North Atlantic Treaty Organization (NATO).

"(2) A country designated as of March 31, 1995, as a major non-NATO ally pursuant to section 2350a(i)(3) of this title.

"(3) A country that was a member nation of the Asia Pacific Economic Cooperation (APEC) as of March 31, 1995.

"(c) AUTHORITY SUBJECT TO PROVISIONS OF APPROPRIATION ACTS.—The Secretary may guarantee a loan under this subchapter only to such extent or in such amounts as may be provided in advance in appropriations Acts.

"§2540a. Transferability

"A guarantee issued under this subchapter shall be fully and freely transferable.

"§2540b. Limitations

"(a) TERMS AND CONDITIONS OF LOAN GUARANTEES.—In issuing a guarantee under this subchapter for a medium-term or long-term loan, the Secretary may not offer terms and conditions more beneficial than those that would be provided to the recipient by the Export-Import Bank of the United States under similar circumstances in conjunction with the provision of guarantees for nondefense articles and services.

"(b) LOSSES ARISING FROM FRAUD OR MISREPRESENTATION.—No payment may be made under a guarantee issued under this subchapter for a loss arising out of fraud or misrepresentation for which the party seeking payment is responsible.

"(c) NO RIGHT OF ACCELERATION.—The Secretary of Defense may not accelerate any guaranteed loan or increment, and may not pay any amount, in respect of a guarantee issued under this subchapter, other than in accordance with the original payment terms of the loan.

"§2540c. Fees charged and collected

"(a) IN GENERAL.—The Secretary of Defense shall charge a fee (known as 'exposure fee') for each guarantee issued under this subchapter.

"(b) AMOUNT.—To the extent that the cost of the loan guarantees under this subchapter is not otherwise provided for in appropriations Acts, the fee imposed under this section with respect to a loan guarantee shall be fixed in an amount sufficient to meet potential liabilities of the United States under the loan guarantee.

"(c) PAYMENT TERMS.—The fee for each guarantee shall become due as the guarantee is issued. In the case of a guarantee for a loan which is disbursed incrementally, and for which the guarantee is correspondingly issued incrementally as portions of the loan are disbursed, the fee shall be paid incrementally in proportion to the amount of the guarantee that is issued.

"§2540d. Definitions

"In this subchapter:

"(1) The terms 'defense article', 'defense services', and 'design and construction services' have the meanings given those terms in section 47 of the Arms Export Control Act (22 U.S.C. 2794).

"(2) The term 'cost', with respect to a loan guarantee, has the meaning given that term in section 502 of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 661a).".

(2) The table of subchapters at the beginning of such chapter is amended by adding at the end the following new item:

"VI. Defense Export Loan Guarantees .. 2540".

(b) REPORT.—Not later than two years after the date of the enactment of this Act, the President shall submit to Congress a report on the loan guarantee program established pursuant to section 2540 of title 10, United States Code, as added by subsection (a). The report shall include—

(1) an analysis of the costs and benefits of the loan guarantee program; and

(2) any recommendations for modification of the program that the President considers appropriate, including—

(A) any recommended addition to the list of countries for which a guarantee may be issued under the program; and

(B) any proposed legislation necessary to authorize a recommended modification.

SEC. 1225. ACCOUNTING FOR BURDENSHARING CONTRIBUTIONS.

(a) AUTHORITY TO MANAGE CONTRIBUTIONS IN LOCAL CURRENCY, ETC.—Subsection (b) of section 2350j of title 10, United States Code, is amended to read as follows:

"(b) ACCOUNTING.—Contributions accepted under subsection (a) which are not related to security assistance may be accepted, managed, and expended in dollars or in the currency of the host nation (or, in the case of a contribution from a regional organization, in the currency in which the contribution was provided). Any such contribution shall be placed in an account established for such purpose and shall remain available until expended for the purposes specified in subsection (c). The Secretary of Defense shall establish a separate account for such purpose for each country or regional organization from which such contributions are accepted under subsection (a).".

(b) CONFORMING AMENDMENT.—Subsection (d) of such section is amended by striking out "credited under subsection (b) to an appropriation account of the Department of Defense" and inserting in lieu thereof "placed in an account established under subsection (b)".

(c) TECHNICAL AMENDMENT.—Such section is further amended—

(1) in subsection (e)(1), by striking out "a report to the congressional defense committees" and inserting in lieu thereof "to the congressional committees specified in subsection (g) a report"; and

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

"(g) CONGRESSIONAL COMMITTEES.—The congressional committees referred to in subsection (e)(1) are—

"(1) the Committee on Armed Services and the Committee on Appropriations of the Senate; and

"(2) the Committee on National Security and the Committee on Appropriations of the House of Representatives.".

SEC. 1226. AUTHORITY TO ACCEPT CONTRIBUTIONS FOR EXPENSES OF RELOCATION WITHIN HOST NATION OF UNITED STATES ARMED FORCES OVERSEAS.

(a) IN GENERAL.—(1) Subchapter II of chapter 138 of title 10, United States Code, is amended by adding at the end the following new section:

"§2350k. Relocation within host nation of elements of armed forces overseas

"(a) AUTHORITY TO ACCEPT CONTRIBUTIONS.—The Secretary of Defense may accept contributions from any nation because of or in support of the relocation of elements of the armed forces from or to any location within that nation. Such contributions may be accepted in dollars or in the currency of the host nation. Any such contribution shall be placed in an account established for such purpose and shall remain available until expended for the purposes specified in subsection (b). The Secretary shall establish a separate account for such purpose for each country from which such contributions are accepted.

"(b) USE OF CONTRIBUTIONS.—The Secretary may use a contribution accepted under subsection (a) only for payment of costs incurred in connection with the relocation concerning which the contribution was made. Those costs include the following:

"(1) Design and construction services, including development and review of statements of work, master plans and designs, acquisition of construction, and supervision and administration of contracts relating thereto.

"(2) Transportation and movement services, including packing, unpacking, storage, and transportation.

"(3) Communications services, including installation and deinstallation of communications equipment, transmission of messages and data, and rental of transmission capability.

"(4) Supply and administration, including acquisition of expendable office supplies, rental of office space, budgeting and accounting services, auditing services, secretarial services, and translation services.

"(5) Personnel costs, including salary, allowances and overhead of employees whether full-time or part-time, temporary or permanent (except for military personnel), and travel and temporary duty costs.

"(6) All other clearly identifiable expenses directly related to relocation.

"(c) METHOD OF CONTRIBUTION.—Contributions may be accepted in any of the following forms:

"(1) Irrevocable letter of credit issued by a financial institution acceptable to the Treasurer of the United States.

"(2) Drawing rights on a commercial bank account established and funded by the host nation, which account is blocked such that funds deposited cannot be withdrawn except by or with the approval of the United States.

"(3) Cash, which shall be deposited in a separate trust fund in the United States Treasury pending expenditure and which shall accrue interest in accordance with section 9702 of title 31.

"(d) ANNUAL REPORT TO CONGRESS.—Not later than 30 days after the end of each fiscal year, the Secretary shall submit to Congress a report specifying—

"(1) the amount of the contributions accepted by the Secretary during the preceding fiscal year under subsection (a) and the purposes for which the contributions were made; and

"(2) the amount of the contributions expended by the Secretary during the preceding fiscal year and the purposes for which the contributions were expended.".

(2) The table of sections at the beginning of subchapter II of chapter 138 of such title is amended by adding at the end the following new item:

"2350k. Relocation within host nation of elements of armed forces overseas.".

(b) EFFECTIVE DATE.—Section 2350k of title 10, United States Code, as added by subsection (a), shall take effect on October 1, 1995, and shall apply to contributions for relocation of elements of the Armed Forces in or to any nation received on or after such date.

SEC. 1227. SENSE OF CONGRESS ON ABM TREATY VIOLATIONS.

(a) FINDINGS.—The Congress finds the following:

(1) The 1972 Anti-Ballistic Missile Treaty prohibits either party from deploying ballistic missile early warning radars except at locations along the periphery of its national territory and oriented outward.

(2) The 1972 Anti-Ballistic Missile Treaty prohibits either party from deploying an ABM system to defend its national territory and from providing a base for any such nationwide defense.

(3) Large phased-array radars were recognized during negotiation of the Anti-Ballistic Missile Treaty as the critical long lead-time element of a nationwide defense against ballistic missiles.

(4) In 1983 the United States discovered the construction, in the interior of the Soviet Union near the town of Krasnoyarsk, of a large phased-array radar that was judged to be for ballistic missile early warning and tracking.

(5) The Krasnoyarsk radar was certified by the Reagan Administration and previous sessions of Congress as an unequivocal violation by the Soviet Union of the Anti-Ballistic Missile Treaty.

(6) Retired Soviet General Y.V. Votintsev, Director of the Soviet National Air Defense Forces from 1967 to 1985, has publicly stated that he was directed by the Chief of the Soviet General staff to locate the large phased-array radar at Krasnoyarsk despite the recognition that its location would be a clear violation of the ABM Treaty.

(7) General Votintsev has publicly stated that Marshal D.F. Ustinov, Soviet Minister of Defense, threatened to relieve from duty any Soviet officer who continued to object to the construction of a large-phased array radar at Krasnoyarsk.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the government of the Soviet Union intentionally violated its legal obligations under the 1972 Anti-Ballistic Missile Treaty in order to advance its national security interests; and

(2) the United States should remain vigilant in ensuring compliance by Russia with its arms control obligations and should, when pursuing future arms control agreements with Russia, bear in mind violations of arms control obligations by the Soviet Union.

DIVISION B—MILITARY CONSTRUCTION AUTHORIZATIONS

SEC. 2001. SHORT TITLE.

This division may be cited as the "Military Construction Authorization Act for Fiscal Year 1996".

TITLE XXI—ARMY

SEC. 2101. AUTHORIZED ARMY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(1), the Secretary of the Army may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Army: Inside the United States

State	Installation or location	Amount
Alabama	Fort Rucker	$5,900,000
	Redstone Arsenal	$5,000,000
Arizona	Fort Huachuca	$18,550,000
California	Fort Irwin	$25,500,000
	Presidio of San Francisco	$3,000,000
Colorado	Fort Carson	$30,850,000
District of Columbia	Fort McNair	$13,500,000
Georgia	Fort Benning	$37,900,000
	Fort Gordon	$5,750,000
	Fort Stewart	$8,400,000
Hawaii	Schofield Barracks	$15,000,000
Kentucky	Fort Knox	$5,600,000
Missouri	Fort Leonard Wood	$3,900,000
New Jersey	Picatinny Arsenal	$5,500,000
New Mexico	White Sands Missile Range	$2,050,000
New York	Fort Drum	$11,450,000
	United States Military Academy	$8,300,000
	Watervliet Arsenal	$680,000
North Carolina	Fort Bragg	$29,700,000
Oklahoma	Fort Sill	$14,300,000
South Carolina	Naval Weapons Station, Charleston	$25,700,000
	Fort Jackson	$32,000,000
Texas	Fort Hood	$32,500,000
	Fort Bliss	$56,900,000
	Fort Sam Houston	$7,000,000
Virginia	Fort Eustis	$16,400,000
	Fort Myer	$17,000,000
Washington	Fort Lewis	$32,100,000
CONUS Classified	Classified Location	$1,900,000
	Total:	$472,330,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(2), the Secretary of the Army may acquire real property and carry out military construction projects for the locations outside the United States, and in the amounts, set forth in the following table:

Army: Outside the United States

Country	Installation or location	Amount
Korea	Camp Casey	$4,150,000
	Camp Hovey	$13,500,000
	Camp Pelham	$5,600,000
	Camp Stanley	$6,800,000
	Yongsan	$1,450,000
Overseas Classified	Classified Location	$48,000,000
	Total:	$79,500,000

SEC. 2102. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(5)(A), the Secretary of the Army may construct or acquire family housing units (including land acquisition) at the installations, for the purposes, and in the amounts set forth in the following table:

Army: Family Housing

State	Installation	Purpose	Amount
Alabama	Redstone Arsenal	118 units	$12,000,000
Kentucky	Fort Knox	262 units	$19,000,000
New York	United States Military Academy, West Point	119 units	$16,500,000
Virginia	Fort Lee	135 units	$19,500,000
Washington	Fort Lewis	84 units	$10,800,000
		Total:	$77,800,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(5)(A), the Secretary of the Army may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of family housing units in an amount not to exceed $2,000,000.

SEC. 2103. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(5)(A), the Secretary of the Army may improve existing military family housing in an amount not to exceed $46,600,000.

SEC. 2104. AUTHORIZATION OF APPROPRIATIONS, ARMY.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1995, for military construction, land acquisition, and military family housing functions of the Department of the Army in the total amount of $2,167,190,000 as follows:

(1) For military construction projects inside the United States authorized by section 2101(a), $472,330,000.

(2) For military construction projects outside the United States authorized by section 2101(b), $79,500,000.

(3) For unspecified minor military construction projects authorized by section 2805 of title 10, United States Code, $9,000,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $70,778,000.

(5) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvements of military family housing and facilities, $126,400,000.

(B) For support of military family housing (including the functions described in section 2833 of title 10, United States Code), $1,333,596,000.

(6) For the Homeowners Assistance Program, as authorized by section 2832 of title 10, United States Code, $75,586,000, to remain available until expended.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2101 of this Act may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

TITLE XXII—NAVY

SEC. 2201. AUTHORIZED NAVY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(1), the Secretary of the Navy may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Navy: Inside the United States

State	Installation or location	Amount
California	Marine Corps Air-Ground Combat Center, Twentynine Palms	$2,490,000
	Marine Corps Base, Camp Pendleton	$27,584,000
	Nav Com Control & Ocean Sur Cen RDT&E Div, San Diego	$3,170,000
	Naval Air Station, Lemoore	$7,600,000
	Naval Air Station, North Island	$99,150,000
	Naval Air Warfare Center Weapons Division, China Lake	$3,700,000
	Naval Air Warfare Center Weapons Division, Point Mugu	$1,300,000
	Naval Construction Batallion Center, Port Hueneme	$16,700,000
	Naval Station, San Diego	$19,960,000
Florida	Naval School Explosive Ordinance Disposal, Eglin Air Force Base	$16,150,000
	Naval Technical Training Center, Corry Station, Pensacola	$2,565,000
Georgia	Strategic Weapons Facility, Atlantic, Kings Bay	$2,450,000
	Marine Corps Logistics Base, Albany	$1,300,000
Hawaii	Intelligence Center Pacific, Pearl Harbor	$2,200,000
	Naval Com & Telecoms Area MASTSTA EASTPAC, Honolulu	$1,980,000
	Naval Submarine Base, Pearl Harbor	$22,500,000
Illinois	Naval Training Center, Great Lakes	$12,440,000
Indiana	Crane Naval Surface Warfare Center	$3,300,000
Maryland	Naval Academy, Annapolis	$3,600,000
	Various Maryland Locations	$1,200,000
New Jersey	Naval Air Warfare Center Aircraft Division, Lakehurst	$1,700,000
North Carolina	Marine Corps Air Station, Cherry Point	$11,430,000
	Marine Corps Air Station, New River	$14,650,000
	Marine Corps Base, Camp LeJeune	$59,300,000
Pennsylvania	Philadelphia Naval Shipyard	$6,000,000
South Carolina	Marine Corps Air Station, Beaufort	$15,000,000
Texas	Naval Air Station, Corpus Christi	$4,400,000
	Naval Air Station, Kingsville	$2,710,000
	Naval Station, Ingleside	$2,640,000
Virginia	Fleet and Industrial Supply Center, Williamsburg	$8,390,000
	Marine Corps Combat Development Command, Quantico	$3,500,000
	Naval Hospital, Portsmouth	$9,500,000
	Naval Station, Norfolk	$28,580,000
	Naval Weapons Station, Yorktown	$1,300,000
Washington	Naval Undersea Warfare Center Division, Keyport	$5,300,000
	Puget Sound Naval Shipyard, Bremerton	$19,870,000
	Total:	$445,609,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(2), the Secretary of the Navy may acquire real property and carry out military construction projects for the installations and locations outside the United States, and in the amounts, set forth in the following table:

Navy: Outside the United States

Country	Installation or location	Amount
Guam	Naval Com & Telecoms Area MASTSTA WESTPAC	$2,250,000
	Navy Public Works Center, Guam	$16,180,000
Italy	Naval Air Station, Sigonella	$12,170,000
	Naval Support Activity, Naples	$24,950,000
Puerto Rico.	Naval Security Group Activity, Sabana Seca	$2,200,000
	Naval Station, Roosevelt Roads	$11,500,000
	Total	$69,250,000

SEC. 2202. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(5)(A), the Secretary of the Navy may construct or acquire family housing units (including land acquisition) at the installations, for the purposes, and in the amounts set forth in the following table:

Navy: Family Housing

State	Installation	Purpose	Amount
California	Marine Corps Base, Camp Pendleton	205 units	$30,080,000
	Marine Corps Base, Camp Pendleton	Community Center	$1,438,000
	Marine Corps Base, Camp Pendleton	Housing Office	$707,000
	Naval Air Station, Lemoore	240 units	$34,900,000
	Pacific Missile Test Center, Point Mugu	Housing Office	$1,020,000
	Public Works Center, San Diego	346 units	$49,310,000
Hawaii	Naval Complex, Oahu	252 units	$48,400,000
Maryland	Naval Air Test Center, Patuxent River	Warehouse	$890,000
	US Naval Academy, Annapolis	Housing Office	$800,000
North Carolina.	Marine Corps Air Station, Cherry Point	Community Center	$1,003,000
Pennsylvania	Navy Ships Parts Control Center, Mechanicsburg	Housing Office	$300,000
Puerto Rico	Naval Station, Roosevelt Roads	Housing Office	$710,000
Virginia	Naval Surface Warfare Center, Dahlgren	Housing Office	$520,000
	Public Works Center, Norfolk	320 units	$42,500,000
	Public Works Center, Norfolk	Housing Office	$1,390,000
		Total:	$230,752,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(5)(A), the Secretary of the Navy may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed $24,390,000.

SEC. 2203. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(5)(A), the Secretary of the Navy may improve existing military family housing units in an amount not to exceed $292,931,000.

SEC. 2204. AUTHORIZATION OF APPROPRIATIONS, NAVY.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1994, for military construction, land acquisition, and military family housing functions of the Department of the Navy in the total amount of $2,164,861,000 as follows:

(1) For military construction projects inside the United States authorized by section 2201(a), $445,609,000.

(2) For military construction projects outside the United States authorized by section 2201(b), $69,250,000.

(3) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, $7,200,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $66,184,000.

(5) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $531,289,000.

(B) For support of military housing (including functions described in section 2833 of title 10, United States Code), $1,045,329,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2201 of this Act may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

TITLE XXIII—AIR FORCE

SEC. 2301. AUTHORIZED AIR FORCE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(1), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Air Force: Inside the United States

State	Installation or location	Amount
Alabama	Maxwell Air Force Base	$3,700,000
Alaska	Eielson Air Force Base	$3,850,000
	Elmendorf Air Force Base	$9,100,000
	Tin City Long Range RADAR Site	$2,500,000
Arizona	Davis-Monthan Air Force Base	$4,800,000
	Luke Air Force Base	$5,200,000
Arkansas	Little Rock Air Force Base	$2,500,000
California	Beale Air Force Base	$7,500,000
	Edwards Air Force Base	$33,800,000
	Travis Air Force Base	$26,700,000
	Vandenberg Air Force Base	$6,000,000
Colorado	Buckley Air National Guard Base	$5,500,000
	Peterson Air Force Base	$4,390,000
	US Air Force Academy	$12,874,000
Delaware	Dover Air Force Base	$5,500,000
District of Columbia	Bolling Air Force Base	$12,100,000
Florida	Cape Canaveral Air Force Station	$1,600,000
	Eglin Air Force Base	$13,500,000
	Tyndall Air Force Base	$1,200,000
Georgia	Moody Air Force Base	$19,190,000
	Robins Air Force Base	$6,900,000
Hawaii	Hickam Air Force Base	$10,700,000
Idaho	Mountain Home Air Force Base	$18,650,000
Illinois	Scott Air Force Base	$12,700,000
Kansas	McConnell Air Force Base	$15,950,000

Air Force: Inside the United States—Continued

State	Installation or location	Amount
Louisiana	Barksdale Air Force Base	$2,500,000
Maryland	Andrews Air Force Base	$12,886,000
Mississippi	Columbus Air Force Base	$1,150,000
	Keesler Air Force Base	$14,800,000
Missouri	Whiteman Air Force Base	$24,600,000
Nevada	Nellis Air Force Base	$10,500,000
New Jersey	McGuire Air Force Base	$21,500,000
New Mexico	Cannon Air Force Base	$13,420,000
	Kirtland Air Force Base	$9,156,000
North Carolina	Pope Air Force Base	$8,250,000
	Seymour Johnson Air Force Base	$7,530,000
North Dakota	Grand Forks Air Force Base	$14,800,000
	Minot Air Force Base	$1,550,000
Ohio	Wright Patterson Air Force Base	$4,100,000
Oklahoma	Altus Air Force Base	$5,200,000
	Tinker Air Force Base	$5,100,000
South Carolina	Charleston Air Force Base	$12,500,000
	Shaw Air Force Base	$1,300,000
Tennessee	Arnold Air Force Base	$5,000,000
Texas	Dyess Air Force Base	$5,400,000
	Goodfellow Air Force Base	$1,000,000
	Kelly Air Force Base	$3,244,000
	Laughlin Air Force Base	$1,400,000
	Randolph Air Force Base	$3,100,000
	Reese Air Force Base	$1,200,000
	Sheppard Air Force Base	$1,500,000
Virginia	Langley Air Force Base	$1,000,000
Washington	Fairchild Air Force Base	$15,700,000
	McChord Air Force Base	$9,900,000
Wyoming	F.E. Warren Air Force Base	$13,000,000
CONUS Classified	Classified Location	$700,000
	Total:	$479,390,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(2), the Secretary of the Air Force may acquire real property and may carry out military construction projects for the installations and locations outside the United States, and in the amounts, set forth in the following table:

Air Force: Outside the United States

Country	Installation or location	Amount
Germany	Spangdahlem Air Base	$8,380,000
	Vogelweh Annex	2,600,000
Greece	Araxos Radio Relay Site	1,950,000
Italy	Aviano Air Base	2,350,000
	Ghedi Radio Relay Site	1,450,000
Turkey	Ankara Air Station	7,000,000
	Incirlik Air Base	4,500,000
United Kingdom	Lakenheath Royal Air Force Base	1,820,000
	Mildenhall Royal Air Force Base	2,250,000
Overseas Classified	Classified Location	17,100,000
	Total:	$49,400,000

SEC. 2302. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(5)(A), the Secretary of the Air Force may construct or acquire family housing units (including land acquisition) at the installations, for the purposes, and in the amounts set forth in the following table:

Air Force: Family Housing

State/Country	Installation	Purpose	Amount
Alaska	Elmendorf Air Force Base	Housing Office/Maintenance Facility	$3,000,000
Arizona	Davis-Monthan Air Force Base	80 units	9,498,000
Arkansas	Little Rock Air Force Base	Replace 1 General Officer Quarters	210,000
California	Beale Air Force Base	Family Housing Office	842,000
	Edwards Air Force Base	127 units	20,750,000
	Vandenberg Air Force Base	Family Housing Office	900,000
	Vandenberg Air Force Base	143 units	20,200,000
Colorado	Peterson Air Force Base	Family Housing Office	570,000
District of Columbia	Bolling Air Force Base	32 units	4,100,000
Florida	Eglin Air Force Base	Family Housing Office	500,000
	Eglin Auxiliary Field 9	Family Housing Office	880,000
	MacDill Air Force Base	Family Housing Office	646,000
	Patrick Air Force Base	70 units	7,947,000
	Tyndall Air Force Base	82 units	9,800,000
Georgia	Moody Air Force Base	1 Officer & 1 General Officer Quarter	513,000
Guam	Andersen Air Force Base	Housing Maintenance Facility	1,700,000
Idaho	Mountain Home Air Force Base	Housing Management Facility	844,000
Kansas	McConnell Air Force Base	39 units	5,193,000
Louisiana	Barksdale Air Force Base	62 units	10,299,000
Massachusetts	Hanscom Air Force Base	32 units	4,900,000
Mississippi	Keesler Air Force Base	98 units	9,300,000
Missouri	Whiteman Air Force Base	72 units	9,948,000
Nevada	Nellis Air Force Base	143 Units	22,357,000
New Mexico	Holloman Air Force Base	1 General Officer Quarters	225,000
	Kirtland Air Force Base	105 units	11,000,000
North Carolina	Pope Air Force Base	104 units	9,984,000
	Seymour Johnson Air Force Base	1 General Officer Quarters	204,000
South Carolina	Shaw Air Force Base	Housing Maintenance Facility	715,000

Air Force: Family Housing—Continued

State/Country	Installation	Purpose	Amount
Texas	Dyess Air Force Base	Housing Maintenance Facility	580,000
	Lackland Air Force Base	67 units	6,200,000
	Sheppard Air Force Base	Management Office	500,000
	Sheppard Air Force Base	Housing Maintenance Facility	600,000
Turkey	Incirlik Air Base	150 units	10,146,000
Washington	McChord Air Force Base	50 units	9,504,000
		Total:	$194,555,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(5)(A), the Secretary of the Air Force may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed $8,989,000.

SEC. 2303. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(5)(A), the Secretary of the Air Force may improve existing military family housing units in an amount not to exceed $90,959,000.

SEC. 2304. AUTHORIZATION OF APPROPRIATIONS, AIR FORCE.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1995, for military construction, land acquisition, and military family housing functions of the Department of the Air Force in the total amount of $1,727,557,000 as follows:

(1) For military construction projects inside the United States authorized by section 2301(a), $479,390,000.

(2) For military construction projects outside the United States authorized by section 2301(b), $49,400,000.

(3) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, $9,030,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $49,021,000.

(5) For military housing functions:

(A) For construction and acquisition, planning and design and improvement of military family housing and facilities, $294,503,000.

(B) For support of military family housing (including the functions described in section 2833 of title 10, United States Code), $846,213,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2301 of this Act may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

SEC. 2305. RETENTION OF ACCRUED INTEREST ON FUNDS DEPOSITED FOR CONSTRUCTION OF FAMILY HOUSING, SCOTT AIR FORCE BASE, ILLINOIS.

(a) RETENTION OF INTEREST.—Section 2310 of the Military Construction Authorization Act for Fiscal Year 1994 (division B of Public Law 103–160; 107 Stat. 1874) is amended—

(1) by redesignating subsection (b) as subsection (c); and

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

"(b) RETENTION OF INTEREST.—Interest accrued on the funds transferred to the County pursuant to subsection (a) shall be retained in the same account as the transferred funds and shall be available to the County for the same purpose as the transferred funds.".

(b) LIMITATION ON UNITS CONSTRUCTED.—Subsection (c) of such section, as redesignated by subsection (a)(1), is amended by adding at the end the following new sentence: "The number of units constructed using the transferred funds (and interest accrued on these funds) may not exceed the number of units of military family housing authorized for Scott Air Force Base, Illinois, in section 2302(a) of the Military Construction Authorization Act for Fiscal Year 1993 (division B of Public Law 102–484; 106 Stat. 2595).".

(c) EFFECT OF COMPLETION OF CONSTRUCTION.—Such section is further amended by adding at the end the following new subsection:

"(d) COMPLETION OF CONSTRUCTION.—Upon the completion of the construction authorized by this section, all funds remaining from the funds transferred pursuant to subsection (a) and the interest accrued on these funds shall be deposited in the general fund of the Treasury of the United States.".

TITLE XXIV—DEFENSE AGENCIES

SEC. 2401. AUTHORIZED DEFENSE AGENCIES CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2405(a)(1), and, in the case of the project described in section 2405(b)(2), other amounts appropriated pursuant to authorizations enacted after this Act for that project, the Secretary of Defense may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Defense Agencies: Inside the United States

Agency/State	Installation or location	Amount
Ballistic Missile Defense Organization		
Texas	Fort Bliss	$13,600,000
Defense Finance & Accounting Service		
Ohio	Columbus Center	$72,403,000
Defense Intelligence Agency		
District of Columbia	Bolling Air Force Base	$1,743,000
Defense Logistics Agency		
Alabama	Defense Distribution Anniston	$3,550,000
California	Defense Distribution Stockton	$15,000,000
	DFSC, Point Mugu	$750,000
Delaware	DFSC, Dover Air Force Base	$15,554,000
Florida	DFSC, Eglin Air Force Base	$2,400,000
Louisiana	DFSC, Barksdale Air Force Base	$13,100,000
New Jersey	DFSC, McGuire Air Force Base	$12,000,000
Pennsylvania	Def Distribution New Cumberland—DDSP	$4,600,000
Virginia	Defense Distribution Depot—DDNV	$10,400,0000
Defense Mapping Agency		
Missouri	Defense Mapping Agency Aerospace Center..	$40,300,000
Defense Medical Facility Office		
Arizona	Luke Air Force Base	$8,100,000
California	Fort Irwin	$6,900,000
	Marine Corps Base, Camp Pendleton	$1,700,000
	Vandenberg Air Force Base	$5,700,000
Delaware	Dover Air Force Base	$4,400,000
Georgia	Fort Benning	$5,600,000
Louisiana	Barksdale Air Force Base	$4,100,000
Maryland	Bethesda Naval Hospital	$1,300,000
	Walter Reed Army Institute of Research	$1,550,000
Texas	Fort Hood	$5,500,000
	Lackland Air Force Base	$6,100,000
	Reese Air Force Base	$1,000,000
Virginia	Northwest Naval Security Group Activity	$4,300,000
National Security Agency		
Maryland	Fort Meade	$18,733,000
Office of the Secretary of Defense		

Defense Agencies: Inside the United States—Continued

Agency/State	Installation or location	Amount
Inside the United States	Classified location	$11,500,000
Department of Defense Dependents Schools		
Alabama	Maxwell Air Force Base	$5,479,000
Georgia	Fort Benning	$1,116,000
South Carolina	Fort Jackson	$576,000
Special Operations Command		
California	Naval Air Station, Miramar	$5,200,000
Florida	Duke Field	$2,400,000
	Eglin Auxiliary Field 9	$14,150,000
Louisiana	Naval Support Activity, New Orleans	$730,000
North Carolina	Fort Bragg	$23,800,000
Pennsylvania	Olmstead Field, Harrisburg IAP	$1,643,000
Virginia	Dam Neck	$6,100,000
	Naval Amphibious Base, Little Creek	$4,500,000
	Total:	$357,577,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2405(a)(2), the Secretary of Defense may acquire real property and carry out military construction projects for the installations and locations outside the United States, and in the amounts, set forth in the following table:

Defense Agencies: Outside the United States

Agency/Country	Installation Name	Amount
Defense Logistics Agency		
Puerto Rico	Defense Fuel Support Point, Roosevelt Roads	$6,200,000
Spain	DFSC Rota	$7,400,000
Defense Medical Facility Office		
Italy	Naval Support Activity, Naples	$5,000,000
Department of Defense Dependents Schools		
Germany	Ramstein Air Force Base	$19,205,000
Italy	Naval Air Station, Sigonella	$7,595,000
National Security Agency		
United Kingdom	Menwith Hill Station	$677,000
Special Operations Command		
Guam	Naval Station, Guam	$8,800,000
	Total:	$54,877,000

SEC. 2402. FAMILY HOUSING PRIVATE INVESTMENT.

Using amounts appropriated pursuant to the authorization of appropriations in section 2405(a)(13)(A), the Secretary of Defense may enter into agreements to construct, acquire, and improve family housing units (including land acquisition) at or near military installations, for the purpose of encouraging private investments, in the amount of $22,000,000. Amounts appropriated pursuant to such section may be transferred from the Department of Defense Family Housing Improvement Fund established under section 2873 of title 10, United States Code, to the family housing accounts of the military departments for the purpose of encouraging private investments.

SEC. 2403. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2405(a)(13)(A), the Secretary of Defense may improve existing military family housing units in an amount not to exceed $3,772,000.

SEC. 2404. ENERGY CONSERVATION PROJECTS.

Using amounts appropriated pursuant to the authorization of appropriations in section 2405(a)(11), the Secretary of Defense may carry out energy conservation projects under section 2865 of title 10, United States Code.

SEC. 2405. AUTHORIZATION OF APPROPRIATIONS, DEFENSE AGENCIES.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1995, for military construction, land acquisition, and military family housing functions of the Department of Defense (other than the military departments), in the total amount of $4,692,463,000 as follows:

(1) For military construction projects inside the United States authorized by section 2401(a), $322,574,000.

(2) For military construction projects outside the United States authorized by section 2401(b), $54,877,000.

(3) For military construction projects at Portsmouth Naval Hospital, Virginia, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Years 1990 and 1991 (division B of Public Law 101–189; 103 Stat. 1640), $47,900,000.

(4) For military construction projects at Elmendorf Air Force Base, Alaska, hospital replacement, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1993 (division B of Public Law 102–484; 106 Stat. 2599), $28,100,000.

(5) For military construction projects at Walter Reed Army Institute of Research, Maryland, hospital replacement, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1993 (division B of Public Law 102–484; 106 Stat. 2599), $27,000,000.

(6) For military construction projects at Pine Bluff Arsenal, Arkansas, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103–337; 108 Stat. 3040), $40,000,000.

(7) For military construction projects at Umatilla Army Depot, Oregon, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103–337; 108 Stat. 3040), $55,000,000.

(8) For unspecified minor construction projects under section 2805 of title 10, United States Code, $23,007,000.

(9) For contingency construction projects of the Secretary of Defense under section 2804 of title 10, United States Code, $11,037,000.

(10) For architectural and engineering services and construction design under section 2807 of title 10, United State Code, $68,837,000.

(11) For energy conservation projects authorized by section 2404, $50,000,000.

(12) For base closure and realignment activities as authorized by the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note), $3,897,892,000.

(13) For military family housing functions:

(A) For construction and acquisition and improvement of military family housing and facilities, $25,772,000.

(B) For support of military housing (including functions described in section 2833 of title 10, United States Code), $40,467,000, of which not more than $24,874,000 may be obligated or expended for the leasing of military family housing units worldwide.

(b) LIMITATION OF TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variation authorized by section 2853 of title 10, United States Code, and any other cost variations authorized by law, the total cost of all projects carried out under section 2401 of this Act may not exceed—

(1) the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a); and

(2) $35,003,000 (the balance of the amount authorized under section 2401(a) for the construction of a center of the Defense Finance and Accounting Service at Columbus, Ohio).

SEC. 2406. MODIFICATION OF AUTHORITY TO CARRY OUT FISCAL YEAR 1995 PROJECTS.

The table in section 2401 of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103–337; 108 Stat. 3040), under the agency heading relating to Chemical Weapons and Munitions Destruction, is amended—

(1) in the item relating to Pine Bluff Arsenal, Arkansas, by striking out "$3,000,000" in the amount column and inserting in lieu thereof "$115,000,000"; and

(2) in the item relating to Umatilla Army Depot, Oregon, by striking out "$12,000,000" in the amount column and inserting in lieu thereof "$186,000,000".

SEC. 2407. LIMITATION ON EXPENDITURES FOR CONSTRUCTION PROJECT AT UMATILLA ARMY DEPOT, OREGON.

None of the funds appropriated to the Department of Defense for fiscal year 1996 for the construction of a chemical munitions incinerator

facility at Umatilla Army Depot may be obligated or expended before March 1, 1996.

TITLE XXV—NORTH ATLANTIC TREATY ORGANIZATION INFRASTRUCTURE

SEC. 2501. AUTHORIZED NATO CONSTRUCTION AND LAND ACQUISITION PROJECTS.

The Secretary of Defense may make contributions for the North Atlantic Treaty Organization Infrastructure program as provided in section 2806 of title 10, United States Code, in an amount not to exceed the sum of the amount authorized to be appropriated for this purpose in section 2502 and the amount collected from the North Atlantic Treaty Organization as a result of construction previously financed by the United States.

SEC. 2502. AUTHORIZATION OF APPROPRIATIONS, NATO.

Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1995, for contributions by the Secretary of Defense under section 2806 of title 10, United States Code, for the share of the United States of the cost of projects for the North Atlantic Treaty Organization Infrastructure program, as authorized by section 2501, in the amount of $161,000,000.

TITLE XXVI—GUARD AND RESERVE FORCES FACILITIES

SEC. 2601. AUTHORIZED GUARD AND RESERVE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

There are authorized to be appropriated for fiscal years beginning after September 30, 1995, for the costs of acquisition, architectural and engineering services, and construction of facilities for the Guard and Reserve Forces, and for contributions therefor, under chapter 133 of title 10, United States Code (including the cost of acquisition of land for those facilities), the following amounts:

(1) For the Department of the Army—

(A) for the Army National Guard of the United States, $72,537,000; and

(B) for the Army Reserve, $42,963,000.

(2) For the Department of the Navy, for the Naval and Marine Corps Reserve, $19,655,000.

(3) For the Department of the Air Force—

(A) for the Air National Guard of the United States, $118,267,000; and

(B) for the Air Force Reserve, $31,502,000.

SEC. 2602. CORRECTION IN AUTHORIZED USES OF FUNDS FOR ARMY NATIONAL GUARD PROJECTS IN MISSISSIPPI.

Amounts appropriated pursuant to the authorization of appropriations in section 2601(1)(A) of the Military Construction Authorization Act for Fiscal Year 1994 (division B of Public Law 103-160; 107 Stat. 1878) for the addition or alteration of Army National Guard Armories at various locations in the State of Mississippi shall be available for the addition, alteration, or new construction of armory facilities and an operation and maintenance shop facility (including the acquisition of land for such facilities) at various locations in the State of Mississippi.

TITLE XXVII—EXPIRATION AND EXTENSION OF AUTHORIZATIONS

SEC. 2701. EXPIRATION OF AUTHORIZATIONS AND AMOUNTS REQUIRED TO BE SPECIFIED BY LAW.

(a) EXPIRATION OF AUTHORIZATIONS AFTER THREE YEARS.—Except as provided in subsection (b), all authorizations contained in titles XXI through XXVI for military construction projects, land acquisition, family housing projects and facilities, and contributions to the North Atlantic Treaty Organization Infrastructure program (and authorizations of appropriations therefor) shall expire on the later of—

(1) October 1, 1998; or

(2) the date of the enactment of an Act authorizing funds for military construction for fiscal year 1999.

(b) EXCEPTION.—Subsection (a) shall not apply to authorizations for military construction projects, land acquisition, family housing projects and facilities, and contributions to the North Atlantic Treaty Organization Infrastructure program (and authorizations of appropriations therefor), for which appropriated funds have been obligated before the later of—

(1) October 1, 1998; or

(2) the date of the enactment of an Act authorizing funds for fiscal year 1999 for military construction projects, land acquisition, family housing projects and facilities, or contributions to the North Atlantic Treaty Organization Infrastructure program.

SEC. 2702. EXTENSION OF AUTHORIZATIONS OF CERTAIN FISCAL YEAR 1993 PROJECTS.

(a) EXTENSIONS.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 1993 (division B of Public Law 102-484; 106 Stat. 2602), authorizations for the projects set forth in the tables in subsection (b), as provided in section 2101, 2102, 2201, 2301, or 2601 of that Act, shall remain in effect until October 1, 1996, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 1997, whichever is later.

(b) TABLES.—The tables referred to in subsection (a) are as follows:

Army: Extension of 1993 Project Authorizations

State	Installation or location	Project	Amount
Arkansas	Pine Bluff Arsenal	Ammunition Demilitarization Support Facility	$15,000,000
Hawaii	Schofield Barracks	Additions and Alterations Sewage Treatment Plant	$17,500,000
Virginia	Fort Pickett	Sewage Treatment Plant	$5,800,000
		Family Housing (26 Units)	$2,300,000

Navy: Extension of 1993 Project Authorizations

State	Installation or location	Project	Amount
California.	Camp Pendleton Marine Corps Base	Sewage Treatment Plant	$19,740,000
Maryland.	Patuxent River Naval Warfare Center	Advanced Systems Integration Facility	$60,990,000
Mississippi.	Meridian Naval Air Station	Child Development Center	$1,100,000
Virginia	Dam Neck Fleet Combat Training Center	Land Acquisition	$4,500,000

Air Force: Extension of 1993 Project Authorization

State or country	Installation or location	Project	Amount
District of Columbia	Bolling Air Force Base	Base Engineer Complex	$1,300,000
North Carolina.	Pope Air Force Base	Munitions Storage Complex	$4,300,000
Virginia	Langley Air Force Base	Civil Engineer Complex	$5,300,000
Guam	Andersen Air Force Base	Solid Waste Complex	$10,000,000
Portugal	Lajes Field	Water Wells	$865,000
		Fire Training Facility	$1,300,000

Army Reserve: Extension of 1993 Project Authorizations

State	Location	Project	Amount
West Virginia.	Bluefield	Additions and Alterations Reserve Center	$1,921,000
	Clarksburg	Additions and Alterations AMSA	$1,156,000
	Grantville	Reserve Center/OMS	$2,785,000
	Jane Lew	Reserve Center	$1,566,000
	Lewisburg	Reserve Center/OMS	$1,631,000
	Weirton	Reserve Center/OMS	$3,481,000

Army National Guard: Extension of 1993 Project Authorizations

State	Location	Project	Amount
New Jersey.	Fort Dix	Additions and Alterations Armory	$4,750,000
Oregon	La Grande	OMS	$995,000
		Armory Addition	$3,049,000

SEC. 2703. EXTENSION OF AUTHORIZATIONS OF CERTAIN FISCAL YEAR 1992 PROJECTS.

(a) EXTENSIONS.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 1992 (division B of Public Law 102-190; 105 Stat. 1535), authorizations for the projects set forth in the tables in subsection (b), as provided in section 2101 or 2601 of that Act and extended by section 2702(a) of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103-337; 108 Stat. 3047), shall remain in effect until October 1, 1996, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 1997, whichever is later.

(b) TABLES.—The tables referred to in subsection (a) are as follows:

Army: Extension of 1992 Project Authorizations

State	Installation or location	Project	Amount
Oregon	Umatilla Army Depot	Ammunition Demilitarization Support Facility	$3,600,000
		Ammunition Demilitarization Utilities	$7,500,000

Army Reserve: Extension of 1992 Project Authorization

State	Location	Project	Amount
Tennessee	Jackson	Joint Training Facility	$1,537,000

SEC. 2704. EFFECTIVE DATE.

Titles XXI, XXII, XXIII, XXIV, XXV, and XXVI shall take effect on the later of—

(1) October 1, 1995; or

(2) the date of the enactment of this Act.

TITLE XXVIII—GENERAL PROVISIONS

Subtitle A—Military Construction Program and Military Family Housing Changes

SEC. 2801. ALTERNATIVE MEANS OF ACQUIRING AND IMPROVING MILITARY FAMILY HOUSING AND SUPPORTING FACILITIES FOR THE ARMED FORCES.

(a) FINDINGS AND PURPOSE.—(1) Congress finds the following:

(A) Adequate military family housing is essential to the retention of well-trained and professional members of the Armed Forces.

(B) Current military family housing is in many circumstances substandard, inadequately maintained, or obsolete. Of the more than 375,000 military families living on military installations, two-thirds of such families reside in unsuitable quarters.

(C) Traditional military construction techniques are frequently lengthy and more expensive than commercial methods. At current appropriation levels, modernization of military family housing located on military installations could require more than 30 years to accomplish.

(D) A combination of private housing capital and commercial construction techniques could help to alleviate the shortage of suitable military family housing in a far more timely and cost effective manner.

(2) It is the purpose of this section to obtain new and improved military family housing and ancillary supporting facilities for the Armed Forces using private capital and expertise.

(b) ALTERNATIVE PROVISION OF HOUSING AND FACILITIES.—(1) Chapter 169 of title 10, United States Code, is amended by adding at the end the following new subchapter:

"SUBCHAPTER IV—ALTERNATIVE PROVISION OF MILITARY FAMILY HOUSING

"Sec.
"2871. Definitions.
"2872. General limitations and authorities.
"2873. Department of Defense Family Housing Improvement Fund.
"2875. Housing finance and acquisition authorities.
"2876. Expiration of authority.

"§2871. Definitions

"In this subchapter:

"(1) The term 'construction' means the construction of additional units of military family housing and ancillary supporting facilities or the replacement or renovation of existing units or ancillary supporting facilities.

"(2) The term 'ancillary supporting facilities' means facilities related to military family housing, such as day care centers, community centers, housing offices, maintenance complexes, tot lots, and parks. Such term does not include commercial facilities that could not otherwise be constructed using funds appropriated to the Department of Defense.

"(3) The term 'contract' includes any contract, lease, or other agreement entered into under the authority of this subchapter.

"(4) The term 'Fund' means the Department of Defense Family Housing Improvement Fund established under section 2873(a) of this title.

"§2872. General limitations and authorities

"(a) USE OF AUTHORITIES.—The Secretary concerned may use the authorities provided by this subchapter, singly or in conjunction with other authorities provided under this chapter, to help meet the military family housing needs of members of the armed forces and the dependents of such members at military installations at which there is a shortage of suitable housing for members and their dependents.

"(b) TERM.—Subject to section 2873(d)(2) of this title, a contract entered into under this subchapter may be for such term as the Secretary concerned considers to be in the best interests of the United States.

"(c) PHASED OCCUPANCY.—A contract under this subchapter may provide for phased occupancy of completed family housing units under one or more interim leases during the period of the construction or renovation of the housing units. In no case shall any such interim lease extend beyond the construction or renovation period.

"(d) UNIT SIZE AND TYPE.—Section 2826 of this title shall not apply to military family housing units acquired or constructed under this subchapter, except that room and floor area size of such housing units should generally be comparable to private sector housing available in the same locality. When acquiring existing family housing in lieu of construction under section 2824 of this title, the Secretary concerned may vary the number of types of units to be acquired as long as the total number of units is substantially the same as authorized by law.

"(e) LOCATION.—The Secretary concerned may use the authorities provided under this subchapter to acquire or construct military family housing units and ancillary supporting facilities in the United States, the Commonwealth of Puerto Rico, and in any territory or possession of the United States.

"(f) NOTIFICATION REQUIRED FOR CONTRACTS.—The Secretary concerned may not enter into a contract under this subchapter until after the end of the 21-day period beginning on the date the Secretary concerned submits to the appropriate committees of Congress written notice of the nature and terms of the contract.

"(g) ASSIGNMENTS.—The Secretary concerned may assign members of the armed forces to any military family housing obtained using the authorities provided in this subchapter in accordance with section 403(b) of title 37.

"(h) ALLOTMENTS.—The Secretary concerned may require a member of the armed forces to pay rent by allotment as a condition of occupying military family housing obtained using the authorities provided in this subchapter.

"(i) SUPPORTING FACILITIES.—Any contract entered into under this subchapter may include provisions for the construction or acquisition of ancillary supporting facilities.

"(j) AUTHORITY TO LEASE OR SELL LAND, HOUSING, AND SUPPORTING FACILITIES.—(1) The Secretary concerned may lease or sell land, housing, and ancillary supporting facilities under the jurisdiction of the Secretary for the purpose of providing additional military family housing or improving existing military family housing under this subchapter, except that the authority to lease or sell real property under this subchapter shall not extend to property located at a military installation approved for closure.

"(2) A sale or lease under this subsection may be made for such consideration and upon such terms and conditions as the Secretary concerned shall determine to be consistent with the purposes of this subchapter and the public interest. The acreage and legal description of any property leased or conveyed under this subsection shall be determined by a survey satisfactory to the Secretary concerned.

"(3) Section 2667 of this title, the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471), section 501 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11411), and section 321 of the Act of June 30, 1932 (47 Stat. 412) shall not apply to leases and sales under this subsection.

"(4) As part or all of the consideration for the sale or lease of property under this subsection,

the Secretary concerned shall require an ancillary agreement under which the person receiving the property agrees to give priority to military members and their dependents in the leasing of existing or new housing units under the control or provided by the person. Such agreements may provide for the payment by the Secretary concerned of security or damage deposits.

"§2873. Department of Defense Family Housing Improvement Fund

"(a) ESTABLISHMENT.—There is hereby established on the books of the Treasury an account to be known as the Department of Defense Family Housing Improvement Fund, which shall be administered by the Secretary of Defense as a single account. Amounts in the Fund shall be available without fiscal year limitation.

"(b) DEPOSITS.—There shall be deposited into the Fund the following:

"(1) Amounts authorized for and appropriated into the Fund.

"(2) Subject to subsection (c), any amounts that the Secretary of Defense may transfer to the Fund from amounts appropriated to the Department of Defense for construction of military family housing.

"(3) Proceeds received from the conveyance or lease of real property under section 2872(j) of this title, income from operations conducted under this subchapter, including refunds of deposits, and any return of capital or return on investments entered into under this subchapter.

"(c) NOTIFICATION REQUIRED FOR TRANSFERS.—A transfer of appropriated amounts to the Fund under subsection (b)(2) may be made only after the end of the 30-day period beginning on the date the Secretary of Defense submits written notice of, and justification for, the transfer to the appropriate committees of Congress.

"(d) USE OF FUNDS.—(1) In such total amount as is provided in advance in appropriation Acts, the Secretary of Defense may use amounts in the Fund for alternative means of financing military family housing and ancillary supporting facilities as authorized in this subchapter.

"(2) The Secretary may not enter into a contract under this subchapter unless the Fund contains sufficient amounts, as of the time the contract is entered into, to satisfy the total obligations to be incurred by the United States under the contract.

"(3) The total value in budget authority of all contracts and investments undertaken using the authorities provided in the subchapter shall not exceed $1,000,000,000.

"(e) LOANS AND LOAN GUARANTEES.—Loans and loan guarantees may be entered into under this subchapter only to the extent that appropriations of budget authority to cover their costs (as defined in section 502(5) of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a(5))) are made in advance, or authority is otherwise provided in appropriations Acts.

"(f) ANNUAL REPORT.—The Secretary of Defense shall submit to the appropriate committees of Congress an annual report detailing the expenditures from and deposits into the Fund during the preceding year and the utilization and effectiveness of the authorities provided by this subchapter. The Secretary shall submit the report at the same time that the President submits the budget to Congress under section 1105 of title 31.

"§2875. Housing finance and acquisition authorities

"(a) GUARANTEES.—(1) The Secretary concerned may enter into contracts that provide for guarantees, insurance, or other contingent payments to owners, mortgagors, or assignees of housing units and ancillary supporting facilities that are made available for use by members of the armed forces.

"(2) Contingencies under which payments may be made under such a contract include the following:

"(A) A failure to pay interest or principal on mortgages, generally or as a result of a base closure or realignment, a reduction in force, an extended deployment of assigned forces, or similar contingencies.

"(B) A failure to achieve specified occupancy levels of, or rental income from, housing units covered by a contract.

"(3) Such contracts may be on such terms and conditions as the Secretary concerned considers necessary or desirable to induce the provision of housing and ancillary supporting facilities, whether by acquisition or construction, for use by members of the armed forces, and to protect the financial interests of the United States.

"(b) LEASES.—The Secretary concerned may enter into a contract for the lease of housing units to be acquired or constructed on or near a military installation. Such a contract may provide for the owner of the property to operate and maintain the facilities.

"(c) DIFFERENTIAL PAYMENTS.—In entering into contracts under this subchapter, the Secretary concerned may make a differential payment in addition to rental payments made by individual members.

"(d) INVESTMENTS.—(1) The Secretary concerned may make investments in nongovernmental entities involved in the acquisition or construction of housing and ancillary supporting facilities on or near a military installation for such consideration and upon such terms and conditions as the Secretary concerned determines to be consistent with the purposes of this subchapter and the public interest.

"(2) Such investments may take the form of limited partnership interests, stock, debt instruments, or a combination thereof.

"(3) The investment made by the Secretary concerned in an acquisition or construction project under this subsection, whether the investment is in the form of cash, land or buildings under section 2872(j) of this title, or other form, may not exceed 35 percent of the capital costs of the acquisition or construction project.

"(e) COLLATERAL INCENTIVE AGREEMENTS.—The Secretary concerned may also enter into collateral incentive agreements in connection with investments made under subsection (d) to ensure that a suitable preference will be afforded members of the armed forces to lease or purchase, at affordable rates, a reasonable number of the housing units covered by the investment contract.

"§2876. Expiration of authority

"The authority of the Secretaries concerned to enter into contracts and partnerships and to make investments under this subchapter shall expire on September 30, 2000.".

(2) The table of subchapters at the beginning of chapter 169 of title 10, United States Code, is amended by inserting after the item relating to subchapter III the following new item:

IV. Alternative Provision of Military Family Housing ..... 2871.

SEC. 2802. INCLUSION OF OTHER ARMED FORCES IN NAVY PROGRAM OF LIMITED PARTNERSHIPS WITH PRIVATE DEVELOPERS FOR MILITARY HOUSING.

(a) EXPANDED AUTHORITY FOR HOUSING PARTNERSHIPS.—(1) Subchapter IV of chapter 169 of title 10, United States Code, as added by section 2801, is amended by inserting after section 2873 the following new section:

§"2874. Limited partnerships with private developers of housing

"(a) LIMITED PARTNERSHIPS.—In order to meet the housing requirements of members of the armed forces, and the dependents of such members, at a military installation described in section 2872(a) of this title, the Secretary concerned may enter into a limited partnership with one or more private developers to encourage the construction of housing and ancillary supporting facilities within commuting distance of the installation. Section 2875(d) of this title shall apply with respect to the investments the Secretary concerned may make toward development costs under a limited partnership.

"(b) COLLATERAL INCENTIVE AGREEMENTS.—The Secretary concerned may also enter into collateral incentive agreements with private developers who enter into a limited partnership under subsection (a) to ensure that, where appropriate—

"(1) a suitable preference will be afforded members of the armed forces in the lease or purchase, as the case may be, of a reasonable number of the housing units covered by the limited partnership; or

"(2) the rental rates or sale prices, as the case may be, for some or all of such units will be affordable for such members.

"(c) SELECTION OF INVESTMENT OPPORTUNITIES.—(1) The Secretary concerned shall use publicly advertised, competitively bid or competitively negotiated, contracting procedures, as provided in chapter 137 of this title, to enter into limited partnerships under subsection (a).

"(2) When a decision is made by the Secretary concerned to enter into a limited partnership under subsection (a), the Secretary shall submit a report in writing to the appropriate committees of Congress on that decision. Each such report shall include the justification for the limited partnership, the terms and conditions of the limited partnership, a description of the development costs for projects under the limited partnership, and a description of the share of such costs to be incurred by the Secretary concerned. The Secretary concerned may then enter into the limited partnership only after the end of the 21-day period beginning on the date the report is received by such committees.

"(d) HOUSING INVESTMENT BOARDS.—(1) Each Secretary concerned shall establish a housing investment board, which shall have the duties—

"(A) of advising the Secretary concerned regarding those proposed limited partnerships under subsection (a), if any, that are financially and otherwise sound investments for meeting the objectives of this section;

"(B) of administering amounts in the Account established under section 2873 of this title that are made available to the Secretary concerned to carry out this section; and

"(C) of performing such other tasks as the Secretary concerned determines to be necessary and appropriate to assist the Secretary to carry out the duties of the Secretary under this section.

"(2) A housing investment board shall be composed of seven members appointed for a two-year term by the Secretary concerned. Among such members, the Secretary concerned may appoint two persons from the private sector who have knowledge and experience in the financing and the construction of housing. The Secretary concerned shall designate one of the members as chairperson.

"(3) Members of a housing investment board, other than those members regularly employed by the Federal Government, may be paid while attending meetings of the board or otherwise serving at the request of the Secretary concerned, compensation at a rate equal to the daily equivalent of the minimum annual rate of basic pay payable for level IV of the Executive Schedule under section 5315 of title 5 for each day (including travel time) during which the member is engaged in the actual performance of duties vested in the board. Members shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5.

"(4) The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the housing investment boards.

"(5) The housing investment boards shall terminate on September 30, 2000.".

(2) The table of sections at the beginning of such subchapter is amended by inserting after the item relating to section 2873 the following new item:

"2874. Limited partnerships with private developers of housing.".

(b) PROCEEDS FROM PARTICIPATION IN PARTNERSHIPS.—Section 2873(b) of title 10, United States Code, as added by section 2801, is amended by adding at the end the following new paragraph:

"(4) Proceeds received by the Secretary concerned from the repayment of investments or profits on investments of the Secretary under section 2874(a) of this title.".

(c) CONFORMING REPEAL.—(1) Section 2837 of title 10, United States Code, is repealed. The repeal of such section shall not be construed to affect the validity or terms of any limited partnership or collateral incentive agreement entered into by the Secretary of the Navy under such section before the date of the enactment of this Act. Amounts in the Navy Housing Investment Account shall be transferred to the Department of Defense Family Housing Improvement Fund established under section 2873 of such title, as added by section 2801.

(2) The table of sections at the beginning of subchapter II of chapter 169 of title 10, United States Code, is amended by striking out the item relating to section 2837.

SEC. 2803. SPECIAL UNSPECIFIED MINOR CONSTRUCTION THRESHOLDS FOR PROJECTS TO CORRECT LIFE, HEALTH, AND SAFETY DEFICIENCIES AND CLARIFICATION OF UNSPECIFIED MINOR CONSTRUCTION AUTHORITY.

(a) SPECIAL THRESHOLDS.—Section 2805 of title 10, United States Code, is amended—

(1) in subsection (a)(1), by adding at the end the following new sentence: "However, if the military construction project is intended solely to correct a life, health, or safety deficiency, a minor military construction project may have an approved cost equal to or less than $3,000,000."; and

(2) in subsection (c)(1), by striking out "not more than $300,000." and inserting in lieu thereof the following: "not more than—

"(A) $1,000,000, in the case of an unspecified military construction project intended solely to correct a life, health, or safety deficiency; or

"(B) $300,000, in the case of other unspecified military construction projects.".

(b) DESCRIPTION OF MINOR CONSTRUCTION.—Subsection (a)(1) of such section is further amended by striking out "(1) that is for a single undertaking at a military installation, and (2)".

SEC. 2804. DISPOSITION OF AMOUNTS RECOVERED AS A RESULT OF DAMAGE TO REAL PROPERTY.

(a) IN GENERAL.—Chapter 165 of title 10, United States Code, is amended by inserting after section 2781 the following new section:

"§2782. Damage to real property: disposition of amounts recovered

"Except as provided in section 2775 of this title, amounts recovered for damage caused to real property under the jurisdiction of the Secretary of a military department or, with respect to the Defense Agencies, under the jurisdiction of the Secretary of Defense shall be credited to the account available for the repair or replacement of the real property at the time of recovery. In such amounts as are provided in advance in appropriation Acts, amounts so credited shall be available for use for the same purposes and under the same circumstances as other funds in the account.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2781 the following new item:

"2782. Damage to real property: disposition of amounts recovered.".

SEC. 2805. RENTAL OF FAMILY HOUSING IN FOREIGN COUNTRIES.

Section 2828(e) of title 10, United States Code, is amended—

(1) in paragraph (1)—

(A) by striking out "300 units" in the first sentence and inserting in lieu thereof "450 units"; and

(B) by striking out "220 such units" in the second sentence and inserting in lieu thereof "350 such units"; and

(2) in paragraph (2), by striking out "300 units" and inserting in lieu thereof "450 units".

SEC. 2806. PILOT PROGRAM TO PROVIDE INTEREST RATE BUY DOWN AUTHORITY ON LOANS FOR HOUSING WITHIN HOUSING SHORTAGE AREAS AT MILITARY INSTALLATIONS.

(a) SHORT TITLE.—This section may be cited as the "Military Housing Assistance Act of 1995".

(b) MORTGAGE ASSISTANCE PAYMENT AUTHORITY OF THE SECRETARY OF VETERANS AFFAIRS.—(1) Chapter 37 of title 38, United States Code, is amended by inserting after section 3707 the following:

"§3708. Authority to buy down interest rates: pilot program

"(a) In order to enable the purchase of housing in areas where the supply of suitable military housing is inadequate, the Secretary may conduct a pilot program under which the Secretary may make periodic or lump sum assistance payments on behalf of an eligible veteran for the purpose of buying down the interest rate on a loan to that veteran that is guaranteed under this chapter for a purpose described in paragraph (1), (2), (3), (6), or (10) of section 3710(a).

"(b) An individual is an eligible veteran for the purposes of this section if—

"(1) the individual is a veteran, as defined in section 3701(b)(4) of this title, or is on active Guard and Reserve duty, as defined by section 101(d) of title 10;

"(2) the individual submits an application for a loan guaranteed under this chapter within one year of an assignment of the individual to duty at a military installation in the United States designated by the Secretary of Defense as a housing shortage area;

"(3) at the time the loan referred to in subsection (a) is made, the individual is an enlisted member, warrant officer, or an officer (other than a warrant officer) at a pay grade of O–3 or below;

"(4) the individual has not previously used any of the individual's entitlement to housing loan benefits under this chapter; and

"(5) the individual receives comprehensive prepurchase counseling from the Secretary (or the designee of the Secretary) before making application for a loan guaranteed under this chapter.

"(c) Loans with respect to which the Secretary may exercise the buy down authority under subsection (a) shall—

"(1) provide for a buy down period of not more than three years in duration;

"(2) specify the maximum and likely amounts of increases in mortgage payments that the loans would require; and

"(3) be subject to such other terms and conditions as the Secretary may prescribe by regulation.

"(d) The Secretary shall promulgate underwriting standards for loans for which the interest rate assistance payments may be made under subsection (a). Such standards shall be based on the interest rate for the second year of the loan.

"(e) The Secretary or lender shall provide comprehensive prepurchase counseling to eligible veterans explaining the features of interest rate buy downs under subsection (a), including a hypothetical payment schedule that displays the increases in monthly payments to the mortgagor over the first five years of the mortgage term. For the purposes of this subsection, the Secretary may assign personnel to military installations referred to in subsection (b)(2).

"(f) There is authorized to be appropriated $3,000,000 annually to carry out this section.

"(g) The Secretary may not guarantee a loan under this chapter after September 30, 1998, on which the Secretary is obligated to make payments under this section.".

(2) The table of sections at the beginning of chapter 37 of title 38, United States Code, is amended by inserting after the item relating to section 3707 to following new item:

"3708. Authority to buy down interest rates: pilot program.".

(c) AUTHORITY OF SECRETARY OF DEFENSE.—

(1) REIMBURSEMENT FOR BUY DOWN COSTS.—The Secretary of Defense shall reimburse the Secretary of Veterans Affairs for amounts paid by the Secretary of Veterans Affairs to mortgagees under section 3708 of title 38, United States Code.

(2) DESIGNATION OF HOUSING SHORTAGE AREAS.—For purposes of section 3708 of title 38, United States Code, the Secretary of Defense may designate as a housing shortage area a military installation in the United States at which the Secretary determines there is a shortage of suitable housing to meet the military family needs of members of the Armed Forces and the dependents of such members.

(3) REPORT.—Not later than six months after September 30, 1998, the Secretary shall submit a report to Congress regarding the effectiveness in providing housing to members of the Armed Forces and their dependents through the provisions of this subsection and section 3708 of title 38, United States Code.

(4) EARMARK.—Of the amount provided in section 2405(a)(13)(B), $10,000,000 for fiscal year 1996 shall be available to carry out this subsection.

(5) SUNSET.—This subsection shall not apply with respect to housing loans guaranteed after September 30, 1998, for which assistance payments are paid under section 3708 of title 38, United States Code.

Subtitle B—Base Closure and Realignment

SEC. 2811. AUTHORITY TO TRANSFER PROPERTY AT MILITARY INSTALLATIONS TO BE CLOSED TO PERSONS WHO CONSTRUCT OR PROVIDE MILITARY FAMILY HOUSING.

(a) BASE CLOSURES UNDER 1988 ACT.—Section 204 of the Defense Authorization Amendments and Base Closure and Realignment Act (title II of Public Law 100–526; 10 U.S.C. 2687 note) is amended by adding at the end the following new subsection:

"(e) TRANSFER AUTHORITY IN CONNECTION WITH CONSTRUCTION OR PROVISION OF MILITARY FAMILY HOUSING.—(1) Subject to paragraph (2), the Secretary may enter into an agreement to transfer by deed real property or facilities located at an installation closed or to be closed under this title with any person who agrees, in exchange for the real property or facilities, to transfer to the Secretary housing units that are constructed or provided by the person and located at or near a military installation at which there is a shortage of suitable housing to meet the requirements of members of the Armed Forces and their dependents. The Secretary may not select real property for transfer under this paragraph if the property is identified in the redevelopment plan for the installation as items

essential to the reuse or redevelopment of the installation.

"(2) A transfer of real property or facilities may be made under paragraph (1) only if—

"(A) the fair market value of the housing units to be received by the Secretary in exchange for the property or facilities to be transferred is equal to or greater than the fair market value of such property or facilities, as determined by the Secretary; or

"(B) the recipient of the property or facilities agrees to pay to the Secretary the difference between the fair market values if the fair market value of the housing units is lower than the fair market value of the property or facilities to be transferred.

"(3) Notwithstanding section 207(a)(7), the Secretary shall deposit funds received under paragraph (2)(B) in the Department of Defense Family Housing Improvement Fund established under section 2873(a) of title 10, United States Code.

"(4) The Secretary shall submit to the appropriate committees of Congress a report describing each agreement proposed to be entered into under paragraph (1), including the consideration to be received by the United States under the agreement. The Secretary may not enter into the agreement until the end of the 21-day period beginning on the date the appropriate committees of Congress receive the report regarding the agreement.

"(5) The Secretary may require any additional terms and conditions in connection with an agreement authorized by this subsection as the Secretary considers appropriate to protect the interests of the United States.".

(b) BASE CLOSURES UNDER 1990 ACT.—Section 2905 of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) is amended by adding at the end the following new subsection:

"(f) TRANSFER AUTHORITY IN CONNECTION WITH CONSTRUCTION OR PROVISION OF MILITARY FAMILY HOUSING.—(1) Subject to paragraph (2), the Secretary may enter into an agreement to transfer by deed real property or facilities located at an installation closed or to be closed under this part with any person who agrees, in exchange for the real property or facilities, to transfer to the Secretary housing units that are constructed or provided by the person and located at or near a military installation at which there is a shortage of suitable housing to meet the requirements of members of the Armed Forces and their dependents. The Secretary may not select real property for transfer under this paragraph if the property is identified in the redevelopment plan for the installation as items essential to the reuse or redevelopment of the installation.

"(2) A transfer of real property or facilities may be made under paragraph (1) only if—

"(A) the fair market value of the housing units to be received by the Secretary in exchange for the property or facilities to be transferred is equal to or greater than the fair market value of such property or facilities, as determined by the Secretary; or

"(B) the recipient of the property or facilities agrees to pay to the Secretary the difference between the fair market values if the fair market value of the housing units is lower than the fair market value of the property or facilities to be transferred.

"(3) Notwithstanding section 2906(a)(2), the Secretary shall deposit funds received under paragraph (2)(B) in the Department of Defense Family Housing Improvement Fund established under section 2873(a) of title 10, United States Code.

"(4) The Secretary shall submit to the appropriate committees of Congress a report describing each agreement proposed to be entered into under paragraph (1), including the consideration to be received by the United States under the agreement. The Secretary may not enter into the agreement until the end of the 30-day period beginning on the date the appropriate committees of Congress receive the report regarding the agreement.

"(5) The Secretary may require any additional terms and conditions in connection with an agreement authorized by this subsection as the Secretary considers appropriate to protect the interests of the United States.".

(c) REGULATIONS.—Not later than nine months after the date of the enactment of this Act, the Secretary of Defense shall prescribe any regulations necessary to carry out subsection (e) of section 204 of the Defense Authorization Amendments and Base Closure and Realignment Act (title II of Public Law 100–526; 10 U.S.C. 2687 note), as added by subsection (a), and subsection (f) of section 2905 of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note), as added by subsection (b).

SEC. 2812. DEPOSIT OF PROCEEDS FROM LEASES OF PROPERTY LOCATED AT INSTALLATIONS BEING CLOSED OR REALIGNED.

(a) EXCEPTION TO EXISTING REQUIREMENTS.—Section 2667(d) of title 10, United States Code, is amended—

(1) in paragraph (1)(A)(ii), by inserting "or (5)" after "paragraph (4)"; and

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

"(5) Money rentals received by the United States from a lease under subsection (f) shall be deposited into the relevant account established under section 207(a) of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note) or section 2906(a) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note).".

(b) CORRESPONDING AMENDMENTS TO BASE CLOSURE LAWS.—(1) Section 207(a) of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note) is amended—

(A) in paragraph (2)—

(i) by striking out "and" at the end of subparagraph (B);

(ii) by striking out the period at the end of subparagraph (C) and inserting in lieu thereof "; and"; and

(iii) by adding at the end the following new subparagraph:

"(D) proceeds from leases of property under section 2667(f) of title 10, United States Code, at a military installation to be closed or realigned under this title."; and

(B) in paragraph (7), by striking out "transfer or disposal" and inserting in lieu thereof "lease, transfer, or disposal".

(2) Section 2906(a)(2) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2867 note) is amended—

(A) in subparagraph (C), by striking out "transfer or disposal" and inserting in lieu thereof "lease, transfer, or disposal"; and

(B) in subparagraph (D), by striking out "transfer or disposal" and inserting in lieu thereof "lease, transfer, or disposal".

SEC. 2813. AGREEMENTS FOR CERTAIN SERVICES AT INSTALLATIONS BEING CLOSED.

(a) CLOSURES UNDER 1988 ACT.—Section 204(b)(8) of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note) is amended by striking out subparagraph (A) and inserting in lieu thereof the following new subparagraph:

"(A) Subject to subparagraph (C), the Secretary may enter into agreements (including contracts, cooperative agreements, or other arrangements for reimbursement) with local governments for the provision of police or security services, fire protection services, airfield operation services, or other community services by such governments at military installations to be closed under this title if the Secretary determines that the provision of such services under such an agreement is in the best interests of the Department of Defense.".

(b) CLOSURES UNDER 1990 ACT.—Section 2905(b)(8) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2867 note) is amended by striking out subparagraph (A) and inserting in lieu thereof the following new subparagraph:

"(A) Subject to subparagraph (C), the Secretary may enter into agreements (including contracts, cooperative agreements, or other arrangements for reimbursement) with local governments for the provision of police or security services, fire protection services, airfield operation services, or other community services by such governments at military installations to be closed under this part if the Secretary determines that the provision of such services under such an agreement is in the best interests of the Department of Defense.".

Subtitle C—Land Conveyances Generally

SEC. 2821. TRANSFER OF JURISDICTION, FORT SAM HOUSTON, TEXAS.

(a) TRANSFER OF LAND FOR NATIONAL CEMETERY.—The Secretary of the Army may transfer, without reimbursement, to the administrative jurisdiction of the Secretary of Veterans Affairs a parcel of real property (including any improvements thereon) consisting of approximately 53 acres and comprising a portion of Fort Sam Houston, Texas.

(b) USE OF LAND.—The Secretary of Veterans Affairs shall use the real property transferred under subsection (a) as a national cemetery under chapter 24 of title 38, United States Code.

(c) RETURN OF UNUSED LAND.—If the Secretary of Veterans Affairs determines that any portion of the real property transferred under subsection (a) is not needed for use as a national cemetery, the Secretary of Veterans Affairs shall return such portion to the administrative jurisdiction of the Secretary of the Army.

(d) LEGAL DESCRIPTION.—The exact acreage and legal description of the real property to be transferred under this section shall be determined by surveys that are satisfactory to the Secretary of the Army. The cost of such surveys shall be borne by the Secretary of Veterans Affairs.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary of the Army may require such additional terms and conditions in connection with the transfer under this section as the Secretary of the Army considers appropriate to protect the interests of the United States.

SEC. 2822. LAND ACQUISITION OR EXCHANGE, SHAW AIR FORCE BASE, SUMTER, SOUTH CAROLINA.

(a) LAND ACQUISITION.—By means of an exchange of property, acceptance as a gift, or other means that does not require the use of appropriated funds, the Secretary of the Air Force may acquire all right, title, and interest in and to a parcel of real property (together with any improvements thereon) consisting of approximately 1,100 acres and located adjacent to the eastern end of Shaw Air Force Base, South Carolina, and extending to Stamey Livestock Road in Sumter County, South Carolina.

(b) LAND EXCHANGE AUTHORIZED.—For purposes of acquiring the real property described in subsection (a), the Secretary may participate in a land exchange and convey all right, title, and

interest of the United States in and to a parcel of real property in the possession of the Air Force if—

(1) the Secretary determines that the land exchange is in the best interests of the Air Force; and

(2) the fair market value of the Air Force parcel to be conveyed does not exceed the fair market value of the parcel to be acquired.

(c) DETERMINATIONS OF FAIR MARKET VALUE.—The Secretary shall determine the fair market value of the parcels of real property to be conveyed pursuant to subsections (a) and (b). Such determinations shall be final.

(d) DESCRIPTIONS OF PROPERTY.—The exact acreage and legal descriptions of the parcels of real property to be conveyed pursuant to subsections (a) and (b) shall be determined by surveys that are satisfactory to the Secretary.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the acquisition under subsection (a) or conveyance under subsection (b) as the Secretary considers appropriate to protect the interests of the United States.

(f) REVERSION OF GIFT CONVEYANCE.—If the Secretary acquires the real property described in subsection (a) by way of gift, the Secretary may accept in the deed of conveyance terms or conditions that require that the land be reconveyed to the donor, or the heirs of the donor, if Shaw Air Force Base ceases operations and is closed.

SEC. 2823. TRANSFER OF CERTAIN REAL PROPERTY AT NAVAL WEAPONS INDUSTRIAL RESERVE PLANT, CALVERTON, NEW YORK, FOR USE AS NATIONAL CEMETERY.

(a) TRANSFER AUTHORIZED.—Notwithstanding section 2854 of the Military Construction Authorization Act for Fiscal Year 1993 (division B of Public Law 102-484; 106 Stat. 2626), the Secretary of the Navy may transfer, without reimbursement, to the Secretary of Veterans Affairs a parcel of real property consisting of approximately 150 acres located adjacent to the Calverton National Cemetery, Calverton, New York, and comprising a portion of the buffer zone of the Naval Weapons Industrial Reserve Plant, Calverton.

(b) USE OF PROPERTY.—The Secretary of Veterans Affairs shall use the real property transferred under subsection (a) as an addition to the Calverton National Cemetery and administer such real property pursuant to chapter 24 of title 38, United States Code.

(c) SURVEYS.—The cost of any surveys necessary for the transfer of jurisdiction of the real property described in subsection (a) from the Secretary of the Navy to the Secretary of Veterans Affairs shall be borne by the Secretary of Veterans Affairs.

SEC. 2824. LAND CONVEYANCE, FORT ORD, CALIFORNIA.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey to the City of Seaside, California (in this section referred to as the "City"), all right, title, and interest of the United States in and to a parcel of real property (including improvements thereon) consisting of approximately 477 acres located in Monterey County, California, and comprising a portion of the former Fort Ord Military Complex. The real property to be conveyed to the City includes the two Fort Ord Golf Courses, Black Horse and Bayonet, and the Hayes Housing Facilities.

(b) CONSIDERATION.—As consideration for the conveyance of the real property and improvements under subsection (a), the City shall pay to the United States an amount equal to the fair market value of the property to be conveyed, as determined by the Secretary under such terms and conditions as are determined to be fair and equitable to both parties.

(c) USE AND DEPOSIT OF PROCEEDS.—(1) From the funds paid by the City under subsection (b), the Secretary shall deposit in the Morale, Welfare, and Recreation Fund Account of the Department of the Army an amount equal to the portion of such funds corresponding to the fair market value of the two Fort Ord Golf Courses conveyed under subsection (a), as established under subsection (b).

(2) The Secretary shall deposit the balance of the funds paid by the City under subsection (b), after deducting the amount deposited under paragraph (1), in the Department of Defense Base Closure Account 1990.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property (including improvements thereon) to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary and the City. The cost of the survey shall be borne by the City.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2825. LAND CONVEYANCE, INDIANA ARMY AMMUNITION PLANT, CHARLESTOWN, INDIANA.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without consideration, to the State of Indiana (in this section referred to as the "State"), all right, title, and interest of the United States in and to a parcel of real property, including any improvements thereon, that consists of approximately 1125 acres at the inactivated Indiana Army Ammunition Plant in Charlestown, Indiana, and is the subject of a 25-year lease between the Secretary and the State.

(b) CONDITION OF CONVEYANCE.—The conveyance authorized under subsection (a) shall be subject to the condition that the State use the conveyed property for recreational purposes.

(c) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of such survey shall be borne by the State.

(d) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2826. LAND CONVEYANCE, NAVAL AIR STATION, PENSACOLA, FLORIDA.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Navy may convey to West Florida Developers, Inc. (in this section referred to as "WFD"), all right, title, and interest of the United States in and to a parcel of unimproved real property consisting of approximately 135 acres at Naval Air Station, Pensacola, Florida.

(b) CONSIDERATION.—(1) As consideration for the conveyance under subsection (a), WFD shall agree to restrict the use of all lands located within the Air Installation Compatible Use Zones of Naval Air Station Pensacola and owned by WFD at the time of the conveyance under subsection (a) in such manner as specified by the Secretary. The lands subject to such restriction shall total at least 300 acres.

(2) If the fair market value of the property conveyed under subsection (a) is more than the fair market value of the restriction on usage under paragraph (1), WFD shall pay to the United States an amount equal to the difference between the fair market values.

(c) DETERMINATION OF FAIR MARKET VALUE.—The Secretary shall determine the fair market value of the property to be conveyed under subsection (a) and the fair market value of the restriction on usage under subsection (b)(1). Such determination shall be final.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of such survey shall be borne by WFD.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance authorized by subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2827. LAND CONVEYANCE, AVON PARK AIR FORCE RANGE, SEBRING, FLORIDA.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Air Force may convey, without consideration, to Highlands County, Florida (in this section referred to as the "County"), all right, title, and interest of the United States in and to a parcel of real property (including any improvements thereon) located within the boundaries of the Avon Park Air Force Range near Sebring, Florida, which has previously served as the location of a support complex and recreational facilities for the Avon Park Air Force Range.

(b) CONDITIONS OF CONVEYANCE.—The conveyance authorized under subsection (a) shall be subject to the conditions that the County—

(1) directly or through an agreement with an appropriate public or private entity, use the conveyed property, including the support complex and recreational facilities, for operation of a juvenile or other correctional facility; and

(2) enter into an agreement with the Secretary to reconvey the property to the United States if the Secretary determines that the conveyed property is necessary to accomplish the military mission of the Avon Park Air Force Range.

(c) REVERSIONARY INTEREST.—If the Secretary determines at any time that the property conveyed under subsection (a) is not being used in accordance with subsection (b), all right, title, and interest in the property shall revert to the United States, and the United States shall have the right of immediate entry onto the property.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of such survey shall be borne by the County.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2828. LAND CONVEYANCE, PARKS RESERVE FORCES TRAINING AREA, DUBLIN, CALIFORNIA.

(a) CONVEYANCE AUTHORIZED.—(1) Except as provided in paragraph (2), the Secretary of the Army may convey to the County of Alameda, California (in this section referred to as the "County"), all right, title, and interest of the United States in and to a parcel of real property consisting of approximately 31 acres, together with improvements thereon, located at Parks Reserve Forces Training Area, Dublin, California.

(2) The conveyance authorized by this section shall not include any oil, gas, or mineral interest of the United States in the real property to be conveyed.

(b) CONSIDERATION.—(1) As consideration for the conveyance under subsection (a)(1), the County shall provide the Army with services at the portion of Parks Reserve Forces Training Area retained by the Army—

(A) to relocate the main gate of the retained Army Training Area from Dougherty Road to Dublin Boulevard across from the Bay Area Rapid Transit District East Dublin station, including the closure of the existing main gate on

Dougherty Road, construction of a security facility, and construction of a roadway from the new entrance to Fifth Street;

(B) to fence and landscape the southern boundary of the retained Army Training Area installation located northerly of Dublin Boulevard;

(C) to fence and landscape the eastern boundary of the retained Army Training Area from Dublin Boulevard to Gleason Drive;

(D) to resurface roadways within the retained Army Training Area;

(E) to provide such other services in connection with the retained Army Training Area, including relocation or reconstruction of water lines, relocation or reconstruction of sewer lines, construction of drainage improvements, and construction of buildings, as the Secretary and the County may determine to be appropriate; and

(F) to provide for and fund any environmental mitigation that is necessary as a result of a change in use of the conveyed property by the County.

(2) The detailed specifications for the services to be provided under paragraph (1) may be determined and approved on behalf of the Secretary by the Commander of Parks Reserve Forces Training Area. The preparation costs of such specifications shall be borne by the County.

(3) The value of improvements and services received by the United States from the County under paragraph (1) must be equal to or exceed the appraised value of the real property to be conveyed under subsection (a)(1). The appraisal of the value of the property shall be subject to Government review and approval.

(c) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a)(1) shall be determined by a survey satisfactory to the Secretary. The cost of such survey shall be borne by the County.

(d) TIME FOR TRANSFER OF TITLE.—The transfer of title to the County under subsection (a)(1) may be executed by the Secretary only upon the satisfactory guarantee by the County of completion of the services to be provided under subsection (b).

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a)(1) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2829. LAND CONVEYANCE, HOLSTON ARMY AMMUNITION PLANT, MOUNT CARMEL, TENNESSEE.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without reimbursement, to the City of Mount Carmel, Tennessee (in this section referred to as the "City"), all right, title, and interest of the United States in and to a parcel of real property consisting of approximately 6.5 acres, together with any improvements thereon, located at Holston Army Ammunition Plant, Tennessee. The property is located adjacent to the Mount Carmel Cemetery and is intended for expansion of the cemetery.

(b) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of such survey shall be borne by the City.

(c) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2830. LAND CONVEYANCE, NAVAL WEAPONS INDUSTRIAL RESERVE PLANT, MCGREGOR, TEXAS.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Navy may convey, without consideration, to the City of McGregor, Texas (in this section referred to as the "City"), all right, title, and interest of the United States in and to a parcel of real property, including any improvements thereon, containing the Naval Weapons Industrial Reserve Plant in McGregor, Texas. After screening the facilities, equipment, and fixtures (including special tooling and special test equipment) located on the parcel for other uses within the Department of the Navy, the Secretary may include in the conveyance remaining facilities, equipment, and fixtures if the Secretary determines that manufacturing activities requiring the use of such facilities, equipment, and fixtures are likely to continue or be reinstated on the parcel after conveyance.

(b) LEASE AUTHORITY.—Until such time as the real property described in subsection (a) is conveyed by deed, the Secretary may lease the property, along with improvements thereon, to the City in exchange for security services, fire protection, and maintenance provided by the City for the property.

(c) CONDITION OF CONVEYANCE.—The conveyance authorized under subsection (a) shall be subject to the condition that the City, directly or through an agreement with a public or private entity, use the conveyed property (or offer the conveyed property for use) for economic redevelopment to replace all or a part of the economic activity being lost at the parcel.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of such survey shall be borne by the City.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) or a lease under subsection (b) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2831. TRANSFER OF JURISDICTION AND LAND CONVEYANCE, FORT DEVENS MILITARY RESERVATION, MASSACHUSETTS.

(a) TRANSFER OF LAND FOR WILDLIFE REFUGE.—Subject to subsection (b), the Secretary of the Army shall transfer, without reimbursement, to the administrative jurisdiction of the Secretary of the Interior that portion of Fort Devens Military Reservation in the State of Massachusetts that is situated south of Massachusetts State Route 2, for inclusion in the Oxbow National Wildlife Refuge. The transfer shall be made as soon as possible after the date on which the property is determined to be excess to the needs of the Department of Defense.

(b) LAND CONVEYANCE AUTHORIZED.—The Secretary of the Army shall convey to the Town of Lancaster, Massachusetts (in this section referred to as the "Town"), all right, title, and interest of the United States in and to a parcel of real property consisting of approximately 100 acres of the parcel available for transfer under subsection (a) and located adjacent to Massachusetts State Highway 70.

(c) LEGAL DESCRIPTION.—(1) The exact acreage and legal description of the real property to be transferred under subsection (a) shall be determined by surveys that are mutually satisfactory to the Secretary of the Army and the Secretary of the Interior. The cost of such surveys shall be borne by the Secretary of the Interior.

(2) The exact acreage and legal description of the real property to be conveyed under subsection (b) shall be determined by surveys that are mutually satisfactory to the Secretary of the Army, the Secretary of the Interior, and the Board of Selectman of the Town. The cost of such surveys shall be borne by the Town.

(d) ADDITIONAL TERMS AND CONDITIONS.—The Secretary of the Army may require such additional terms and conditions in connection with the transfer and conveyance under this section as the Secretary of the Army considers appropriate to protect the interests of the United States.

SEC. 2832. LAND CONVEYANCE, ELMENDORF AIR FORCE BASE, ALASKA.

(a) SALE TO PRIVATE PERSON AUTHORIZED.—(1) The Secretary of the Air Force may sell to a private person all right, title, and interest of the United States in and to a parcel of real property consisting of approximately 31.69 acres that is located at Elmendorf Air Force Base, Anchorage, Alaska, and identified in land lease W-95-507-ENG-58.

(2) The Secretary may select as purchaser of the real property such private person as the Secretary, in the sole exercise of the Secretary's discretion, considers appropriate. The conveyance shall be subject to the condition that the purchaser agree to provide appropriate maintenance for the apartment complex located on the property to be conveyed and used by members of the Armed Forces stationed at Elmendorf Air Force Base and their dependents.

(b) CONSIDERATION.—In consideration for the conveyance under subsection (a), the purchaser shall pay to the United States an amount equal to the fair market value of the real property to be conveyed, as determined by an appraisal satisfactory to the Secretary. In determining the fair market value of the real property, the Secretary shall consider the property as encumbered by land lease W-95-507-ENG-58, with an expiration date of June 13, 2024.

(c) DEPOSIT OF PROCEEDS.—The Secretary shall deposit the amount received from the purchaser under subsection (b) in the special account established under section 204(h)(2) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 585(h)(2)).

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of such survey shall be borne by the purchaser.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2833. LAND CONVEYANCE ALTERNATIVE TO EXISTING LEASE AUTHORITY, NAVAL SUPPLY CENTER, OAKLAND, CALIFORNIA.

Section 2834(b) of the Military Construction Authorization Act for Fiscal Year 1993 (division B of Public Law 102-484; 106 Stat. 2614), as amended by section 2833 of the Military Construction Authorization Act for Fiscal Year 1994 (division B of Public Law 103-160) and section 2821 of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103-337), is further amended by adding at the end the following new paragraphs:

"(4) In lieu of entering into a lease under paragraph (1), or in place of an existing lease under such paragraph, the Secretary may convey, without consideration, the property described in such paragraph to the City of Oakland, California, the Port of Oakland, California, or the City of Alameda, California, under such terms and conditions as the Secretary considers appropriate.

"(5) The exact acreage and legal description of any property conveyed under paragraph (4) shall be determined by a survey satisfactory to

the Secretary. The cost of each survey shall be borne by the recipient of the property.".

Subtitle D—Land Conveyances Involving Utilities

SEC. 2841. CONVEYANCE OF RESOURCE RECOVERY FACILITY, FORT DIX, NEW JERSEY.

(a) AUTHORITY TO CONVEY.—The Secretary of the Army may convey to Burlington County, New Jersey (in this section referred to as the "County"), all right, title, and interest of the United States in and to a parcel of real property at Fort Dix, New Jersey, consisting of approximately two acres and containing a resource recovery facility, known as the Fort Dix resource recovery facility.

(b) RELATED EASEMENTS.—The Secretary may grant to the County any easement that is necessary for access to and operation of the resource recovery facility conveyed under subsection (a).

(c) CONDITIONS ON CONVEYANCE.—The conveyance of the resource recovery facility authorized by subsection (a) is subject to the following conditions:

(1) That the County accept the resource recovery facility in its existing condition at the time of conveyance.

(2) That the County provide refuse and steam service to Fort Dix, New Jersey, at the rate established by the appropriate Federal or State regulatory authority.

(3) That the County comply with all applicable environmental laws and regulations relating to the resource recovery facility, including any permit or license requirements.

(4) That the County assume full responsibility for ownership, operation, maintenance, repair, and all regulatory compliance requirements for the resource recovery facility.

(d) CONDITION ON EXPANSION.—The conveyance of the resource recovery facility under subsection (a) shall also be subject to the condition that the County may not expand the resource recovery facility without prior approval by the Secretary.

(e) ENVIRONMENTAL COMPLIANCE.—The County shall be responsible for owning, operating, and upgrading the resource recovery facility in accordance with all applicable Federal, State, and municipal laws and regulations promulgated thereunder.

(f) DESCRIPTION OF THE PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a), and of any easements to be granted under subsection (b), shall be determined by a survey satisfactory to the Secretary. The cost of such survey shall be borne by the County.

(g) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) and the grant of any easement under subsection (b) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2842. CONVEYANCE OF WATER AND WASTEWATER TREATMENT PLANTS, FORT GORDON, GEORGIA.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey to the city of Augusta, Georgia (in this section referred to as the "City"), all right, title, and interest of the United States to several parcels of real property located at Fort Gordon, Georgia, and consisting of approximately seven acres each. The parcels are improved with a water filtration plant, water distribution system with storage tanks, sewage treatment plant, and sewage collection system.

(b) RELATED EASEMENTS.—The Secretary may grant to the City any easement that is necessary for access to the real property conveyed under subsection (a) and operation of the conveyed facilities.

(c) CONDITIONS ON CONVEYANCE.—The conveyance authorized by subsection (a) is subject to the following conditions:

(1) That the City accept the water and wastewater treatment plants and distribution and collection systems in their existing condition at the time of conveyance.

(2) That the City provide water and sewer service to Fort Gordon, Georgia, at a rate established by the appropriate Federal or State regulatory authority.

(3) That the City comply with all applicable environmental laws and regulations regarding the real property conveyed under subsection (a), including any permit or license requirements.

(4) That the City assume full responsibility for ownership, operation, maintenance, repair, and all regulatory compliance requirements for the water and wastewater treatment plants and distribution and collection systems.

(d) CONDITION ON EXPANSION.—The conveyance under subsection (a) shall also be subject to the condition that the City may not expand the water and wastewater treatment plants and distribution and collection systems without prior approval by the Secretary.

(e) ENVIRONMENTAL COMPLIANCE.—The City shall be responsible for owning, operating, and upgrading the water and wastewater treatment plants and distribution and collection systems in accordance with all applicable Federal, State, and municipal laws and regulations promulgated thereunder.

(f) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a), and of any easements granted under subsection (b), shall be determined by a survey satisfactory to the Secretary. The cost of such survey shall be borne by the City.

(g) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) and the grant of any easement under subsection (b) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2843. CONVEYANCE OF ELECTRICAL DISTRIBUTION SYSTEM, FORT IRWIN, CALIFORNIA.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey to the Southern California Edison Company, California (in this section referred to as the "Company"), all right, title, and interest of the United States in and to the electrical distribution system located at Fort Irwin, California.

(b) DESCRIPTION OF SYSTEM AND CONVEYANCE.—The electrical distribution system authorized to be conveyed under subsection (a) consists of approximately 115 miles of electrical distribution lines, including poles, switches, reclosers, transformers, regulators, switchgears, and service lines. The conveyance includes the equipment, fixtures, structures, and other improvements the Federal Government utilizes to provide electrical services at Fort Irwin. The conveyance shall not include any real property.

(c) RELATED EASEMENTS.—The Secretary may grant to the Company any easement that is necessary for access to and operation of the electrical distribution system conveyed under subsection (a).

(d) CONDITIONS ON CONVEYANCE.—The conveyance authorized by subsection (a) is subject to the following conditions:

(1) That the Company accept the electrical distribution system in its existing condition at the time of conveyance.

(2) That the Company provide electrical service to Fort Irwin, California, at a rate established by the appropriate Federal or State regulatory authority.

(3) That the Company comply with all applicable environmental laws and regulations regarding the electrical distribution system, including any permit or license requirements.

(4) That the Company assume full responsibility for ownership, operation, maintenance, repair, and all regulatory compliance requirements for the electrical distribution system.

(e) CONDITION ON EXPANSION.—The conveyance under subsection (a) shall also be subject to the condition that the Company may not expand the electrical distribution system without prior approval by the Secretary.

(f) ENVIRONMENTAL COMPLIANCE.—The Company shall be responsible for owning, operating, and upgrading the electrical distribution system in accordance with all applicable Federal, State, and municipal laws and regulations promulgated thereunder.

(g) DESCRIPTION OF EASEMENT.—The exact acreage and legal description of any easement granted under subsection (c) shall be determined by a survey satisfactory to the Secretary. The cost of such survey shall be borne by the Company.

(h) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) and the grant of any easement under subsection (c) as the Secretary considers appropriate to protect the interests of the United States.

Subtitle E—Other Matters

SEC. 2851. EXPANSION OF AUTHORITY TO SELL ELECTRICITY.

(a) INCLUSION OF ADDITIONAL ENERGY PRODUCTION FACILITIES.—Subsection (a) of section 2483 of title 10, United States Code, is amended by striking out "alternate energy and cogeneration type production facilities" in the first sentence and inserting in lieu thereof "energy production facilities".

(b) CLERICAL AMENDMENTS.—(1) The heading of such section is amended to read as follows:

"§2483. Special sale authority regarding electricity".

(2) The table of sections at the beginning of chapter 147 of title 10, United States Code, is amended by striking out the item relating to section 2483 and inserting in lieu thereof the following new item:

"2483. Special sale authority regarding electricity.".

SEC. 2852. AUTHORITY FOR MISSISSIPPI STATE PORT AUTHORITY TO USE NAVY PROPERTY AT NAVAL CONSTRUCTION BATTALION CENTER, GULFPORT, MISSISSIPPI.

(a) JOINT USE AGREEMENT AUTHORIZED.—The Secretary of the Navy may enter into an agreement with the Port Authority of the State of Mississippi (in this section referred to as the "Port Authority"), under which the Port Authority may use real property comprising up to 50 acres located at the Naval Construction Battalion Center, Gulfport, Mississippi (in this section referred to as the "Center").

(b) TERM OF AGREEMENT.—The agreement authorized under subsection (a) may be for an initial period of not more than 15 years. Under the agreement, the Secretary shall provide the Port Authority with an option to extend the agreement for at least three additional periods of five years each.

(c) CONDITIONS ON USE.—The agreement authorized under subsection (a) shall require the Port Authority—

(1) to suspend operations under the agreement in the event Navy contingency operations are conducted at the Center; and

(2) to use the property covered by the agreement in a manner consistent with Navy operations conducted at the Center.

(d) CONSIDERATION.—(1) As consideration for the use of the property covered by the agreement

under subsection (a), the Port Authority shall pay to the Navy an amount equal to the fair market rental value of the property, as determined by the Secretary taking into consideration the Port Authority's use of the property.

(2) The Secretary may include a provision in the agreement requiring the Port Authority—

(A) to pay the Navy an amount (as determined by the Secretary) to cover the costs of replacing at the Center any facilities vacated by the Navy on account of the agreement or to construct suitable replacement facilities for the Navy; and

(B) to pay the Navy an amount (as determined by the Secretary) for the costs of relocating Navy operations from the vacated facilities to the replacement facilities.

(e) CONGRESSIONAL NOTIFICATION.—The Secretary may not enter into the agreement authorized by subsection (a) until the end of the 21-day period beginning on the date on which the Secretary submits to Congress a report containing an explanation of the terms of the proposed agreement and a description of the consideration that the Secretary expects to receive under the agreement.

(f) USE OF PAYMENT.—(1) In such amounts as are provided in advance in appropriation Acts, the Secretary may use amounts paid under subsection (d)(1) to pay for general supervision, administration, and overhead expenses and for improvement, maintenance, repair, construction, or restoration of the roads, railways, and facilities serving the Center.

(2) In such amounts as are provided in advance in appropriation Acts, the Secretary may use amounts paid under subsection (d)(2) to pay for constructing new facilities, or making modifications to existing facilities, that are necessary to replace facilities vacated by the Navy on account of the agreement under subsection (a) and for relocating operations of the Navy from the vacated facilities to replacement facilities.

(g) CONSTRUCTION BY PORT AUTHORITY.—The Secretary may authorize the Port Authority to demolish existing facilities located on the property covered by the agreement under subsection (a) and, consistent with the restriction specified in subsection (c)(2), construct new facilities on the property for joint use by the Port Authority and the Navy.

(h) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the agreement authorized under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2853. PROHIBITION ON JOINT CIVIL AVIATION USE OF NAVAL AIR STATION MIRAMAR, CALIFORNIA.

The Secretary of the Navy may not enter into any agreement that would provide for or permit civil aircraft to regularly use Naval Air Station Miramar, California.

SEC. 2854. REPORT REGARDING ARMY WATER CRAFT SUPPORT FACILITIES AND ACTIVITIES.

Not later than February 15, 1996, the Secretary of the Army shall submit to Congress a report describing—

(1) the location, assets, and mission of each Army facility, active or reserve component, that supports water transportation operations;

(2) an infrastructure inventory and utilization rate of each Army facility supporting water transportation operations;

(3) options for consolidating these operations to reduce overhead; and

(4) actions that can be taken to affirmatively respond to requests from the residents of Marcus Hook, Pennsylvania, to close the Army Reserve facility located in Marcus Hook and make the facility available for use by the community.

DIVISION C—DEPARTMENT OF ENERGY NATIONAL SECURITY AUTHORIZATIONS AND OTHER AUTHORIZATIONS

TITLE XXXI—DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

Subtitle A—National Security Programs Authorizations

SEC. 3101. WEAPONS ACTIVITIES.

(a) STOCKPILE STEWARDSHIP.—Subject to subsection (d), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for stockpile stewardship in carrying out weapons activities necessary for national security programs in the amount of $3,610,914,000, to be allocated as follows:

(1) For core stockpile stewardship, $1,189,708,000 for fiscal year 1996, to be allocated as follows:

(A) For operation and maintenance, $1,098,403,000.

(B) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $96,305,000, to be allocated as follows:

Project 96-D-102, stockpile stewardship facilities revitalization, Phase VI, various locations, $2,520,000.

Project 96-D-103, ATLAS, Los Alamos National Laboratory, Los Alamos, New Mexico, $8,400,000.

Project 96-D-104, processing and environmental technology laboratory (PETL), Sandia National Laboratories, Albuquerque, New Mexico, $1,800,000.

Project 96-D-105, contained firing facility addition, Lawrence Livermore National Laboratory, Livermore, California, $6,600,000.

Project 95-D-102, Chemical and Metallurgy Research Building upgrades project, Los Alamos National Laboratory, Los Alamos, New Mexico, $9,940,000.

Project 94-D-102, nuclear weapons research, development, and testing facilities revitalization, Phase V, various locations, $12,200,000.

Project 93-D-102, Nevada support facility, North Las Vegas, Nevada, $15,650,000.

Project 90-D-102, nuclear weapons research, development, and testing facilities revitalization, Phase III, various locations, $6,200,000.

Project 88-D-106, nuclear weapons research, development, and testing facilities revitalization, Phase II, various locations, $27,995,000.

(2) For inertial fusion, $240,667,000, to be allocated as follows:

(A) For operation and maintenance, $203,267,000.

(B) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $37,400,000 to be allocated as follows:

Project 96-D-111, national ignition facility, TBD, $37,400,000.

(3) For technology transfer, $25,000,000.

(4) For Marshall Islands, $6,800,000.

(b) STOCKPILE MANAGEMENT.—Subject to subsection (d), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for stockpile management in carrying out weapons activities necessary for national security programs in the amount of $2,142,083,000, to be allocated as follows:

(1) For operation and maintenance, $2,028,458,000.

(2) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $113,625,000, to be allocated as follows:

Project 96-D-122, sewage treatment quality upgrade (STQU), Pantex Plant, Amarillo, Texas, $600,000.

Project 96-D-123, retrofit HVAC and chillers for ozone protection, Y-12 Plant, Oak Ridge, Tennessee, $3,100,000.

Project 96-D-125, Washington measurements operations facility, Andrews Air Force Base, Camp Springs, Maryland, $900,000.

Project 96-D-126, tritium loading line modifications, Savannah River Site, South Carolina, $12,200,000.

Project 95-D-122, sanitary sewer upgrade, Y-12 Plant, Oak Ridge, Tennessee, $6,300,000.

Project 94-D-124, hydrogen fluoride supply system, Y-12 Plant, Oak Ridge, Tennessee, $8,700,000.

Project 94-D-125, upgrade life safety, Kansas City Plant, Kansas City, Missouri, $5,500,000.

Project 94-D-127, emergency notification system, Pantex Plant, Amarillo, Texas, $2,000,000.

Project 94-D-128, environmental safety and health analytical laboratory, Pantex Plant, Amarillo, Texas, $4,000,000.

Project 93-D-122, life safety upgrades, Y-12 Plant, Oak Ridge, Tennessee, $7,200,000.

Project 93-D-123, complex-21, various locations, $41,065,000.

Project 88-D-122, facilities capability assurance program, various locations, $8,660,000.

Project 88-D-123, security enhancement, Pantex Plant, Amarillo, Texas, $13,400,000.

(c) PROGRAM DIRECTION.—Subject to subsection (d), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for program direction in carrying out weapons activities necessary for national security programs in the amount of $118,000,000.

(d) ADJUSTMENTS.—The total amount authorized to be appropriated pursuant to this section is the sum of the amounts authorized to be appropriated in subsections (a) through (c) reduced by the sum of—

(1) $25,000,000, for savings resulting from procurement reform; and

(2) $86,344,000, for use in prior year balances.

SEC. 3102. ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT.

(a) CORRECTIVE ACTIVITIES.—Subject to subsection (i), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for corrective activities in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $3,406,000, all of which shall be available for the following plant project (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and land acquisition related thereto):

Project 90-D-103, environment, safety and health improvements, weapons research and development complex, Los Alamos National Laboratory, Los Alamos, New Mexico.

(b) ENVIRONMENTAL RESTORATION.—Subject to subsection (i), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for environmental restoration in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $1,575,973,000.

(c) WASTE MANAGEMENT.—Subject to subsection (i), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for waste management in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $2,351,596,000, to be allocated as follows:

(1) For operation and maintenance, $2,168,994,000.

(2) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land

acquisition related thereto), $182,602,000, to be allocated as follows:

Project 96–D–406, K-Basin operations program, Richland, Washington, $26,000,000.

Project 96–D–407, mixed waste low level waste treatment projects, Rocky Flats, Golden, Colorado, $2,900,000.

Project 96–D–408, waste management upgrades, various locations, $5,615,000.

Project 95–D–402, install permanent electrical service for the Waste Isolation Pilot Plant, Carlsbad, New Mexico, $4,314,000.

Project 95–D–405, industrial landfill V and construction/demolition landfill VII, Phase III, Y–12 Plant, Oak Ridge, Tennessee, $4,600,000.

Project 95–D–406, road 5–01 reconstruction, area 5, Nevada Test Site, Nevada, $1,023,000.

Project 94–D–400, high explosive wastewater treatment system, Los Alamos National Laboratory, Los Alamos, New Mexico, $4,445,000.

Project 94–D–402, liquid waste treatment system, Nevada Test Site, Nevada, $282,000.

Project 94–D–404, Melton Valley storage tanks capacity increase, Oak Ridge National Laboratory, Oak Ridge, Tennessee, $11,000,000.

Project 94–D–407, initial tank retrieval systems, Richland, Washington, $9,400,000.

Project 94–D–411, solid waste operations complex project, Richland, Washington, $5,500,000.

Project 94–D–417, intermediate level and low activity waste vaults, Savannah River Site, Aiken, South Carolina, $2,704,000.

Project 93–D–178, building 374 liquid waste treatment facility, Rocky Flats Environmental Technology Site, Golden, Colorado, $3,900,000.

Project 93–D–182, replacement of cross-site transfer system, Richland, Washington, $19,795,000.

Project 93–D–183, multi-function waste remediation facility, Richland, Washington, $31,000,000.

Project 93–D–187, high-level waste removal from filled waste tanks, Savannah River Site, Aiken, South Carolina, $19,700,000.

Project 92–D–171, mixed waste receiving and storage facility, Los Alamos National Laboratory, Los Alamos, New Mexico, $1,105,000.

Project 92–D–188, waste management environmental, safety and health (ES&H) and compliance activities, various locations, $1,100,000.

Project 90–D–172, aging waste transfer lines, Richland, Washington, $2,000,000.

Project 90–D–177, RWMC transuranic (TRU) waste characterization and storage facility, Idaho National Engineering Laboratory, Idaho, $1,428,000.

Project 90–D–178, TSA retrieval enclosure, Idaho National Engineering Laboratory, Idaho, $2,606,000.

Project 89–D–173, tank farm ventilation upgrade, Richland, Washington, $800,000.

Project 89–D–174, replacement high-level waste evaporator, Savannah River Site, Aiken, South Carolina, $11,500,000.

Project 86–D–103, decontamination and waste treatment facility, Lawrence Livermore National Laboratory, Livermore, California, $8,885,000.

Project 83–D–148, nonradioactive hazardous waste management, Savannah River Site, Aiken, South Carolina, $1,000,000.

(d) TECHNOLOGY DEVELOPMENT.—Subject to subsection (i), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for technology development in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $390,510,000.

(e) TRANSPORTATION MANAGEMENT.—Subject to subsection (i), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for transportation management in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $10,158,000.

(f) NUCLEAR MATERIALS AND FACILITIES STABILIZATION.—Subject to subsection (i), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for nuclear materials and facilities stabilization in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $1,514,504,000 to be allocated as follows:

(1) For operation and maintenance, $1,427,108,000.

(2) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $87,396,000, to be allocated as follows:

Project 96–D–458, site drainage control, Mound Plant, Miamisburg, Ohio, $885,000.

Project 96–D–461, Idaho National Engineering Laboratory electrical distribution upgrade, Idaho National Engineering Laboratory, Idaho, $1,539,000.

Project 96–D–462, health physics instrument laboratory, Idaho National Engineering Laboratory, Idaho, $1,126,000.

Project 96–D–464, electrical and utility systems upgrade, Idaho Chemical Processing Plant, Idaho National Engineering Laboratory, Idaho, $4,952,000.

Project 96–D–470, environmental monitoring laboratory, Savannah River Site, Aiken, South Carolina, $3,500,000.

Project 96–D–471, CFC HVAC/chiller retrofit, Savannah River Site, Aiken, South Carolina, $1,500,000.

Project 96–D–473, health physics site support facility, Savannah River Site, Aiken, South Carolina, $2,000,000.

Project 95–D–155, upgrade site road infrastructure, Savannah River site, Aiken, South Carolina, $2,900,000.

Project 95–D–156, radio trunking system, Savannah River site, Aiken, South Carolina, $6,000,000.

Project 95–D–454, 324 facility compliance/renovation, Richland, Washington, $3,500,000.

Project 95–D–456, security facilities consolidation, Idaho Chemical Processing Plant, Idaho National Engineering Laboratory, Idaho, $8,382,000.

Project 94–D–122, underground storage tanks, Rocky Flats Plant, Golden, Colorado, $5,000,000.

Project 94–D–401, emergency response facility, Idaho National Engineering Laboratory, Idaho, $5,074,000.

Project 94–D–412, 300 area process sewer piping system upgrade, Richland, Washington, $1,000,000.

Project 94–D–415, Idaho National Engineering Laboratory medical facilities, Idaho National Engineering Laboratory, Idaho, $3,601,000.

Project 94–D–451, infrastructure replacement, Rocky Flats Plant, Golden, Colorado, $2,940,000.

Project 93–D–147, domestic water system upgrade, Phase I and II, Savannah River Site, Aiken, South Carolina, $7,130,000.

Project 93–D–172, Idaho National Engineering Laboratory electrical upgrade, Idaho National Engineering Laboratory, Idaho, $124,000.

Project 92–D–123, plant fire/security alarm system replacement, Rocky Flats Plant, Golden, Colorado, $9,560,000.

Project 92–D–125, master safeguards and security agreement/materials surveillance task force security upgrades, Rocky Flats Plant, Golden, Colorado, $7,000,000.

Project 92–D–181, Idaho National Engineering Laboratory fire and life safety improvements, Idaho National Engineering Laboratory, Idaho, $6,883,000.

Project 91–D–127, criticality alarm and plant annunciation utility replacement, Rocky Flats Plant, Golden, Colorado, $2,800,000.

(g) COMPLIANCE AND PROGRAM COORDINATION.—Subject to subsection (i), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for compliance and program coordination in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $31,251,000, to be allocated as follows:

(1) For operation and maintenance, $16,251,000.

(2) For the following plant project (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto):

Project 95–E–600, hazardous materials management and emergency response training center, Richland, Washington, $15,000,000.

(h) ANALYSIS, EDUCATION, AND RISK MANAGEMENT.—Subject to subsection (i), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 analysis, education, and risk management in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $77,022,000.

(i) ADJUSTMENTS.—The total amount authorized to be appropriated pursuant to this section is the sum of the amounts specified in subsections (a) through (h) reduced by the sum of—

(1) $651,942,000, for use of prior year balances; and

(2) $37,000,000 for Savannah River Pension Refund.

SEC. 3103. PAYMENT OF PENALTIES.

The Secretary of Energy may pay to the Hazardous Substance Superfund established under section 9507 of the Internal Revenue Code of 1986 (26 U.S.C. 9507), from funds appropriated to the Department of Energy for environmental restoration and waste management activities pursuant to section 3102, stipulated civil penalties assessed under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.) in the amount of $350,000 assessed against the Rocky Flats site, Colorado, under such Act.

SEC. 3104. OTHER DEFENSE ACTIVITIES.

(a) OTHER DEFENSE ACTIVITIES.—Subject to subsection (b), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for other defense activities in carrying out programs necessary for national security in the amount of $1,328,841,000, to be allocated as follows:

(1) For verification and control technology, $353,200,000, to be allocated as follows:

(A) For nonproliferation and verification research and development, $163,500,000.

(B) For arms control, $147,364,000.

(C) For intelligence, $42,336,000.

(2) For nuclear safeguards and security, $83,395,000.

(3) For security investigations, $25,000,000.

(4) For security evaluations, $14,707,000.

(5) For the Office of Nuclear Safety, $15,050,000.

(6) For worker and community transition assistance, $75,000,000.

(7) For fissile materials disposition, $70,000,000.

(8) For emergency management, $23,321,000.

(9) For naval reactors development, $682,168,000, to be allocated as follows:

(A) For operation and infrastructure, $659,168,000.

(B) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $23,000,000, to be allocated as follows:

Project 95–D–200, laboratory systems and hot cell upgrades, various locations, $11,300,000.

Project 95–D–201, advanced test reactor radioactive waste system upgrades, Idaho National Engineering Laboratory, Idaho, $4,800,000.

Project 93–D–200, engineering services facilities, Knolls Atomic Power Laboratory, Niskayuna, New York, $3,900,000.

Project 90–N–102, expended core facility dry cell project, Naval Reactors facility, Idaho, $3,000,000.

(b) ADJUSTMENT.—The total amount that may be appropriated pursuant to this section is the amount authorized to be appropriated in subsection (a) reduced by the sum of $13,000,000, for use of prior year balances.

SEC. 3105. DEFENSE NUCLEAR WASTE DISPOSAL.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for payment to the Nuclear Waste Fund established in section 302(c) of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10222(c)) in the amount of $198,400,000.

Subtitle B—Recurring General Provisions

SEC. 3121. REPROGRAMMING.

(a) IN GENERAL.—Until the Secretary of Energy submits to the congressional defense committees the report referred to in subsection (b) and a period of 30 days has elapsed after the date on which such committees receive the report, the Secretary may not use amounts appropriated pursuant to this title for any program—

(1) in amounts that exceed, in a fiscal year—

(A) 110 percent of the amount authorized for that program by this title; or

(B) $1,000,000 more than the amount authorized for that program by this title; or

(2) which has not been presented to, or requested of, Congress.

(b) REPORT.—(1) The report referred to in subsection (a) is a report containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such proposed action.

(2) In the computation of the 30-day period under subsection (a), there shall be excluded any day on which either House of Congress is not in session because of an adjournment of more than 3 days to a day certain.

(c) LIMITATIONS.—(1) In no event may the total amount of funds obligated pursuant to this title exceed the total amount authorized to be appropriated by this title.

(2) Funds appropriated pursuant to this title may not be used for an item for which Congress has specifically denied funds.

SEC. 3122. LIMITS ON GENERAL PLANT PROJECTS.

(a) IN GENERAL.—The Secretary of Energy may carry out any construction project under the general plant projects authorized by this title if the total estimated cost of the construction project does not exceed $2,000,000.

(b) REPORT TO CONGRESS.—If, at any time during the construction of any general plant project authorized by this title, the estimated cost of the project is revised because of unforeseen cost variations and the revised cost of the project exceeds $2,000,000, the Secretary shall immediately furnish a complete report to the congressional defense committees explaining the reasons for the cost variation.

SEC. 3123. LIMITS ON CONSTRUCTION PROJECTS.

(a) IN GENERAL.—(1) Except as provided in paragraph (2), construction on a construction project may not be started or additional obligations incurred in connection with the project above the total estimated cost, whenever the current estimated cost of the construction project, which is authorized by sections 3101, 3102, and 3104, or which is in support of national security programs of the Department of Energy and was authorized by any previous Act, exceeds by more than 25 percent the higher of—

(A) the amount authorized for the project; or

(B) the amount of the total estimated cost for the project as shown in the most recent budget justification data submitted to Congress.

(2) An action described in paragraph (1) may be taken if—

(A) the Secretary of Energy has submitted to the congressional defense committees a report on the actions and the circumstances making such action necessary; and

(B) a period of 30 days has elapsed after the date on which the report is received by the committees.

(3) In the computation of the 30-day period under paragraph (2), there shall be excluded any day on which either House of Congress is not in session because of an adjournment of more than 3 days to a day certain.

(b) EXCEPTION.—Subsection (a) shall not apply to any construction project which has a current estimated cost of less than $5,000,000.

SEC. 3124. FUND TRANSFER AUTHORITY.

(a) TRANSFER TO OTHER FEDERAL AGENCIES.—The Secretary of Energy may transfer funds authorized to be appropriated to the Department of Energy pursuant to this title to other Federal agencies for the performance of work for which the funds were authorized. Funds so transferred may be merged with and be available for the same purposes and for the same time period as the authorizations of the Federal agency to which the amounts are transferred.

(b) TRANSFER WITHIN DEPARTMENT OF ENERGY; LIMITATIONS.—(1) Subject to paragraph (2), the Secretary of Energy may transfer funds authorized to be appropriated to the Department of Energy pursuant to this title between any such authorizations. Amounts of authorizations so transferred may be merged with and be available for the same purposes and for the same time period as the authorization to which the amounts are transferred.

(2) Not more than 5 percent of any such authorization may be transferred between authorizations under paragraph (1). No such authorization may be increased or decreased by more than 5 percent by a transfer under such paragraph.

(3) The authority provided by this section to transfer authorizations—

(A) may only be used to provide funds for items that have a higher priority than the items from which the funds are transferred; and

(B) may not be used to provide authority for an item that has been denied funds by Congress.

(c) NOTICE TO CONGRESS.—The Secretary of Energy shall promptly notify the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives of any transfer of funds to or from authorizations under this title.

SEC. 3125. AUTHORITY FOR CONCEPTUAL AND CONSTRUCTION DESIGN.

(a) REQUIREMENT FOR CONCEPTUAL DESIGN.—(1) Subject to paragraph (2) and except as provided in paragraph (3), before submitting to Congress a request for funds for a construction project that is in support of a national security program of the Department of Energy, the Secretary of Energy shall complete a conceptual design for that project.

(2) If the estimated cost of completing a conceptual design for a construction project exceeds $3,000,000, the Secretary shall submit to Congress a request for funds for the conceptual design before submitting a request for funds for the construction project.

(3) The requirement in paragraph (1) does not apply to a request for funds—

(A) for a construction project the total estimated cost of which is less than $2,000,000, or

(B) for emergency planning, design, and construction activities under section 3126.

(b) AUTHORITY FOR CONSTRUCTION DESIGN.—(1) Within the amounts authorized by this title, the Secretary of Energy may carry out construction design services (including architectural and engineering services) in connection with any proposed construction project if the total estimated cost for such design does not exceed $600,000.

(2) If the total estimated cost for construction design in connection with any construction project exceeds $600,000, funds for such design must be specifically authorized by law.

SEC. 3126. AUTHORITY FOR EMERGENCY PLANNING, DESIGN, AND CONSTRUCTION ACTIVITIES.

(a) AUTHORITY.—The Secretary of Energy may use any funds available to the Department of Energy pursuant to an authorization in this title, including those funds authorized to be appropriated for advance planning and construction design under sections 3101, 3102, and 3104, to perform planning, design, and construction activities for any Department of Energy defense activity construction project that, as determined by the Secretary, must proceed expeditiously in order to protect public health and safety, meet the needs of national defense, or to protect property.

(b) LIMITATION.—The Secretary may not exercise the authority under subsection (a) in the case of any construction project until the Secretary has submitted to the congressional defense committees a report on the activities that the Secretary intends to carry out under this section and the circumstances making such activities necessary.

(c) SPECIFIC AUTHORITY.—The requirement of section 3125(b)(2) does not apply to emergency planning, design, and construction activities conducted under this section.

(d) REPORT.—The Secretary of Energy shall report to the congressional defense committees any exercise of authority under this section.

SEC. 3127. FUNDS AVAILABLE FOR ALL NATIONAL SECURITY PROGRAMS OF THE DEPARTMENT OF ENERGY.

Subject to the provisions of appropriations Acts and section 3121 of this title, amounts appropriated pursuant to this title for management and support activities and for general plant projects are available for use, when necessary, in connection with all national security programs of the Department of Energy.

SEC. 3128. AVAILABILITY OF FUNDS.

When so specified in an appropriation Act, amounts appropriated for operating expenses or for plant and capital equipment may remain available until expended.

Subtitle C—Program Authorizations, Restrictions, and Limitations

SEC. 3131. AUTHORITY TO CONDUCT PROGRAM RELATING TO FISSILE MATERIALS.

(a) AUTHORITY.—The Secretary of Energy may conduct programs designed to improve the protection, control, and accountability of fissile materials in Russia.

(b) PRIOR NOTICE TO CONGRESS OF OBLIGATION OF FUNDS.—

(1) ANNUAL REQUIREMENT.—(A) Not less than 15 days before any obligation of any funds appropriated for any fiscal year for a program described in subsection (a), the Secretary of Energy shall submit to the congressional committees specified in subparagraph (B) a report on that proposed obligation for that program for that fiscal year.

(B) The congressional committees referred to in subparagraph (A) are the following:

(i) The Committee on Armed Services, the Committee on Foreign Relations, and the Committee on Appropriations of the Senate.

(ii) The Committee on National Security, the Committee on International Relations, and the Committee on Appropriations of the House of Representatives.

(2) MATTERS TO BE SPECIFIED IN REPORTS.—Each such report shall specify—

(A) the activities and forms of assistance for which the Secretary of Energy plans to obligate funds;

(B) the amount of the proposed obligation; and

(C) the projected involvement (if any) of any department or agency of the United States (in addition to the Department of Energy) and of the private sector of the United States in the activities and forms of assistance for which the Secretary of Energy plans to obligate such funds.

SEC. 3132. NATIONAL IGNITION FACILITY.

None of the funds appropriated pursuant to this title for the National Ignition Facility may be obligated until—

(1) the Secretary of Energy concludes that the construction of the National Ignition Facility will not impede the nuclear nonproliferation objectives of the United States; and

(2) the Secretary of Energy notifies the congressional defense committees of that conclusion.

SEC. 3133. TRITIUM PRODUCTION.

(a) NEW TRITIUM PRODUCTION ACTIVITIES.—Funds authorized to be appropriated for fiscal year 1996 for new tritium production activities shall be available only for the following purposes and in the following amounts:

(1) For implementation of multipurpose water reactor technology, $60,000,000, of which—

(A) $14,000,000 shall be made available to private industry to begin implementation of the privatized multipurpose reactor program plan submitted to the Department of Energy on March 31, 1994; and

(B) $20,000,000 shall be made available to the Idaho National Engineering Laboratory for the test and development of both the Light Water Reactor Tritium Target Program and Mixed Oxide Fuels.

(2) For research and development of accelerator technology, $40,000,000.

(b) FISSILE MATERIALS CONTROL AND DISPOSITION.—Funds authorized to be appropriated for fiscal year 1996 for fissile materials storage and disposition activities shall be available only for completing the evaluation and beginning the implementation of the plutonium storage and disposition option, including the multipurpose advanced light water reactor, in the amount of $70,000,000, of which—

(1) $5,000,000 shall be made available to the Idaho National Engineering Laboratory for evaluation of plutonium conversion to oxide fuel material in the multipurpose advanced light water reactor; and

(2) sufficient funds shall be made available for a complete consideration of the multipurpose advanced light water reactor in the Department of Energy programmatic environmental impact statement.

(c) ACCELERATOR RESEARCH AND DEVELOPMENT.—(1) Subject to paragraph (2), funds authorized in subsection (a)(2) shall be used to continue research and development of the accelerator technologies in defense areas, including its potential use as a backup technology to the advanced light-water reactor technology for tritium production.

(2) Funds authorized in subsection (a)(2) may be expended only after the Secretary begins implementation of the program described in subsection (a)(1)(A).

Subtitle D—Other Matters

SEC. 3141. REPORT ON FOREIGN TRITIUM PURCHASES.

Not later than February 1, 1996, the President shall submit to Congress a report on the feasibility of, the cost of, and the political, legal, and other issues associated with purchasing tritium from various foreign suppliers in order to ensure an adequate supply of tritium in the United States for nuclear weapons.

SEC. 3142. STUDY ON NUCLEAR TEST READINESS POSTURES.

Not later than February 15, 1996, the Secretary of Energy shall submit to Congress a report on the cost of, and the programmatic and other issues associated with, sustaining an ability to conduct an underground nuclear test in 6, 18, and 36 months from the date on which the President determines that such a test is necessary to ensure the national security of the United States.

SEC. 3143. MASTER PLAN ON WARHEADS IN THE ENDURING STOCKPILE.

(a) MASTER PLAN.—Not later than March 15, 1996, the President shall submit to Congress a master plan that describes in detail how the Government plans to demonstrate, by 2002—

(1) the capability to refabricate and certify warheads in the enduring stockpile; and

(2) the capability to design, fabricate, and certify new warheads.

(b) FORM OF PLAN.—The plan should be submitted in classified and unclassified forms.

SEC. 3144. PROHIBITION ON INTERNATIONAL INSPECTIONS OF DEPARTMENT OF ENERGY FACILITIES UNLESS PROTECTION OF RESTRICTED DATA IS CERTIFIED.

(a) PROHIBITION ON INSPECTIONS.—The Secretary of Energy may not allow an inspection of a nuclear weapons facility by the International Atomic Energy Agency until—

(1) the Secretary certifies to Congress that no restricted data or classified information will be revealed during such inspection; and

(2) a period of 30 days has passed since the date on which such certification was made.

(b) RESTRICTED DATA DEFINED.—In this section, the term "restricted data" has the meaning provided by section 11 y. of the Atomic Energy Act of 1954 (42 U.S.C. 2014(y)).

TITLE XXXII—DEFENSE NUCLEAR FACILITIES SAFETY BOARD

SEC. 3201. AUTHORIZATION.

There are authorized to be appropriated for fiscal year 1996 $17,000,000 for the operation of the Defense Nuclear Facilities Safety Board under chapter 21 of the Atomic Energy Act of 1954 (42 U.S.C. 2286 et seq.)

TITLE XXXIII—NATIONAL DEFENSE STOCKPILE

SEC. 3301. FISCAL YEAR 1996 AUTHORIZED USES OF STOCKPILE FUNDS.

(a) OBLIGATION OF STOCKPILE FUNDS.—During fiscal year 1996, the National Defense Stockpile Manager may obligate up to $77,100,000 of the funds in the National Defense Stockpile Transaction Fund established under subsection (a) of section 9 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h) for the authorized uses of such funds under subsection (b)(2) of such section.

(b) ADDITIONAL OBLIGATIONS.—The National Defense Stockpile Manager may obligate amounts in excess of the amount specified in subsection (a) if the National Defense Stockpile Manager notifies Congress that extraordinary or emergency conditions necessitate the additional obligations. The National Defense Stockpile Manager may make the additional obligations described in the notification after the end of the 45-day period beginning on the date Congress receives the notification.

(c) LIMITATIONS.—The authorities provided by this section shall be subject to such limitations as may be provided in appropriations Acts.

SEC. 3302. PREFERENCE FOR DOMESTIC UPGRADERS IN DISPOSAL OF CHROMITE AND MANGANESE ORES AND CHROMIUM FERRO AND MANGANESE METAL ELECTROLYTIC.

(a) PREFERENCE FOR DOMESTIC UPGRADING.—In offering to enter into agreements pursuant to any provision of law for the disposal from the National Defense Stockpile of chromite and manganese ores of metallurgical grade or chromium ferro and manganese metal electrolytic, the President shall give a right of first refusal on all such offers to domestic ferroalloy upgraders.

(b) DOMESTIC FERROALLOY UPGRADER DEFINED.—For purposes of this section, the term "domestic ferroalloy upgrader" means a company or other business entity that, as determined by the President—

(1) is engaged in (or is capable of engaging in) operations to upgrade chromite or manganese ores of metallurgical grade or chromium ferro and manganese metal electrolytic; and

(2) conducts a significant level of its research, development, engineering, and upgrading operations in the United States.

(c) NATIONAL DEFENSE STOCKPILE DEFINED.—For purposes of this section, the term "National Defense Stockpile" means the stockpile provided for in section 4 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98c).

SEC. 3303. RESTRICTIONS ON DISPOSAL OF MANGANESE FERRO.

(a) DISPOSAL OF LOWER GRADE MATERIAL FIRST.—The President may not dispose of high carbon manganese ferro in the National Defense Stockpile that meets the National Defense Stockpile classification of Grade One, Specification 30(a), as revised on May 22, 1992, until completing the disposal of all manganese ferro in the National Defense Stockpile that does not meet such classification. The President may not reclassify manganese ferro in the National Defense Stockpile after the date of the enactment of this Act.

(b) REQUIREMENT FOR DOMESTIC UPGRADING.—Manganese ferro in the National Defense Stockpile that does not meet the classification specified in subsection (a) shall only be sold for domestic remelting in a submerged arc ferromanganese furnace.

(c) NATIONAL DEFENSE STOCKPILE DEFINED.—For purposes of this section, the term "National Defense Stockpile" means the stockpile provided for in section 4 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98c).

SEC. 3304. TITANIUM INITIATIVE TO SUPPORT BATTLE TANK UPGRADE PROGRAM.

(a) TRANSFER OF TITANIUM.—During each of the fiscal years 1996 through 2003, the Secretary of Defense shall transfer from stocks of the National Defense Stockpile up to 250 short tons of titanium sponge to the Secretary of the Army for use in the weight reduction portion of the main battle tank upgrade program. Transfers under this section shall be without charge to the Army, except that the Secretary of the Army shall pay all transportation and related costs incurred in connection with the transfer.

(b) NATIONAL DEFENSE STOCKPILE DEFINED.—For purposes of this section, the term "National Defense Stockpile" means the stockpile provided for in section 4 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98c).

TITLE XXXIV—NAVAL PETROLEUM RESERVES

SEC. 3401. AUTHORIZATION OF APPROPRIATIONS.

There is hereby authorized to be appropriated to the Secretary of Energy $101,028,000 for fiscal year 1996 for the purpose of carrying out activities under chapter 641 of title 10, United States Code, relating to the naval petroleum reserves (as defined in section 7420(2) of such title). Funds appropriated pursuant to such authorization shall remain available until expended.

SEC. 3402. PRICE REQUIREMENT ON SALE OF CERTAIN PETROLEUM DURING FISCAL YEAR 1996.

Notwithstanding section 7430(b)(2) of title 10, United States Code, during fiscal year 1996, any sale of any part of the United States share of petroleum produced from Naval Petroleum Reserves Numbered 1, 2, and 3 shall be made at a

price not less than 90 percent of the current sales price, as estimated by the Secretary of Energy, of comparable petroleum in the same area.

SEC. 3403. SALE OF NAVAL PETROLEUM RESERVE NUMBERED 1 (ELK HILLS).

(a) SALE OF ELK HILLS UNIT REQUIRED.—Chapter 641 of title 10, United States Code, is amended by inserting after section 7421 the following new section:

"§7421a. Sale of Naval Petroleum Reserve Numbered 1 (Elk Hills)

"(a) SALE REQUIRED.—(1) Notwithstanding any other provision of this chapter, the Secretary shall sell all right, title, and interest of the United States in and to lands owned or controlled by the United States inside Naval Petroleum Reserve Numbered 1, commonly referred to as the Elk Hills Unit, located in Kern County, California, and established by Executive order of the President, dated September 2, 1912. Within one year after the effective date, the Secretary shall enter into one or more contracts for the sale of all of the interest of the United States in the reserve.

"(2) In this section:

"(A) The term 'reserve' means Naval Petroleum Reserve Numbered 1.

"(B) The term 'unit plan contract' means the unit plan contract between equity owners of the lands within the boundaries of Naval Petroleum Reserve Numbered 1 entered into on June 19, 1944.

"(C) The term 'effective date' means the date of the enactment of the National Defense Authorization Act for Fiscal Year 1996.

"(b) EQUITY FINALIZATION.—(1) Not later than five months after the effective date, the Secretary shall finalize equity interests of the known oil and gas zones in Naval Petroleum Reserve Numbered 1 in the manner provided by this subsection.

"(2) The Secretary shall retain the services of an independent petroleum engineer, mutually acceptable to the equity owners, who shall prepare a recommendation on final equity figures. The Secretary may accept the recommendation of the independent petroleum engineer for final equity in each known oil and gas zone and establish final equity interest in the Naval Petroleum Reserve Numbered 1 in accordance with such recommendation, or the Secretary may use such other method to establish final equity interest in the reserve as the Secretary considers appropriate.

"(3) If, on the effective date, there is an ongoing equity redetermination dispute between the equity owners under section 9(b) of the unit plan contract, such dispute shall be resolved in the manner provided in the unit plan contract within five months after the effective date. Such resolution shall be considered final for all purposes under this section.

"(c) TIMING AND ADMINISTRATION OF SALE.—(1) Not later than two months after the effective date, the Secretary shall retain the services of five independent experts in the valuation of oil and gas fields to conduct separate assessments, in a manner consistent with commercial practices, of the fair market value of the interest of the United States in Naval Petroleum Reserve Numbered 1. In making their assessments, the independent experts shall consider (among other factors) all equipment and facilities to be included in the sale, the net present value of the reserve, and the net present value of the anticipated revenue stream that the Secretary determines the Treasury would receive from the reserve if the reserve were not sold, adjusted for any anticipated increases in tax revenues that would result if the reserve were sold. The independent experts shall complete their assessments within five months after the effective date. In setting the minimum acceptable price for the reserve, the Secretary shall consider the average of the five assessments or, if more advantageous to the Government, the average of three assessments after excluding the high and low assessments.

"(2) Not later than two months after the effective date, the Secretary shall retain the services of an investment banker to independently administer, in a manner consistent with commercial practices and in a manner that maximizes sale proceeds to the Government, the sale of Naval Petroleum Reserve Numbered 1 under this section.

"(3) Not later than five months after the effective date, the sales administrator selected under paragraph (2) shall complete a draft contract for the sale of Naval Petroleum Reserve Numbered 1, which shall accompany the invitation for bids and describe the terms and provisions of the sale of the interest of the United States in the reserve. The draft contract shall identify all equipment and facilities to be included in the sale. The draft contract, including the terms and provisions of the sale of the interest of the United States in the reserve, shall be subject to review and approval by the Secretary, the Secretary of the Treasury, and the Director of the Office of Management and Budget.

"(4) Not later than six months after the effective date, the Secretary shall publish an invitation for bids for the purchase of the reserve.

"(5) Not later than nine months after the effective date, the Secretary shall accept the highest responsible offer for purchase of the interest of the United States in Naval Petroleum Reserve Numbered 1 that meets or exceeds the minimum acceptable price determined under paragraph (1).

"(d) FUTURE LIABILITIES.—The United States shall hold harmless and fully indemnify the purchaser of the interest of the United States in Naval Petroleum Reserve Numbered 1 from and against any claim or liability as a result of ownership in the reserve by the United States.

"(e) TREATMENT OF STATE OF CALIFORNIA CLAIM.—(1) All claims against the United States by the State of California or the Teachers' Retirement Fund of the State of California with respect to land within the Naval Petroleum Reserve Numbered 1 or production or proceeds of sale from the reserve shall be resolved only as follows:

"(A) A payment from funds provided for this purpose in advance in appropriation Acts.

"(B) A grant of nonrevenue generating land in lieu of such a payment pursuant to sections 2275 and 2276 of the Revised Statutes of the United States (43 U.S.C. 851 and 852).

"(C) Any other means that would not be inconsistent with the Congressional Budget Act of 1974 (2 U.S.C. 621 et seq.).

"(D) Any combination of subparagraphs (A), (B), and (C).

"(2) The value of any payment, grant, or means (or combination thereof) under paragraph (1) may not exceed an amount equal to seven percent of the proceeds from the sale of the reserve, after deducting the costs incurred to conduct the sale.

"(f) PRODUCTION ALLOCATION FOR SALE.—(1) As part of the contract for purchase of Naval Petroleum Reserve Numbered 1, the purchaser of the interest of the United States in the reserve shall agree to make up to 25 percent of the purchaser's share of annual petroleum production from the purchased lands available for sale to small refiners, which do not have their own adequate sources of supply of petroleum, for processing or use only in their own refineries. None of the reserved production sold to small refiners may be resold in kind. The purchaser of the reserve may reduce the quantity of petroleum reserved under this subsection in the event of an insufficient number of qualified bids. The seller of this petroleum production has the right to refuse bids that are less than the prevailing market price of comparable oil.

"(2) The purchaser of the reserve shall also agree to ensure that the terms of every sale of the purchaser's share of annual petroleum production from the purchased lands shall be so structured as to give full and equal opportunity for the acquisition of petroleum by all interested persons, including major and independent oil producers and refiners alike.

"(g) MAINTAINING ELK HILLS UNIT PRODUCTION.—Until the sale of Naval Petroleum Reserve Numbered 1 is completed under this section, the Secretary shall continue to produce the reserve at the maximum daily oil or gas rate from a reservoir, which will permit maximum economic development of the reservoir consistent with sound oil field engineering practices in accordance with section 3 of the unit plan contract. The definition of maximum efficient rate in section 7420(6) of this title shall not apply to the reserve.

"(h) EFFECT ON EXISTING CONTRACTS.—(1) In the case of any contract, in effect on the effective date, for the purchase of production from any part of the United States' share of Naval Petroleum Reserve Numbered 1, the sale of the interest of the United States in the reserve shall be subject to the contract for a period of three months after the closing date of the sale or until termination of the contract, whichever occurs first. The term of any contract entered into after the effective date for the purchase of such production shall not exceed the anticipated closing date for the sale of the reserve.

"(2) The Secretary shall exercise the termination procedures provided in the contract between the United States and Bechtel Petroleum Operation, Inc., Contract Number DE-ACO1-85FE60520 so that the contract terminates not later than the date of closing of the sale of Naval Petroleum Reserve Numbered 1 under subsection (c).

"(3) The Secretary shall exercise the termination procedures provided in the unit plan contract so that the unit plan contract terminates not later than the date of closing of the sale of reserve under subsection (c).

"(i) EFFECT ON ANTITRUST LAWS.—Nothing in this section shall be construed to alter the application of the antitrust laws of the United States to the purchaser of Naval Petroleum Reserve Numbered 1 or to the lands in the reserve subject to sale under this section upon the completion of the sale.

"(j) PRESERVATION OF PRIVATE RIGHT, TITLE, AND INTEREST.—Nothing in this section shall be construed to adversely affect the ownership interest of any other entity having any right, title, and interest in and to lands within the boundaries of Naval Petroleum Reserve Numbered 1 and which are subject to the unit plan contract.

"(k) CONGRESSIONAL NOTIFICATION.—Section 7431 of this title shall not apply to the sale of Naval Petroleum Reserve Numbered 1 under this section. However, the Secretary may not enter into a contract for the sale of the reserve until the end of the 31-day period beginning on the date on which the Secretary notifies the Committee on Armed Services of the Senate and the Committee on National Security and the Committee on Commerce of the House of Representatives of the proposed sale.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 7421 the following new item:

"7421a. Sale of Naval Petroleum Reserve Numbered 1 (Elk Hills).".

SEC. 3404. STUDY REGARDING FUTURE OF NAVAL PETROLEUM RESERVES (OTHER THAN NAVAL PETROLEUM RESERVE NUMBERED 1).

(a) STUDY REQUIRED.—The Secretary of Energy shall conduct a study to determine which

of the following options regarding the naval petroleum reserves represents the most cost-effective option for the United States:

(1) Retention and operation of the naval petroleum reserves by the Secretary under chapter 641 of title 10, United States Code.

(2) Transfer of all or a part of the naval petroleum reserves to the jurisdiction of another Federal agency.

(3) Lease of the naval petroleum reserves.

(4) Sale of the interest of the United States in the naval petroleum reserves.

(b) CONDUCT OF STUDY.—The Secretary shall retain an independent petroleum consultant to conduct the study.

(c) CONSIDERATIONS UNDER STUDY.—An examination of the benefits to be derived by the United States from the sale of the naval petroleum reserves shall include an assessment and estimate, in a manner consistent with commercial practices, of the fair market value of the interest of the United States in the naval petroleum reserves. An examination of the benefits to be derived by the United States from the lease of the naval petroleum reserves shall consider full exploration, development, and production of petroleum products in the naval petroleum reserves, with a royalty payment to the United States.

(d) REPORT REGARDING STUDY.—Not later than December 31, 1995, the Secretary shall submit to Congress a report describing the results of the study and containing such recommendations as the Secretary considers necessary to implement the most cost-effective option identified in the study.

(e) NAVAL PETROLEUM RESERVES DEFINED.—For purposes of this section, the term "naval petroleum reserves" has the meaning given that term in section 7420(2) of title 10, United States Code, except that such term does not include Naval Petroleum Reserve Numbered 1.

TITLE XXXV—PANAMA CANAL COMMISSION

Subtitle A—Authorization of Appropriations

SEC. 3501. SHORT TITLE.

This subtitle may be cited as the "Panama Canal Commission Authorization Act for Fiscal Year 1996".

SEC. 3502. AUTHORIZATION OF EXPENDITURES.

(a) IN GENERAL.—Subject to subsection (b), the Panama Canal Commission is authorized to make such expenditures within the limits of funds and borrowing authority available to it in accordance with law, and to make such contracts and commitments without regard to fiscal year limitations, as may be necessary under the Panama Canal Act of 1979 (22 U.S.C. 3601 et seq.) for the operation, maintenance, and improvement of the Panama Canal for fiscal year 1996.

(b) LIMITATIONS.—For fiscal year 1996, the Panama Canal Commission may expend from funds in the Panama Canal Revolving Fund not more than $50,741,000 for administrative expenses, of which not more than—

(1) $11,000 may be used for official reception and representation expenses of the Supervisory Board of the Commission;

(2) $5,000 may be used for official reception and representation expenses of the Secretary of the Commission; and

(3) $30,000 may be used for official reception and representation expenses of the Administrator of the Commission.

(c) REPLACEMENT VEHICLES.—Funds available to the Panama Canal Commission shall be available for the purchase of not to exceed 38 passenger motor vehicles built in the United States (including large heavy-duty vehicles to be used to transport Commission personnel across the isthmus of Panama). A vehicle may be purchased with such funds only as necessary to replace another passenger motor vehicle of the Commission.

SEC. 3503. EXPENDITURES IN ACCORDANCE WITH OTHER LAWS.

Expenditures authorized under this subtitle may be made only in accordance with the Panama Canal Treaties of 1977 and any law of the United States implementing those treaties.

Subtitle B—Reconstitution of Commission as Government Corporation

SEC. 3521. SHORT TITLE.

This subtitle may be cited as the "Panama Canal Amendments Act of 1995".

SEC. 3522. RECONSTITUTION OF COMMISSION AS GOVERNMENT CORPORATION.

Section 1101 of the Panama Canal Act of 1979 (22 U.S.C. 3611) is amended to read as follows:

"ESTABLISHMENT, PURPOSES, OFFICES, AND RESIDENCE OF THE COMMISSION

"SEC. 1101. (a) For the purposes of managing, operating, and maintaining the Panama Canal and its complementary works, installations and equipment, and of conducting operations incident thereto, in accordance with the Panama Canal Treaty of 1977 and related agreements, the Panama Canal Commission (hereinafter in this Act referred to as the 'Commission') is established as a wholly owned government corporation (as that term is used in chapter 91 of title 31, United States Code) within the executive branch of the Government of the United States. The authority of the President with respect to the Commission shall be exercised through the Secretary of Defense.

"(b) The principal office of the Commission shall be located in the Republic of Panama in one of the areas made available for use of the United States under the Panama Canal Treaty of 1977 and related agreements, but the Commission may establish branch offices in such other places as it deems necessary or appropriate for the conduct of its business. Within the meaning of the laws of the United States relating to venue in civil actions, the Commission is an inhabitant and resident of the District of Columbia and the eastern judicial district of Louisiana.".

SEC. 3523. SUPERVISORY BOARD.

Section 1102 of the Panama Canal Act of 1979 (22 U.S.C. 3612) is amended by striking so much as precedes subsection (b) and inserting the following:

"SUPERVISORY BOARD

"SEC. 1102. (a) The Commission shall be supervised by a Board composed of nine members, one of whom shall be the Secretary of Defense or an officer of the Department of Defense designated by the Secretary. Not less than five members of the Board shall be nationals of the United States and the remaining members of the Board shall be nationals of the Republic of Panama. Three members of the Board who are nationals of the United States shall hold no other office in, and shall not be employed by, the Government of the United States, and shall be chosen for the independent perspective they can bring to the Commission's affairs. Members of the Board who are nationals of the United States shall cast their votes as directed by the Secretary of Defense or a designee of the Secretary of Defense.".

SEC. 3524. INTERNATIONAL ADVISORS.

Section 1102 of the Panama Canal Act of 1979 (22 U.S.C. 3612) is amended by adding at the end the following new subsection:

"(d)(1) In order to enhance the prestige of the Commission in the world shipping community and allow for the exchange of varied perspectives between the Board and distinguished international guests in the important deliberations of the Commission, the Government of the United States and the Republic of Panama may each invite to attend meetings of the Board, as a designated international advisor to the Board, one individual chosen for the independent perspective that individual can bring to the Commission's affairs, and who—

"(A) is not a citizen of Panama;

"(B) does not represent any user or customer of the Panama Canal, or any particular interest group or nation; and

"(C) does not have any financial interest which could constitute an actual or apparent conflict with regard to the relationship of the individual with the Board of the Commission.

"(2) Such designated international advisors may be compensated by the Commission in the same manner and under the same circumstances as apply under subsection (b) with regard to members of the Board. Such designated international advisors shall have no vote on matters pending before the Board.".

SEC. 3525. GENERAL AND SPECIFIC POWERS OF COMMISSION.

The Panama Canal Act of 1979 (22 U.S.C. 3601 et seq.) is amended by inserting after section 1102 the following new sections:

"GENERAL POWERS OF THE COMMISSION

"SEC. 1102a. (a) The Commission, subject to the Panama Canal Treaty of 1977 and related agreements, and to chapter 91 of title 31, United States Code, popularly known as the Government Corporation Control Act—

"(1) may adopt, alter, and use a corporate seal, which shall be judicially noticed;

"(2) may by action of the Board of Directors adopt, amend, and repeal bylaws governing the conduct of its general business and the performance of the powers and duties granted to or imposed upon it by law;

"(3) may sue and be sued in its corporate name, except that—

"(A) its amenability to suit is limited by Article VIII of the Panama Canal Treaty of 1977, section 1401 of this Act, and otherwise by law;

"(B) an attachment, garnishment, or similar process may not be issued against salaries or other moneys owed by the Commission to its employees except as provided by section 5520a of title 5, United States Code, and section 459, 461, and 462 of the Social Security Act (42 U.S.C. 659, 661, 662), or as otherwise specifically authorized by the laws of the United States; and

"(C) it is exempt from the payment of interest on claims and judgments;

"(4) may enter into contracts, leases, agreements, or other transactions; and

"(5) may determine the character of, and necessity for, its obligations and expenditures and the manner in which they shall be incurred, allowed, and paid, and may incur, allow, and pay them, subject to pertinent provisions of law generally applicable to Government corporations.

"(b) The Commission shall have the priority of the Government of the United States in the payment of debts out of bankrupt estates.

"SPECIFIC POWERS OF COMMISSION

"SEC. 1102b. (a) Subject to the Panama Canal Treaty of 1977 and related agreements, and to chapter 91 of title 31, United States Code, popularly known as the Government Corporation Control Act, the Commission may—

"(1) manage, operate, and maintain the Panama Canal;

"(2) construct or acquire, establish, maintain, and operate docks, wharves, piers, shoreline facilities, shops, yards, marine railways, salvage and towing facilities, fuel-handling facilities, motor transportation facilities, power systems, water systems, a telephone system, construction facilities, living quarters and other buildings, warehouses, storehouses, a printing plant, and manufacturing, processing, or service facilities in connection therewith, recreational facilities, and other activities, facilities, and appurtenances necessary and appropriate for the accomplishment of the purposes of this Act;

"(3) use the United States mails in the same manner and under the same conditions as the executive departments of the Federal Government; and

"(4) take such actions as are necessary or appropriate to carry out the powers specifically conferred upon it.".

SEC. 3526. CONGRESSIONAL REVIEW OF BUDGET.

Section 1302 of the Panama Canal Act of 1979 (22 U.S.C. 3712) is amended—

(1) in subsection (c)(1) by striking "and subject to paragraph (2)";

(2) by striking paragraph (2);

(3) by redesignating paragraph (3) as paragraph (2); and

(4) by amending subsection (e) to read as follows:

"(e) In accordance with section 9104 of title 31, United States Code, the Congress shall review the annual budget of the Commission.".

SEC. 3527. AUDITS.

Section 1313 of the Panama Canal Act of 1979 (22 U.S.C. 3723) is amended—

(1) by striking the heading for the section and inserting the following:

"AUDITS";

(2) in subsection (a) by striking "Financial transactions" and inserting "Subject to subsection (d), financial transactions";

(3) in subsection (b) in the first sentence by striking "The Comptroller General" and inserting "Subject to subsection (d), the Comptroller General"; and

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

"(d) At the discretion of the Board provided for in section 1102, the Commission may hire independent auditors to perform, in lieu of the Comptroller General, the audit and reporting functions prescribed in subsections (a) and (b).

"(e) In addition to auditing the financial statements of the Commission, the independent auditor shall, in accordance with standards for an examination of a financial forecast established by the American Institute of Certified Public Accountants, examine and report on the Commission's financial forecast that it will be in a position to meet its financial liabilities on December 31, 1999.".

SEC. 3528. PRESCRIPTION OF MEASUREMENT RULES AND RATES OF TOLLS.

Section 1601 of the Panama Canal Act of 1979 (22 U.S.C. 3791) is amended to read as follows:

"PRESCRIPTION OF MEASUREMENT RULES AND RATES OF TOLLS

"SEC. 1601. The Commission may, subject to the provisions of this Act, prescribe and from time to time change—

"(1) the rules for the measurement of vessels for the Panama Canal; and

"(2) the tolls that shall be levied for use of the Panama Canal.".

SEC. 3529. PROCEDURES FOR CHANGES IN RULES OF MEASUREMENT AND RATES OF TOLLS.

Section 1604 of the Panama Canal Act of 1979 (22 U.S.C. 3794) is amended—

(1) in subsection (a) in the first sentence by striking "1601(a)" and inserting "1601";

(2) by amending subsection (c) to read as follows:

"(c) After the proceedings have been conducted pursuant to subsections (a) and (b) of this section, the Commission may change the rules of measurement or rates of tolls, as the case may be. The Commission shall, however, publish notice of such change in the Federal Register not less than 30 days before the effective date of the change."; and

(3) by striking subsections (d) and (e) and redesignating subsection (f) as subsection (d).

SEC. 3530. MISCELLANEOUS TECHNICAL AMENDMENTS.

The Panama Canal Act of 1979 is amended—

(1) in section 1205 (22 U.S.C. 3645) in the last sentence by striking "appropriation" and inserting "fund";

(2) in section 1303 (22 U.S.C. 3713) by striking "The authority of this section may not be used for administrative expenses.";

(3) in section 1321(d) (22 U.S.C. 3731(d)) in the second sentence by striking "appropriations or";

(4) in section 1401(c) (22 U.S.C. 3761(c)) by striking "appropriated for or";

(5) in section 1415 (22 U.S.C. 3775) by striking "appropriated or"; and

(6) in section 1416 (22 U.S.C. 3776) in the third sentence by striking "appropriated or".

SEC. 3531. CONFORMING AMENDMENT TO TITLE 31, UNITED STATES CODE.

Section 9101(3) of title 31, United States Code, is amended by adding at the end the following:

"(P) the Panama Canal Commission.".

The CHAIRMAN. No amendments to the Committee amendment in the nature of a substitute, as modified, are in order except amendments printed in House Report 104–136, amendments en bloc described in section 3 of House Resolution 164, and amendments described in section 4 of the resolution.

Except as specified in section 5 of the resolution or unless otherwise specified in the report, the amendments shall be considered in the order printed, may be offered only by a Member designated in the report, shall be considered as read, shall not be subject to amendment or to a demand for a division of the question, and shall be debatable for 10 minutes, equally divided and controlled by the proponent and an opponent of the amendment, except that the Chairman and Ranking Minority Member of the Committee on National Security each may offer one pro forma amendment for the purpose of further debate on any pending amendment.

Consideration of amendments printed in subpart B of part 1 of the report shall begin with an additional period of general debate confined to the subject of cooperative threat reduction with the former Soviet Union. That period of debate shall not exceed 30 minutes, equally divided and controlled by the Chairman and Ranking Minority Member.

Consideration of amendments printed in subpart D of part 1 of the report shall begin with an additional period of general debate which shall be confined to the subject of ballistic missile defense. That period of debate shall not exceed 60 minutes, equally divided and controlled by the Chairman and Ranking Minority Member.

It shall be in order at any time for the Chairman of the Committee on National Security or his designee to offer amendments en bloc consisting of amendments printed in part 2 of the report or germane modifications of any such amendment.

Amendments en bloc shall be considered as read (except that modifications shall be reported) shall be debatable for 20 minutes equally divided and controlled by the Chairman and Ranking Minority Member, shall not be subject to amendment, and shall not be subject to a demand for a division of the question.

The original proponent of an amendment included in amendments en bloc may insert a statement in the CONGRESSIONAL RECORD immediately before disposition of the amendments en bloc.

It shall be in order for the gentleman from Pennsylvania [Mr. CLINGER], with the concurrence of the gentlewoman from Illinois [Mrs. COLLINS], to offer amendment No. 1 printed in subpart C of part 1 of the report in a modified form that is germane to the form printed in the report.

After disposition of all other amendments, it shall be in order at any time for the chairman of the Committee on National Security or his designee to offer an amendment not printed in the report to reconcile spending levels reflected in the bill with the corresponding level reflected in a conference report to accompany a concurrent resolution on the budget for fiscal year 1996.

That amendment shall be considered as read, shall be debatable for 10 minutes, equally divided and controlled by the chairman and ranking minority member or their designees, shall not be subject to amendment, and shall not be subject to a demand for division of the question.

The Chairman of the Committee of the Whole may postpone until a time during further consideration in the Committee of the Whole a request for a recorded vote on any amendment made in order by the resolution.

The Chairman of the Committee of the Whole may reduce to not less than 5 minutes the time for voting by electronic device on any postponed question that immeditely follows another vote by electronic device without intervening business, provided that the time for voting by electronic device on the first in any series of questions shall not be less than 15 minutes.

The Chairman of the Committee of the Whole may recognize for consideration of amendments made in order by the resolution out of the order in which they are printed, but not sooner than 1 hour after the chairman or a designee announces from the floor a request to that effect.

The request to consider amendments Nos. 1 and 2 printed in subpart B of part 1 of House Report 104–136 prior to amendment No. 1 in subpart A of part 1 was made at the beginning of general debate.

Therefore, it is now in order to debate the subject matter of cooperative threat reduction with the former Soviet Union. The gentleman from South Carolina [Mr. SPENCE] and the gentleman from California [Mr. DELLUMS] will each be recognized for 15 minutes. The Chair will then recognize the gentleman from California [Mr. DORNAN] to offer amendment No. 1 in subpart B of part 1.

The chair now recognizes the gentleman from South Carolina.

Mr. SPENCE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the National Security Committee was driven by two objectives in its review of the Cooperative Threat Reduction (or "Nunn-Lugar") program. First, the committee sought to promote and fully fund the core objectives and activities of the program—the accelerated dismantlement and destruction of strategic forces of the former Soviet Union and the nonproliferation of weapons of mass destruction.

The committee-reported bill approved the budget request for these types of projects, with two exceptions. First, the Committee denied funds for construction of a multi-billion dollar chemical weapons destruction facility and a fissile material storage facility, because, as noted in a recent General Accounting Office [GAO] report, these projects are ill-defined and involve outstanding issues that ought to be resolved prior to the obligation of scarce defense dollars and perhaps more fundamentally, the taxpayers' money.

And second, the Committee did not fund the $40 million requested by the Administration to support defense conversion in Russia and elsewhere. Even if conversion in Russia is feasible, which is a debateable proposition, such activities more appropriately fall into the category of either foreign aid or economic assistance and should not be the funding responsibility of the Defense Department.

Furthermore, the GAO report raised concerns that Nunn-Lugar conversion activities may be hindering privatization in the former Soviet Union by subsidizing state-run military enterprises. If so, this result would be in direct contradiction to the defense Department's assertions that Nunn-Lugar defense conversion activities have enhanced Russia's prospects for longer-term economic reform.

The Committee's second objective was to enhance Congressional oversight of DoD's progress in carrying out these projects. H.R. 1530 calls for an annual accounting of U.S. Nunn-Lugar aid delivered to the former Soviet Union, and requires prior notification of the obligation of such funds. Certainly it is not unreasonable to expect to know where and how these funds, once approved, will be spent.

In all, I believe the Committee's recommended authorization of $200 million for Cooperative Threat Reduction accomplishes the twin objectives of aggressively promoting "core" dismantlement activities and simultaneously improving Congressional oversight of Nunn-Lugar programs.

However, the Committee has serious concerns about certain-on-going Russian activities that would seem to be inconsistent with an improved political relationship. Mr. Dornan plans to offer an amendment that would prohibit obligation of Nunn-Lugar funds, not cut them, until the President certifies that the Russian offensive biological weapons program has been terminated. I support the Dornan amendment as an important expression of concern about on-going Russian programs involving weapons of mass destruction. I urge a strong "yes" vote.

By contrast, the Hamilton amendment would substantially weaken the standards that proposed recipient countries must meet in order to be eligible to receive Nunn-Lugar assistance. H.R. 1530 sought to tighten those standards to ensure that Russia and other recipient countries are meeting certain minimum eligibility standards, such as complying with arms control agreements and respecting the rights of minorities. Therefore, I urge a "no" vote on the Hamilton amendment.

□ 1800

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

Mr. DELLUMS. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Texas [Mr. STENHOLM].

Mr. STENHOLM. Mr. Chairman, I rise today to urge my colleagues to continue to support the Nunn-Lugar program that is helping to dismantle Russian nuclear weapons.

While I have had concerns about how some of the funds were spent in this program, I believe that the National Security Committee bill has more properly constrained the program to those areas most directly connected to dismantling weapons. Money would not be spent on programs that I believe are extraneous to the central mission of Nunn-Lugar—which is to destroy and end the threat of Russian nuclear weapons.

This amendment that we will consider that would prevent this program from going forward is not in the best interest of our national security. Secretary Perry has made this program one of his highest priorities—precisely because it literally removes the threat posed by these Russian nuclear weapons. The Nunn-Lugar program are a small price to pay to protect the U.S. and our NATO allies from the threat posed by these weapons of mass destruction.

We should not cut off our nose to spite our face. Let the President continue to help the Russians live up to their pledge to end their biological and chemical weapons programs.

I urge my colleagues to support the committee position on Nunn-Lugar and to reject any killer amendment that will stop us from dismantling Russian nuclear weapons.

Mr. SPENCE. Mr. Chairman, I yield the remainder of my time to the gentleman from Pennsylvania [Mr. WELDON], and I ask unanimous consent that he be allowed to control that time.

The CHAIRMAN pro tempore (Mr. LAHOOD). Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. WELDON of Pennsylvania. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from California [Mr. HUNTER].

Mr. HUNTER. Mr. Chairman, I want to thank the gentleman from Pennsylvania [Mr. WELDON] for giving me some time.

Mr. Chairman, this is a very ticklish subject and a very ticklish issue that requires a lot of balance. This is the money that we send to the Soviet Union and the aid we send to the Soviet Union for the purpose that rises in this Congress of helping the Soviet Union to dismantle and basically move the loaded guns that they have aimed at America's cities and America's military installations away from the target, and ultimately to unload those guns and take the bullets apart; that is, do away with the intercontinental ballistic missiles aimed at the United States and dismantle those missiles.

Now, this is tough and it requires a lot of balancing, and I think it requires some very close scrutiny. The reason it requires close scrutiny in balancing is because the Soviet Union, at the same time that they are dismantling a number of their weapons as a result of their arms accord with us, with the United States, they are also pursuing modernization programs for new nuclear weapons. The last thing the United States wants to be involved in doing is inadvertently giving money to the Soviet Union not to get rid of the old stuff, but to build new stuff, new weapons aimed at the United States.

We know at least in theory, that for every dollar you give the Soviet Union, if they have a requirement under their treaties to dismantle a certain number of weapons, which they in fact have under the arms control treaties negotiated over the last 10 years, and they do not have to use that dollar in dismantling the weapons, those dollars, which are very dear and scarce in the Soviet Union, can then be turned toward modernizing and building new weapons.

Because of that, the committee thought it was prudent to cut about $171 million out of the President's request. I think we have done the right thing, and I think the message to the administration is you had better give us more oversight or we are going to cut more next year.

Mr. DELLUMS. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I rise in support of the robust operation of the Nunn-Lugar program that dismantles Russian nuclear weapons and in strong opposition to the Dornan amendment. That

amendment, in this gentleman's opinion, is a killer amendment to the Nunn-Lugar Program. It would provide that no Nunn-Lugar funds could be obligated or expended for programs or activities with Russia unless and until the United States President certifies that Russia has terminated its offensive biological weapons program. The administration strongly opposes the amendment, and I believe so should this House.

Proponents argue that the Russians may be continuing to implement their offensive biological weapons programs. This will compel the Russians to abandon this work. Proponents argue that if they do not abandon this work, they should not be engaged in the cooperative threat reduction program.

The cooperative threat reduction program is a central element of U.S. national security policy, Mr. Chairman. The effort to secure the destruction of Russian nuclear warheads should not be halted because of a more exotic and much less threat posed by a biological weapons program, much less the possibility of such a program. This would be very much a case of cutting off our nose to spite our face.

The point here is very obvious: The dismantling of nuclear weapons is an imperative unto itself, and it should not be coupled with biological weapons which should also be cut. President Yeltsin has pledged to end the program and is taking steps to do so. Because of the uncertainties of his success in achieving that goal immediately, the President would not be able to issue a certification that the Russians indeed have terminated the program, despite the fact they are at least in the process of terminating the program. The Dornan amendment is an additional element that will kill the program of dismantling nuclear weapons because of the President's inability to certify that the Russian Government's efforts are immediately successfully.

The original certification language in the Nunn-Lugar program was bipartisan in nature. It recognized how complex the enterprise would be, and its importance warranted a degree of flexibility in the certification process. The committee bill already further constrains that process. We do not need to kill the program under the guise of improvement. I urge a no vote on the Dornan amendment.

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

Mr. WELDON of Pennsylvania. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. DORNAN], the distinguished chairman of the Subcommittee on Military Personnel.

Mr. DORNAN. Mr. Chairman, I will return, of course, to discuss this in greater department when my own amendment comes up after general debate here, but I did want to point out that in addition to a 45 minute briefing on the rescue of Captain Scott O'Grady, and wait until America finds out what a close run thing that was, according to my sources, who are the key people that directed the rescue, but before the last time I spoke on this floor, I spent an hour upstairs in the Permanent Select Committee on Intelligence's secret cleared rooms getting a briefing from intelligence community people on the Soviets' serious efforts in chemical warfare.

New report just out a week ago, available to all Members: Their work on biological warfare, super plagues, using the Marburg and Ebola viruses, anthrax, smallpox, bubonic plague, active programs. Any Member can have a team of intelligence community people come to their office, without sweeping their office, and get a secret briefing on this. A lot of Members have been here 10 or 20 years and are not aware of that. I learned that when I was a freshman, before I was in the Permanent Select Committee on Intelligence.

Get briefed. I am not engaging in one-upmanship here, saying you must trust me and those of us on the Permanent Select Committee on Intelligence. Here is a book, non-secret, open to any American, the Chemical and Biological Warfare Threat. It is a comprehensive, powerfully written body of work here. I only have three copies, first come first served. I would love to give them to somebody if I though they would study it over the next hour and it would change their vote.

Look at this article that is going to be on the back of the pass-out that I will circulate around. I have hundreds of them over here. This is 21 days ago on a GAO report, March 18: Russia uses Pentagon funds in constructing nuclear weapons with our money. They have only spent $177 million out of a billion and a quarter. The State Department is going to add 90 million to this.

This is real money. This is real money we are talking about here. This is money carved out of modernization weapons programs under Mr. HUNTER, research and development under Mr. WELDON, installations under Mr. HEFLEY, personnel raises that are not there this year under my chairmanship of the Subcommittee on Military Personnel, and under readiness, under Mr. BATEMAN, money that we could use to keep our men and women battle ready.

This is serious money we are talking about here, and these things should be certified before your tax dollars are spent in what remains of the Evil Empire. Deception, and more deception.

Mr. DELLUMS. Mr. Chairman, I yield 5 minutes to my distinguished colleague, the gentleman from South Carolina [Mr. SPRATT].

Mr. SPRATT. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I oppose the Dornan amendment because the Dornan amendment would in effect wipe out what is a very good program, a bipartisan program, Nunn-Lugar. I would be the first to admit that Nunn-Lugar can be improved, but this amendment before us just goes too far. It throws out every baby with the bath water.

Nunn-Lugar has three major objectives: First, to destroy weapons of mass destruction, nuclear, chemical, biological, that belong to the Soviet Union; second, to prevent the proliferation of the components of these weapons, nuclear materials and missile guidance devices after they have been dismantled and before they are destroyed; and, three, to prevent the diversion of scientists and engineers who made these weapons to other countries where they could make them again and use them against us.

Nobody can dispute those objectives. Nobody can claim that those are not worthy objectives. And this must be made clear, Nunn-Lugar is not a handout for the benefit of Russia, Belarus or Kazakhstan. This is a program which is in our best interests as well as theirs. Has it worked? That is a key question.

I have a report card from the Pentagon, and this is how they would grade it. First of all, Nunn-Lugar has helped remove more than 2,800 warheads from missiles in the former Soviet Union, 2,800 warheads have been removed from missiles in the former Soviet Union. About 1,800 of these warheads were on missiles in the Ukraine, Belarus and Kazakhstan. All of the Kazakhstan warheads have been removed and returned to Russia. Ukrainian and Belarusian warheads will be returned by the end of next summer. That is significant process: 2,800 warheads, 1,800 of these have been removed.

Nunn-Lugar has also helped destroy 630 strategic launchers and bombers, deactivated another 1,000 bombers in the Ukraine and Kazakhstan, all of this in our interests.

Third, Nunn-Lugar partly funded the transportation of 600 kilograms of highly enriched uranium, enough to make at least 20 weapons, from Kazakhstan to safe storage in this country at Oak Ridge, TN.

Fourth, Nunn-Lugar is constructing a plutonium storage facility in Tomsk, Siberia. That has been one of the earliest objectives of it. From the outset we said we want to not only dismantle these weapons and remove them from the silos, we want to get them under tight control where they can be accounted for in a facility built specifically for that purpose.

□ 1815

It has taken some time to get off the ground. A facility built to store plutonium components, the pits, that comes out of warheads, critically important components that we do not want to escape the Soviet Union. That facility is finally under way in Tomsk, Siberia.

For goodness sake, we do not want to stop that.

Fifth, Nunn-Lugar has helped employ 8,200 weapons scientists and engineers in civilian research projects. Instead of going somewhere else, bending their talents to the use of some other country which might have policies that are intense and hostile to us, instead of using them to build weapons against us in the former Soviet Union, 8,200 weapons scientists are employed in civilian research at a very favorable exchange rate for our money.

Personally, I would give Nunn-Lugar, based on that report card, a solid B plus. Maybe because it was slow to get out of the starting blocks, a little bit slow to pick up speed, momentum, we would give it a solid B, but no less than that. And on certain important tests, it has literally aced out. It has achieved its intended purposes.

For example, it has denuclearized Kazakhstan, and Ukraine and Belarus will be denuclearized. There will be no weapons, nuclear weapons in those three countries by the end of next summer, which is an extraordinary achievement by any yardstick. If we do not stop this program, three of the four nuclear weapons states of the former Soviet Union will have no nuclear weapons by the end of next summer. Do we want to stop that kind of progress?

This program may not grade well on chemical and biological weapons. I understand and share the frustration of the gentleman from California [Mr. DORNAN] in that respect. I do not blame him there in the least. The former Soviet Union is not doing nearly enough. But his amendment, if I can continue the metaphor, would expel, if you will, the whole Nunn-Lugar program for poor grades in this particular area on biological and chemical weapons, and this is shortsighted for the reasons just mentioned.

Why slow down the efforts to get nuclear warheads out of Ukraine and Belarus because of the sins of Russia? Why stop what is a fundamentally extraordinary program in those two countries because of disagreement with Russia on chemical and biological weapons? Second, why stop dismantling nuclear weapons in Russia because progress on other weapons is not all yet that it can be?

I have here some photographs that I would invite everyone to take note of, photographic evidence of what is taking place. It just gives a little graphic emphasis.

Here is a missile, an SS-19 being removed from a silo with Nunn-Lugar money. Here is a bomber being cut up with a chain saw, the equivalent of it, Nunn-Lugar money. Here is another. And here is Secretary Perry standing with a Russian officer looking at a silo where a weapon has been removed, about to be dismantled and destroyed.

Let us not stop this program because of our disagreement with the Russians over their chemical and biological program. Let us vote against this Dornan amendment.

Mr. WELDON of Pennsylvania. Mr. Chairman, I yield 2 minutes to the gentleman from Kansas, [Mr. TIAHRT], one of the coauthors of an amendment that will be coming up in a few moments.

Mr. TIAHRT. Mr. Chairman, I think what Nunn-Lugar does is an admirable idea. I approach it with cautious support.

We do want to make sure that we have a safe environment, that we have a safe world, that we have a reduction in the threat over in Russia. But we also have an obligation to the American people, even though we have an admirable goal, we have to make sure that we get a dollar's worth of threat reduction for a dollar's worth of tax.

We have this article that the gentleman from California [Mr. DORNAN] referred to that mentioned, it was in the Washington Times, it mentions that the Pentagon funds possibly are going for the construction of new nukes. There was a GAO audit that it was based on. I have that audit, GAO audit, here with me. That is why I am a little cautious because we are spending money, $200 million, to make sure that our world is more safe. And they do need our help. But are they taking this money and are they doing away with their environmental waste or are they doing away with actual weapons of mass destruction?

Is there something going to help clean up their environment, or are we actually cutting up weapons as we just saw in the pictures before?

I am a coauthor of the Dornan-Tiahrt amendment because I think we need to have some verification. Are they in fact doing what they say they are? Right now, according to the GAO, we cannot go in and audit them. We do not know if we are getting a dollar's worth of threat reduction for a dollar's worth of tax. Can you imagine how mad, how angry U.S. taxpayers are going to be, sitting at their kitchen table if, in fact, the Russian government is creating weapons of mass destruction instead of reducing them with this money that we are sending them. We need a commonsense approach to this, and that is why I am cosponsoring the Dornan-Tiahrt amendment so that we can go in and verify that we are in fact reducing this threat.

Mr. SPRATT. Mr. Chairman, I yield 2 minutes to the gentleman from Indiana [Mr. HAMILTON].

Mr. HAMILTON. Mr. Chairman, I thank the gentleman for yielding time to me.

I speak in opposition to the Dornan amendment. I am well aware, of course, that it is well-intentioned, but I do believe it harms U.S. national security.

I think we have to be very clear about the impact of the Dornan amendment. It ends the Nunn-Lugar program to destroy Russian missiles and silos. All of us agree that the Russians could give us better performance and information about the biological weapons program. But the Dornan amendment will stop U.S. support for nuclear weapons destruction and the fissile material safety programs in Russia. We should not let the best outcome, which is perfect information from the Russians on all weapon programs, shut down a very good program. And Nunn-Lugar is a very good program.

It has helped remove 2,825 warheads from missiles, removed 1,785 warheads from Ukraine, Belarus and Kazakhstan, removed 70 missiles from launchers, returned 75 missiles to Russia, deactivated 1,000 strategic bombers, destroyed 630 missiles, denuclearized Kazakhstan, and it will denuclearize Ukraine and Belarus by mid-1996. So Nunn-Lugar reduces the threat to the United States. It provides cheap and effective missile defense. It helps the United States monitor Russian intentions and capabilities, and it is very cheap, costing less than 1/10ths of 1 percent of the defense budget.

So Nunn-Lugar keeps us engaged in working with the Russians in support of U.S. national security goals, and I believe that the Dornan amendment stops a program that helps dismantle Russian nuclear missiles and warheads.

The Dornan amendment, in my judgment, harms U.S. national security. I urge a no vote on it.

Mr. WELDON of Pennsylvania. Mr. Chairman, may I inquire as to the time remaining?

The CHAIRMAN. The gentleman from Pennsylvania, [Mr. WELDON] has 4½ minutes remaining, and the gentleman from South Carolina [Mr. SPRATT] has 4 minutes remaining.

Mr. WELDON of Pennsylvania. I yield 1 minute to the distinguished gentleman from Wisconsin [Mr. NEUMANN].

Mr. NEUMANN. Mr. Chairman, I rise to support the Dornan amendment as I would support virtually any amendment that stops or slows the flow of United States tax dollars to Russia. The defense authorization bill that we are currently considering allows the expenditure of $6 million to continue the design of a facility for storage of fissile material in Russia. Let me translate that to English for the American taxpayer. We are authorizing funds to design a storage facility for parts, components of nuclear warheads that are going to be stored in Russia on a long-term basis.

To me it makes no sense whatsoever that we should take tax dollars from America and spend it in Russia to design a storage facility to house fissile materials or components for future nuclear warheads. I strongly support the Dornan amendment because it will slow the flow of United States tax dollars to Russia.

Mr. SPRATT. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. MEEHAN].

Mr. MEEHAN. Mr. Chairman, I rise in support of the Cooperative Threat Reduction Program. This bi-partisan inspired initiative has leveraged our defense spending by reducing a variety of threats that eminate from the States of the former Soviet Union. Throughout the cold war the United States expended a great deal of resources to confront the Soviet Union in central Europe, and across the world. We now have the unique opportunity to work with our former adversary to reduce the threat posed by weapons created during this period.

The United States in cooperation with the government's of Russia, the Ukraine, Kazakstan, and Belarus have already made progress in moving to a more secure future through arms reductions and the safeguarding of nuclear materials.

This program is a pragmatic response to developments in Russia. It allows the United States to work with the Russians in areas of mutual benefit, while hedging against any reversal in the reforms now underway.

The mere pledge of this funding was a motivating factoring in the Ukraine's decision to return their nuclear weapons to Russia for safeguarding and destruction. In a similar vain, funds have been used to provide equipment and training necessary for the destruction of strategic nuclear delivery vehicles and facilities. A prime example of the result of this program has been the destruction of Russian Bear bombers.

The treat of the dispersal of nuclear materials is at the top of most everyones list of concerns. We know of several arrests in Europe that have allegedly involved the attempted sale of nuclear materials from the former Soviet Union. Currently, materials control, accountability and physical protection practices in Russia are rudimentary at best. The Cooperative Threat Reduction Program includes efforts to rectify this situation.

There is plenty of work left to be done. This program is in the forefront of our post-cold-war defense strategy and should receive the support of each of my colleagues.

Mr. WELDON of Pennsylvania. Mr. Chairman, I yield myself the balance of my time.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. WELDON], is recognized for 3½ minutes.

Mr. WELDON of Pennsylvania. Mr. Chairman, let us recap this debate. First of all, this is not about ending the Nunn-Lugar program.

Second of all, let me explain from my perspective, as someone who for the past 20 years has focused on Soviet-American issues, who currently co-chairs two caucuses in this Congress working to enhance business opportunities in the area of energy and oil and gas as well as the environmental issues, working with Nikoli Vorontsov, a member of Russian Duma on environmental concern and working with the gentleman from Texas, [Mr. LAUGHLIN], and Members of this Congress on helping projects like the Sakhalin project, a $10 billion investment of western money in Siberia, we are not about ending help in the case of the Russians dismantling their nuclear weapons.

In fact, I have been personally involved in supporting two specific programs, $10 million of money being used in Murmansk to help the Russians put together a process to dispose of their spent nuclear fuel and their nuclear waste. A terrible problem that we are working with them on. It is working, and our investment I think is a wise one.

A second project is helping to convert the Baltic shipyard where the Kirov class of ships were built into an environmental mediation center.

Mr. Chairman, what this amendment does is it says that, before we put one more dime of money in, the Russians should meet us halfway. We are talking, Mr. Chairman, about biological weapons. It seems to me in the past 9 years I have heard Member after Member on the other side of the aisle say we have got to stop the proliferation of biological weapons. And certainly if we are putting money in, we should be doing that.

That is what this amendment does. Now, one of our colleagues on the other side, from South Carolina, said that we have done so many positive things, and he said that we have removed warheads. But what he did not say is that we have destroyed warheads. Because my colleague knows full well that we do not have one ounce of documentation that even one warhead has been destroyed, not one ounce of documentation, because the Russians will not allow us to observe the destruction of any warheads.

So, Mr. Chairman, let us be realistic about what is going on. Sure, there have been positive strides made, and sure we should continue the effort of dismantling launchers and other support material in line with the photographs we saw here.

□ 1830

However, let us not put a cloud over the eyes of the American people. We are saying that we will continue to fund the Russians in their effort to dismantle their nuclear arsenal. We will continue to help clean up Ukraine and Uzbekistan, Kazakhstan, Belarus, "but we will do it when you certify to us that you were not building biological weapons that threaten the security of peace-loving people around the world."

Also, we are fencing the money, which means the President can certify to us that that in fact is no longer taking place. Mr. Chairman, I think the average taxpayer back in our districts would support this kind of amendment. I, as one, who supports business ventures in Russia, who speaks the language and travels over there frequently, want to see us continue to support a stabilized Russia. However, we have to do it with our eyes open. I think the Dornan-Tiahrt amendment allows us to do that. I would encourage our colleagues, when the amendment comes up, to vote "aye."

Mr. SPRATT. Mr. Chairman, could the Chair advise me how much time remains on our side?

The CHAIRMAN. The gentleman from South Carolina [Mr. SPRATT] has 2 minutes remaining.

Mr. SPRATT. Mr. Chairman, I yield myself the balance of our time.

Mr. Chairman, this amendment begins with a legitimate grievance, as the gentleman has just stated. We are not satisfied with all the Russians are doing and should be doing to end and get rid of their chemical and biological weapons program.

However, having begun with that premise, it moves to the wrong conclusion. It, in effect, says we should punish ourselves and the Russians at the same time. Why is that? Because if we stop the Nunn-Lugar program, due to the fact that we are dissatisfied with their progress in stopping their chemical-biological program, then we will stop ourselves from achieving a highly significant goal, the removal of all nuclear weapons from Kazakhstan and Belarus by next summer.

I think the gentleman who just spoke, the gentleman from Pennsylvania [Mr. WELDON], my good friend, would agree that is a worthy objective. That is an objective that serves our national security interests. Why do we want to cut off our noses to spite our face? Can we actually say that the weapons are being dismantled, that the warheads are being dismantled? We will take a step closer to being satisfied of that fact.

Once we have completed the facility in Tomsk that we have finally begun to fund, finally broken ground upon, using Nunn-Lugar money, and if we stop the money now, we put that facility, which is a critical component, towards certification and verification in jeopardy. I simply say, in trying to punish the Russians, we are punishing the Kazakhstanis, we are functioning the Belarusans, and we are punishing ourselves, and that does not make sense.

The CHAIRMAN. It is now in order to consider amendment No. 1 printed in subpart B of part 1 of the report.

AMENDMENT OFFERED BY MR. DORNAN

Mr. DORNAN. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by DORNAN:

At the end of title XI (page 383, after line 9), insert the following new section:

SEC. 1108. LIMITATION ON COOPERATIVE THREAT REDUCTION PROGRAM RELATING TO OFFENSIVE BIOLOGICAL WEAPONS PROGRAM IN RUSSIA.

None of the funds appropriated pursuant to the authorization in section 301 for Cooperative Threat Reduction programs may be obligated or expended for programs or activities with Russia unless and until the President submits to Congress a certification in writing that Russia has terminated its offensive biological weapons program.

The CHAIRMAN. Pursuant to the rule, the gentleman from California [Mr. DORNAN] will be recognized for 5 minutes, and the gentleman from South Carolina [Mr. SPRATT], will be recognized for 5 minutes for the minority.

The Chair recognizes the gentleman from California [Mr. DORNAN].

Mr. DORNAN. Mr. Chairman, I rise to defend the Dornan-Tiahrt amendment. I will be working one of the doors, as we say in the colloquial expression around here, with my confederates on all 3, 4, 5 doors, to pass this out during the vote. Here is the essence of my "Dear Colleague." This is from excellent reporting by reporter Bill Gertz just a few weeks ago in the Washington Times. It was also heavily covered around the world.

A defector who is now public, Vladimir Pasechnik, on Soviet active offensive biological weapons programs, says this: "Russia continues to invest in biological weapons." I said earlier what they are, the Marburg Ebola virus, the plain Ebola virus, bubonic plague, anthrax. During the worst days of the evil empire, there were some open press stories of putting it maybe into ICBMs, aerosoled, to be used as city-killers.

In 1993, according to this scientist, he revealed that the Soviet Union and Russia had violated the 1972 biological weapons convention, and by the way, after 20 years they admitted that they violated all of that for 20 years, thanks to an honest statement on the part of President Yeltsin. That convention outlawed the development or production of bacteriological weapons by continuing to produce them.

"Pasechnik had recently served in an organization known as biopreparat, with about 400 other scientists working on genetic engineering of germ weaponry. He claimed Russia had developed a super plague that would kill half the population of a city in a week," as in the beginning of Hot Zone, which I have confirmed from scientists is accurate, turned into the bestseller "Outbreak,", slowly painfully retching up all of your innards.

Former CIA Director Robert Gates testified in 1993 that the agency believes the Russian military is continuing to work clandestinely on illegal biological weapons without the knowledge of Russian civilian leaders.

Mr. Chairman, I want to reserve the rest of my time to let some of my other colleagues, starting with the gentleman from Kansas [Mr. TIAHRT], speak. We are not ending the program, Lugar-Nunn. We are not taking away funds. We are fencing the money, a word learned in this Chamber during the Nicaraguan debate, where the good guys won, we are fencing it to get certification that this utter diabolical madness is coming to an end.

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

Mr. SPRATT. Mr. Chairman, I yield 2 minutes to the gentlewoman from California [Ms. HARMAN].

Ms. HARMAN. Mr. Chairman, I rise in strong opposition to the amendment offered by the gentleman from California [Mr. DORNAN] to condition the expenditure of funds for the Nunn-Lugar program.

Mr. Chairman, it is one thing to reduce offensive chemical and biological weapons in the Russian arsenal. I agree with the gentleman from California that we need to do that, and would be pleased to work with him on that goal.

However, it seems to me to be the height of folly to condition the progress of another successful program that protects American citizens from Russian missiles on our ability to achieve the goal the gentleman sets forth.

To cut off your nose to spite your face is the phrase my friend and colleague, the gentleman from South Carolina [Mr. SPRATT] has just used. He is right. As he also described earlier, Nunn-Lugar has reduced the threat of Russian missiles, missiles formerly targeted at the United States and our Western allies.

We need to remember that the greatest beneficiary of the Nunn-Lugar program is the United States, not Russia, but the United States. To halt progress, by means of this amendment, on reducing the threat represented by the remaining missiles and warheads is to put our citizens, American citizens, at risk.

Mr. Chairman, both Nunn-Lugar and the gentleman from California [Mr. DORNAN], the author of this amendment, set laudable goals. However, to condition one of the other is to risk both, to risk reducing the nuclear threat and to risk overcoming the threat of chemical and biological weapons. Reject the Dornan amendment.

Mr. DORNAN. Mr. Chairman, I yield 30 seconds to the gentleman from Kansas [Mr. TIAHRT], the cosponsor of the amendment.

Mr. TIAHRT. Mr. Chairman, I rise in support of the Dornan-Tiahrt amendment for very obvious reasons. I am really surprised that Members would oppose such an amendment. What we are doing is verifying that Russia is getting rid of their biological weapons. We just want verification. We just want to know that when we spend a dollar's worth of tax, that we get a dollar's worth of threat reduction.

I do not see how they could betray the U.S. taxpayers and oppose this, because what we are doing is verifying that their hard-earned money is going to reduce the threat, to make a safer world for them, and if we do not do that, then we are just wasting this money. It could have been wasted, according to the GAO report. I think it is time we put some common sense into Nunn-Lugar.

Mr. Chairman, I rise today in strong support of the Dornan-Tiahrt amendment to the Cooperative Threat Reduction Program.

The Cooperative Threat Reduction Program, or CTR, is funded through the Pentagon in an attempt to help finance the dismantling of the former Soviet Union's nuclear arsenal. However a recent General Accounting Office report [GAO] shows that this money is being used to fund the work of Russian scientists who are spending at least part of their time developing new and more menacing Russian missiles and nuclear and chemical arms.

After reading the GAO report and recent press accounts, I requested that the House National Security Committee hold oversight hearings on the Cooperative Threat Reduction Program, also known as the Nunn-Lugar program. We must be absolutely sure that this money is being used properly, and I look forward to these hearings.

I strongly urge my colleagues to support this amendment, the Dornan-Tiahrt amendment, which requires the President to certify that the Russian offensive biological weapons program has been terminated.

The CTR was cut drastically in the National Security Committee. $171 million was cut from a $371 million administration request. Our amendment does not cut CTR funding below the Committee recommendation of $200 million, it just makes a simple request which we think addresses a world-wide humanitarian concern.

This amendment puts a restriction on any additional CTR money going to the former Soviet Union, unless Russia terminates her offensive biological weapons program. It's a simple and fair request. Actually, it doesn't matter how fair it is. Russia should end its biological weapons program now, and we should use the CTR money in a way that makes this happen.

The GAO report included many potential problems with the CTR program.

Moscow is refusing to permit audits of U.S. funds paid under the program.

The purpose of the program, to reduce the threat of nuclear weapons proliferation, and improve control over nuclear materials, is not being realized.

In fact the report says that CTR money might even be going to enhance Russian nuclear and chemical arms capabilities.

The National Defense Authorization Act as reported out by committee made a responsible cut in the administration's request for the Cooperative Threat Reduction Program, and I support that reduction, and applaud the chairman's work. This amendment simply ensures that Russia's offensive biological weapons program will be terminated.

Some might argue, like the administration does, that CTR money only goes to dismantle

the former Soviet Union's nuclear arsenal. If that is true, they should have no problem with this amendment. It's time for Russia to terminate this program in good faith, and for the President to certify its termination, in order to ensure that CTR funds are used for their intended purpose; to control weapons of mass destruction, not proliferate them.

Mr. DORNAN. Mr. Chairman, I yield 30 seconds to the fighting freshman, the gentleman from Jonesville, WI, Mr. MARK NEUMANN.

Mr. NEUMANN. Mr. Chairman, I have a big concern that the American taxpayers would not want to spend their money in Russia for this purpose, period. However, if we do decide to spend United States taxpayer money in Russia for this purpose, at the very least we want verification that the money is being spent in a manner that we expect it to be spent, and accomplish the purpose that we are expecting to be accomplished.

At this point in time, the United States has no guarantee and no verification that it is getting the job done that we are spending the money on. I rise in support of this amendment, so we can at least receive verification as to what is happening.

PARLIAMENTARY INQUIRY

Mr. DORNAN. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DORNAN. Am I allowed, as the author of this great amendment, to go last, Mr. Chairman?

The CHAIRMAN. No, the gentleman from South Carolina [Mr. SPRATT] has the right to close.

Mr. DORNAN. That is all right, Mr. Chairman, because I am going to close with 60 percent of the five chairmen under the gentleman from South Carolina [Mr. SPENCE] who is also for this bill.

Mr. Chairman, I yield 30 seconds to the gentleman from Pennsylvania [Mr. WELDON], chairman of the Subcommittee on Military Research and Development of the Committee on National Security.

Mr. WELDON of Pennsylvania. Mr. Chairman, in summary, I would say once again, we are talking about a General Accounting Office report in assessing how successful this program has been. I am not one standing here saying we should do away with the program. To the contrary, I have been supportive of elements of Nunn-Lugar, and have spoken in favor of it.

What we are saying to the taxpayers is that "If we are going to send more of your dollars into Russia, we certainly do not want any of that money to be used to build more biological weapons that can be used against us or our troops."

Mr. Chairman, who could oppose that?

Mr. Chairman, I include for the RECORD a document which is an update on reducing the threat from the Former Soviet Union, and an article by Bill Gertz.

The document and article referred to are as follows:

SUMMARY OF GAO'S RESPONSES TO DEPARTMENT OF DEFENSE COMMENTS IN OUR RECENT REPORT, WEAPONS OF MASS DESTRUCTION: REDUCING THE THREAT FROM THE FORMER SOVIET UNION; AN UPDATE (GAO/NSIAD-95-165)

Point 1. The Department of Defense objected to our finding that the material impact of the CTR program has been limited to date. DOD stated that we overlooked the program's political impact and leverage in insuring that former Soviet states undertake weapons elimination programs and in obtaining agreements from Belarus, Kazakhstan, and Ukraine to become non-nuclear states.

Response. We believe that the Department's comments stem from a misunderstanding of the purpose of our report. Our report focused on the material impact of CTR projects over the past year in addressing the threats posed by former Soviet weapons of mass destruction and on the prospects for such effects in the future.

Point 2. DOD stated that we had underestimated the role of the material assistance provided and stated examples to support its comment. Specifically, DOD asserted that we failed to acknowledge the benefits of delivered CTR assistance including support equipment to Ukraine and armored protective blankets to Russia. DOD further stated that Russia is "today" using U.S.-supplied guillotine shears to cut up heavy bombers.

Response. We stated in our report that without CTR assistance Ukraine could not dismantle its nuclear weapons and that Russian officials told us that Russia has used the armored blankets to protect warheads being withdrawn from Ukraine. The guillotine shears have not yet been used and are not expected to be used until July 1995.

Point 3. DOD stated that numerous tangible reductions in the threat to the United States have been achieved "through a combination of leverage provided by the CTR program and direct material assistance." For example, DOD states that missiles containing 2.825 warheads have been deactivated and that approximately 630 strategic launchers and bombers have been eliminated since the Soviet collapse.

Response. The examples that DOD provides in support of this statement do not distinguish between reductions that may be attributed to political impacts since the Soviet Union's collapse in December 1991 and those that have resulted from the delivery of CTR aid. Although claiming that 2.825 warheads had been deactivated, DOD does not indicate how many of these were deactivated through the direct use of CTR assistance—assistance that only began arriving in mid-1993. DOD claims that 630 strategic launchers and bombers have been eliminated since the Soviet collapse, yet Russia had eliminated more than 400 of these by July 1994—before receiving CTR delivery vehicle elimination assistance.

Point 4. DOD's comments imply that every missile and every warhead deactivated in the former Soviet Union since December 1991 can be attributed to the CTR program.

Response. While making such claims, DOD does not provide a clear accounting as to how and to what extent CTR hardware had been used by the FSU states to eliminate a specific number of systems. Although we asked DOD officials to provide support for the material impact of CTR assistance in dismantling specific numbers of systems, they have not done so. Officials recently informed us that it may be impossible to determine this impact in terms of specific numbers of systems.

Point 5. The Department of Defense objected to our matter for congressional consideration that Congress may wish to consider reducing the CTR program's fiscal year 1996 request for $104 million for support to Russian chemical weapons destruction efforts by about $34 million because of uncertainties regarding the expenditure. DOD also asserted that we were incorrect in stating that the United States and Russia had not yet agreed upon a technology for destroying chemical weapons.

Response. However, as DOD indicates in its comments, Russia has selected a technology that the United States would not have recommended—an unproven technology the United States is now attempting to validate. Unlike the U.S. preferred incineration process, the Russian technology has no record of performance outside the laboratory, and the Russians have not provided sufficient data to allay U.S. concerns about the technology's technical and cost uncertainties.

Point 6. DOD cites that progress has been made in CTR projects that are improving protection of nuclear material that presents a proliferation risk, including the lab-to-lab program for improving material protection in Russia.

Response. This comment overstates the impact of fiscal year 1995 CTR funds on the lab-to-lab program. This Department of Energy (DOE) program has successfully completed a project to upgrade physical protection of approximately 100 kilograms of highly enriched uranium at the Kurchatov Institute in Moscow. However, the project was completed in February 1995 using DOE funds as fiscal year 1995 CTR funds for the lab-to-lab program were not transferred to DOE until April 1995.

Point 7. DOD points to Project Sapphire (the removal of HEU from Kazakhstan) as a CTR project.

Response. Project Sapphire was not a CTR project. It was an executive branch project funded by the Departments of State, Energy, and Defense. Some CTR funds were used to pay for DOD's portion of the project.

Point 8. DOD claims that the CTR defense conversion program should receive high marks from GAO for accelerating from start-up to 15 active projects in a little more than a year.

Response. Although DOD has accelerated the start-up of 15 projects, we believe that it is too early to judge the success of these projects.

Point 9. DOD claims that its defense conversion efforts reduce the threat from weapons of mass destruction.

Response. We found that most of the defense conversion efforts are converting dormant facilities that produced weapons related items.

Point 10. Although there have been some inconsistencies in references in DOD documents, DOD generally describes the recipients of International Science and Technology Center (ISTC) grants as "former Soviet" weapons scientists.

Response. DOD's assertion that the recipients are "former Soviet" weapons scientists is incorrect. DOD often—in testimony, budget submissions, and briefing documents—used the terminology "former" weapons scientists or scientists formerly involved in a weapons program.

[From the Washington Times]

RUSSIA USES PENTAGON FUNDS IN CONSTRUCTING NEW NUKES

(By Bill Gertz)

Pentagon funds aimed at reducing the threat of nuclear war are instead being used to pay Russian scientists still at work on nuclear and chemical arms, according to a draft report by Congress' General Accounting Office (GAO).

The GAO report also states that Moscow is refusing to permit audits of U.S. funds paid under the so-called Nunn-Lugar threat-reduction program, named after sponsoring Sens. Sam Nunn, Georgia Democrat, and Richard G. Lugar, Indiana Republican.

The report concludes that the U.S. aid program, currently funded at about $1.25 billion, has produced little in the way of reducing the threat of weapons proliferation or improving control over nuclear materials.

Instead, it indicates U.S. funds may be enhancing some Russian nuclear and chemical arms capabilities.

Most funds for converting defense plants to civilian production are being used by Moscow to reactivate dormant weapons facilities, according to the May 18 report.

Activities of the International Science and Technology Center in Moscow, funded with $21 million of Pentagon money, raised the most concerns among the GAO investigators, who studied the program from January to May.

Despite Pentagon claims that only "former" nuclear weapons scientists are receiving U.S. money to discourage them from emigrating, "we found that scientists receiving center funds may continue to be employed by institutes engaged in weapons work," the report states.

"Recipients of two center grants at three different institutes told us that they had been involved in nuclear weapons testing and nerve agent research," the report stated.

The GAO auditors also discovered that scientists paid by the center are not employed full time and "may spend part of their time working on Russian weapons of mass destruction," the report stated.

Scientists are allowed to work at Russian weapons laboratories while receiving U.S. funds, and in some cases only 10 percent of their time is spent at the center, "raising the prospect that they could spend the remainder of their time on their institutes' work on weapons of mass destruction," the report said.

The GAO study follows a report that Russia is continuing to build newer nuclear arms. Russian Nuclear Energy Minister Viktor Mikhailov said last year that a new generation of nuclear weapons could be developed by the year 2000 unless military nuclear research was stopped.

Moscow also unveiled its new strategic missile in December called the RS-12M "Topol," a follow-on version of the SS-25 mobile ICBM.

U.S. officials told the GAO that the center "is intended to help prevent proliferation . . . rather than preclude scientists from working on Russian weapons of mass destruction," the report stated, noting that the center prohibits the use of its funds for weapons-related work.

Another problem with the center, according to the GAO, is that it is "creating dual-use items" with both civilian and military applications. For example, a special commercial camera under development by the center can be used in nuclear testing and could be exported, according to the GAO.

Officials in charge of the center told the GAO they could monitor its projects "only intermittently" instead of quarterly, as they would prefer.

Next year the State Department will take over funding the center from the Pentagon and plans to spend $90 million more over the next seven years.

Congress has approved the use of $1.25 billion for the Nunn-Lugar program for fiscal 1992 through 1995. In addition, $735 million has been requested for the next two years.

Republicans in Congress, however, plan to cut the program substantially and limit the funds to weapons dismantling, congressional sources said. The House National Security Committee will complete work on its version of the fiscal 1996 defense authorization bill tomorrow.

Out of about $1.2 billion the Pentagon has notified Congress it will spend in the former Soviet nuclear states, only $177 million has been spent, mostly on weapons being dismantled under the START treaty, the Moscow center and nuclear railcar security, according to the GAO.

Despite agreements that permit audits of how U.S. funds are spent, "none have been conducted in Russia and Ukraine" because of government objections there, the report stated. One was conducted in Belarus, it said.

A report to Congress required by law on the accounting of U.S. aid is four months late. Pentagon officials could not be reached for comment on the GAO report.

Mr. DORNAN. Mr. Speaker, may I inquire of my worthy colleague, the gentleman from South Carolina, [Mr. SPRATT], if he has more than one speaker left?

Mr. SPRATT. I would tell the gentleman I am it, Mr. Chairman.

Mr. DORNAN. Mr. Chairman, this fighter pilot will take over for that paratrooper, the gentleman from California, Mr. DUNCAN HUNTER.

Mr. Chairman, I yield myself my remaining time.

Mr. Chairman, the gentleman from South Carolina [Mr. SPENCE], and all 5 chairmen of the committee support the Dornan-Tiahrt amendment. Mr. Chairman, I will be passing out the GAO report at the doors during the debate. This is consistent with the committee position requiring presidential certification of all the Russian arms control.

We will be back next year to do this on chemical warfare. We just want to make sure that biological weapons programs have been terminated. The good Russian people, the reformers, want this type of tough legislation, and it does not, repeat, not, cut Nunn-Lugar funding below the committee recommendation. The gentleman from Arizona [Mr. STUMP] wants a yes, and so does the gentleman from South Carolina [Mr. SPENCE].

Mr. SPRATT. Mr. Chairman, I would ask, do I have 2 minutes remaining?

The CHAIRMAN. The gentleman from South Carolina [Mr. SPRATT] has 3 minutes remaining.

Mr. SPRATT. Mr. Chairman, I would like to state once again that the gentleman begins with a premise that I do not contest. I do not know to what extent we give validity to it, but we will stipulate for purposes of this argument that Russia is not doing all they should be doing in terminating, bringing to an end, their CBW, chemical-biological weapons program. No contest there. The issue here is, Mr. Chairman, what do we do about it.

The proposal before us in the Dornan amendment would say "Let us take the Nunn-Lugar money," a program that has been slow to start, but now gathering momentum and showing real results, "Let us take it and stop it," as a punitive measure towards the Russians until we can get certification from the President that they are doing everything they can and should be doing to terminate this program." Here is what is wrong with that.

This program, the Nunn-Lugar program, sometimes called the Cooperative Threat Reduction Program, has taken thus far all nuclear weapons out of the State of Kazakhstan, as of the end of April. By the end of next summer, 1996, it will have removed, deactivated and removed, all nuclear weapons out of Ukraine and Belarus. When the FSU, the former Soviet Union, or the Soviet Union dissolved, there suddenly appeared on the world stage 4 new nuclear powers, or 3 nuclear powers, in place of or in addition to the one former Soviet Union. Now we will go back to having just one. 2,800 missiles have been removed so far. 750 have been removed from their launchers.

□ 1845

We are building a storage facility in Tomsk, Siberia, using the money for the Nunn-Lugar program. It has taken 3 to 4 years to get this building off the ground. We have finally broken ground for it.

What does it provide? An opportunity to properly store plutonium pits, critical components in any nuclear weapon, and once they are stored there, they have strict verification and accountability of those.

Finally, and this is not the least significant by any means, we have used Nunn-Lugar money to create an international science and technology center where former weapons scientists, nuclear scientists, and conventional weapons scientists are able to work in non-military programs. If we stop the money, those scientists will now divert their attention and their efforts in Russia and elsewhere, becoming potential proliferators themselves.

Why would we want to stop all of these things which are in our interest? Why do we want to hurt ourselves, undercut our own national security in order to strike back at the Russians?

Why do we want to punish the Kazakhstani, the Ukrainians, and the Belarussians for something the Russians may be doing wrong with respect to their CBW program?

I share the gentleman's concern about their CBW program, but he is going about the punitive reaction to it in the wrong way.

Vote to keep Nunn-Lugar intact. Vote against the Dornan amendment.

Mr. BEREUTER. Mr. Chairman, this Member cannot understand the reason why my colleagues and good friends, the gentleman from California [Mr. DORNAN] and the gentleman from Kansas [Mr. TIAHRT] would offer an amendment to fiscally fence off the Nunn-Lugar funds which are used to reduce the Russian nuclear weapons threat against the United States. It is in our national interest that these nuclear weapons be reduced. There certainly are reasons for the United States and the world to be concerned about Russian chemical and biological weapons programs and stockpiles, and we must use every productive means to reduce and eliminate them. But linking these American efforts to the Nunn-Lugar program is indeed the absolutely wrong and harmful linkage—harmful to the United States.

Mr. Chairman, adopting the Dornan-Tiahrt amendment is indeed cutting off our nose to spite our face. The motive and concerns of our two colleagues offering the amendment are very appropriate, but their amendment couldn't be more dangerously wrong. There are several other United States funding programs for aiding Russia which could be used as leverage or linkage to show our very legitimate concerns about Russian biological and chemical programs and stockpiles.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. DORNAN].

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. SPRATT. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 244, noes 180, not voting 10, as follows:

[Roll No. 369]

AYES—244

Allard
Andrews
Archer
Armey
Bachus
Baker (LA)
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Browder
Brownback
Bryant (TN)
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clinger
Coble
Coburn
Collins (GA)
Combest
Condit
Cooley
Cox
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
de la Garza
Deal
DeFazio
DeLay
Deutsch
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Fields (TX)
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Frisa
Funderburk
Gallegly
Ganske
Gekas
Geren
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Goss
Graham
Greenwood
Gunderson
Gutknecht
Hall (TX)
Hancock
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Horn
Hostettler
Hunter
Hutchinson
Hyde
Inglis
Istook
Jacobs
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Lincoln
Linder
Livingston
LoBiondo
Longley
Lucas
Manzullo
Martini
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
McNulty
Menendez
Metcalf
Meyers
Mica
Miller (FL)
Molinari
Montgomery
Moorhead
Myers
Nethercutt
Neumann
Ney
Norwood
Nussle
Oxley
Packard
Parker
Paxon
Pombo
Porter
Portman
Pryce
Quillen
Quinn
Radanovich
Rahall
Ramstad
Regula
Riggs
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Schiff
Seastrand
Sensenbrenner
Shadegg
Shaw
Shuster
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stockman
Stump
Stupak
Talent
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Thurman
Tiahrt
Torkildsen
Traficant
Upton
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—180

Abercrombie
Ackerman
Baesler
Baldacci
Barrett (WI)
Becerra
Beilenson
Bentsen
Bereuter
Berman
Bevill
Bilbray
Bonior
Borski
Brewster
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Bunn
Cardin
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Conyers
Costello
Coyne
DeLauro
Dellums
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Durbin
Edwards
Engel
Eshoo
Evans
Farr
Fattah
Fazio
Fields (LA)
Filner
Flake
Foglietta
Ford
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Furse
Gejdenson
Gibbons
Gonzalez
Gordon
Green
Gutierrez
Hall (OH)
Hamilton
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Holden
Houghton
Hoyer
Jackson-Lee
Jefferson
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Klink
LaFalce
Lantos
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Luther
Maloney
Manton
Markey
Martinez
Mascara
Matsui
McCarthy
McDermott
McHale
McKinney
Meehan
Meek
Mfume
Miller (CA)
Mineta
Minge
Mink
Moakley
Mollohan
Moran
Morella
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pomeroy
Poshard
Rangel
Reed
Reynolds
Richardson
Rivers
Rose
Roth
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schroeder
Schumer
Scott
Serrano
Shays
Sisisky
Skaggs
Slaughter
Spratt
Stark
Stenholm
Stokes
Studds
Tanner
Tejeda
Thompson
Thornton
Torres
Torricelli
Towns
Tucker
Velazquez
Vento
Visclosky
Volkmer
Ward
Waters
Watt (NC)
Waxman
Wise
Woolsey
Wyden
Wynn

NOT VOTING—10

Baker (CA)
Boucher
Davis
Gephardt
Kleczka
Myrick
White
Williams
Wilson
Yates

□ 1905

Mr. SHAYS changed his vote from "aye" to "no."

Mr. KING, Mrs. THURMAN, and Mr. CRAMER changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Chair has been made aware that the gentleman from Indiana [Mr. HAMILTON] will not offer his amendment. Therefore, it is now in order to consider amendment No. 1, printed in subpart A of part 1 of the report.

AMENDMENT OFFERED BY MR. KASICH

Mr. KASICH. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. KASICH: Strike out section 141 (page 21, lines 2 through 15) and insert in lieu thereof the following:

SEC. 141. LIMITATION ON AIRCRAFT PROCUREMENT FUNDING.

The amount provided in section 103 for procurement of aircraft for the Air Force is hereby reduced by $553,000,000. None of the amount appropriated pursuant to authorization of appropriations in section 103 may be obligated for procurement of long-lead items for procurement of B-2 aircraft beyond the 20 deployable aircraft and one test aircraft authorized by law before the date of the enactment of this Act.

The CHAIRMAN. Pursuant to the rule, the gentleman from Ohio [Mr. KASICH] and a Member opposed, the gentleman from South Carolina [Mr. SPENCE], will each be recognized for 30 minutes.

The Chair recognizes the gentleman form Ohio [Mr. KASICH].

Mr. KASICH. Mr. Chairman, I ask unanimous consent that my time be divided equally with my cosponsor, the gentleman from California [Mr. DELLUMS], and that he be permitted to control that time.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN. The gentleman from California [Mr. DELLUMS] will be recognized for 15 minutes and the gentleman from Ohio [Mr. KASICH] will be recognized for 15 minutes.

Mr. SPENCE. Mr. Chairman, I yield for the purposes of debate 15 minutes to the gentleman from Missouri [Mr. SKELTON], and I ask unanimous consent he be permitted to control that time.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The CHAIRMAN. The gentleman from Missouri [Mr. SKELTON] will be recognized for 15 minutes, and the gentleman from South Carolina [Mr. SPENCE] will be recognized for 15 minutes.

Mr. DELLUMS. Mr. Chairman, in order to begin this debate, I yield myself 5 minutes.

Mr. Chairman, this is an important debate.

□ 1915

The bill that comes to us contains $553 million to begin a journey that will ultimately cost the taxpayers $31.5 billion.

The question is why, why do we need to put in excess of $500 million in this bill to begin long lead for 2 additional B–2 bombers that ultimately is a program for 20 additional? Question one: Is it because the Pentagon wants it? The answer is "no." The Secretary of Defense, the Chair of the Joint Chiefs of Staff, and an independent study done by the Institute for Defense Analysis and the Role and Mission Commission study all said the following: "No, we don't need it. No, we don't want it, and, yes, there are alternatives."

Second question: Do we need this bomber for the purposes of safety? Interesting. The study done by the Institute for Defense Analysis drew the following conclusion: that if we took precision guided munitions, those smart weapons that the American people saw on C–SPAN when we were engaged in the war in the Persian Gulf, that if we expanded that inventory by 200 percent, that we would reduce the aircraft lost in our inventory by 40 percent. They went further and said, "And if you spend the money to build 20 more B–2's, you reduce the aircraft loss by 8 percent."

So if it is a question of safety, you do not spend $31.5 billion building a cold war relic, Mr. Chairman, because the precision guided munitions put more munitions on the target at less risk because you are not flying over the target, you are standing off, and at cheaper cost.

I would remind my colleagues that all of them have been debating budget balance and deficit reduction.

The third argument, Mr. Chairman, is this: Is this for national security needs? Remember, colleagues, the B–2 bomber was designed in the context of the cold war. It was designed to do one thing: fly over the Soviet Union and drop nuclear weapons one time and get the hell out.

This is not the cold war. I hope we have moved beyond the insanity of contemplating nuclear war so we want to fix this weapons system up for a conventional approach, but we already have 20 of them.

This is a subsonic plane. You may not see it on radar because it is stealthy, but no one said it was not vulnerable. You can see this weapon in the daytime. It probably only will fly at night.

Secondly, if you fly it, it only has one purpose: to be there for the first few hours, the first couple days. It is not designed to fly around a theater forever. It flies in and gets out after it suppresses air defenses. We have F–117's that also have that capability. We have wild weasel missiles that can also search out and destroy.

Mr. Chairman, we do not need to go down a $31.5 billion road, because the Pentagon does not want it, because it is not there for safety, it is an expensive weapon, it is not necessary for national security.

So why do we have it? Because we are going to generate employment? We can generate thousands of jobs with $31.5 billion. We can enhance the quality of our lives with $31.5 billion.

Why is it that distinguished and learned people have said we do not need to go down this road? The gentleman from Ohio and this gentleman are simply saying, in conclusion, save the American taxpayers the $19.7 billion it costs to buy and equip this plane, the $11.8 billion it costs to operate and maintain this plane.

Let us take the $550 million, take it out of this budget where it is wasteful, unnecessary and dangerous, and place it to reduce the deficit.

For those of you who have been arguing pain and human misery across the panorama of American interest in the country, you ought to be willing to join us on the basis of integrity, on the basis of dignity and on the basis of honest analysis. You do not need this plane, but we certainly do need the money.

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

Mr. SPENCE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I ask the House if I might apologize for making a personal comment at this time.

But I would not be able to take part in these discussions, indeed I would not be alive if it were not for the fact, as many of your know, I received a double lung transplant a few years ago, and the mother of the young man whose lungs I have is presently in my office visiting with me for the first time, and I just wanted to pay respect to her.

Mr. Chairman, I rise in support of the committee-recommended position on the B–2 stealth bomber and in opposition to the amendment offered by my colleagues, Mr. KASICH and Mr. DELLUMS.

The committee arrived at its position endorsing the option of additional B–2's after receiving testimony from senior military officials regarding U.S. bomber capabilities and long-term plans. First, we were told that the current bomber force structure of approximately 100 aircraft is well below the number required to carry out the national military strategy.

Second, we learned that the Department's plan to "swing" bombers between regional conflicts is untested and risky. Frankly, it is unworkable.

And, third, due to the on-going closure of the B–2 production line, we learned that we must act now if we wish to preserve the option to build more B–2's beyond the 20 combat-capable aircraft already approved by the Congress.

Halting production of the B–2 now, after spending billions to develop this revolutionary aircraft, makes neither military nor economic sense. Procuring additional B–2 bombers is admittedly an expensive proposition. Maintaining America's technological cutting-edge superiority is never cheap. However, as seven former Secretaries of Defense stated in their January 4, 1995 letter to the President, "The B–2 * * * remains the most cost-effective means of rapidly projecting force over great distances. Its range will enable it to reach any point on earth within hours after launch. * * * Its payload and array of munitions will permit it to destroy numerous time-sensitive targets in a single sortie. And perhaps most importantly, its low-observable characteristics will allow it to reach intended targets without fear of interception."

The administration's opposition to additional B–2's, which has manifested itself in the recent "bomber study," is inconsistent with real world operational requirements. We ought to heed the advice of seven distinguished and bipartisan Secretaries of Defense and continue low-rate production of the B–2. It is not an inexpensive proposition—but it may cost us more in the long run if we do not seize this opportunity today.

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

Mr. SKELTON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this body through the years has made many important decisions. It has sent signals throughout the world by its vote.

In 1939, this Chamber voted against a $5 million appropriation for the harbor in Guam. The empire of Japan took that as a signal that we would not defend the Pacific.

What kind of a message would we send if we do not produce and continue producing at least 2 B–2 bombers which are the state-of-the-art weapons systems?

This is a very significant decision. It is one that we must take very seriously

and one that we must understand will make a great deal of difference in deterrence and in conflict, heaven forbid, should that come.

Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. FAZIO].

Mr. FAZIO of California. Mr. Chairman, I rise in opposition to the Dellums-Kasich amendment to the defense authorization bill, and I urge my colleagues to support continued funding for the B-2 Stealth bomber.

We live in uncertain times. Although we cannot predict the course of international events, we can ensure that we have, at our disposal, the resources to protect our vital, national security interests.

Recent events in Bosnia provide just one example of our continued need to maintain a flexible, advanced fighting force.

The B-2 Stealth bomber is an integral component of the fighting force of the future—the tactical component of our commitment to military "readiness."

But it is more than that.

With the aid of a revolutionary design, the B-2 is ready to strike for freedom at a moments notice, across vast distances, with deadly accuracy.

And, as we bring our troops home from forward bases overseas, we are compelled to consider our ability to initiate military operations from American soil. The B-2's long-range capabilities make this necessity a reality.

From a technical standpoint, the B-2 represents an unparalleled achievement.

In the past, we augmented our fighting forces with an entire battalion of escorts, radar jammers, and suppressors.

"The B-2," noted Air Force Chief of Staff General Merrill A. McPeak, "offers a much more satisfying and elegant solution: avoid detection, and tip the scales back in favor of flexibility and offensive punch."

In light of our renewed commitment to fiscal responsibility and deficit reduction, some have questioned our ability to continue investing in this program. We are right to re-assess our priorities, and subject the defense budget to the same careful scrutiny we bring to other segments of the federal budget.

But, for the sake of short-term fiscal expediency, we should not sacrifice our long-term national security interests. The B-2 program is the capstone of a $45 billion dollar investment.

If we back track now, we will undercut this nation's advanced technology base and risk tying our hands in the event of future conflict.

The fair-minded Commission on Roles and Missions—assessing the need for continued investment in the B-2 program in a preliminary report—warned against just such a short-sighted approach.

The Report states: ". . . the B-2 will likely be in service for 40 to 50 years. It is not possible to predict what requirements will exist that far in the future and we are concerned that tomorrow's commanders should not be deprived of adequate numbers of bombers because of a decision made today without the most careful deliberation."

Finally, Mr. Chairman, I would like to point out that the B-2 represents a way for us to leverage our resources. Just one B-2 bomber, at a cost of $1.1 billion can pack the same punch as a much larger current conventional force—some estimates suggest a force as large as 75 aircraft.

We need to benefit from the investment already made in the B-2. Defeat the Dellums-Kasich amendment.

Mr. KASICH. Mr. Chairman, I yield 3 minutes to the gentleman from Iowa [Mr. GANSKE].

Mr. GANSKE. Mr. Chairman, the House Committee on National Security leadership added $553 million for the long lead procurement of 2 new B-2 bombers, piercing the cap of 20 B-2's in current law. These 2 planes would be purchased at a cost and a rate that is part of a 20-plane proposal which would lead to a total of 40 B-2's.

While there will be, no doubt, a certain amount of debate of how much this investment strategy will cost, the only figure that is truly relevant is how much money this decision is going to cost the U.S. taxpayer. According to conservative U.S. Air Force estimates, 20 more B-2's would cost an additional $19.7 billion, and $11.8 billion in a 20-year operational cost. This adds up to $31.5 billion total.

There is no money planned in anyone's budget to pay for the out-year costs that will be forced by this decision. The only way we will be able to afford the planes will be either by taking a major step backwards in deficit reduction or by squeezing out programs that have been given a higher priority by the military, such as the F-22, destroyers, tilt rotor aircraft and precision guided munitions and so forth.

Witnesses on behalf of the Air Force, both in civilian leadership and members of the uniformed operational ranks, have repeatedly testified that they do not want to purchase any more B-2's.

An independent cost-effectiveness analysis by Air Force bomber programs, conducted by the Institute for Defense Analysis, concluded that money would be better spent on precision guided munitions and conventional mission upgrades of B-1 bombers.

Let me address this issue of this study. Paul Kaminsky, undersecretary of defense for acquisition and technology, said the results of the 6-month-long IDA study do not make the case for buying more B-2's. Instead, they point to a much greater cost effectiveness that can be derived from advanced and accurate weapons to leverage not only the bombers but the rest of our tactical forces.

Computer modeling and simulation has shown doubling the current inventory of precision accurate weapons at a cost of $13 billion would result in a 60 percent decrease in aircraft losses in comparison to 8 percent fewer losses with the B-2.

Clearly, additional investment in precision weapons is exponentially more effective and significantly less costly than B-2's.

These studies show additional B-2's result in a big cost increase for bomber forces and a tiny performance increase. The IDA study was not flawed. It did address a no warning scenario, and the Roles and Missions Commission independently reviewed and agreed with the study.

Mr. Chairman, I strongly advise my colleagues to vote for the Kasich amendment.

□ 1930

Mr. STUMP. Mr. Chairman, I yield 2 minutes to the gentlewoman from Washington [Ms. DUNN].

Ms. DUNN of Washington. Mr. Chairman, I rise this evening to discuss with my colleagues the importance of long-range bombers to our Nation's security now and in the future. For 40 years the United States relied on forward deployment, the placement of large forces on bases around the world, outposts, if my colleagues will, for the defense of freedom.

With the decline in defense spending and the withdrawal of our forces from overseas bases, the United States now must rely on smaller military forces operating principally from North America, in effect a home-based military force.

For example, in the last 6 years alone the United States Air Force has reduced its major overseas bases from 38 to 15, Mr. Chairman, a 61-percent decrease. Let me repeat, a 61 percent decrease. Unfortunately, our global responsibilities have not decreased 61 percent. In fact, our need for global presence is growing. We are the world's one and only superpower in a world full of conflict and uncertainty.

In addition to regional conflicts we know that more and more irresponsible nations are acquiring weapons of mass destruction, a real and significant threat to United States security. Now, as the only superpower, our current strategy calls for American power to be projected abroad rather than based abroad.

Therefore, we simply must be able to project increased conventional power from a smaller number of systems. The only answer is the B-2 stealth bomber, the only way we can quickly and secretly project real power around the globe.

Listen to Air Force General Mike Loh:

The role of the bomber has been elevated, not diminished, by the end of the Cold War. Nothing else has the range and payload of the bomber or the sense of immediacy able to strike in 10 to 12 hours anywhere in the world.

Remember, the B–2 only requires two pilots and it costs less to operate than any other means of significant power projection such as aircraft carriers or Army divisions.

Mr. Chairman, let us support more B–2s for our Nation's security. Vote against the Kasich amendment.

Mr. ABERCROMBIE. Mr. Chairman, I yield 3 minutes to the gentleman from Massachusetts [Mr. MARKEY].

Mr. MARKEY. Mr. Chairman:

B–2's or not B–2: Once again, that is the question.
Whether 'tis nobler in the mind to suffer
the slings and arrows of outrageous expense,
Or to take arms against a sea of deficits,
And by opposing end them. To cut; to spend;
No more; and by a cut to say we end
the heartache and a thousand cost overruns
That B–2 is heir to. 'Tis a consummation
Devoutly to be wished. To cut; to spend;
To spend? Perchance add-on! Ay, there's the rub;
For in those 20 add-ons what new costs may come,
when we have shuffled off the cap,
Must give us pause. There's the respect
that makes calamity of continuing.
For would Stealth bear the whips and scorns of time,
the lack of mission, the inevitable delays,
The available alternatives, and the cuts
That must be made for Budget Target's sake.
When we ourselves might today Stealth's termination make
With a bare majority. Who would new tax burdens bear,
to pay its 31 billion dollar pricetag,
when the dread of a corporate welfare program,
A flying Bat-winged bomber whose cost per pound,
Is that of gold, puzzles the mind
And makes us rather keep those bombers that we now have
Than fly to others we want not of?
Thus conscience should make cautious legislators of us all;
And thus the hue of B–2 boosterism
Must be replaced with the sober case of thought,
And this enterprise of great pith and moment,
Be halted now before it further proceeds,
A handsome bomber, yes, but better
No more to be.

Mr. KASICH. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. DORNAN].

Mr. DORNAN. Mr. Chairman, having flown the B–2 May 1, of course I rise in support of the great spirit aircraft that I myself named.

Mr. KASICH. Mr. Chairman, I yield 1 minute to the gentleman from Kansas [Mr. BROWNBACK].

Mr. BROWNBACK. Mr. Chairman, this is daunting to follow the gentleman from California [Mr. DORNAN]. I just rise in support of this amendment and simply state this:

I support a strong defense. I have military establishments in my district. I think it is critical; I think it is the reason we created the Federal Government. It is to provide for a common defense amongst several other items as well, but clearly one of the key roles and missions we created for a federal government was to provide for a common defense. We need to do that. But this one does not make sense to me.

First of all, it is when the military itself says, "We don't need this aircraft, and we can put it, and should put it, for other uses," and that is what it seems to me we ought to do.

That is why I am supportive of Mr. KASICH's amendment in that regard. I think this is a wonderful airplane. It just costs too much, and it is not in the priority system of what we need in this country today.

Mr. SKELTON. Mr. Chairman, in all of this paraphrasing of Shakespeare I can only say, "Me thinkest thou protesteth too much."

With that, I yield 3 minutes to the gentlewoman from California [Ms. HARMAN].

Ms. HARMAN. Mr. Chairman, it is tough to differ with friends, aspiring playwrights, and the Pentagon, but I am strongly opposed to the amendment offered by Messrs. KASICH and DELLUMS. To my passionate and effective friend, the gentleman from California [Mr. DELLUMS], I say, "You move me every time you speak." But I believe that the Californians I represent believe that the B–2 bomber is the right weapon for the expected war fighting contingencies of the next century.

Mr. Chairman, its utility has already been demonstrated. The number of any aircraft required to deliver an equivalent bomb load is 75 times greater than what a single B–2 can do. Fewer pilots, crew, and aircraft are put at risk with the B–2.

Its stealth capability ensures that it will strike its target. Its superior range and bomb load make it clear that the B–2 is better than a stand-off missile which still needs a platform that can deliver it within range—usually over enemy territory.

Last, it is critical to understand the problems posed by the current mix of our bomber fleet which, by the year 2010, may include B–52H's that are more than 50 years old, and B–1B's that will be 23 years old. The B–2 will bridge the retirement of those aircraft and provide the deterrence necessary in the first few decades of the 21st century.

Any successor bomber to the B–2, and I predict we will want one in several years if this program goes down today, will have to incorporate the stealth technology that is the heart of the B–2. As such, it is critical to protect the industrial and intellectual base which designed and manufactured the processes and materials central to the future stealth breakthroughs.

I have visited the B–2 factory in California, seen the B–2, climbed on its extraordinary wing, sat in the cockpit and met with representatives of literally hundreds of firms that designed and built it. The talented and highly skilled work force for this aircraft talks in great praise of what it has done, and that praise is well-deserved. It would be tragic to lose those individuals and the skills they represent.

Mr. Chairman, the bill's modest level of authorized funding will protect a unique capability that would be difficult to recreate if it were lost as a result of this amendment.

I urge my colleagues to reject the Kasich-Dellums amendment.

Mr. DELLUMS. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Minnesota [Mr. LUTHER].

Mr. LUTHER. Mr. Chairman, I rise in support of the Kasich amendment to stop the production of additional B–2 bombers.

As I listened to this debate as a new Member of this body, what comes to my mind is that this is exactly how our country got to the point of being nearly $5 trillion in debt. Every spending program has its merits, and a case can be made for this proposal like any other proposal. But the fact is that we, as a nation, cannot afford this expenditure, and we who serve here have to have the judgment and common sense to make cuts wherever we can in the military budget, along with other budgets, in order to make certain that we balance the overall Federal budget.

The military spending bill before us contains over $500 million beyond what the administration requested for continued B–2 bomber production, and it repeals the current limits on the number and cost of B–2 bombers. With the budget problems we face, we cannot justify approving funding that our own military experts believe is unnecessary. By eliminating additional B–2's, is Kasich amendment has the potential to make an enormous reduction in the deficit without compromising military readiness or support for our troops.

Mr. Chairman, we can save billions of dollars over the years ahead by maintaining 20 B–2's, but not expanding the production of B–2 bombers. The time has come for us to vote for fiscal responsibility and support the Kasich amendment.

Mr. STUMP. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Texas, Mr. SAM JOHNSON.

Mr. SAM JOHNSON of Texas. Mr. Chairman, I rise in strong opposition to the Dellums amendment.

First, the funding for the B–2 falls well within the spending cap imposed by the Committee on the Budget. It does not break the budget.

Second, the B–2 is a necessity. I have experienced firsthand the dangers of flying into a helpfully defended area,

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being tracked by radar and shot down. As a matter of fact, I was shot down in Vietnam because our Government, this body, refused to supply us with the right airplanes or munitions. In fact, we did not have munitions most of the time. I flew an airplane that the gun sight was really just a piece of chewing gum that did not move, the gun did not fire, a product of the McNamara era which he has admitted to.

The B–2 gives us an ability to fly a strategic bomber into a defended area undetected by radar without fighter escort. This is a state-of-the-art technology that no other country can match.

Third, those who oppose the B–2 have said we can use old B–52's and B–1 bombers instead of B–2's. As my colleagues know, the cost of flying those old airplanes is $6.4 billion more.

More importantly, relying on the older airplanes through the year 2030, as opponents have planned, is risky. By that time the B–52 will be nearly 70 years old, and, if we apply that same 70-year timeframe, a 1918 World War I biplane would have been a front line plane in Desert Storm.

□ 1945

Support our Nation's Armed Forces. Vote against the Dellums amendment.

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the gentleman from New Hampshire [Mr. BASS].

Mr. BASS. Mr. Chairman, I rise in support of the Kasich amendment. A few weeks ago we passed a resolution, an historic resolution, and I stood before you and said we are now going to have a balanced budget by the year 2002. Yet a few short weeks later, on the second major authorization that this Congress takes up, we now stand here to consider a dramatic expansion in an existing weapons procurement program. Indeed, we are standing here on the threshold of authorizing an additional $553 million to pay for a bomber program that has not been in the existing budget.

This budget-busting program has the potential to add over $30 billion to the defense budget. Now, we are going to be dealing over the next 7 years, if we stick with our budget resolution, with a $270 billion defense spending cap, and we are going to have to make some pretty hard choices. I for one have stood forth and made hard choices across the board, and this is a hard choice to make as well. I believe like everyone else we need a strong defense. But if we vote to double the size of the B–2 bomber program today, and this occurs, and we spend an additional $30 billion, we are going to make the process of making choices between the other programs, the F–22, the V–22, the DDG, much, much more difficult.

My friends, we ought to establish our strategic priorities now and not vote for $553 million to keep a line warm while we try to decide what our country is going to do in the future. The Committee on National Security should decide what our long-term strategic objectives should be within the $270 billion fixed budget that we have for defense spending, and then make the tough choices now, and not put the long tail off until next year or the year after.

I rise in strong support of the Kasich amendment, as a strong proponent of defense spending, responsible defense spending, and a balanced budget by the year 2002.

Mr. SKELTON. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. FROST].

Mr. FROST. Mr. Chairman, I rise in opposition to the amendment being offered by the gentleman from Ohio [Mr. KASICH].

I was disappointed when Congress voted to cap the B–2 bomber program at 20 planes. I did not agree with that decision then, and I'm delighted that the National Security Committee has brought a defense authorization bill to the floor of this House that repeals the cap, and authorizes funds to continue production of this important strategic bomber.

The B–2 is an essential component of our overall national defense capability. In fact, with each passing day, the need for the B–2 increases as our bomber fleet ages.

By 2010, any surviving B–52s will be over 50 years old and will likely be retired. The B–1 fleet will be 23 years old and declining in number due to attrition. It's clear that augmenting the bomber fleet with additional B–2s will be necessary in order to maintain a credible bomber capability.

Some have questioned whether a significant bomber capability is even needed in the post-cold-war era. Yet, this implies that the post-cold war world is somehow a less dangerous world.

The events of the last few years since the wall came down in Berlin and the Soviet empire began crumbling have vividly demonstrated that the world continues to be one where hazards abound. The Persian Gulf War certainly emphasized the point that the U.S. can never let down her guard, and that threats to our security interests may pop up at any time throughout the world.

It's imperative that we maintain all aspects of our military readiness in order to respond to threats. And maintaining readiness requires that we continue to modernize our bomber fleet with the best, most up-to-date equipment we can. The B–2 is a quality aircraft that provides stealthiness, long-range flying capability, and the ability to deliver large payloads, on target.

Mr. Chairman, the B–2 provides our nation with important security. We should, we must, move forward and adopt the position taken in this defense authorization bill. I urge my colleagues to reject the Kasich amendment, and support the B–2 bomber.

Mr. STUMP. Mr. Chairman, I yield such time as he may consume to the gentleman from Maryland [Mr. GILCHREST].

Mr. GILCHREST. Mr. Chairman, I rise in opposition to the amendment.

Mr. DELLUMS. Mr. Chairman, I yield such time as he may consume to the gentleman from Michigan [Mr. CONYERS].

Mr. CONYERS. Mr. Chairman, it is with great pleasure I rise in support of this amendment, admiring the arguments put forth by the gentleman from California [Mr. DELLUMS] in support of his amendment.

Mr. STUMP. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. MCKEON].

Mr. MCKEON. Mr. Chairman, I rise in strong opposition to the amendment.

Mr. STUMP. Mr. Chairman, I yield 2 minutes to the gentleman from Louisiana [Mr. LIVINGSTON], the chairman of the Committee on Appropriations.

Mr. LIVINGSTON. Mr. Chairman, I rise in opposition to the Kasich-Dellums amendment to lift the cap on B–2 bomber production and delete funds in this bill for the B–2. The first responsibility of Congress under the Constitution of the United States is indeed to provide for adequate defense of this Nation.

We are in this position today because some years ago a decision was made to cap production on the B–2 at 20 bombers. That decision was based wholly on the judgment of the then political leaders in the prior Congress that additional production lacked political support in the Congress. It certainly had no, and I emphasize "no," relation to the military needs of this Nation. That is what we have come here today to rectify.

Political decisions made, whether it by vote counters or bean counters, do not hide the fact that today the United States lacks a capable bomber force to protect this country. This decision forced military planners to walk away from the most effective weapon in our arsenal to project force at the most effective cost. This decision does not hide the fact that should we accept the Kasich-Dellums amendment, that if we do, that we could fight the next Desert Storm with a 70-year-old bomber. Does anyone in this House want to run that risk? Does anyone in this House wish to rely on such weapons to protect our troops? Does anyone here want to protect this country with 70-year-old tanks or ships or planes? I do not think so.

We are retiring the F–117's that served us so admirably in Desert Storm. The B–1 was of no use in the last war. Why would anyone think in

the next one we will be any more likely to require the service of the B–1? Finally, how much could we rely on the old B–52, the 70-year-old granddaddy of bomber fleet? We cannot.

I urge this House to proceed with the development and procurement of what will be one of the most critical assets we have to take with us into the next century. We have no other weapon that combines the precision of the stealth and the firepower of the B–2.

Mr. Chairman, I urge this body to reject this amendment and make a decision not based on political calculation, but on the necessity for the national security.

Mr. Chairman, earlier this year, seven of our former secretaries of defense carefully crafted and delivered a letter to President Clinton. That letter was in support of continued production of the B–2 stealth bomber.

The letter said:

We are writing you to express our concern about the impending termination of the B–2 bomber production line. After spending over $20 billion to develop this revolutionary aircraft, current plans call for closing out the program with a purchase of only twenty bombers. We believe this plan does not adequately consider the challenges to U.S. security that may arise it the next century, and the central role that the B–2 may play in meeting those challenges.

The letter goes on to discuss the nation's long-range bomber force: 95 B–52's that are all over 30 years old, and 96 B–1's that were procured as an interim bomber until B–2's were available. This, the secretaries said, "is not enough to meet future requirements, particularly in view of the attrition that would occur in a conflict and the eventual need to retire the B–52's."

Former secretaries—Melvin Laird, Donald Rumsfeld, Caspar Weinberger, James Schlesinger, Harold Brown, Frank Carlucci, and Dick Cheney—end the letter by saying:

The logic of continuing low-rate production of the B–2 thus is both fiscal; and operational. It is already apparent that the end of the Cold War was neither the end of history nor the end of danger. We hope it also will not be the end of the B–2. We urge you to consider the purchase of more such aircraft while the option still exists.

My esteemed colleagues, I concur with this well thought-out letter and the conclusions voiced by these gentlemen.

Please join me in supporting continued production of the B–2 stealth bomber.

Mr. SKELTON. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. CUNNINGHAM].

Mr. CUNNINGHAM. Mr. Chairman, on 10 May, flying a flack suppression mission just south of Hanoi, 35 aircraft went in to strike with cluster bombs to knock out SAM's and AAA's. We lost four F–4 *Phantoms* on that strike. Two of those air crews did not come back. Our B–52's over Hanoi, we lost hundreds of air crew, and what price do we put on that?''

Not one single Member that has fought in combat in the air has supported this amendment because they know the value and the expense of human life. And, yes, there is life at risk. Remember when we hit Qadhafi and we had to rely on Margaret Thatcher to launch out of England? We even had to fly around our allied bases. We would not have to do that.

Remeber when Saddam Hussein in his last foray came across and the President had to deploy three carrier air battle groups? Do you know what that cost was? Billions of dollars. You have the threat of a B–2, you will not need those forces to strike there. It will prevent it, and it will save times.

Mr. DELLUMS. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, first, I would like to say in response to my distinguished colleague from California, that is precisely the argument that this gentleman is making, an argument that was made in the independent bomber study. Precision guided munitions in the stand-off mode does not allow the plane or the pilot to be vulnerable. That is exactly the point.

The gentleman waxed eloquently in support of the argument that this gentleman makes, and that was eloquently argued by the Institute for Defense Analysis.

If you are talking about saving lives, it is not about building the B–2, it is about expanding the inventory of the precision guided munitions.

Mr. SKELTON. Mr. Chairman, I yield 3 minutes to the gentleman from Washington [Mr. DICKS].

Mr. DICKS. Mr. Chairman, first of all, everybody, I believe the Cominsky study was fatally flawed when it said we are going to have 14 days of warning. We did not have 14 days at Pearl Harbor. We did not have 14 days in Korea. We did not have 14 days in Desert Storm and Desert Shield. What we are talking about tonight is real value. The stealth bomber, with smart conventional weapons, can be enormously effective.

Look at this comparison. On that side of the chart we have bombers with unguided munitions versus what we can do with the B–2. And this package over here, 76 air crew at risk, 37 aircraft, could not get the job done, because they were nonstealthy. The F–117's in the gulf war could go into the targets, knock out the most heavily defended targets, and our kids came back alive.

When we are talking about stealth technology, it means with a bomber like the B–2 you can go a third of the way around the world and attack Saddam's division coming in. The Rand study showed that with the B–2 and the centrifuged weapon, three B–2 companies could have knocked out 46 percent of Saddam's mechanized vehicles before they got into Kuwait. Now, that is enormous, revolutionary capability.

The gentleman talks about stand-off weapons, but he does not tell you that those stand-off weapons cost $1.2 million apiece. The weapons on the B–2 JDAM cost $25,000. A precision guided munition, 40 times as expensive. That is why it makes sense to buy the B–2, and now is the time to buy it. The line is open. If we shut the line down and come back to it, it is going to cost $10 billion just to reopen the line. That does not make any sense.

Then you have got the cost of these expensive stand-off weapons. You have got to think about it, who are we sending out there? We are sending our own kids. Wouldn't you rather have the kids in a B–2 or in the F–117 or a stealth aircraft, rather than having them go in with a B–1 or B–52 that is going to get shot down? They are nonstealthy. They cannot penetrate. And that is why it is an ineffective bomber force. Eight secretaries of defense, including Dick Cheney, who made the decision to take it to 20, wrote President Clinton not to shut down this line.

This is the most important defense vote we are going to make. If you want to reorganize priorities in the defense budget, let us do it. Let us get rid of some of these things over here that cannot get the job done, and buy the new weapon with the new technology that can get it done. That is what we are talking about here. We are talking about advanced technology that will save American lives, and actually will save dollars too. Because if we do not do it, we are going to pay a terrible price in life and in loss of bombers because they are not stealthy.

Mr. STUMP. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. HUNTER], the chairman of the Subcommittee on Military Procurement.

Mr. HUNTER. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I think it is important for us to recognize why we should spend 1 percent of the defense budget each year on B–2's.

Mr. Chairman, we are back where we started. We look at last week's Time Magazine and we see Scott O'Grady on the front of it. This is why we started this program. Because in Vietnam we lost 2,300 Scott O'Gradys, and we lost them to the most important revolutionary technology development in this century in war fighting, the radar.

□ 2000

That radar, when coupled with surface-to-air missiles, took down thousands of American planes in Vietnam. But we are the Americans. We say we are creative. We are innovative. And we got together, Democrats and Republicans, on the political side, our best scientists throughout this country, and we built an aircraft that could evade the SAM missiles and could be invisible to the radar. And that is what the B–2 is. And because of that, as the gentleman from Washington has said, one

B-2 bomber can knock out the same 16 targets that it takes 75 conventional aircraft to knock out.

We have got one question to ask ourselves tonight, in fact, in a couple of minutes you will make a very important vote. Because there are young men and women out there now training to be bomber pilots. You are going to make a decision as to whether or not they are flying a 40-year old aircraft, the B-52, or whether they are flying an aircraft that will protect them. If you say no, for the first time in this century we are telling our young people, we invented a technology that would protect you in wartime but we are not going to give it to you because it is too expensive.

Vote for peace through strength. Vote for an affordable program. Vote for the B-2.

The CHAIRMAN. The Chairman will advise that the gentleman from Ohio [Mr. KASICH] has 9 minutes remaining, the gentleman from California [Mr. DELLUMS] has 5 minutes remaining, the gentleman from Arizona [Mr. STUMP] has 4 minutes remaining, and the gentleman from Missouri [Mr. SKELTON] 3½ minutes remaining.

The order for closing will be, first, the gentleman from California [Mr. DELLUMS], then the gentleman from Missouri [Mr. SKELTON], then the gentleman from Ohio [Mr. KASICH], and the gentleman from Arizona [Mr. STUMP] has the right to close.

Mr. KASICH. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, let us tell the story of the B-2 bomber. First of all, in regard to Scott O'Grady, we would not be flying B-2 bombers over Bosnia now in place of an F-16. That is just flat out never the kind of procedure we would use.

But let me go on and talk about the history, the story of the plane. Five years ago I went to a briefing to try to figure out what the B-2 bomber was all about. It was a tremendously shrouded program, and we did not find out about it until we invested a ton of money. I was in the top secret briefing, and I found out what the purpose of B-2 was. The B-2 was to be used to fly around in the Soviet Union in the middle of a nuclear war looking for things to bomb. Now, you have to hear that. We were going to fly the B-2 into the Soviet Union in the middle of a nuclear war to bomb things. That was the purpose of the B-2.

At the time, I said, first of all, I could not conceive of flying the plane around in the middle of a nuclear war. But, second, I said, if you need to hit targets, hit them with standoff weapons. You are familiar with them. You saw them in the war against Saddam. We did not put our pilots at risk. We stood outside danger, and we used smart weapons to fire in. That is precisely the option that the Pentagon is seeking right now. They do not want to put pilots at risk. They want to have pilots out of danger, using precision guided munitions at much cheaper prices.

So I said, why do we need to have the B-2? And we started this fight. And they went from about 165 of them down to about 130. I was down at about 13 with a bipartisan coalition of Republicans and Democrats. Three years ago, Dick Cheney calls me up. And he says, JOHN, I cannot use 13. I would like to have 20. Frankly, I do not even want the plane. That is what he told me on the telephone. He said, But I want to go to 20, because that will give me a force that I can use and a force that I need, and we can wrap up the program.

And I said, Why do you not wrap it up at 13? He says, Well, I mean, I just think we ought to do 20.

I came back here. I talked to the gentleman from California [Mr. DELLUMS]. He said no; I said yes. We ended up reaching a deal on 20 B-2 bombers.

Now, last Congress, we come back. In the Committee on Armed Services, they say, We need to build more B-2s. I said in the conference committee. Wait a minute, a deal is a deal. Cheney said he wanted 20. Why would we build any more?

And they said to me, that was then and this is now. And this is a new Congress. So we got this big fight.

So guess what the agreement was? The agreement was to have the Pentagon commission an independent bomber study. The independent bomber study was to assess whether we had enough bombers in order to carry out our mission. That was its purpose, to find out whether we would have the strongest and most efficient national defense.

I opposed the bomber study. Do you know why? Because I thought it was a fait accompli that they would come back and tell us to build more bombers. Mr. DELLUMS said, no, we ought to go with it. We changed the language. And I said, fine, let us do a bomber study, we will see how it will come out.

So we trusted the last group in the Pentagon over the last 2 years to do this bomber study. And that was to define what we should do today. So guess what? We did a bomber study, commissioned independently by a very well-respected group. I have got the study right here.

Do you know what they say? We do not want any more B-2s. We want to fix the B-1. We think it is a good plane. We want to buy more smart weapons. And we think there is more effective and efficient ways to manage the building and provide for the strongest national defense. The independent bomber study that was commissioned to tell us what to do says, do not buy any more.

Then I get a letter from the vice chairman of the Joint Chiefs of Staff, Admiral Owens, nobody's lackey. In fact he has been profiled as perhaps the best 21st century thinker. And Admiral Owens came to see me and he said, we do not want any more B-2s.

So we have got the vice chairman of the Joint Chiefs of Staff who says, We do not want the B-2. Then we find out that the chairman of the Joint Chiefs of Staff, the chief military officer of the services says, I do not want the B-2. I can have more effective use of resources.

And then we heard from people who I consider to be absolutely critical, the CINCs. The CINCs are the commanders in the field. They are the ones that fight the wars. And the CINCs are in unanimous agreement with the bomber study and in unanimous agreement with the chairman of the Joint Chiefs of Staff and the vice chairman of the Joint Chiefs of Staff. And do you know what they say? We do not want any more B-2s. We have better ways to do it.

Then we had the Secretary of Defense who came to see me and he said, do not put these white elephants in my budget, because if you do, you keep me from buying the things I need such as, the C-17 for transport, the F-22 advanced fighter program, the helicopters, and the issue that everybody has been so worried about, readiness. What he said to me is, do not force me to spend money on a program I do not want. I have better ways to secure national security and have efficiency in the way I do things. Do not handcuff me. And, of course, we have the heavy bomber study that says, we do not need this.

Now, we have seen a chart that talks about what the two B-2s deliver you. Let me show you the chart. What is left off of the chart is the fact that it is not just two B-2s that you have to do, but you have to have all this support aircraft. And you see all these weapons up here. They are already paid for. The gentleman from Washington [Mr. DICKS] said we should get rid of all these weapons.

First of all, I do not agree with that. Second, we are not going to do it. So if we build the 2 B-2s, we have to provide all the support, including more people, more costs, more air refuelers, and it costs us an additional $2.4 billion.

Now look, this is not my view alone. I did not come up with this idea that we should get rid of it. It is just that I cannot find anybody in a uniform who is at any kind of ranking level in the building that says they want the plane.

Now, I can remember when the Republicans used to criticize the Democrats for buying weapons systems that the Pentagon did not want. And the Pentagon is saying, let us fix the B-1. Let us use precision guided munitions, do the 20 B-2s, and the B-52s are fine in a standoff role. In fact, they are going to be used until about the year 2015. But what we have done is we have added a $38 billion program.

Now, this is the heavy bomber study. Do you know what it says? The planned force can meet the national security requirements of two simultaneous regional conflicts without the B–2, the current force with the 20. Additional quantities of accurate guided munitions are more cost-effective than procuring 20 additional B–2s. It says, let us buy the standoff precision-guided weapons. It will be better for us than buying B–2s. Frankly, it will save us a ton of money. In fact, it will allow us to not have to put other systems at risk.

I am going to tell you in the House that if you are for C–17 and you are for F–22 and you are for helicopters and you are for readiness, at the end of the day when you add this big chunk of money in there, you have got a problem.

Now, finally, the other point is, we are going to be making a lot of hard choices in this House. We have already made a lot of hard choices in this House. And I have got this very high rating in national security, about 100 percent. But I consider myself to be a cheap hawk.

I deeply respect the Members of this House who feel passionately on the other side. That is what debates are all about. But my sense is, when I am faced at looking at the chairman of the Joint Chiefs, the vice chairman of the Joint Chiefs, the commanders in the field, the Secretary of Defense, the independent bomber study, all of which says, do not spend the money, how the heck can I come out here on the floor and vote to spend the money when I have got to balance the budget by 2002 and guarantee that we have a defense that is ready, a defense that is efficient?

And I would maintain that by lobbying this big chunk of money in there, we undercut our ability to do the things, the building blocks of defense that will guarantee the security of our forces.

Support the Kasich-Dellums amendment. Save money, balance the budget. Provide for a strong national defense.

Mr. DELLUMS. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Hawaii [Mr. ABERCROMBIE].

Mr. ABERCROMBIE. Mr. Chairman, I seldom disagree with the ranking member of the Committee on National Security, the gentleman from California [Mr. DELLUMS], but he said that this is one of the most important votes. And I would like to say that this is the most important vote that is going to be made on not just this budget but the whole budget proposal.

The gentleman from Ohio [Mr. KASICH] has made it very clear, and I am in a good position to talk about this, because Mr. KASICH knows that I told him early on in this process, JOHN, one of the reasons I respect you, and I say this to the whole House, is that you are not only honest and sincere, but you bring forward what you really believe in and you back it up. I said, what is going to happen is, everybody is going to stand up and cheer, which is what has happened, everybody is going to give you the accolades. And then they are going to stiff-arm you. As soon as it comes to spending the bucks to make the money, they are going to come right in and they are going to give it to you. And where they are going to do it is in defense, and they are going to do it right with the B–2 bomber.

I tell you this: If you do not pass the Kasich-Dellums amendment, if you oppose this amendment, you are sticking a knife in the heart of the fiscal budget proposal that Mr. KASICH put forward and that everybody, so many Members, Democrats and Republicans, have applauded. It is one thing to stand up and cheer for the gentleman from Ohio [Mr. KASICH] and tell him, you did the job, buddy. I am going to be there for you, unless, of course, I have to disappear, which is what is happening now.

This is a test of integrity in budgeting. This is a glide path, not to a balanced budget, this is a glide path to balanced budget oblivion. That is what you are heading for. You can put up charts until you choke. And what is going to happen in the end, if Kasich-Dellums fails. That means that you are not going to have a balanced budget. You will be doing ballet with the books is what you are going to do. You are going to have to spend, as Mr. KASICH will tell you and any honest person will tell you, you are going to have to spend 40 percent of your defense outlays in the next budget cycle as it comes up in order to take care of this B–2.

□ 2015

If Members listen to people tonight, they would think there were not any B–2's. We are going to have to have a dozen and a half. We are going to be building B–2's and we are going to be putting people to work into the next century, right now. They said 20 that are coming up. We have not even taken delivery on half a dozen. We still have to get up to the number 20.

It is not $553 million we are voting on. Members know very well that it is $31 billion we are talking about, that we are not going to be able to find in defense. We are going to have to take it out of readiness, we are going to have to take it out of quality of life, out of operations and maintenance.

We have been told over and over again we have to make tough choices, tough choices within every category. We are telling kids they have to make tough choices, elderly people they have to make tough choices. We have to make tough choices in defense, as well.

The gentleman from Washington [Mr. DICKS] says we need to make those tough choices, so everyone is saying that. There is nothing tough about this. If Members do not back the gentleman from Ohio [Mr. KASICH], and Members do not back the gentleman from California [Mr. DELLUMS], they are not backing the basic budget proposal that has been put forward about balancing the budget, and they are giving the gentleman from Ohio, JOHN KASICH, all the accolades, and giving him the shaft on the actual budget.

Mr. STUMP. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. LEWIS].

Mr. LEWIS of California, Mr. Chairman, I appreciate the work of my Chairman. I very much want to rise in support of the B–2 long lead.

Mr. Chairman, I rise today to draw my colleagues' attention to an important issue which will shortly be decided by this House: namely continue acquisition of the B–2 stealth bomber.

My friends, we are witnessing a revolution in air warfare. The advent of stealth has changed the way we think about this important facet of our Nation's defense. In the 1940's, the introduction of radar saved a beleaguered England from a numerically superior German air onslaught. That single technology gave the Royal Air Force the edge that made all the difference.

We are there again, only this time the need is to foil the radar and protect our aircraft. Stealth is that new technology. The value of this new stealth capability was evident in the gulf war with the F–117. The F–117 production line is already closed. The B–2 bomber takes this technology one major step further.

With its large payload, long range and precision weapons, the B–2 can fly farther, carry more, and destroy targets with greater accuracy than any other aircraft. For example, a force of 32 B–2's, loaded with modern weapons, could have engaged as many targets on the first day of the Persian Gulf war as the 1,263 aircraft that were used. This is an amazing fact.

The B–2 will save lives. It will conserve resources in the long run, and it will create a capability that resides only in support of U.S. military forces.

This body has always followed the philosophy that U.S. soldiers, sailors and airmen must be sent in harm's way fully prepared and equipped for victory. Now is not the time to reverse that philosophy.

As a member of the Intelligence Committee and the Appropriations subcommittee that handles Defense, I could never in good conscience vote to close the only bomber production line in this country, especially one as advanced as the B–2.

Proponents of this amendment state that we can't afford to keep the only bomber production line in this Nation open. Let me assure you, for our sons and daughters, our grandchildren and great-grandchildren, for pilots like Scott O'Grady, we can't afford not to. Vote no on the Dellums-Kasich amendment.

Mr. STUMP. Mr. Chairman, I yield 2 minutes to the gentleman from Oklahoma [Mr. WATTS], a member of the committee.

Mr. WATTS of Oklahoma. Mr. Chairman, the chairman and members of the Committee on National Security have clearly set sights on supporting the B–2 in the fiscal year 1996 defense authorization bill. We have worked within the Committee on the Budget's target and come up with a bill that gives this Congress its first opportunity to deliver on the promise of revitalizing our national defense.

A critical part of this bill is its call for long lead funding needed to probably acquire an additional 2 B–2's. The amendment we have before us asks to strike that funding. Mr. Chairman, under normal circumstances I would be more than willing to take the Defense Department's word on a military force structuring decision. In the case of the B–2, there is an overwhelming amount of contradictory evidence.

Originally I planned to base my B–2 decision on the results of the heavy bomber force study, but after seeing assumptions and methodology, something is wrong. Assumptions like 14 days of buildup time, does anyone really believe an aggressor would just sit back, give us 14 days to deploy our fighters, then attack? I do not think so. To wait would be suicide. We know it and they know it.

I believe it was Under Secretary Kaminsky who said that B–1's and B–2's need fighter escorts to do the job. When I heard this, I was baffled. The B–2 is the first fighter weapon of choice that can be counted on in the war we are most likely to fight.

I challenge each of the Members to think about the direction the world is going, the disorder around us. The notion that we are safe or war is less likely should be dismissed. The reality is the enemies' names may have changed, but they are still there.

Mr. Chairman, chemical weapons, nuclear weapons, are available, and we must have the ability to counter that threat. The B–2 and its technology must be acquired while it is within our economic grasp. This is our only chance to harness the B–2's revolutionary capabilities, capabilities that because of who we are and what we stand for, will benefit the entire world.

Proponents of this amendment state that we cannot afford to keep the only bomber production line in this Nation open. Let me assure the Members, we need the B–2. Let us not drop the ball on this one. I urge a no vote on this amendment.

Mr. DELLUMS. Mr. Chairman, would the chair remind this gentleman as to the remaining amount of time?

The CHAIRMAN. The gentleman from California [Mr. DELLUMS] has 2 minutes remaining. The gentleman from Missouri [Mr. SKELTON] has 3½ minutes remaining. The time of the gentleman from Ohio [Mr. KASICH] has expired, and the gentleman from Arizona [Mr. STUMP] has 2 minutes remaining, and is entitled to close.

Mr. DELLUMS. Mr. Chairman, I yield myself the remaining 2 minutes to close on this side.

Mr. Chairman, I would like to make several quick observations as I have tried to listen to my distinguished colleague. I would say to my friend, the gentleman from Oklahoma, the newspaper says 14 days. It will take 14 years to build the next 20 B–2s.

The second point, the argument from the gentleman from Louisiana regarding these 50-some-year-old weapon systems, we are building 20 B–2s at this point. Work is still out there. We have B–1 bombers that we are equipping. That is one of the stealthiest weapons in the world. We spent $24.5 building the B–1 and nobody has seen it since. It is a weapons system that we cannot deal with.

My next argument is this question of preserving the industrial base, as if in some way we do not build anymore B–2s, the bombers' industrial base will go away. The people that build the B–2 did not build the B–1. The people that built the B–1 did not build the B–52. The people that built the B–52 did not build the B–29 and the B–17. There has been no contractor that built the successive bomber. This is about preserving the industrial base of the B–2 bomber, not the bomber.

Mr. Chairman, we have the aircraft industry out there that would run through this wall to get B–3 contracts. It is not about the industrial base, it is about the B–2. It is a plane that we do not need, nobody wants, except people that will benefit from it. It is not a plane that we need for our national security. It does not speak to the health and safety of our troops. It is a $31.5 billion walk down a road, when we are wreaking havoc on the American people. It is a weapons system we can reject.

I urge Members to support the amendment. I am proud of the gentleman from Ohio [Mr. KASICH] for his eloquence and his articulate presentation that would warrant all of us to oppose this B–2 bomber.

Mr. SKELTON. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, my friend and colleague, the gentleman from California [Mr. DELLUMS], says that the only people who want this will be the people who benefit from it. I say to each of the Members that every American benefits from national defense. Every American benefits from the strongest national defense our country can provide. Those who say that they are for a strong national defense, but are against the most sophisticated, highly-technical weapons system that no one else can produce except us, causes me to wonder.

Then my good friend, the gentleman from Ohio [Mr. KASICH], said who is for it. He overlooked the most important airplane pilot, recently retired, but while he was on active duty, General Mike Lowe. He said "My assessment says we need 30 or 40 more bombers to make things work out about right, so we don't have to stretch the bomber force in 2 major regional contingency scenarios."

We should think of this with reason. We should not let emotion make this decision. This discussion is based upon a flawed study, and I compliment the gentleman from Oklahoma [Mr. WATTS] who pointed that out. The study, the bomber study, assumes we have a 14-day waiting period, warning period, time in which we can get ready and put our entire 60-some-odd aircraft in the theater.

I will remind Members that Poland was invaded in 1939 without warning. I will remind Members that Pearl Harbor was attacked on December 7, 1941, without warning. South Korea was invaded in June, 1950, without warning. The Berlin wall went up in 1961, without warning. More recently, in Kuwait, Saddam Hussein came into their country without warning.

Mr. Chairman, we have a weapons system that can make air power something necessary, something that can make America extend its defensive systems without warning. The B–2 can be deployed across the globe within hours. Under the cloak of stealth, the B–2 can deter and repel an armored attack better than any other defense system, while putting only 2 American servicemen at risk. I ask my colleagues what our response would have been in Kuwait in absence of time to position our forces?

Mr. Chairman, a bipartisan group of 7 former Defense secretaries, including Harold Brown and Dick Cheney, made the case in a letter to President Clinton in January: "The B–2 remains the most cost-effective means of rapidly protecting our force over great distances. Its range will enable it to reach any point on the earth within hours after launch while being deployed at only 3 secure bases around the world. Its payload, an array of munitions, will permit it to destroy numerous time-sensitive targets in a single sortie."

Mr. Chairman, I oppose the Kasich amendment, and I hope people will vote against it.

Mr. STUMP. Mr. Chairman, I yield such time as he may consume to the gentleman from New York [Mr. SOLOMON].

Mr. SOLOMON. Mr. Chairman, former House Member and conference Chairman Dick Cheney wants a "no" vote on this amendment, and so do I. Members are playing into the hands of those that want to gut our defense. Vote "no."

Mr. STUMP. Mr. Chairman, I am happy to yield the balance of my time to the gentleman from Texas [Mr. ARMEY], the distingished majority leader, to close debate on this side.

The CHAIRMAN. The gentleman from Texas [Mr. ARMEY] is recognized for 2 minutes.

Mr. ARMEY. Mr. Chairman, let me preface my remarks by expressing my deep appreciation for the framers of this amendment. I have always found the gentleman from California [Mr. DELLUMS] to be one of the finest and most honorable men in this Chamber, and I continue to do so, and my cap, as always, is off to him.

The gentleman from Ohio, JOHN KASICH, is a ball of energy and a commitment that is always heartfelt and a sincerity that is always obvious. We saw that most recently on the budget, and the gentleman from Ohio, JOHN KASICH, saw us through on the budget.

However, Mr. Chairman, this is not about the budget. This armed services bill conforms to the requirements of the budget we passed just a few short weeks before. This is about the defense of our Nation and the safety and the security of our children for years to come.

I have to tell the Members, I have only one basis by which I would judge any acquisition of any military equipment in this country now and ever, and that is does it keep my children safe in a hostile world. While we ensure the safety of our children and the security of our Nation, can we do so in such a way as to put the minimal number of people at the minimal risk while they have a maximum chance to fulfill a diversity of missions successfully, at a minimal cost.

That is what I have found in the B-2. The B-2 does, for me and for my children's future, and for my Nation, and for my Nation's Treasury, everything I can ask of a weapons system. This is truly, Mr. Chairman, a flying miracle for the future. It is something we ought to be very, very serious about.

We think too many times in terms of the high drama and the glamour of the Stealth, but I would submit, it is the range of the B-2 and it is the diversity of mission capability, bolstered by that stealth, that makes the successes more obvious, more readily apparent, and the safety of the men and women that would man this piece of equipment more secure. That is what we must treasure and find precious here.

Mr. Chairman, finally let me say, yes, cost is important, but we cannot look at the initial acquisition cost of this or any other weapon. One must look at the lifetime deployment cost, and over the lifetime of this weapon, we get a greater diversity of mission, opportunities to be deployed to save this Nation, at a lower cost and with a minimal amount of men and women at risk, and a minimal amount of support to the mission than we can get from anything else available.

□ 2030

We must vote "no" on the Kasich-Dellums amendment, irrespective of how much affection we have for both gentleman, how much appreciation for the sincerity of their purpose. We must cast this vote for one purpose and one purpose alone, the safety of our children and the security of people who keep them safe. That is our only basis.

Finally, let me close with this observation. I do not care and I implore Members, do not care where jobs will be found. Jobs will pass; a nation's security must be forever.

I thank the gentlemen who have participated in this debate and allowing me to close.

Mr. EMERSON. Mr. Chairman, I rise in strong opposition to the amendment offered by my colleagues, Mr. KASICH and Mr. DELLUMS, for fear that it will compromise the ability of this Nation to mount an effective bombing strike in the case of war. This amendment threatens our security and stability because it would deprive our armed forces of the necessary tools they need to ensure a quick and sure victory.

The end of the cold war did not mark the end of aggression in the world. Recent events only seem to underscore the necessity for our country to maintain a sense of readiness to defend our interests abroad and to preserve democracy throughout the world. The war in the gulf proved to be an excellent example of the effectiveness and precision of stealth aircraft, and it demonstrated that American technology remains unmatched in the world. To deprive us of this capability now would send a signal to other countries that America is no longer willing to go to war to fight for what we believe in. This amendment in effect will reduce our deterrent throughout the world.

The spread of nuclear weapons has become a source of much speculation and fear. Unless America has the capability to unilaterally strike a terrorist nation that may have a nuclear weapon, we are inviting the proliferation of those weapons. The stealth bomber gives us that capability. Considering the aging fleet that we currently have, the B-2 may soon be the only real long-range bomber in our arsenal. If we choose to close the only bomber production line currently open, the costs to reopen that assembly later on would be high. It makes no sense to close an assembly line producing our only long-range bomber when we know we will eventually have to open it again down the road.

The B-2 is not a high-priced techno-gadget; in fact, one pair of B-2 bombers can actually do the work of 75 other aircraft. Buying more of the stealth bomber makes a lot of economic sense, because it does the job with more bang for the buck!!! In a time of military downsizing, nothing illustrates the idea of a smaller, more efficient military that retains its muscle than this aircraft. It is imperative that we keep it.

More importantly, the B-2 keeps Americans out of harm's way. The recent events in Bosnia must have convinced us that our pilots should be protected as much as possible. Since the B-2 is a long-range bomber, it can be launched from distances far from the threats of the enemy. Also, the stealth capabilities of this bomber ensure that the crew will remain safe. Finally, only two people are required to fly this magnificant aircraft, which minimizes the number of American pilots required to go into combat.

Mr. Speaker, when one looks at the benefits of this aircraft and the military needs of our country, it is an easy decision to support the continued production of the B-2 bomber. I hope that my colleagues on both sides of the aisle will realize that in this point in history, America cannot afford to ignore the need for a strong national defense. The United States must maintain her superiority in weaponry to ensure peace into the 21st century. With that in mind, I stand in firm opposition to the amendment.

Mr. CONYERS. Mr. Chairman, I rise in strong support of the amendment being offered by my distinguished colleagues, Mr. DELLUMS and Mr. KASICH, and I ask permission to revise and extend my remarks. I never cease to be amazed how this Congress has been obsessed with cutting government yet it refuses to confront government's most obvious excesses. The B-2 bomber is a perfect example of this absurd double standard.

The B-2 is a cold war relic designed to fight a now nonexistent Soviet Union. The General Accounting Office conducted a comprehensive study of the B-2 program over 2 years and found that the Soviet air defense threat that the B-2 was supposed to circumvent was never even deployed.

Why are we fighting this ghost of an enemy? Because we can't quit our irrational addiction to military spending. The 20 additional B-2's that are proposed will cost an astounding $31 billion according to the Air Force. I will add, as if it were of little consequence, that the Air Force does not even want this plane. So who does? Perhaps it's the Northrop Grumman Corporation that has told America that it will cost one-third of the Air Force's estimates.

The Chairman of the Joint Chiefs of Staff has said this plane is unnecessary. The Secretary of the Air Force, Sheila Widnall, said last fall "Every program we have in the budget is a higher priority" than the B-2. The Department of Defense hasn't asked for them. Two independent studies have concluded that our military needs are better met through other means. So why are we funding it?

Many people think its worth voting for just because it will create jobs. But we all know that $31 billion spent in education, transportation, or construction creates far more jobs, as the Congressional Research Service found in a study it conducted. Not only does nondefense investment create more jobs, it creates better jobs through a lasting investment in our children and for our country. We'll never have a secure Nation until we stop using national security so loosely, and begin talking about real national security that includes real economic security. The GAO concluded in its study that buying more B-2's would be "complex, time consuming and extremely costly." Well, I maintain that it's not just costly because it's money spent, it's extravagant because that money should be better spent.

I think we're calling this the long-range bomber because it's going to cost an arm and a leg in the long range. Let's leave the "bat plane" for the movies, and calculate our investments according to our real economic and military needs.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Ohio [Mr. KASICH].

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

RECORDED VOTE

Mr. KASICH. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 203, noes 219, not voting 12, as follows:

[Roll No. 370]

AYES—203

Abercrombie	Goodlatte	Pallone
Andrews	Goodling	Parker
Bachus	Gordon	Pastor
Baldacci	Greenwood	Paxon
Ballenger	Gunderson	Payne (NJ)
Barcia	Gutierrez	Payne (VA)
Barrett (NE)	Gutknecht	Peterson (MN)
Barrett (WI)	Hall (OH)	Petri
Barton	Hamilton	Porter
Bass	Heineman	Portman
Becerra	Hoekstra	Poshard
Beilenson	Hutchinson	Pryce
Bereuter	Jacobs	Quinn
Bilbray	Johnson (SD)	Radanovich
Blute	Johnston	Rahall
Bonior	Kanjorski	Ramstad
Brown (OH)	Kaptur	Rangel
Brownback	Kasich	Reed
Bryant (TN)	Kennedy (MA)	Regula
Bunn	Kennelly	Reynolds
Burr	Kildee	Riggs
Camp	Kingston	Rivers
Cardin	Klink	Roemer
Castle	Klug	Ros-Lehtinen
Chabot	Kolbe	Roth
Christensen	Lantos	Roukema
Clay	Largent	Roybal-Allard
Clayton	Latham	Rush
Clement	LaTourette	Sabo
Coble	Lazio	Sanders
Coburn	Leach	Sanford
Collins (IL)	Levin	Sawyer
Collins (MI)	Lewis (GA)	Schroeder
Combest	Lincoln	Schumer
Condit	Lipinski	Sensenbrenner
Conyers	LoBiondo	Serrano
Costello	Lofgren	Shadegg
Coyne	Lowey	Shays
Cremeans	Luther	Shuster
Danner	Maloney	Sisisky
DeFazio	Markey	Skaggs
DeLauro	Martini	Slaughter
Dellums	Mascara	Smith (MI)
Deutsch	McDermott	Smith (WA)
Dickey	McHale	Stark
Dingell	McInnis	Stenholm
Doggett	McKinney	Stokes
Doyle	McNulty	Studds
Duncan	Meehan	Stupak
Durbin	Menendez	Tanner
Ehlers	Mfume	Torkildsen
Engel	Miller (CA)	Towns
English	Miller (FL)	Upton
Eshoo	Mineta	Velazquez
Evans	Minge	Vento
Farr	Mink	Waldholtz
Fattah	Moakley	Wamp
Flake	Molinari	Watt (NC)
Flanagan	Morella	Waxman
Foglietta	Nadler	Weldon (PA)
Foley	Neal	White
Ford	Ney	Wise
Frank (MA)	Nussle	Woolsey
Franks (NJ)	Oberstar	Wyden
Furse	Obey	Wynn
Ganske	Olver	Zeliff
Gejdenson	Orton	Zimmer
Gibbons	Owens	

NOES—219

Ackerman	Baesler	Barr
Allard	Baker (CA)	Bartlett
Armey	Baker (LA)	Bateman
Bentsen	Geren	Moorhead
Berman	Gilchrest	Moran
Bevill	Gillmor	Murtha
Bilirakis	Gilman	Myers
Bishop	Gonzalez	Nethercutt
Bliley	Goss	Neumann
Boehlert	Graham	Norwood
Boehner	Green	Ortiz
Bonilla	Hall (TX)	Oxley
Bono	Hancock	Packard
Borski	Hansen	Peterson (FL)
Brewster	Harman	Pickett
Browder	Hastert	Pombo
Brown (CA)	Hastings (FL)	Pomeroy
Brown (FL)	Hastings (WA)	Quillen
Bryant (TX)	Hayes	Richardson
Bunning	Hayworth	Roberts
Burton	Hefley	Rogers
Buyer	Hefner	Rohrabacher
Callahan	Herger	Rose
Calvert	Hilleary	Royce
Canady	Hilliard	Salmon
Chambliss	Hinchey	Saxton
Chapman	Hobson	Scarborough
Chenoweth	Hoke	Schaefer
Chrysler	Holden	Schiff
Clinger	Horn	Scott
Clyburn	Hostettler	Seastrand
Coleman	Houghton	Shaw
Collins (GA)	Hoyer	Skeen
Cooley	Hunter	Skelton
Cox	Hyde	Smith (NJ)
Cramer	Inglis	Solomon
Crane	Istook	Souder
Crapo	Jackson-Lee	Spence
Cubin	Jefferson	Spratt
Cunningham	Johnson (CT)	Stearns
Davis	Johnson, E. B.	Stockman
de la Garza	Johnson, Sam	Stump
Deal	Jones	Talent
DeLay	Kelly	Tate
Diaz-Balart	Kennedy (RI)	Tauzin
Dicks	Kim	Taylor (MS)
Dixon	King	Taylor (NC)
Dooley	Knollenberg	Tejeda
Doolittle	LaHood	Thomas
Dornan	Laughlin	Thompson
Dreier	Lewis (CA)	Thornberry
Dunn	Lewis (KY)	Thornton
Edwards	Lightfoot	Thurman
Ehrlich	Linder	Tiahrt
Emerson	Livingston	Torres
Ensign	Longley	Torricelli
Everett	Lucas	Traficant
Ewing	Manton	Tucker
Fawell	Manzullo	Visclosky
Fazio	Matsui	Volkmer
Fields (LA)	McCarthy	Vucanovich
Fields (TX)	McCollum	Walker
Filner	McCrery	Walsh
Forbes	McDade	Ward
Fowler	McHugh	Waters
Fox	McIntosh	Watts (OK)
Franks (CT)	McKeon	Weldon (FL)
Frelinghuysen	Meek	Weller
Frisa	Metcalf	Whitfield
Frost	Meyers	Wicker
Funderburk	Mica	Wolf
Gallegly	Mollohan	Young (AK)
Gekas	Montgomery	Young (FL)

NOT VOTING—12

Archer	LaFalce	Smith (TX)
Boucher	Martinez	Williams
Gephardt	Myrick	Wilson
Kleczka	Pelosi	Yates

□ 2050

Mr. TAYLOR of North Carolina and Mr. ALLARD changed their vote from "aye" to "no."

Messrs. CHRISTENSEN, COBLE, and GORDON changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. WILLIAMS. Mr. Speaker, family difficulties kept me from being here for the vote on the Kasich-Dellums amendment on deleting money from the authorization for additional B-2's.

Had I been in attendance I would have voted "aye".

AMENDMENTS EN BLOC, AS MODIFIED, OFFERED BY MR. SPENCE

Mr. SPENCE. Mr. Chairman, I offer amendments en bloc, as modified.

The CHAIRMAN. The Clerk will designate the amendments en bloc and report the modifications.

The Clerk designated the amendments en bloc and proceeded to read the modifications.

Mr. SPENCE (during the reading). Mr. Chairman, I ask unanimous consent that the modifications be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The text of the amendments, as modified, is as follows:

Amendments en bloc, as modified, offered by Mr. SPENCE:

AMENDMENT OFFERED BY MR. MICA

At the end of subtitle C of title I (page 20, after line 25), insert the following new section:

SEC. 134. SONOBUOY PROGRAMS.

Of the amount provided in section 102(a)(4)—

(1) none of such amount shall be available for the AN/SSQ-53 (DIFAR) program; and

(2) $8,902,000 shall be available for the AN/SSQ-110 (EER) program.

AMENDMENT, AS MODIFIED, OFFERED BY MR. HANSEN

At the end of subtitle E of title I (page 22, after line 14), insert the following new section:

SEC. 153. ASSISTANCE FOR CHEMICAL WEAPONS STOCKPILE COMMUNITIES AFFECTED BY BASE CLOSURE.

The Secretary of Defense shall review and evaluate issues associated with closure and reutilization of Department of Defense facilities co-located with continuing chemical stockpile and chemical demilitarization operations. The review shall include analysis of the economic impacts on these communities and the unique reuse problems facing local communities associated with ongoing chemical weapons programs. The review should also include recommendations from the Secretary on methods for expeditious and cost-effective transfer of these facilities to local communities for base reuse or privatization. The Secretary shall submit to Congress a report on the review and evaluation not later than 90 days after the date of the enactment of this Act.

AMENDMENT OFFERED BY MR. HANSEN

At the end of title II (page 61, after line 2), insert the following new section:

SEC. 263. DEMILITARIZATION OF CONVENTIONAL MUNITIONS, ROCKETS, AND EXPLOSIVES.

Of the amount appropriated pursuant to the authorization in section 201 for the joint Department of Defense-Department of Energy munitions technology development program (PE 63225D), $15,000,000 shall be available for cooperative development and demonstration of processes that comply with applicable environmental laws for the demilitarization and disposal of unserviceable, obsolete, or nontreaty compliant munitions,

rocket motors, and explosives. In carrying out such development and demonstration, the Secretary of Defense and the Secretary of Energy should consider a number of potential technologies, including super-critical water oxidation, molten metal pyrolisis, plasma arc, catalytic fluidized-bed oxidation, molten salt oxidation, incineration, critical fluid extraction and ingredient recovery, and underground contained burning.

AMENDMENT OFFERED BY MR. BATEMAN

Page 80, strike out line 21 and all that follows through line 17 on page 81, relating to section 335 of the bill (termination of overseas living quarters allowances for nonappropriated fund instrumentality employees), and insert the following new section.

SEC. 335. LIMITATION ON PROVISION OF OVERSEAS LIVING QUARTERS ALLOWANCES FOR NONAPPROPRIATED FUND INSTRUMENTALITY EMPLOYEES.

(a) CONFORMING ALLOWANCE TO ALLOWANCES FOR OTHER CIVILIAN EMPLOYEES.—Subject to subsection (b), any overseas living quarters allowance paid from nonappropriated funds and provided to a nonappropriated fund instrumentality employee after the date of the enactment of this Act may not exceed the amount of a quarters allowance provided under subchapter III of chapter 59 of title 5 to a similarly situated civilian employee of the Department of Defense paid from appropriated funds.

(b) APPLICATION TO CERTAIN CURRENT EMPLOYEES.—In the case of a nonappropriated fund instrumentality employee who, as of the date of the enactment of this Act, receives an overseas living quarters allowance under any other authority, subsection (a) shall apply to such employee only after the earlier of—

(1) September 30, 1998; or

(2) the date on which the employee otherwise ceases to be eligible for such an allowance under such other authority.

(c) NONAPPROPRIATED FUND INSTRUMENTALITY EMPLOYEE DEFINED.—For purposes of this section, the term "nonappropriated fund instrumentality employee" has the meaning given such term in section 1587(a)(1) of title 10, United States Code.

AMENDMENT, AS MODIFIED OFFERED BY MS. DUNN OF WASHINGTON

Page 98, strike out lines 3 through 8, relating to section 359 of the bill (increase in commercial procurement of printing and duplication services), and insert the following new section:

SEC. 359. COMMERCIAL PROCUREMENT OF PRINTING AND DUPLICATION SERVICES.

Consistent with the requirements of title 44, United States Code, during fiscal year 1996, the Defense Printing Service shall competitively procure a minimum of 70 percent of its printing and duplication services.

MODIFICATION TO THE AMENDMENT, AS MODIFIED, OFFERED BY MR. SMITH OF MICHIGAN

Page 98, strike out line 22 and all that follows through line 3 on page 99, relating to section 361 of the bill (operations of Defense Reutilization and Marketing Service), and insert the following new section:

SEC. 361. PRIVATE OPERATION OF FUNCTIONS OF DEFENSE REUTILIZATION AND MARKETING SERVICE.

(a) SOLICITATION OF PROPOSALS.—(1) Not later than March 15, 1996, the Secretary of Defense shall solicit for the selected performance by commercial entities of those functions of the Defense Reutilization and Marketing Service, a unit of the Defense Logistics Agency, for which the Secretary determines that privatization would result in cost savings for the United States and the generation of additional revenues for the United States.

(b) REPORT ON RETENTION OF FUNCTIONS.—Not later than January 15, 1996, the Secretary shall submit a report to the Congress describing those functions of the Defense Reutilization and Marketing Service that the Secretary believes should be currently retained for exclusive performance by civilian employees of the Department of Defense or military personnel and the reasons why such functions should be so retained.

AMENDMENT OFFERED BY MR. EDWARDS OR MR. GILLMOR

Page 121, strike out line 3 and all that follows through line 23 on page 130, relating to section 384 of the bill (conversion of civilian marksmanship program to nonappropriated fund instrumentality), and insert in lieu thereof the following new section:

SEC. 384. CONVERSION OF THE CIVILIAN MARKSMANSHIP PROGRAM TO A FEDERALLY CHARTERED NONPROFIT CORPORATION.

(A) CORPORATION.—

(1) ESTABLISHMENT.—There is hereby established a private nonprofit corporation, to be known as the Corporation for the Promotion of Rifle Practice and Firearms Safety (in this section referred to as the "Corporation"), for the promotion of rifle practice and firearms safety.

(2) DUTIES.—The Corporation shall be responsible for the supervision, oversight, and control of the Civilian Marksmanship Program.

(3) MEMBERSHIP.—The Corporation shall have a board of directors consisting of nine members. Each member shall serve for a two-year term, except for four members of the initial board of directors, who shall serve a one-year term, and shall be eligible for reappointment. The private members of the National Board for the Promotion of Rifle Practice, as in existence on the day before the date of the enactment of this Act, shall forward nominations for membership on the initial board of directors of the Corporation to the governing body designated by the United States Olympic Committee for international rifle and pistol competition (in this section referred to as the "USOC designee") not later than 10 days after the date of the enactment of this Act. Unless the nomination is rejected by the USOC designee by written notification to the existing members of the National Board within 30 days of the nomination, the nominee shall be seated as a member of the board of directors of the Corporation. Members of the board of directors shall nominate individuals to fill subsequent vacancies within 10 days of the vacancy, with a right of rejection reserved to the USOC designee by written notification to the Corporation within 30 days of each nomination.

(4) DIRECTOR OF CIVILIAN MARKSMANSHIP AND STAFF.—The Corporation shall appoint a person to serve as the Director of Civilian Marksmanship, who shall be responsible for the day to day operations of the Corporation and the Civilian Marksmanship Program. Subject to the approval of the Corporation, the Director and civilian employees of the Corporation may enroll or remain enrolled without penalty or loss of credit in all pension and benefits programs available to civilian employees of the Department of Defense, the employer's contribution to be paid by the Corporation.

(b) SOLICITATION AND RECEIPT OF FUNDS.—

(1) IN GENERAL.—The Corporation and the Director may solicit, accept, hold, use, and dispose of, in furtherance of the activities of the Civilian Marksmanship Program, donations of money, property, and services received by gift, devise, bequest, or otherwise.

(2) USE OF PROCEEDS.—Amounts collected by the Civilian Marksmanship Program, including the proceeds from the sale of arms, ammunition, targets and other supplies and appliances, shall be used to carry out the Civilian Marksmanship Program.

(3) TRANSFER OF FUNDS.—Amounts available to the National Board for the Promotion of Rifle Practice as of the date of enactment of this Act from rifle sales programs and from fees in connection with competitions sponsored by that board shall be transferred to the Corporation to carry out the Civilian Marksmanship Program.

(4) FEES CHARGED.—The Corporation may impose such reasonable fees as are necessary to cover the direct and indirect costs to the Corporation, for persons and gun clubs participating in any program or competition conducted under the Civilian Marksmanship Program for the promotion of rifle practice and firearms safety among civilians.

(c) RESPONSIBILITIES.—The Corporation, through the Civilian Marksmanship Program, shall provide for—

(1) the operation and maintenance of indoor and outdoor rifle ranges and their accessories and appliances;

(2) the instruction of citizens of the United States in marksmanship, and the employment of trained instructors for the purpose;

(3) the promotion of practice in the use of rifled arms and the maintenance and management of matches and competitions in the use of those arms; and

(4) the award to competitors of trophies, prizes, badges, and other insignia.

(d) YOUTH ACTIVITIES.—The Corporation, through the Civilian Marksmanship Program, shall give priority to activities that benefit firearms safety training and competition for youth and reach as many youth participants as possible.

(e) ELIGIBILITY.—

(1) AFFIDAVIT.—Before a person may participate in any activity sponsored or supported by the Civilian Marksmanship Program, the person shall be required to certify by affidavit the following:

(A) The person has not been convicted of any violation of section 922 of title 18, United States Code. The Director may require any person to attach certification from the appropriate State or Federal law enforcement agency to the person's affidavit.

(B) The person is not a member of any organization that advocates the violent overthrow of the United States Government.

(2) EFFECT OF CONVICTION.—A person who has been convicted of a violation of section 922 of title 18, United States Code, shall not be eligible to participate in any activity sponsored or supported by the Corporation through the Civilian Marksmanship Program.

(3) FURTHER LIMITATIONS ON PARTICIPATION.—The Director may limit participation as necessary to ensure quality instruction in the rifled arms, participant safety, and firearms security.

(f) ARMS AND AMMUNITION.—

(1) ISSUANCE.—The Corporation may issue, without cost, the arms, ammunition (including caliber .22 and caliber .30 ammunition), targets, and other supplies and appliances necessary for activities related to the Civilian Marksmanship Program. Issuance shall be made only to gun clubs under the direction of the Corporation that provide training

in the use of rifled arms to youth, the Boy Scouts of America, 4-H Clubs, Future Farmers of America, and other youth-oriented organizations for training and competition. The Corporation shall be responsible for ensuring adequate oversight and accountability for these arms and ammunition.

(2) SALE TO CLUBS.—The Corporation may sell at fair market value caliber .30 rifles and ammunition for caliber .30 rifles, .22 rifles, and air rifles to gun clubs that are under the direction of the Corporation and provide training in the use of rifled arms. In lieu of sales, the Civilian Marksmanship Program may loan caliber .30 rifles, .22 rifles, and air rifles to such clubs, but the Corporation is responsible for ensuring the oversight and accountability of such rifles.

(3) SALE TO INDIVIDUALS.—The Corporation may sell at fair market value caliber .30 rifles, ammunition, targets, and other supplies and appliances necessary for target practice to citizens of the United States over 18 years of age who are members of a gun club under the direction of the Corporation. Such sales are subject to applicable Federal, State, and local laws. In addition to any other requirement, the Corporation shall provide for a criminal records check of the person with appropriate Federal and State law enforcement agencies, and the Corporation shall not sell weapons or ammunition to a person who has been convicted of a felony or Federal or State firearms violation.

(g) OTHER DUTIES.—The Corporation shall provide for or assist in providing for—

(1) the procurement of necessary supplies, appliances, trophies, prizes, badges, and other insignia, clerical and other services, and labor to carry out the Civilian Marksmanship Program; and

(2) transportation of employees, instructors, and civilians to give or receive instruction or to assist or engage in practice in the use of rifled arms, and the transportation and subsistence, or an allowance in lieu of subsistence, of members of teams authorized by the Corporation to participate in matches or competitions in the use of rifled arms.

(h) AUTHORITY OF SECRETARY OF DEFENSE TO SELL SURPLUS ARMS AND AMMUNITION.—Subject to section 1208 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101-189; 10 U.S.C. 372 note), relating to the transfer of excess small arms and ammunition to support Government counter drug activities, the Secretary of the Army shall reserve for the Civilian Marksmanship Program all remaining M-1 Garand rifles, and ammunition for such rifles, held by the Army on the date of the enactment of this Act. After such date, the Secretary of the Army shall cease demilitarization of remaining M-1 Garand rifles in the Army inventory unless such rifles are determined to be irreparable by the Defense Logistics Agency. Any transfers of arms and ammunition to the Corporation under this section shall be made without cost to the Civilian Marksmanship Program, except that the Corporation shall assume the cost of preparation and transportation of the transferred rifles.

(i) LOGISTICAL SUPPORT TO CIVILIAN MARKSMANSHIP PROGRAM.—The Secretary of Defense, under such regulations as the Secretary may prescribe, may provide logistical support to the Civilian Marksmanship Program, for competitions and other activities conducted by the Corporation. The Secretary shall recoup only the incremental cost for this support from the Corporation. The National Matches may continue to be held at the current Department of Defense facilities as part of the support authorized under this section.

(j) REPEAL.—(1) Sections 4307, 4308, 4310, and 4311 of title 10, United States Code, are repealed.

(2) The table of sections at the beginning of chapter 401 of such title is amended by striking out the items relating to sections 4307, 4308, 4310, and 4311.

AMENDMENT OFFERED BY MR. GILMAN

Strike out section 563 (page 238, line 1, through page 271, line 19) and insert in lieu thereof the following:

SEC. 563. DETERMINATION OF WHEREABOUTS AND STATUS OF MISSING PERSONS.

(a) PURPOSE.—The purpose of this section is to ensure that any member of the Armed Forces, and any civilian employee of the United States or contractor of the United States who serves with or accompanies the Armed Forces in the field under orders, is accounted for by the United States (by the return of such person alive, by the return of the remains of such person, or by the decision that credible evidence exists to support another determination of the status of such person) and, as a general rule, is not declared dead solely because of the passage of time.

(b) IN GENERAL.—(1) Part II of subtitle A of title 10, United States Code, is amended by inserting after chapter 75 the following new chapter:

"CHAPTER 76—MISSING PERSONS

"Sec.
"1501. System for accounting for missing persons.
"1502. Missing persons: initial report.
"1503. Initial board inquiry; actions of theater component commander and head of the agency.
"1504. Subsequent board inquiry; actions of head of the agency.
"1505. Further review.
"1506. Personnel files.
"1507. Recommendation of status of death.
"1508. Judicial review.
"1509. Persons previously declared dead.
"1510. Procedures applicable in case of civilians.
"1511. Return alive of person declared missing or dead.
"1512. Effect on State law.
"1513. Definitions.

"§ 1501. System for accounting for missing persons

"(a) OFFICE FOR MISSING PERSONNEL.—(1) The Secretary of Defense shall establish within the Office of the Secretary of Defense an office to have responsibility for Department of Defense policy relating to missing persons. Subject to the authority, direction, and control of the Secretary of Defense, the responsibilities of the office shall include—

"(A) policy, control, and oversight within the Department of Defense of the entire process for investigation and recovery (including search and rescue) related to missing persons; and

"(B) coordination for the Department of Defense with other departments and agencies of the United States on all matters concerning missing persons.

"(2) In carrying out the responsibilities of the office established under this subsection, the head of the office shall coordinate the efforts of that office with those of other departments and agencies and other elements of the Department of Defense for such purposes and shall be responsible for the coordination for such purposes within the Department of Defense among the military departments, the Joint Staff, and the commanders of the combatant commands.

"(3) The office shall establish policies, which shall apply uniformly through the Department of Defense, for personnel recovery (including search and rescue).

"(4) The office shall establish procedures to be followed by Department of Defense boards of inquiry, and by officers reviewing the reports of such boards, under this chapter.

"(b) OTHER DEPARTMENTS AND AGENCIES.—(1) The Secretary of State shall designate an officer of the Department of State to have responsibility within that Department for matters relating to missing persons.

"(2) The Secretary of Transportation shall designate an officer of the Department of Transportation to have responsibility within that Department for matters relating to missing persons.

"(3) The Director of Central Intelligence shall designate an officer of the Central Intelligence Agency to have responsibility within that Agency for matters relating to missing persons.

"(4) The President shall direct the heads of such other departments and agencies as the President considers appropriate to make a similar designation for their respective departments and agencies.

"(c) UNIFORM DOD PROCEDURES.—(1) The Secretary of Defense shall prescribe procedures, to apply uniformly through the Department of Defense, for—

"(A) the determination of the status of persons described in subsection (d); and

"(B) for the systematic, comprehensive, and timely collection, analysis, review, dissemination, and periodic update of information related to such persons.

"(2) Such procedures shall be prescribed in a single directive applicable to all elements of the Department of Defense.

"(3) As part of such procedures, the Secretary may provide for the extension, on a case-by-case basis, of any time limit specified in section 1502, 1503, or 1504 of this title. Any such extension may not be for a period in excess of one-half of the period with respect to which the extension is provided. Subsequent extensions may be provided on the same basis.

"(d) COVERED PERSONS.—Section 1502 of this title applies in the case of the following persons:

"(1) Any member of the armed forces on active duty who disappears as a result of a hostile action, or under circumstances suggesting that the disappearance is a result of a hostile action, and whose status is undetermined or who is unaccounted for (except under circumstances suggesting that the disappearance is voluntary).

"(2) Any civilian employee of the United States or employee of a contractor of the United States who, while serving with or accompanying the armed forces in the field, disappears under circumstances described in paragraph (1) and whose status is undetermined or who is unaccounted for (except under circumstances suggesting that the disappearance is voluntary).

"(e) PRIMARY NEXT OF KIN.—The individual who is primary next of kin of a person described in subsection (d) may for purposes of this chapter designate another individual to act on behalf of that individual as primary next of kin. The Secretary of Defense shall treat an individual so designated as if the individual designated were the primary next of kin for purposes of this chapter. A designation under this subsection may be revoked at any time by the person who made the designation.

"(f) TERMINATION OF APPLICABILITY OF PROCEDURES WHEN MISSING PERSON IS ACCOUNTED FOR.—The provisions of this chapter relating to boards of inquiry and to actions by the Secretary concerned on the reports of those boards shall cease to apply in the case of a missing person upon that person becoming accounted for or otherwise being determined to be in a status other than the status of missing or missing in action.

"§ 1502. Missing persons: initial report by unit commander

"(a) PRELIMINARY ASSESSMENT AND RECOMMENDATION BY COMMANDER.—After receiving information that the whereabouts or status of a person described in section 1501(d) of this title is uncertain and that the absence of the person may be involuntary, the commander of the unit, facility, or area to or in which the person is assigned shall make a preliminary assessment of the circumstances. If, as a result of that assessment, the commander concludes that the person is missing, the commander shall—

"(1) recommend that the person be placed in a missing status; and

"(2) not later than 48 hours after receiving such information, transmit that recommendation to the theater component commander with jurisdiction over the missing person in accordance with procedures prescribed under section 1501(c) of this title.

"(b) FORWARDING OF RECORDS.—The commander making the initial assessment shall (in accordance with procedures prescribed under section 1501(c) of this title) safeguard and forward for official use any information relating to the whereabouts or status of the person that result from the preliminary assessment or from actions taken to locate the person.

"§ 1503. Initial board inquiry; actions of theater component commander and head of the agency

"(a) APPOINTMENT OF BOARD.—Not later than ten days after receiving notification under section 1502(a)(2) of this title that a person has been recommended for placement in a missing status, the theater component commander to whom the notification is transmitted shall appoint a board to conduct an inquiry into the whereabouts and status of the person.

"(b) INQUIRIES INVOLVING MORE THAN ONE MISSING PERSON.—If it appears to the commander who appoints a board under this section that the absence or missing status of two or more persons is factually related, the commander may appoint a single board under this section to conduct the inquiry into the whereabouts or status of all such persons.

"(c) COMPOSITION.—(1) A board appointed under this section shall consist of at least one individual described in paragraph (2) who has experience with and understanding of military operations or activities similar to the operation or activity in which the person disappeared.

"(2) An individual referred to in paragraph (1) is the following:

"(A) A military officer, in the case of an inquiry with respect to a member of the armed forces.

"(B) A civilian, in the case of an inquiry with respect to a civilian employee of the United States or of a contractor of the United States.

"(3) An individual may be appointed as a member of a board under this section only if the individual has a security clearance that affords the member access to all information relating to the whereabouts and status of the missing persons covered by the inquiry.

"(d) DUTIES OF BOARD.—A board appointed to conduct an inquiry into the whereabouts or status of a missing person under this section shall—

"(1) collect, develop, and investigate all facts and evidence relating to the disappearance, whereabouts, or status of that person;

"(2) collect appropriate documentation of the facts and evidence covered by the investigation;

"(3) analyze the facts and evidence, make findings based on that analysis, and draw conclusions as to the current whereabouts and status of the person; and

"(4) with respect to each person covered by the inquiry, recommend to the commander who appointed the board that—

"(A) the person be placed in a missing status; or

"(B) the person be declared to have deserted, to be absent without leave, or to be dead.

"(e) INQUIRY PROCEEDINGS.—(1) During the proceedings of an inquiry under this section, a board shall—

"(A) collect, record, and safeguard all facts, documents, statements, photographs, tapes, messages, maps, sketches, reports, and other information (whether classified or unclassified) relating to the whereabouts or status of each person covered by the inquiry;

"(B) gather information relating to actions taken to find the person, including any evidence of the whereabouts or status of the person arising from such actions; and

"(C) maintain a record of its proceedings.

"(2) The commander who appoints a board under this section may request the commander of the combatant command to provide such assistance as the board or the commander may require for purposes of this section.

"(f) COUNSEL FOR MISSING PERSON.—(1) The commander appointing a board to conduct an inquiry under this section shall appoint counsel to represent each person covered by the inquiry, or, in the case described by 1503(c) of this title, one counsel to represent all persons covered by the inquiry. Counsel appointed under this paragraph may be referred to as 'missing person's counsel'.

"(2) To be appointed as a missing person's counsel, a person must—

"(A) have the qualifications specified in section 827(b) of this title (article 27(b) of the Uniform Code of Military Justice) for trial counsel or defense counsel detailed for a general court-martial; and

"(B) have a security clearance that affords the counsel access to all information relating to the whereabouts or status of the person or persons covered by the inquiry.

"(3) A missing person's counsel—

"(A) shall have access to all facts and evidence considered by the board during the proceedings under the inquiry for which the counsel is appointed;

"(B) shall observe all official activities of the board during such proceedings;

"(C) may question witnesses before the board; and

"(D) shall monitor the deliberations of the board; and

"(4) A missing person's counsel shall review the report of the board under subsection (i) and submit to the commander who appointed the board an independent review of that report. That review shall be made an official part of the record of the board.

"(g) ACCESS TO PROCEEDINGS.—The proceedings of a board during an inquiry under this section shall be closed to the public (including, with respect to any missing person covered by the inquiry, the primary next of kin, other members of the immediate family, and any other previously designated person designated under section 655 of this title).

"(h) RECOMMENDATION ON STATUS OF MISSING PERSONS.—(1) Upon completion of its inquiry, a board appointed under this section shall make a recommendation to the commander who appointed the board as to the appropriate determination of the current whereabouts or status of each person whose whereabouts were covered by the inquiry.

"(2)(A) A board may not recommend under paragraph (1) that a person be declared dead unless the board determines that the evidence before it established conclusive proof of the death of the person.

"(B) In this paragraph, the term 'conclusive proof of death' means evidence establishing that death is the only credible explanation for the absence of the person.

"(i) REPORT.—(1) A board appointed under this section shall submit to the commander who appointed it a report on the inquiry carried out by the board. The report shall include—

"(A) a discussion of the facts and evidence considered by the board in the inquiry;

"(B) the recommendation of the board under subsection (h) with respect to each person covered by the report; and

"(C) disclosure of whether classified documents and information were reviewed by the board or were otherwise used by the board in forming recommendations under subparagraph (B).

"(2) A report under this subsection with respect to a missing person shall be submitted not later than 45 days after the date on which that person is first reported missing.

"(3) A report submitted under this subsection may not be made public until one year after the date on which the report is submitted.

"(j) REVIEW AND DETERMINATION OF STATUS BY COMPONENT COMMANDER.—(1) Not later than 15 days after the date of the receipt of a report under subsection (i), the commander who appointed the board shall review—

"(A) the report; and

"(B) the review of that report submitted under subsection (f)(4) by the missing person's counsel.

"(2) In reviewing a report under paragraph (1), the commander receiving the report shall determine whether or not the report is complete and free of administrative error. If the commander determines that the report is incomplete, or that the report is not free of administrative error, the commander may return the report to the board for further action on the report by the board.

"(3) Upon a determination by the commander reviewing a report under this subsection that the report is complete and free of administrative error, the commander shall make a determination of the status of each person covered by the report.

"(4) The report, together with the determination under paragraph (3), shall be promptly forwarded to the commander of the combatant command for the geographic area in which the missing person disappeared.

"(k) REVIEW BY CINC.—(1) The commander of the combatant command shall review a report received under subsection (j)(4). Not later than 30 days after receiving such report, that commander shall forward that report to the Secretary concerned. In the case of a missing person who is a member of the Army, Navy, Air Force, or Marine Corps, the report shall be forwarded to or through the Secretary of Defense in accordance with procedures prescribed under section 1501(c) of this title.

"(2) The review under paragraph (1) shall be conducted in accordance with procedures prescribed under section 1501(a)(3) of this title.

"(l) DETERMINATION BY SECRETARY.—(1) The Secretary of Defense (or the Secretary of the military department concerned acting under delegation of authority from the Secretary of Defense) shall review the determinations of a theater component commander in a report forwarded under this section.

"(2) After conducting such review, the Secretary shall make a determination, with respect to each person whose status is covered by the report, whether to leave unchanged the status of such person as determined by the theater component commander under subsection (j)(3) or whether to change that status to another appropriate status, as determined by the Secretary.

"(3) In making such determination, the Secretary may convene a board in accordance with section 1504 of this title.

"(m) REPORT TO FAMILY MEMBERS AND OTHER INTERESTED PERSONS.—Not later than 30 days after the date on which the Secretary makes a determination under subsection (k), the Secretary of Defense, acting through the head of the office established under section 1501(a) of this title, shall—

"(1) provide an unclassified summary of the report of the board (including the name of the missing person's counsel for the inquiry, the names of the members of the board, and the name of the commander who convened the board) to the primary next of kin, to the other members of the immediate family, and to any other previously designated person of the missing person; and

"(2) inform each individual to whom such summary is provided that the United States will conduct a subsequent inquiry into the whereabouts or status of the person not earlier than one year after the date of the first official notice of the disappearance of the missing person, unless information becomes available sooner that would result in a substantial change in the determination of the status of the person.

"§ 1504. Subsequent board inquiry; actions of head of the agency

"(a) ADDITIONAL BOARD.—If information on the whereabouts or status of a person covered by an inquiry under section 1503 of this title becomes available within one year after the date of the submission of the report submitted under section 1502 of this title, the Secretary of Defense, acting through the head of the office established under section 1501(a) of this title, shall appoint a board under this section to conduct an inquiry into the information

"(b) AUTHORITY FOR INQUIRY.—The Secretary of Defense may delegate authority over such subsequent inquiry to the Secretary concerned.

"(c) SECRETARY CONCERNED.—In this chapter, the term 'Secretary concerned', in the case of a civilian employee of the United States or contractor of the United States, means the Secretary of the executive department or head of the agency employing the employee or contracting with the contractor, as the case may be.

"(d) DATE OF APPOINTMENT.—The Secretary shall appoint a board under this section to conduct an inquiry into the whereabouts and status of a missing person on or about one year after the date of the report concerning that person submitted under section 1502 of this title.

"(e) COMBINED INQUIRIES.—If it appears to the Secretary that the absence or status of two or more persons is factually related, the Secretary may appoint one board under this section to conduct the inquiry into the whereabouts or status of all such persons.

"(f) COMPOSITION.—(1) Subject to paragraphs (2) and (3), a board appointed under this section shall consist of the following:

"(A) In the case of a board appointed to inquire into the whereabouts or status of a member of the armed forces, not less than three officers having the grade of major or lieutenant commander or above.

"(B) In the case of a board appointed to inquire into the whereabouts or status of a civilian employee of the United States or an employee of a contractor of the United States—

"(i) not less than three employees of the Department of Defense whose rate of annual pay is equal to or greater than the rate of annual pay payable for grade GS–13 of the General Schedule under section 5332 of title 5; and

"(ii) such members of the armed forces as the Secretary of Defense considers advisable.

"(2) The Secretary shall designate one member of a board appointed under this section as president of the board. The president of the board shall have a security clearance that affords the president access to all information relating to the whereabouts and status of each person covered by the inquiry.

"(3)(A) One member of each board appointed under this subsection shall be an attorney or judge advocate who has expertise in the public law relating to missing persons, the determination of death of such persons, and the rights of family members and dependents of such persons.

"(B) One member of each board appointed under this subsection shall be an individual who—

"(i) has an occupational specialty similar to that of one or more of the persons covered by the inquiry; and

"(ii) has an understanding of and expertise in the official activities of one or more such persons at the time such person or persons disappeared.

"(g) DUTIES OF BOARD.—A board appointed under this section to conduct an inquiry into the whereabouts or status of a person shall—

"(1) review the report under subsection (i) of section 1503 of this title of the board appointed to conduct the inquiry into the status or whereabouts of the person under section 1503 of this title and the recommendation under subsection (j)(3) of that section of the commander who appointed the board under that subsection as to the status of the person;

"(2) collect and evaluate any document, fact, or other evidence with respect to the whereabouts or status of the person that has become available since the completion of the inquiry under section 1503 of this title;

"(3) draw conclusions as to the whereabouts or status of the person;

"(4) determine on the basis of the activities under paragraphs (1) and (2) whether the status of the person should be continued or changed; and

"(5) submit to the Secretary of Defense a report describing the findings and conclusions of the board, together with a recommendation for a determination by the Secretary concerning the whereabouts or status of the person.

"(h) COUNSEL FOR MISSING PERSONS.—(1) When the Secretary appoints a board to conduct an inquiry under this section, the Secretary shall appoint counsel to represent each person covered by the inquiry.

"(2) A person appointed as counsel under this subsection shall meet the qualifications and have the duties set forth in section 1503(f) of this title for a missing person's counsel appointed under that section.

"(3) The review of the report of a board on an inquiry that is submitted by such counsel shall be made an official part of the record of the board with respect to the inquiry.

"(i) ATTENDANCE OF FAMILY MEMBERS AND CERTAIN OTHER INTERESTED PERSONS AT PROCEEDINGS.—(1) With respect to any person covered by an inquiry under this section, the primary next of kin, other members of the immediate family, and any other previously designated person of the missing person may attend the proceedings of the board during the inquiry in accordance with this section.

"(2) The Secretary shall notify each individual referred to in paragraph (1) of the opportunity to attend the proceedings of a board. Such notice shall be provided not less than 60 days before the first meeting of the board.

"(3) An individual who receives a notice under paragraph (2) shall notify the Secretary of the intent, if any, of that individual to attend the proceedings of the board not less than 21 days after the date on which the individual receives the notice.

"(4) Each individual who notifies the Secretary under paragraph (3) of the individual's intent to attend the proceedings of the board—

"(A) in the case of an individual who is the primary next of kin or the previously designated person, may attend the proceedings of the board with private counsel;

"(B) shall have access to the personnel file of the missing person, to unclassified reports (if any) of the board appointed under section 1503 of this title to conduct the inquiry into the whereabouts and status of the person, and to any other unclassified information or documents relating to the whereabouts and status of the person;

"(C) shall be afforded the opportunity to present information at the proceedings of the board that such individual considers to be relevant to those proceedings; and

"(D) subject to paragraph (5), shall be given the opportunity to submit in writing objection to any recommendation of the board under subsection (k) as to the status of the missing person.

"(5) Objections under paragraph (4)(D) to any recommendation of the board shall be submitted to the president of the board not later than 30 days after the date on which the recommendations are made. The president shall include any such objections in the report of the board under subsection (k).

"(6) An individual referred to in paragraph (1) who attends the proceedings of a board under this subsection shall not be entitled to reimbursement by the United States for any costs (including travel, lodging, meals, local transportation, legal fees, transcription costs, witness expenses, and other expenses) incurred by that individual in attending such proceedings.

"(j) AVAILABILITY OF INFORMATION TO BOARDS.—(1) In conducting proceedings in an inquiry under this section, a board may secure directly from any department or agency of the United States any information that the board considers necessary in order to conduct the proceedings.

"(2) Upon written request from the president of a board, the head of a department or agency of the United States shall release information covered by the request to the board. In releasing such information, the head of the department or agency shall—

"(A) declassify to an appropriate degree classified information; or

"(B) release the information in a manner not requiring the removal of markings indicating the classified nature of the information.

"(3)(A) If a request for information under paragraph (2) covers classified information that cannot be declassified, cannot be removed before release from the information covered by the request, or cannot be summarized in a manner that prevents the release of classified information, the classified information shall be made available only to president of the board making the request and the counsel for the missing person appointed under subsection (f).

"(B) The president of a board shall close to persons who do not have appropriate security clearances those portions of the proceeding of the Board during which classified information is discussed. Participants at a proceeding of a board at which classified information is discussed shall comply with all applicable laws and regulations relating to the disclosure of classified information. The Secretary concerned shall assist the president of a board in ensuring that classified information is not compromised through board proceedings.

"(k) RECOMMENDATION ON STATUS.—(1) Upon completion of an inquiry under this subsection, a board shall make a recommendation as to the current whereabouts or status of each missing person covered by the inquiry.

"(2) A board may not recommend under paragraph (1) that a person be declared dead unless—

"(A) proof of death is established by the board; and

"(B) in making the recommendation, the board complies with section 1507 of this title.

"(l) REPORT.—A board appointed under this section shall submit to the Secretary of Defense a report on the inquiry carried out by the board, together with the evidence considered by the board during the inquiry. The report may include a classified annex.

"(m) ACTIONS BY SECRETARY.—(1) Not later than 30 days after the receipt of a report from a board under subsection (k), the Secretary shall review—

"(A) the report;

"(B) the review of the report submitted to the Secretary under subsection (f)(3) by the counsel for each person covered by the report; and

"(C) the objections, if any, to the report submitted to the president of the board under subsection (g)(6).

"(2) In reviewing a report under paragraph (1) (including the review and objections described in subparagraphs (A) and (B) of that paragraph), the Secretary shall determine whether or not the report is complete and free of administrative error. If the Secretary determines that the report is incomplete, or that the report is not free of administrative error, the Secretary may return the report to the board for further action on the report by the board.

"(3) Upon a determination by the Secretary that a report reviewed under this subsection is complete and free of administrative error, the Secretary shall make a determination concerning the status of each person covered by the report.

"(n) REPORT TO FAMILY MEMBERS AND OTHER INTERESTED PERSONS.—Not later than 90 days after the date on which a board submits a report on a person under subsection (l), the Secretary of Defense shall—

"(1) with respect to each missing person whose status or whereabouts are covered by the report, provide an unclassified summary of the report to the primary next of kin, the other members of the immediate family, and any other previously designated person; and

"(2) in the case of a person who continues to be in a missing status, inform each individual referred to in paragraph (1) that the United States will conduct a further investigation into the whereabouts or status of the person not later than three years after the date of the official notice of the disappearance of the person, unless information becomes available within that time that would result in a substantial change in the official status of the person.

"§ 1505. Further review

"(a) SUBSEQUENT REVIEW.—The Secretary shall conduct subsequent inquiries into the whereabouts or status of any person determined by the Secretary under section 1504 of this title to be in a missing status.

"(b) FREQUENCY OF SUBSEQUENT REVIEWS.—(1) Subject to paragraph (3), the Secretary shall appoint a board to conduct an inquiry with respect to a person under this subsection—

"(A) on or about three years after the date of the official notice of the disappearance of the person; and

"(B) not later than every three years thereafter.

"(2) In addition to appointment of boards under paragraph (1), the Secretary shall appoint a board to conduct an inquiry with respect to a person under this subsection upon receipt of information that could result in a change or revision of status of a missing person. Whenever the Secretary appoints a board under this paragraph, the time for subsequent appointments of a board under paragraph (1)(B) shall be determined from the date of the receipt of such information.

"(3) The Secretary is not required to appoint a board under paragraph (1) with respect to the disappearance of any person—

"(A) more than 30 years after the first notice of the disappearance of the missing person; or

"(B) if, before the end of such 30-year period, the missing person is accounted for.

"(c) CONDUCT OF PROCEEDINGS.—The appointment of, and activities before, a board appointed under this section shall be governed by the provisions of section 1504 of this title with respect to a board appointed under that section.

"§ 1506. Personnel files

"(a) INFORMATION IN FILES.—Except as provided in subsection (b), the Secretary of the department having jurisdiction over a missing person at the time of the person's disappearance shall, to the maximum extent practicable, ensure that the personnel file of the person contains all information in the possession of the United States relating to the disappearance and whereabouts or status of the person.

"(b) CLASSIFIED INFORMATION.—(1) The Secretary concerned may withhold classified information from a personnel file under this section.

"(2) If the Secretary concerned withholds classified information from the personnel file of a person, the Secretary shall ensure that the file contains the following:

"(A) A notice that the withheld information exists.

"(B) A notice of the date of the most recent review of the classification of the withheld information.

"(c) WRONGFUL WITHHOLDING.—Any person who knowingly and willfully withholds from the personnel file of a missing person any information (other than classified information) relating to the disappearance or whereabouts or status of a missing person shall be fined as provided in title 18 or imprisoned not more than one year, or both.

"(d) AVAILABILITY OF INFORMATION.—The Secretary concerned shall, upon request, make available the contents of the personnel file of a missing person to the missing person's primary next of kin, the other members of the missing person's immediate family, or any other previously designated person of the missing person.

"§ 1507. Recommendation of status of death

"(a) REQUIREMENTS RELATING TO RECOMMENDATION.—A board appointed under section 1504 or 1505 of this title may not recommend that a person be declared dead unless—

"(1) credible evidence exists to suggest that the person is dead;

"(2) the United States possesses no credible evidence that suggests that the person is alive;

"(3) representatives of the United States have made a complete search of the area where the person was last seen (unless, after making a good faith effort to obtain access to such area, such representatives are not granted such access); and

"(4) representatives of the United States have examined the records of the government or entity having control over the area where the person was last seen (unless, after making a good faith effort to obtain access to such records, such representatives are not granted such access).

"(b) SUBMITTAL OF INFORMATION ON DEATH.—If a board appointed under section 1504 or 1505 of this title makes a recommendation that a missing person be declared dead, the board shall include in the report of the board with respect to the person under such section the following:

"(1) A detailed description of the location where the death occurred.

"(2) A statement of the date on which the death occurred.

"(3) A description of the location of the body, if recovered.

"(4) If the body has been recovered and is not identifiable through visual means, a certification by a practitioner of an appropriate forensic science that the body recovered is that of the missing person.

"§ 1508. Judicial review

"(a) IN GENERAL.—(1) A person referred to in paragraph (2) may obtain review of a finding described in paragraph (3) by the court of appeals of the United States for the circuit in which the person resides or in which the finding was made. Judicial review under this section shall be as provided in section 706 of title 5.

"(2) Paragraph (1) applies to any of the following persons with respect to a missing person subject to a finding described in paragraph (3):

"(A) The primary next of kin of the person.

"(B) A member of the immediate family of the person.

"(C) A dependent of the person.

"(D) A person previously designated by the person.

"(3) Paragraph (1) applies to the following findings:

"(A) A finding by a board appointed under section 1504 or 1505 of this title that a missing person is dead.

"(B) A finding by a board appointed under section 1509 of this title that confirms that a missing person formerly declared dead is in fact dead.

"(4) A person referred to in paragraph (2) shall request review of a finding under this

subsection by filing with the appropriate court a written petition requesting that the finding be set aside.

"(b) FINALITY.—The decision of the court of appeals on a petition for review under subsection (a) is final, except that such decision is subject to review by the Supreme Court upon certiorari, as provided in section 1254 of title 28.

"(c) ADDITIONAL REVIEW.—(1) Subject to paragraph (2), upon request by a person referred to in subsection (a)(2), the Secretary concerned shall appoint a board to review the status of a person covered by a finding described in subsection (a)(3) if the court of appeals sets aside the finding and—

"(A) the time allowed for filing a petition for certiorari has expired and no such petition has been duly filed;

"(B) the petition for certiorari has been denied; or

"(C) the decision of the court of appeals has been affirmed by the Supreme Court.

"(2) A person referred to in paragraph (1) shall make a request referred to in that paragraph not later than three years after the date of the event under that paragraph that entitles the person to request the appointment of a board.

"§ 1509. Persons previously declared dead

"(a) REVIEW OF STATUS.—(1) Not later than three years after the date of the enactment of this chapter, a person referred to in paragraph (2) may submit a request for appointment of a board to review the status of a person previously declared dead while in a missing status, in a case in which the death is declared to have occurred on or after December 7, 1941.

"(2) A board shall be appointed under this section with respect to the death of any person based on the request of any of the following persons:

"(A) The primary next of kin of such person.

"(B) An adult member of the immediate family of the person previously declared dead.

"(C) An adult dependent of such person.

"(D) A person previously designated by such person.

"(3) A request under this section shall be submitted to the Secretary of the executive department or head of the agency of the United States that had jurisdiction over the person covered by the request at the time of the person's disappearance.

"(b) APPOINTMENT OF BOARD.—Upon receiving a request under subsection (a), the official to whom the request is submitted shall appoint a board to review the status of the person covered by the request.

"(c) DUTIES OF BOARD.—A board appointed under this section to review the status of a person previously declared dead shall—

"(1) conduct an investigation to determine the status of the person; and

"(2) issue a report describing the findings of the board under the investigation and the recommendations of the board as to the status of the person.

"(d) EFFECT OF CHANGE IN STATUS.—If a board appointed under this section recommends placing in a missing status a person previously declared dead, such person shall accrue no pay or allowances as a result of the placement of the person in such status.

"(e) CONDUCT OF PROCEEDINGS.—The appointment of, and activities before, a board appointed under this section shall, to the extent practicable, be governed by the provisions of section 1504 of this title with respect to a board appointed under that section.

"§ 1510. Procedures applicable in case of civilians

"(a) IN GENERAL.—In applying the procedures specified in this chapter in the case of a person described in section 1501(d)(2) of this title—

"(1) any reference to the commander of the unit, facility, or area to which the missing person is assigned shall be treated as referring to the local authority or supervisor of the department or agency of the United States under whom the missing person was directly operating or to whom the missing person was responsible;

"(2) any reference to the theater component commander shall be treated as referring to the senior official in the region in which the missing person disappeared of the department or agency of the United States with jurisdiction over the missing person (or, if there is no such official, such other person (including the appropriate theater component commander) as may be designated by the head of that department of agency);

"(3) any reference to the Secretary concerned shall be treated as referring to the head of the department or agency of the United States with jurisdiction over the missing person.

"(b) CINC REVIEW NOT TO APPLY.—The provisions of section 1503(k) shall not apply in the case of a person described in section 1501(d)(2) of this title. In such a case, the report under section 1503(j)(4) of this title shall be submitted directly to the head of the department or agency of the United States with jurisdiction over the missing person.

"(c) RULE FOR DEPARTMENT OF DEFENSE CIVILIANS.—In the case of a person described in section 1501(d)(2) of this title who is an employee of the Department of Defense, or an employee of a contractor of the Department of Defense, the head of the department or agency of the United States with jurisdiction over that person—

"(1) if the person is an employee of, or an employee of a contractor of, a military department, shall be considered to be the Secretary of that military department; and

"(2) otherwise shall be considered to be the Secretary of Defense.

"§ 1511. Return alive of person declared missing or dead

"(a) PAY AND ALLOWANCES.—Any person in a missing status or declared dead under the Missing Persons Act of 1942 (56 Stat. 143) or chapter 10 of title 37 or by a board appointed under this chapter who is found alive and returned to the control of the United States shall be paid for the full time of the absence of the person while given that status or declared dead under the law and regulations relating to the pay and allowances of persons returning from a missing status.

"(b) EFFECT ON GRATUITIES PAID AS A RESULT OF STATUS.—Subsection (a) shall not be interpreted to invalidate or otherwise affect the receipt by any person of a death gratuity or other payment from the United States on behalf of a person referred to in subsection (a) before the date of the enactment of this chapter.

"§ 1512. Effect on State law

"(a) NONPREEMPTION OF STATE AUTHORITY.—Nothing in this chapter shall be construed to invalidate or limit the power of any State court or administrative entity, or the power of any court or administrative entity of any political subdivision thereof, to find or declare a person dead for purposes of the laws of such State or political subdivision.

"(b) STATE DEFINED.—In this section, the term 'State' includes the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States.

"§ 1513. Definitions

"In this chapter:

"(1) The term 'missing person' means—

"(A) a member of the armed forces on active duty who is in a missing status; or

"(B) a civilian employee of the United States or of a contractor of the United States who is serving with or accompanying the armed forces under orders and who is in a missing status.

"(2) The term 'missing status' means the status of a missing person who is determined to be absent in a status of—

"(A) missing;

"(B) missing in action;

"(C) interned in a foreign country;

"(D) captured, beleaguered, or besieged by a hostile force; or

"(E) detained in a foreign country against that person's will.

"(3) The term 'accounted for', with respect to a person in a missing status, means that—

"(A) the person is returned to United States control alive;

"(B) the remains of the person are returned to the United States; or

"(C) credible evidence exists to support another determination of the person's status.

"(4) The term 'member of the immediate family', in the case of a missing person, means the spouse or a child, parent, or sibling of the person.

"(5) The term 'previously designated person', in the case of a missing person, means an individual designated by the missing person under section 655 of this title for purposes of this chapter.

"(6) The term 'classified information' means any information the unauthorized disclosure of which (as determined under applicable law and regulations) could reasonably be expected to damage the national security.

"(7) The term 'theater component commander' means, with respect to any of the combatant commands, an officer of any of the armed forces who (A) is commander of all forces of that armed force assigned to that combatant command, and (B) is directly subordinate to the commander of the combatant command.".

(2) The tables of chapters at the beginning of subtitle A, and at the beginning of part II of subtitle A, of title 10, United States Code, are amended by inserting after the item relating to chapter 75 the following new item:

"76. Missing Persons ..... 1501".

(c) CONFORMING AMENDMENTS.—Chapter 10 of title 37, United States Code, is amended as follows:

(1) Section 555 is amended—

(A) in subsection (a), by striking out "When a member" and inserting in lieu thereof "Except as provided in subsection (d), when a member"; and

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

"(d) This section does not apply in a case to which section 1502 of title 10 applies.".

(2) Section 552 is amended—

(A) in subsection (a), by striking out "for all purposes," in the second sentence of the matter following paragraph (2) and all that follows through the end of the sentence and inserting in lieu thereof "for all purposes.";

(B) in subsection (b), by inserting "or is determined under chapter 76 title 10" before the period at the end; and

(C) in subsection (e), by inserting "or under chapter 76 of title 10" after "section 555 of this title".

(3) Section 553 is amended—

(A) in subsection (f), by striking out "the date the Secretary concerned receives evidence that" and inserting in lieu thereof "the date on which, in a case covered by section 555 of this title, the Secretary concerned receives evidence, or, in a case covered by chapter 76 of title 10 the Secretary concerned determines pursuant to that chapter, that"; and

(C) in subsection (g), by inserting "or under chapter 76 of title 10" after "section 555 of this title".

(4) Section 556 is amended—

(A) in subsection (a), by inserting after paragraph (7) the following:

"Paragraphs (1), (5), (6), and (7) shall only apply with respect to a case to which section 555 of this title applies.";

(B) in subsection (b), by inserting ", in a case to which section 555 of this title applies," after "When the Secretary concerned"; and

(C) in subsection (h)—

(i) in the first sentence, by striking out "status" and inserting in lieu thereof "pay"; and

(ii) in the second sentence, by inserting "in a case to which section 555 of this title applies" after "under this section".

(d) DESIGNATION OF INDIVIDUALS HAVING INTEREST IN STATUS OF SERVICE MEMBERS.—(1) Chapter 37 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 655. Designation of persons having interest in status of member as a missing person

"(a) The Secretary concerned shall, upon the enlistment or appointment of a person in the armed forces, require that the person specify in writing the person (if any), other than that person's primary next of kin, to whom information on the whereabouts or status of the member shall be provided if such whereabouts or status are investigated under chapter 76 of this title. The Secretary shall periodically, and whenever the member is deployed as part of a contingency operation or in other circumstances specified by the Secretary, require that such designation be reconfirmed, or modified, by the member.

"(b) The Secretary concerned shall, upon the request of a member, permit the member to change the person or persons specified by the member under subsection (a) at any time. Any such change shall be in writing.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"655. Designation of persons having interest in status of member as a missing person.".

AMENDMENT OFFERED BY MR. YOUNG OF ALASKA

At the end of title V (page 274, after line 11), insert the following new section:

SEC. 566. SEPARATION BENEFITS DURING FORCE REDUCTION FOR OFFICERS OF COMMISSIONED CORPS OF NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION.

(a) SEPARATION BENEFITS.—Subsection (a) of section 3 of the Act of August 10, 1956 (33 U.S.C. 857a), is amended by adding at the end the following new paragraph:

"(15) Section 1174a, special separation benefits (except that benefits under subsection (b)(2)(B) of such section are subject to the availability of appropriations for such purpose and are provided at the discretion of the Secretary of Commerce).".

(b) TECHNICAL CORRECTIONS.—Such section is further amended—

(1) by striking out "Coast and Geodetic Survey" in subsections (a) and (b) and inserting in lieu thereof "commissioned officer corps of the National Oceanic and Atmospheric Administration"; and

(2) in subsection (a), by striking out "including changes in those rules made after the effective date of this Act" in the matter preceding paragraph (1) and inserting in lieu thereof "as those provisions are in effect from time to time".

(c) TEMPORARY EARLY RETIREMENT AUTHORITY.—Section 4403 (other than subsection (f)) of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102-484; 106 Stat. 2702; 10 U.S.C. 1293 note) shall apply to the commissioned officer corps of the National Oceanic and Atmospheric Administration in the same manner and to the same extent as that section applies to the Department of Defense. The Secretary of Commerce shall implement the provisions of that section with respect to such commissioned officer corps and shall apply the provisions of that section to the provisions of the Coast and Geodetic Survey Commissioned Officers' Act of 1948 relating to the retirement of members of such commissioned officer corps.

(d) EFFECTIVE DATE.—This section shall apply only to members of the commissioned officer corps of the National Oceanic and Atmospheric Administration who are separated after September 30, 1995.

AMENDMENT OFFERED BY MR. BATEMAN

At the end of subtitle C of title VI (page 289, after line 23), insert the following new section:

SEC. 623. REPEAL OF PROHIBITION ON PAYMENT OF LODGING EXPENSES WHEN ADEQUATE GOVERNMENT QUARTERS ARE AVAILABLE.

(a) REPEAL.—Section 1589 of title 10, United States Code, is repealed.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 81 of such title is amended by striking out the items relating to section 1589.

AMENDMENT, AS MODIFIED, OFFERED BY MR. MCNULTY

At the end of title X (page 377, after line 19), insert the following new section:

SEC. 1033. POLICY CONCERNING EXCESS DEFENSE INDUSTRIAL CAPACITY.

(a) FINDINGS.—Congress finds as follows:

(1) The Base Closure and Realignment Commissions have recommended that certain Government-owned defense industrial facilities which produce goods and services that were required during the Cold War, but which are no longer required for the national security, be closed.

(2) The Secretary of Defense has determined that the maintenance of certain other Government-owned defense industrial facilities is necessary to support the research, development, and manufacture of goods and services that are still required to protect the security of the United States.

(3) These Government-owned defense industrial facilities are critical to the security of the Nation and should remain under Government control.

(4) Current work requirements at some of these Government-owned defense industrial facilities have fallen below a reasonably economic level of operation, increasing the cost of producing required goods and services.

(5) Existing law and policy have failed to address adequately the supplemental requirements necessary to operate these Government-owned defense industrial facilities in a cost-efficient manner and, thereby, to maintain appropriate readiness for future national security needs.

(6) The security interests of the United States would be served by the establishment under law of a policy that requires the best-value operation of Government-owned defense industrial facilities.

(7) Such a policy should include, but not necessarily be limited to, requirements that—

(A) the required capability and capacity not being fully used at such Government-owned facilities be maintained with separate funding so as to stabilize operational costs; and

(B) those facilities not be limited by workyear/end strength hiring constraints.

(b) PROHIBITION.—No funds appropriated pursuant to an authorization of appropriations in this Act may be used for capital investment in, or the development and construction of, a Government-owned, Government-operated defense industrial facility unless the Secretary of Defense certifies to the Congress that no similar capability or minimally used capacity exists in any other Government-owned, Government-operated defense industrial facility.

AMENDMENT OFFERED BY MR. EVERETT

Page 439, strike out the table relating to the Army National Guard and insert in lieu thereof the following new table:

ARMY NATIONAL GUARD: EXTENSION OF 1993 PROJECT AUTHORIZATIONS

State	Location	Project	Amount
Alabama	Tuscaloosa	Additions and Alternations Armory.	$800,000
	Union Springs	Additions and Alternations Armory.	300,000
New Jersey	Fort Dix	Additions and Alternations Armory.	4,750,000
Oregon	La Grande	OMS	995,000
		Armory Addition	3,049,000

AMENDMENT OFFERED BY MS. KAPTUR

Page 440, after the table relating to the Army Reserve, insert the following new table:

ARMY NATIONAL GUARD: EXTENSION OF 1992 PROJECT AUTHORIZATION

State	Location	Project	Amount
Ohio	Toledo	Armory	$3,183,000

AMENDMENT OFFERED BY MR. TRAFICANT

At the end of subtitle C of title XXVIII (page 490, after line 2), insert the following new section:

SEC. 2834. LAND CONVEYANCE, ARMY RESERVE CENTER, YOUNGSTOWN, OHIO.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without consideration, to the City of Youngstown, Ohio, all right, title, and interest of the United States in and to a parcel of excess real property, including improvements thereon, that is located at 399 Miller Street in Youngstown, Ohio, and contains the Kefurt Army Reserve Center.

(b) CONDITION OF CONVEYANCE.—The conveyance authorized under subsection (a) shall be subject to the condition that the City of Youngstown retain the conveyed property for the use and benefit of the Youngstown Fire Department.

(c) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory

to the Secretary. The cost of such survey shall be borne by the City of Youngstown.

(d) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

AMENDMENT OFFERED BY MR. FORBES

At the end of subtitle C of title XXVIII (page 490, after line 2), insert the following new section:

SEC. 2834. MODIFICATION OF LAND CONVEYANCE, NAVAL WEAPONS INDUSTRIAL RESERVE PLANT, CALVERTON, NEW YORK

(a) CONDITION ON CONVEYANCE.—Subsection (b) of section 2833 of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103-337; 108 Stat. 3061) is amended by striking out "to replace all or a part of the economic activity lost at the Naval Weapons Industrial Reserve Plant".

(b) REMOVAL OF REVERSIONARY INTEREST; ADDITION OF LEASE AUTHORITY.—Subsection (c) of such section is amended to read as follows:

"(c) LEASE AUTHORITY.—Until such time as the real property described in subsection (a) is conveyed by deed, the Secretary may lease the property, along with improvements thereon, to the Community Development Agency in exchange for security services, fire protection, and maintenance provided by the Community Development Agency for the property.".

(c) CONFORMING AMENDMENTS.—Subsection (e) of such section is amended by striking out "subsection (a)" and inserting in lieu thereof "subsection (a) or a lease under subsection (c)".

AMENDMENT OFFERED BY MR. HASTINGS OF WASHINGTON

At the end of subtitle C of title XXVIII, (page 490, after line 2), insert the following new section:

SEC. 2834. LAND EXCHANGE, FORT LEWIS, WASHINGTON.

(A) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey to Weyerhaeuser Real Estate Company, Tacoma, Washington (in this section referred to as "WRECO"), all right, title, and interest of the United States in and to a parcel of real property at Fort Lewis, Washington, known as an unimproved portion of Tract 1000 (formerly being in the DuPont Steilacoom Road, consisting of approximately 1.23 acres), and Tract 25E, 0.03 acre,

(b) CONSIDERATION.—As consideration for the conveyance authorized by subsection (a), WRECO shall convey or cause to be conveyed to the United States by warranty deed all right, title, and interest in and to a 0.39 acre parcel of real property located within the boundaries of Fort Lewis, Washington, together with other consideration acceptable to the Secretary. The total consideration conveyed to the United States shall not be less than the fair market value of land conveyed under subsection (a).

(c) DETERMINATION OF FAIR MARKET VALUE.—The determinations of the Secretary of the Army regarding the fair market values of the parcels of real property and improvements to be conveyed pursuant to subsections (a) and (b) shall be final.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the parcels of real property to be conveyed pursuant to subsections (a) and (b) shall be determined by surveys that are satisfactory to the Secretary of the Army. The cost of such surveys shall be borne by WRECO.

(e) EFFECT ON EXISTING REVERSIONARY INTEREST.—The Secretary may enter into an agreement with the appropriate officials of Pierce County, Washington, under which—

(1) the existing reversionary interest of Pierce County in the lands to be conveyed by the United States under subsection (a) is extinguished; and

(2) the conveyance to the United States under subsection (b) is made subject to a similar reversionary interest in favor of Pierce County in the lands conveyed under such subsection.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyances under this section as the Secretary considers appropriate to protect the interests of the United States.

AMENDMENT AS MODIFIED OFFERED BY MR. SOLOMON

At the end of title IX (page 345, after line 17), insert the following new section:

SEC. 909. NAVAL NUCLEAR PROPULSION PROGRAM.

No department or agency may regulate or direct any change in function for facilities under the Naval Nuclear Propulsion Program unless otherwise permitted or specified by law.

AMENDMENT OFFERED BY MR. DELLUMS

In title III (page 63, after line 6), insert the following new section:

SEC. 304. OFFICE OF ECONOMIC ADJUSTMENT.

Of the amount authorized in section 301(5) for Defense-wide activities, $60,578,000 is for the Office of Economic Adjustment of the Department of Defense.

The CHAIRMAN. Under the rule, the gentleman from South Carolina [Mr. SPENCE] will be recognized for 10 minutes, and the gentleman from California [Mr. DELLUMS] will be recognized for 10 minutes.

The Chair recognizes the gentleman from South Carolina [Mr. SPENCE].

Mr. SPENCE. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Chairman, I strongly support the en bloc amendment offered by the distinguished National Security Committee Chairman, Mr. SPENCE, and appreciate all of his hard work in bringing H.R. 1530 the National Security Authorization Act of 1995, to the floor.

Included in Mr. SPENCE's en bloc amendment is an amendment I have drafted, in consultation with my colleague, the gentleman from California [Mr. DORNAN] to amend title V, chapter 76, entitled "Missing Personnel."

Currently, H.R. 1530 includes language which would require the Secretary of Defense to centralize the responsibility for missing persons, and would instruct the Secretary to establish procedures for dealing with the families of missing persons by protecting the interests of the families and providing a medium for the families to express their concerns and questions about the missing family member.

I applaud my colleague, Representative DORNAN, chairman of the Military Personnel Subcommittee for his diligence on this issue and for including this important section to H.R. 1530. I know that all servicemen and their families appreciate the hard work of Representative DORNAN concerning this important issue.

The amendment I am offering today, as part of the en block amendments with the support of Representative DORNAN, would among other things strengthen the military personnel section of H.R. 1530, by including both non-DOD personnel involved in DOD operations and World War II MIA's; and would provide a judicial review provision to afford family members of those missing in action the ability to utilize the U.S. court of appeals.

My amendment, as well as the committee language, is based on provisions of H.R. 945, the Missing Service Personnel Act of 1995, which I introduced at the beginning of the 104th Congress. This bill currently has over 100 cosponsor's and is strongly supported by the leading POW/MIA family organizations. The strong support that H.R. 945 has received shows, the understanding and concern that Congress has towards the families of our men and women who chose to defend and serve our country. Moreover, with the inclusion of the missing personnel section in H.R. 1530, I am confident that Congress has finally begun to recognize the need to coordinate and specify our Nation's policy with regard to POW/MIA's.

Accordingly, I urge my colleagues' strong support for the chairman's en bloc amendment and again thank Representative DORNAN and Chairman SPENCE for their hard work on this important matter.

Mr. DELLUMS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the minority has been consulted, and we have no objection to the en bloc amendments being accepted.

The gentleman from South Carolina [Mr. SPENCE], the chairman, and I and the staff have worked on these matters, and I would urge my colleagues to support them.

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

Mr. SPENCE. Mr. Chairman, I yield such time as he may consume to the gentleman from New York [Mr. SOLOMON].

Mr. SOLOMON. Mr. Chairman, I commend the chairman of the committee on his diligent work on this bill, and I rise in support of the en bloc amendments.

Mr. Chairman, I rise in strong support of this amendment, which I was pleased to cosponsor with my good friend and neighbor from New York, Representative MCNULTY.

Mr. Chairman, the maintenance of an adequate defense industrial base is an issue that is finally starting to receive the attention it deserves.

If a facility that produces critically needed goods and services is closed or is permitted to fall into disuse and if the skills of the labor base are permitted to decay, we may well find—to our considerable detriment—that such a facility cannot be readily revived or replaced in the event of an emergency.

The base closure and realignment process has taken 402 actions since 1988—with another 146 recommended for this year—that eliminate excess defense industrial infrastructure.

Defense work from these facilities has already moved or will eventually move to other installations. Given the unique capabilities of certain of these other facilities that do remain open, they should continue to be government-owned and government-operated.

However, some of these remaining installations are already at dangerously low operational levels, which impairs their capability to serve critical defense needs.

Mr. Chairman, I will get right to the point of the McNulty/Solomon amendment. This amendment would probably never have been offered if the Army had followed the intent of a provision that Representative MCNULTY succeeded in enacting into law in 1990.

That previous McNulty amendment—which is now the law—enables the Watervliet Arsenal—a government-owned and government-operated defense industrial plant—in Watervliet, New York to enter into commercial contracts with private industry under certain circumstances.

Such contracts are critical to the continued operation of Watervliet Arsenal in a cost-efficient manner, especially given the $300 million investment that was made in the 1980's to upgrade Watervliet's unique metal-working capability—a capability that has no commercial counterpart.

But the Army took four years to give the permission and promulgate the necessary implementing instructions for Watervliet to begin operating under the terms of the original McNulty amendment.

And now, after four years of run-arounds from the Army, we find out that the Navy intends to spend at least $100 million in the development of an entirely new facility at the Norfolk Naval Station which is slated to have some but not all of the same manufacturing capabilities as the under-used Watervliet Arsenal already possesses.

Mr. Chairman, this kind of scheming adds to the cost of military procurement and does violence to the spirit and the intent of the base closure and realignment process.

Accordingly, Representative MCNULTY and I have been compelled to seek a legislative remedy.

Our amendment simply requires that no funds appropriated under authority of this act be used for capital investment in, or the development and construction of, a government-owned, Government-operated defense industrial facility unless the Secretary of Defense certifies to Congress that no similar capability or minimally-used capacity already exists in any other government-owned, government-operated defense industrial facility.

It is my earnest hope that this amendment will send the proper message to the proper people.

That message to the Defense Department is simply this:

Look at the remaining defense industrial facilities as resources that must be used economically, and

Do not invest in any installation to receive work while other available resources exist that require little or no investment.

Ms. DUNN. Mr. Chairman, I want to thank the chairman of the House National Security Committee, Mr. SPENCE, for agreeing to incorporate my amendment into the Chairman's en bloc amendment. His leadership in bringing a superb bill before the full House of Representatives is appreciated.

The Defense Authorization bill as reported by the House National Security Committee included a section which allowed the Defense Printing Service [DPS] to use printing sources without guaranteeing competition—in effect, to by-pass the Government Printing Office [GPO]—for up to 70 percent of its printing and duplicating services. This would have codified unprecedented authority for the DPS—action I believe is counter to the interests of the U.S. taxpayer.

The Department of Defense is mandated by law to use GPO. In fact, all Federal departments are to follow this mandate, in accordance with Section 501, Title 44 of the U.S. Code, and Section 207(a) of Public Law 102–392, as amended. GPO has been shown to procure work at the cheapest price. Current law states that unless the Joint Committee on Printing [JCP] approves an exception, all Government printing at the Federal level shall be done at the Government Printing Office. There are only 23 JCP approved waivers to that law. Defense Printing Services does not hold such a waiver. This section unamended would have the effect of waiving Title 44 in the interests of a single executive department, without requiring the customary application for the exception.

I share the same philosophy as the Member responsible for inserting this section into HR 1530. Namely, to get as much Government printing into the private sector as possible. However, without clarification that work must be competitively bid, it opens up the system to fraud and abuse, and to the possibility of sweetheart deals. Absent competitive bidding, DPS' printing and duplicating could become a high-cost option to the taxpayer. Chairman KASICH included the concept of HR 1024, which I sponsored, into his budget resolution because procuring Government printing through a competitive process can save as much as $1.5 billion over 5 years. If the original language of section 359 had been enacted, there would have been far less in savings to the taxpayer.

To my knowledge, this issue received no discussion during committee consideration. I do know that the staff of the Joint Committee on Printing, a committee with oversight over Government printing, knew nothing about this language until after the bill was reported out of committee.

The amendment I proposed treats the issue thoughtfully and thoroughly. It is consistent with the 104th Congress' aim to reduce the deficit and cut wasteful spending. This original section gave DPS unconditional authority to act without regard to current law or the guarantee of competitive procurement. This language avoided the proper channels for granting the waiver authority and codified that authority. That would have been contrary to the intent of Title 44.

Section 359, as modified by my amendment, assures that, consistent with Title 44 of the US Code, Department of Defense printing shall be procured in the private sector using open competition. By using the competitive bidding process so efficiently managed by the Government Printing Office, only the very lowest possible cost of printing Defense documents will be charged to the American taxpayer.

Mr. SOLOMON. Mr. Chairman, this amendment is really quite straightforward. It simply tries to clarify an ambiguity that might be perceived in the present text of the bill.

Specifically, the purpose of this amendment is to make clear that any change to the status quo in the Naval Nuclear Propulsion Program is to be made only by law—by act of Congress.

The effect of this amendment is to reinforce the February 1, 1982, Executive order by President Reagan that placed the Naval Nuclear Propulsion Program under the exclusive oversight jurisdiction of the Navy.

My intention in offering this amendment is to make clear that the elimination of redundant and extraneous provisions in law—the scraping away of barnacles, if you will—that H.R. 1530 accomplishes is not to be interpreted as changing in any way the present status of the Naval Nuclear Propulsion Program.

That status has not changed—and it will not be changed unless Congress changes it, period.

Mrs. MALONEY. Mr. Chairman, I rise to briefly discuss the amendment—included in the en bloc amendment—of the gentleman from Ohio [Mr. GILLMOR] and the gentleman from Texas [Mr. EDWARDS].

Mr. Speaker, although the Civilian Marksmanship Program is but a minuscule piece of the Federal Government, I think this is a historic occasion.

It is noteworthy because as the leading opponent of the Civilian Marksmanship Program in Congress over the past 3 years, I now support much of what the leading proponents are trying to do—change and reform this long outdated program.

My colleagues, it has taken 92 years to begin to do the right thing.

Founded in 1903 after the Spanish-American War, the program was intended to teach our new recruits how to shoot straight.

We won that War. And it is long past time to declare victory and get rid of this program.

But for nearly a century, U.S. taxpayers were called upon to spend their money—last year it was $2.5 million—on a program which the Department of Defense said serves absolutely no military purpose.

Instead, the program gives away 40 million rounds of free ammunition, along with cut-rate guns to rifle clubs to use in target practice competitions.

It simply make no fiscal or military sense.

And lately, the Civilian Marksmanship Program took on a more sinister appearance, which the gentleman's amendment acknowledges. Investigative reporting uncovered clear

links between participants in this program and extremist militias.

I am pleased that Mr. GILLMOR'S proposal moves us in the right direction on a number of these issues.

First and foremost, the annual $2.5 million giveaway of taxpayer money is gone.

The program will cease to be an instrument of the military—where it serves absolutely no purpose—and instead will become a private nonprofit corporation associated with the U.S. Olympic Committee.

I have always stated that I have no problem with teaching rifle safety and sharpshooting. But I consistently objected to the taxpayers footing the bill under the guise of military preparedness.

Mr. Speaker, I do have some very serious concerns about the amendment.

I am not at all comfortable with its provision to turn over an inventory of 70,000 M–1 rifles to the new corporation, and to allow a new type of weapon—.22 caliber rifles—to be sold as well.

It seems to me that we need less, not more, excess Government weaponry spread around our country. I will be watching this program very closely over the coming months to ensure that these weapons are not being abused.

As troubled as I am by this provision, it is clear that the gentleman from Ohio has the votes, and he and my friend from Texas, CHET EDWARDS, have made a good faith effort to reform this pork-ridden boondoggle.

The amendment, while not perfect, is a vast improvement over current law.

Mr. KIM. Mr. Chairman, I rise in support of the Gilman amendment which modifies section 563 of the pending bill regarding the determination of whereabouts and status of missing persons.

First, though, I want to take a moment to recognize the unselfish support and dedication our colleague BEN GILMAN, the chairman of the International Relations Committee, has given to trying to help realize the fullest possible accounting of American POW/MIA's. Since coming to Congress in 1973, BEN GILMAN has been a responsible voice in protecting the rights of the families and trying to find answers to the questions about the fates of their missing loved ones. I think we all owe a debt of gratitude to Chairman GILMAN for his never-ending service and commitment to this most complex and frustrating of issues.

Section 563 of the National Defense Authorization Act would require the Secretary of Defense to centralize the oversight and policy responsibility for accounting for missing personnel. It also codifies and standardizes the procedures for accounting for members of the Armed Forces or civilian employees of the Defense Department who become missing as a result of military operations.

The Gilman amendment further refines and improves these new procedures:

First, it requires that the State Department, the Transportation Department, and the Central Intelligence Agency and other relevant agencies appoint an officer responsible for handling missing person issues. Among the 2,204 Americans still missing and unaccounted for from the Vietnam war are civilians associated with the State Department and Coast Guard personnel.

Second, it directs the Defense Department office to coordinate with these other agencies thereby ensuring a common, focused approach to achieving the fullest possible accounting of missing Americans.

Third, it changes from 24 hours to 30 days the time allotted to a family member in responding to the Defense Department board of inquiry.

Fourth, it extends the time after which the Defense Department can terminate the board after first notice of a disappearance from 20 to 30 years. Many of the still unresolved POW/MIA cases from the Vietnam war date back to a loss over 20 years ago.

Fifth, it provides the family of the missing American the right of judicial review for any finding of death made by the board.

I support this effort to improve the system of determining the status of missing Americans. While some may claim the system does not need fixing, the last 22 years of very frustrating experiences by the families of missing Americans underscores to me the need for statutory reforms. I think this measure goes a long way in implementing the kinds of changes these trying experiences have identified.

However, that is not to say that section 536, even with the improvements offered by the Gilman amendment, is perfect. I have reviewed the concerns raised by the Defense Department about these proposed changes and I believe further refinements are in order to address some of these issues.

Furthermore, I am concerned about the lack of definitive language regarding the rights of the primary next of kin, especially with regard to other family members. While I understand the interest in expanding the decision-making process to include other family members, I am aware of the complications this can present to both the Government and the families themselves. The present set of rights and responsibilities accorded to the primary next of kin should be maintained. This relationship in its current form appears to have worked well. In fact, I believe that some of the overall concerns raised by the Defense Department could be mitigated by clearing defining the principal role of the primary next of kin.

I am sure that these further improvements can be made during consideration of this issue by the other body or during the House-Senate conference on the fiscal year 1996 National Defense Authorization Act.

Hopefully, with more comprehensive accounting from Vietnam and these new procedures for determining the whereabouts and status of missing personnel, we will be able to bring a close to this final chapter of the Vietnam war.

Mr. McNULTY. Mr. Chairman, I appreciate the support of my friend and fellow New Yorker, Representative JERRY SOLOMON in cosponsoring this amendment.

In 1990 I was successful in amending the Department of Defense authorization bill to allow the Watervliet Arsenal, a Government owned and Government operated facility located in my congressional district, to enter into commercial contracts with private industry under certain circumstances.

I have spent almost 6 years in constant frustration trying to work with the Army to implement the McNulty amendment. Meanwhile, the workforce at this facility has been reduced to what I consider to be dangerously low levels—over a 50 percent reduction in the last 10 years, and 30 percent in the last 2 years alone.

During the 1980's the Watervliet Arsenal was completely modernized with an investment of $350 million under the Project Rearm Program. If that same modernization occurred today, it would cost half a billion dollars.

The Watervliet Arsenal is a unique facility that has no domestic counterpart to fill the void in the event of a national emergency. By allowing this highly trained workforce, with their unique skills, to be decimated is a waste of a significant investment in this Nation's defense infrastructure. It also diminishes our long-term military capabilities, and could make the United States dependent on foreign sources for some of our most vital defense requirements.

Mr. Chairman, we are closing defense related facilities all across the country. We are trying to utilize every defense dollar in the most efficient and effective way possible. For this reason I am compelled to offer my new amendment.

This amendment will prevent wasteful expenditures for new installations if existing facilities can accept the project at little or no additional investment. In addition, positions at facilities such as the Watervliet Arsenal will be allowed to fluctuate, if the demand is there. Finally, there will be a disincentive for the Department of Defense to ignore under-utilized capacity, as defined by independent audit.

If we are to maintain our defense infrastructure, taking into consideration cost containment and efficiencies, and maintain our capability and readiness, we should not be building new facilities while assets like the Watervliet Arsenal are under-utilized.

During the gulf war the different branches of the U.S. military cooperated to an extent greater than ever before. Fiscal considerations are now forcing the services to reappraise their remaining resources and more efficiently utilize them.

BRAC 1995 has provided an opportunity for the Department of Defense to provide the best value for its resources. Ours is a simple message to the Pentagon. This amendment is a tool you can use to achieve the savings that are expected. Use it wisely.

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

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

The CHAIRMAN. The question is on the amendments en bloc, as modified, offered by the gentleman from South Carolina [Mr. SPENCE].

The amendments en bloc, as modified, were agreed to.

Mr. SPENCE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

□ 2100

Accordingly the Committee rose; and the Speaker pro tempore [Mr. BARR] having assumed the chair, Mr. EMERSON, 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. 1530) to authorize appropriations for fiscal year 1996 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal year 1996, and for other purposes, had come to no resolution thereon.

REPORT ON H.R. 1817, MILITARY CONSTRUCTION APPROPRIATIONS, FISCAL YEAR 1996

Mrs. VUCANOVICH, from the Committee on Appropriations, submitted a privileged report (Rept. No. 104–137) on the bill (H.R. 1817) making appropriations for military construction, family housing, and base realignment and closure for the Department of Defense for the fiscal year ending September 30, 1996, and for other purposes, which was referred to the Union Calendar and ordered to be printed.

The SPEAKER pro tempore. All points of order are reserved on the bill.

PERSONAL EXPLANATION

Mr. THOMAS. Mr. Speaker, I ask unanimous consent that the name of the gentleman from Wisconsin [Mr. KLECZKA] be removed as a cosponsor of H.R. 1299. His name was added in error to that bill.

The Speaker pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

ANNOUNCEMENT BY THE CHAIRMAN OF THE COMMITTEE ON APPROPRIATIONS

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

Mr. LIVINGSTON. Mr. Speaker, I would just like to point out that the gentlewoman from Nevada [Mrs. VUCANOVICH] is chairman of the Subcommittee on Military Construction and has just presented the first appropriations bill in a typical appropriations cycle for a fiscal year, the very first one in 40 years.

I might add that she is probably the second lady in history to make such a presentation, and she is assisted by the first Clerk, the first female Clerk in history.

So, I just want to commend her and look forward to her presentation of the bill in a more formal fashion for adoption by the House on Friday.

Mrs. VUCANOVICH. I thank the gentleman from Louisiana.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, and under a previous order of the House, the following Members are recognized for 5 minutes each.

THE NATIONAL FOUNDATION FOR TEACHING ENTREPRENEURSHIP AND ITS YOUNG ENTREPRENEURS PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas [Mr. TIAHRT] is recognized for 5 minutes.

Mr. TIAHRT. Mr. Speaker, I rise today to talk about solving our problems. So many times on the floor of the House Members will come down and complain about the collapse of civil society, and pressing social concerns.

America does indeed have serious problems, and its time we came together and addressed them. Let's not avoid the tough talk or the tough decisions.

However, something great occurred last November. New people were elected to Congress. People who think that the answers to our problems don't come from the floor of the House but from the hearts and minds of the people who sent us here.

And one of the truly unique ideas which is underway to solve, some of our problems, is the National Foundation for Teaching Entrepreneurship, or NFTE ["Nifty"], Its Young Entrepreneurs Program which is now located in 13 cities. This program teaches urban youth how to create their own business, but NFTE is not just about how to do things. NFTE is about actually doing things. Thousands of urban youth have been shown how to write a business plan, get funding, and create new and needed products.

Tonight, I salute Charles and Liz Koch, who are residents of Wichita, Kansas, and we are proud of these native Kansans. They are individuals who refuse to throw their hands up, and walk away from inner-city problems. It would be easy for them to simply turn their heads. Instead they have used their resources, to bring the NFTE program to Wichita. Choosing Wichita for an entrepreneurship program makes great sense to those familiar with the city. It is the birthplace of many entrepreneurial success stories including, Beech, Cessna, Learjet, Coleman, Pizza Hut, Rent-a-Center, and Koch Industries.

Recently, David Koch, Executive Vice President of Koch Industries and chairman of the David H. Koch Charitable Foundation, brought the spirit of entrepreneurialism to a place where it is needed, more than any other place in America: the District of Columbia. The Young Entrepreneurs of Washington, DC program is in 10 of the District's public schools. Mr. Koch's philosophy is predicated on the strong belief that everyone, has the ability to prosper and succeed in a market based system, with proper training and support.

The mission of the Young Entrepreneurs is to enable, urban youth to break free of the cycle of poverty, by providing them with entrepreneurial literacy, academic training, hands on experience, and a means of wealth creation. This program is not a welfare project. This program relies on the youth's mental toughness, willingness to accept risk, resiliency and their desire to succeed in life. And here's the punch line: this program relies entirely on private funding from individuals like David Koch and not on the Federal Government.

This program is exactly the type of solution we need for our current problems.

Mr. Koch addressed 300 community members including 110 graduating students of the Young Entrepreneurs of Washington, DC, program. I commend David Koch for his contribution and continued enthusiasm to help urban youth.

I ask unanimous consent that Mr. Koch's remarks at this graduation and a recent article from the Washington Times, which describes NFTE's mission, be printed in the CONGRESSIONAL RECORD.

NFTE COMMENCEMENT ADDRESS, MAY 25, 1995

[By David Koch]

Today is a special day not only for the graduates of the young entrepreneurs of Washington, D.C. program and their families, but for all of the District of Columbia. As you young people continue to use the skills you have acquired as young entrepreneurs, you will begin generating wealth in your lives and in your communities. Making all our futures brighter.

Graduates, I understand the demands of the NFTE curriculum and the effort it has required from each of you. You have persevered to meet those demands. Through your hard work, you have demonstrated your commitment to the idea that you can control your destiny, that you can be the source of your own success.

Success, I have come to understand, is determined by how well we learn and use knowledge. But, success does not come easy. As you strive towards your goals, there will be many obstacles, some failures. In my own experience, I have found three values to be particularly useful in overcoming barriers to personal and business success. These values are—humility, intellectual honesty, and passion.

Humility is the foundation for the search for development and use of knowledge. To be humble we must seek and remain open to new ideas and to constructive criticism. As entrepreneurs, you must always be open to new ideas and to the risk of venturing into unfamiliar territory. A humble person is not timid, but is confident in their ability without being boastful or defensive. When people are arrogant, thinking they know all there is to know, they stop learning. Without humility, people often fail to recognize those areas in which they can improve themselves, therefore missing out on making their greatest contribution to society.

Equally important is to be intellectually honest. Intellectually honest people are truthful, trustworthy, forthright; they do not, and cannot, fool themselves or others.

An intellectually honest person searches for evidence that contradicts their position with as much vigor as they search for evidence that confirms their position. An intellectually honest person admits what they do not know and acknowledges when they make mistakes. They see a situation for what it really is, not what they wish it would be.

Regina Jackson, a NFTE alumnus, exemplifies the values of humility and intellectual honesty. Regina has a satisfaction guaranteed policy for her jewelry business. If her product breaks or is flawed in any way, she encourages her customers to bring the item back for replacement. Regina says this is important, because it is the only way she will know that something is wrong, and that she cannot correct a problem unless she knows about it. Because Regina is open to constructive criticism, and is willing to learn from others, her customers trust her and there is a high demand for her jewelry.

Finally, passion and commitment for work will result in a greater enthusiasm for all aspects of life. To be passionate we must be enthusiastic about our ultimate goals, and eager for their accomplishment. A passionate person courageously takes risks, pursues opportunities, and is persistent when faced with obstacles.

For example Greg Blair another NFTE alumnus, has collected sports cards since he was 10 years old. He is an avid fan, and is most proud of his Michael Jordan retirement card. It was natural and fun for Greg to turn his hobby into a business; he will be a better businessman due to his passion and commitment for work. Any businessman would search hard for good deals on great sports cards simply because of their potential retail value. But, Greg will be more successful at such a search, because of his enthusiasm for, and knowledge of the game.

Graduates, remember this: You are the driving force behind your destiny and when you embrace the values of humility, intellectual honesty, and passion, you can, and will, advance your success.

Take pride in your achievements and take satisfaction in your ability to affect the course of your life.

I am proud of all of you and wish you the best of luck. Thank you.

IDEAS FROM CREATIVE YOUNG MINDS NURTURED INTO FLEDGLING BUSINESSES

[By Jacqueline Gaulin]

The only male role models Dwayne Prince recalls as a child were in jail. Today, the 18-year-old entrepreneur considers himself a role model for younger people.

Now a senior at Washington's Roosevelt High School, Mr. Prince turned his artistic talents into a small business with help from the National Foundation for Teaching Entrepreneurship (NFTE).

He was one of the top 12 D.C. students awarded venture capital grants last week from NFTE's Young Entrepreneurs of Washington program.

He said he wants to tell other kids that if they "continue to put in the effort to reach their dreams, anything can happen." He added: "All the odds were against me, too."

NFTE (pronounced "nifty") is the vision of Steve Mariotti, a former New York businessman who said he decided to teach young people to run a business after he was mugged in 1981 by five armed youths.

Formed in 1987 in New York, NFTE is now in 13 U.S. cities. The project expanded to Washington in February 1994 through a partnership with the David H. Koch Charitable Foundation.

The Koch Foundation provided a two-year, $1 million grant for the D.C. program, which held an awards dinner last week to bestow its third group of venture capital grants to 12 young entrepreneurs.

The grants range from $300 to $1,000 and are intended to get the businesses up and running.

Local businesspeople evaluated the business plans submitted by D.C. student finalists, who were selected by their teachers to compete for the grants.

So far, nearly 300 have completed the intensive, 80-hour "mini-MBA" program here.

"And more importantly, they have taken charge of their own lives and their own destinies," said David H. Koch, executive vice president of Koch Industries Inc., a Wichita, Kan., energy company.

However, most students don't know anything about business, said Marilynn Hollis, a D.C. teacher who handles the NFTE course at Roosevelt High School. She said the program gives young people an option they didn't know they could have.

"I feel good about myself," gushed Alicia Rodney, a soft-spoken junior at Roosevelt and a graduate of NFTE's second session in Washington.

Looking proudly at her handmade pillows and T-shirts, which she sells as "Alicia's Creations," Miss Rodney said the NFTE program helped her get goals, manage money and accept responsibility for the choices she makes in life.

And while some critics may call NFTE's vision unrealistic or idealistic, students like Dwayne Prince attest to the program's benefits.

"Da World in Mine" is the slogan for his graphic design and T-shirt company, "Image the World Tee's," which won top honors and a $1,000 grant.

But the name represents more than a business idea for a young man who said he lived in seven different households before he was 14. He said the slogan represents his positive outlook on life.

"Teachers used to say I had a bad attitude," he explained. "I didn't even want to do the classroom part of NFTE," he recalled. "But after I started the program, I found it interesting and realized I could actually set the T-shirts I designed," he said.

He is the founder of "East-Side Kutz," a mobile hair cuttery. He exudes the savvy business style of a fortune 500 executive and extends a firm and confident hand. It's hard to believe he's only 16 years old.

"The business keeps my head straight and I have learned how to be financially stable," he said. He is already planning to further his business education at Babson College in Wellesley, Mass.

Other graduates continue to hone their business skills through NFTE's follow-up program in the participating schools, which sponsor an entrepreneurs club and a school store.

Students can also call NFTE for legal, accounting or other business advice.

The follow-up program has helped Regina Jackson, 13, find the best way to keep her costs low. The 13-year-old jewelry designer said she can double her profits by buying wholesale beads and materials for her original pieces.

Her grandmother, Mary Jackson, said NFTE taught her granddaughter independence and how to handle money. "She even helped her uncle write a business plan for his car wash," Mrs. Jackson said.

FIXING MEDICARE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. KNOLLENBERG] is recognized for 5 minutes.

Mr. KNOLLENBERG. Mr. Speaker, the American people are way ahead of Congress in knowing what is wrong and right with the Medicare system. I appreciate this opportunity to share with the body just one example of the disturbing waste that occurs in our Medicare bureaucracy. I first heard this story last week when it aired on WJBK-TV2 in Detroit during a segment called the "Hall of Shame."

Mrs. Jean English, while going through the mail of her recently deceased brother, found a bill for his last hospital stay. Her brother, suffering from a terminal illness, died only a few days after being admitted.

The bill for the 4-day period came to $368,511.09. All of it had been forwarded to Medicare for payment. Shocked by the outrageous expense, Mrs. English called the hospital for an explanation. What she got was a 14-page itemized statement. And the greatest expense? $342,982.01 for emergency room supplies for a 7-hour stay in the ER.

Well, after much hemming and hawing, the hospital admitted that it had made a mistake.

Oops. Instead of $347,982.01, the actual charge should have been $61.30. That is right $61.30. An overcharge of $347,920.71! The problem was found.

End of story? Hardly. The errant bill had been sent to Medicare and paid by Medicare. That is right—they paid the bill. Now Jean found the mistake—a bill for $350,000 seemed a little excessive to her. Didn't the people at Medicare notice that supplies for the ER had become a little expensive?

Well, in all fairness, Medicare's computer noticed the problem—sort of. The bill total seemed large so Medicare cut it by 70 percent paying the hospital $67,000. But the actual cost of care was only $25,000. Medicare found the problem and still overpaid by $50,000. And Medicare claims this system works?

And when this was brought to the attention of the folks over at Medicare they said, and I quote, "This case shows . . . that the Medicare system worked as expected." If the system is expected to work like this no wonder it will be bankrupt in 7 years.

When Medicare determined the bill was in error why didn't they look at the items to find the mistake? After all, $350,000 for supplies seemed unreasonable to Jean. Don't the people working for Medicare notice a charge of $350,000 for supplies? Or is this happening all the time? "Close enough for government work" is an old adage that seems to be true here.

And why, Mr. Speaker, does Medicare arbitrarily cut 70 percent off if the bill seems in error? According to its own statement this is how the problem was fixed. "When the bill was received from the hospital, the system automatically

reduced it by more than 70 percent." It may sound like a solution but the example here shows why this kind of logic is helping to bankrupt the Medicare system.

The actual charge for the supplies should have been $61.30. That's only .0002 percent of what Medicare was charged. And Medicare paid 30 percent of the full charge—$67,000—resulting in a huge overpayment. How hard is it to look at a bill that has already set off the alarms as being incorrect and find exactly what isn't right?

I am disturbed that Medicare seems to believe that just cutting the total amount paid addressed the problem. Now maybe I am too naive but I believe the system should fix its mistakes not just automatically cut a bill by 70 percent. Shouldn't the details of the bill be looked at? Are all bills automatically cut by 70 percent?

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This system makes no sense. If we are to save Medicare from bankruptcy we must find the solutions to problems like this. I stand here today because I know this story is not unique. Jean English found the mistake and brought it to our attention. But how many errant bills go unnoticed? And at what cost to the system and our seniors.

Let us work together with the American people to stop waste in the system. Let us fix the problem and save Medicare before it gets too late.

THE ADARAND DECISION

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Texas [Ms. JACKSON-LEE] is recognized for 5 minutes.

Ms. JACKSON-LEE. Mr. Speaker, I am responding, I believe, to what has been over the last 24 hours for many of us a deadening silence.

The good news is that let me welcome those who have come to the White House Council on Small Business, the first time since 1960, having the opportunity to interact with many of those delegates and seeing the enthusiasm they now express in terms of the many issues of small business in this Nation. They have come to emphasize the importance of their contribution to the economic life of this country. They have likewise made a very strong point of how diverse the small business community is, including women and Hispanics, African-Americans, Asians, and others who have found the American dream through small business.

Particularly the delegation from Texas cited their concern and their desire for a bipartisan effort in treating some of the many concerns that small businesses have, whether or not it has to do with a one-stop facility to engage or facilitate their access to Government agencies, which I support and welcome the first U.S. general store that will be sited in the city of Houston to be in the 18th Congressional District. Certainly they have talked about Government regulation.

But one of the things that caused the deadening silence and what also brought me a great deal of joy to hear a bipartisan approach from the small business owners, was the decision by the Supreme Court on Adarand that was rendered yesterday, on June 12, 1995. If one would take a look at the headlines of national newspapers across this Nation, it seemed that there was further joy from editors and writers to claim affirmative action dead. How positive it was, however, to her from these small business owners and to realize the energy that was fostered at their sessions today when they came together and resoundingly supported opportunity for all.

Contrary to the spin that is being put on this ruling of Adarand, this particular decision does not dismantle Federal affirmative action programs. In fact, what it does is it throws us back to Crowson, a case that was rendered a number of years ago, and many local and State governments have already proceeded under, which requires a disparity study on affirming the fact frankly that racism still exists in this Nation. It does require a strict scrutiny test, one that causes one to look more closely at the kind of program that might be offered. In fact, I think the precise language might read that it requires a more searching examination.

Then, of course, it talks about the equal protection clause. But the real danger that we face as the Adarand decision continues to be editorialized and spoken about is those that would raise it up as a new day in America. I thought that we were a Nation of equals and those who would offer to help individuals who have yet to face and receive equal opportunity and the American dream. And yet we find those who are poised for the election in 1996, we find my Republican colleagues, all claiming in the name of Dr. Martin Luther King and the dream that they too believe in equal opportunity.

I would ask a simple question, even though these are private sector preferences, where are they when universities prefer those with athletic talents and give athletic scholarships? Where are they when the ivy league schools select the children of alumni to be admitted into their institution? Where are they when schools are out looking for musicians or people who can stand on their head and balance balls three times? Those are preferences.

But let me share with you, there are no quotas and preferences. They were made illegal some years ago. There are goals, of which we aspire to, and someone had the gall, if you will, to suggest the 10-percent set-aside locks in the Federal Government and discriminates against those who cannot comply under those particular set-asides.

I am here to tell you that the set-asides may be 10 percent, but the actuality may be barely 1 percent in terms of minority businesses and women businesses who are receiving contracts under several programs under the Federal Government.

I, too, stand here welcoming the diversity of this Nation, but as well the equality of this Nation. I would simply say that it is time now, Mr. Speaker, not to run away from this issue of equality and diversity. Look at the Adarand decision as it has been presented to us simply as a hurdle to cross, and not a death knell, an elimination for opportunity for all of our citizens.

COMMUNICATION FROM THE CHAIRMAN OF THE COMMITTEE ON THE BUDGET REGARDING CURRENT LEVELS OF SPENDING AND REVENUES FOR FISCAL YEARS 1995–1999

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio [Mr. KASICH] is recognized for 5 minutes.

Mr. KASICH. Mr. Speaker, on behalf of the Committee on the Budget and pursuant to sections 302 and 311 of the Congressional Budget Act, I am submitting for printing in the CONGRESSIONAL RECORD an updated report on the current levels of on-budget spending and revenues for fiscal year 1995 and for the 5-year fiscal year 1995 through fiscal year 1999.

This report is to be used in applying the fiscal year 1995 budget resolution (H. Con. Res. 218), for legislation having spending or revenue effects in fiscal year 1995 through 1999:

COMMITTEE ON THE BUDGET
Washington, DC, June 8, 1995.

Hon. NEWT GINGRICH,
Speaker, House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: To facilitate application of sections 302 and 311 of the Congressional Budget Act, I am transmitting a status report on the current levels of on-budget spending and revenues for fiscal year 1995 and for the 5-year period fiscal year 1995 through fiscal year 1999.

The term "current level" refers to the amounts of spending and revenues estimated for each fiscal year based on laws enacted or awaiting the President's signature as of June 7, 1995.

The first table in the report compares the current level of total budget authority, outlays, and revenues with the aggregate levels set by H. Con. Res. 218, the concurrent resolution on the budget for fiscal year 1995. This comparison is needed to implement section 311(a) of the Budget Act, which creates a point of order against measures that would breach the budget resolution's aggregate levels. The table does not show budget authority and outlays for years after fiscal year 1995 because appropriations for those Years have not yet been considered.

The second table compares the current levels of budget authority, outlays, and new entitlement authority of each direct spending committee with the "section 602(a)" allocations for discretionary action made under H. Con. Res. 218 for fiscal year 1995 and for fiscal years 1995 through 1999. "Discretionary

action" refers to legislation enacted after adoption of the budget resolution. This comparison is needed to implement section 302(f) of the Budget Act, which creates a point of order against measures that would breach the section 602(a) discretionary action allocation of new budget authority or entitlement authority for the committee that reported the measure. It is also needed to implement section 311(b), which exempts committees that comply with their allocations from the point of order under section 311(a). The section 602(a) allocations printed in the conference report on H. Con. Res. 218 (H. Rept. 103-490) were revised to reflect the changes in committee jurisdiction as specified in the Rules of the House of Representatives adopted on January 4, 1995.

The third table compares the current levels of discretionary appropriations for fiscal year 1995 with the revised "section 602(b)" suballocations of discretionary budget authority and outlays among Appropriations subcommittees. This comparison is also needed to implement section 302(f) of the Budget Act, since the point of order under that section also applies to measures that would breach the applicable section 602(b) suballocation. The revised section 602(b) suballocations were filed by the Appropriations Committee on September 21, 1994.

The aggregate appropriate levels and allocations reflect the adjustments required by section 25 of H. Con. Res. 218 relating to additional funding for the Internal Revenue Service compliance initiative.

Sincerely,

JOHN R. KASICH, *Chairman.*

Enclosures.

REPORT TO THE SPEAKER FROM THE COMMITTEE ON THE BUDGET

STATUS OF THE FISCAL YEAR 1995 CONGRESSIONAL BUDGET ADOPTED IN H. CON. RES. 218—REFLECTING ACTION Completed as of June 7, 1995

[On-budget amounts, in millions of dollars]

	Fiscal year	
	1995	1995–1999
Appropriate Level (as set by H. Con. Res. 218):		
Budget authority	$1,238,705	$6,892,705
Outlays	1,217,605	6,676,805
Revenues	977,700	5,415,200
Current Level:		
Budget authority	1,233,103	(1)
Outlays	1,216,173	(1)
Revenues	978,218	(1)
Current Level over (+)/under (−) Appropriate Level:		
Budget authority	−5,602	(1)
Outlays	−1,432	(1)
Revenues	518	−31,643

[1] Not applicable because annual appropriations Acts for Fiscal Years 1997 through 1999 will not be considered until future sessions of Congress.

BUDGET AUTHORITY

Enactment of measures providing more than $5.602 billion in new budget authority for FY 1995 (if not already included in the current level estimate) would cause FY 1995 budget authority to exceed the appropriate level set by H. Con. Res. 218.

OUTLAYS

Enactment of measures providing new budget or entitlement authority that would increase FY 1995 outlays by more than $1.432 billion (if not already included in the current level estimate) would cause FY 1995 outlays to exceed the appropriate level set by H. Con. Res. 218.

REVENUES

Enactment of any measures producing any net revenue loss of more than $518 million in FY 1995 (if not already included in the current level estimate) would cause FY 1995 revenues to fall below the appropriate level set by H. Con. Res. 218.

Enactment of any measure producing any net revenue loss for the period FY 1995 through FY 1999 (if not already included in the current level estimate) would cause revenues for that period to fall further below the appropriate level set by H. Con. Res. 218.

DIRECT SPENDING LEGISLATION—COMPARISON OF CURRENT LEVEL WITH COMMITTEE ALLOCATIONS PURSUANT TO BUDGET ACT SECTION 602(a)

[Fiscal years, in millions of dollars]

	1995			1995–1999		
	BA	Outlays	NEA	BA	Outlays	NEA
HOUSE COMMITTEE						
Agriculture:						
Allocation	0	0	0	0	0	4,861
Current level	499	−155	0	497	−152	0
Difference	499	−155	0	497	−152	−4,861
National Security:						
Allocation	0	0	0	0	0	0
Current level	42	37	0	221	210	82
Difference	42	37	0	221	210	82
Banking, Finance and Urban Affairs:						
Allocation	0	0	0	0	0	0
Current level	−25	−25	0	−75	−75	0
Difference	−25	−25	0	−75	−75	0
Economic and Educational Opportunities:						
Allocation	0	0	309	0	0	5,943
Current level	8	−13	297	104	81	1,674
Difference	8	−13	−12	104	81	−4,269
Commerce:						
Allocation	0	0	0	0	0	0
Current level	0	0	0	0	0	0
Difference	0	0	0	0	0	0
International Relations:						
Allocation	0	0	0	0	0	0
Current level	5	4	0	11	11	0
Difference	5	4	0	11	11	0
Government Reform & Oversight:						
Allocation	0	0	0	0	0	0
Current level	0	0	0	4	4	−3
Difference	0	0	0	4	4	−3
House Oversight:						
Allocation	0	0	0	0	0	0
Current level	0	0	0	0	0	0
Difference	0	0	0	0	0	0
Resources:						
Allocation	0	0	0	0	0	0
Current level	−8	−8	4	0	−2	4
Difference	−8	−8	4	0	−2	4
Judiciary:						
Allocation	0	0	0	0	0	0
Current level	−58	−58	0	−6	−6	0
Difference	−58	−58	0	−6	−6	0
Transportation & Infrastructure:						
Allocation	2,161	0	0	64,741	0	0
Current level	2,161	0	0	4,375	0	0
Difference	0	0	0	−60,366	0	0
Science:						
Allocation	0	0	0	0	0	0
Current level	0	0	0	0	0	0
Difference	0	0	0	0	0	0
Small Business:						
Allocation	0	0	0	0	0	0
Current level	0	0	0	0	0	0
Difference	0	0	0	0	0	0
Veterans' Affairs:						
Allocation	0	0	340	0	0	5,743
Current level	2	2	334	3	3	1,888
Difference	2	2	−6	3	3	−3,855
Ways and Means:						
Allocation	0	0	0	0	0	214
Current level	44	−37	98	−3,674	−5,711	−3,655

DIRECT SPENDING LEGISLATION—COMPARISON OF CURRENT LEVEL WITH COMMITTEE ALLOCATIONS PURSUANT TO BUDGET ACT SECTION 602(a)—Continued

[Fiscal years, in millions of dollars]

	1995			1995–1999		
	BA	Outlays	NEA	BA	Outlays	NEA
Difference	44	−37	98	−3,674	−5,711	−3,869
Total Authorized:						
Allocation	2,161	0	649	64,741	0	16,761
Current level	2,670	−253	733	1,460	−5,637	−10
Difference	509	−253	84	−63,281	−5,637	−16,771

DISCRETIONARY APPROPRIATIONS FOR FISCAL YEAR 1995—COMPARISON OF CURRENT LEVEL WITH SUBALLOCATIONS PURSUANT TO BUDGET ACT SECTION 602(b)

[In millions of dollars]

	Revised 602(b) suballocations (September 21, 1994)				Current Level				Difference			
	General purpose		Violent crime		General purpose		Violent crime		General purpose		Violent crime	
	BA	O	BA	O	BA	O	BA	O	BA	O	BA	O
Agriculture, Rural Development	13,397	13,945	0	0	13,396	13,945	0	0	−1	−0	0	0
Commerce, Justice, State	24,031	24,247	2,345	667	23,821	24,205	2,345	667	−210	−42	0	0
Defense	243,432	250,515	0	0	241,405	249,636	0	0	−2,027	−879	0	0
District of Columbia	720	722	0	0	712	714	0	0	−8	−8	0	0
Energy and Water Development	20,493	20,888	0	0	20,293	20,784	0	0	−200	−104	0	0
Foreign Operations	13,785	13,735	0	0	13,492	13,717	0	0	−293	−18	0	0
Interior	13,521	13,916	0	0	13,516	13,915	0	0	−6	−2	0	0
Labor, HHS and Education	69,978	69,819	38	8	69,678	69,807	38	7	−300	−12	0	−1
Legislative Branch	2,368	2,380	0	0	2,367	2,380	0	0	−1	0	0	0
Military Construction	8,837	8,553	0	0	8,735	8,519	0	0	−102	−34	0	0
Transportation	13,704	36,513	0	0	13,622	36,511	0	0	−82	−2	0	0
Treasury-Postal Service	11,741	12,256	40	28	11,575	12,220	39	28	−166	−36	−1	0
VA–HUD–Independent Agencies	70,418	72,781	0	0	70,052	72,780	0	0	−366	−1	0	0
Reserve	2,311	6	0	0	0	0	0	0	−2,311	−6	0	0
Grand total	508,736	540,276	2,423	703	502,664	539,133	2,422	702	−6,072	−1,143	−1	−1

U.S. CONGRESS
CONGRESSIONAL BUDGET OFFICE,
Washington, DC June, 1995.

Hon. JOHN KASICH,
Chairman, Committee on the Budget,
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: Pursuant to section 308(b) and in aid of section 311 of the Congressional Budget Act, as amended, this letter and supporting detail provide an up-to-date tabulation of the on-budget current levels of new budget authority, estimated outlays, and estimated revenues for fiscal year 1995. These estimates are compared to the appropriate levels for those items contained in the 1995 Concurrent Resolution on the Budget (H.Con.Res. 218), and are current through June 7, 1995. A summary of this tabulation follows:

[In Millions of dollars]

	House current level	Budget resolution (H. Con. Res. 218)	Current level +/− resolution
Budget authority	1,233,103	1,238,705	−5,602
Outlays	1,216,173	1,217,605	−1,432
Revenues:			
1995	978,218	977,700	518
1995–99	5,383,577	5,415,200	−31,643

Since my last report, dated February 22, 1995, the Congress has cleared, and the President has signed, the 1995 Emergency Supplementals and Rescissions Act (P.L. 104–6) and the Self-Employed Health Insurance Act (P.L. 104–7). These actions have affected the current level of budget authority, outlays, and revenues. Congress also cleared for the President's signature the 1995 Emergency Supplementals and Rescissions bill (H.R. 1158), which was vetoed by the President.

Sincerely,

JUNE E. O'NEILL.

PARLIAMENTARIAN STATUS REPORT 104TH CONGRESS, 1ST SESSION HOUSE ON-BUDGET SUPPORTING DETAIL FOR FISCAL YEAR 1995 AS OF CLOSE OF BUSINESS JUNE 7, 1995

[In millions of dollars]

	Budget authority	Outlays	Revenues
ENACTED IN PREVIOUS SESSIONS			
Revenues			978,466
Permanents and other spending legislation	750,343	706,271	
Appropriation legislation	738,096	757,783	
Offsetting receipts	−250,027	−250,027	
Total previously enacted	1,238,412	1,214,027	978,466
ENACTED THIS SESSION			
1995 Emergency Supplementals and Rescissions Act (P.L. 104–6)	−3,386	−1,008	
Self-Employed Health Insurance Act (P.L. 104–7)			−248
Total enacted this session	−3,386	−1,008	−248
ENTITLEMENTS AND MANDATORIES			
Budget resolution baseline estimates of appropriated entitlements and other mandatory programs not yet enacted	−1,923	3,154	
Total current level[1]	1,233,103	1,216,173	978,218
Total budget resolution	1,238,705	1,217,605	977,700
Amount remaining:			
Under budget resolution	5,602	1,432	
Over budget resolution			518

[1] In accordance with the Budget Enforcement Act, the total does not include $3,905 million in budget authority and $7,442 million in outlays for funding of emergencies that have been designated as such by the President and the Congress, and $841 million in budget authority and $917 million in outlays for emergencies that would be available only upon an official budget request from the President designating the entire amount requested as an emergency requirement.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina [Mr. JONES] is recognized for 5 minutes.

Mr. JONES. Mr. Speaker, on June 2, 1995, a United States Air Force F–16 Fighting Falcon was shot down over Bosnia.

The pilot's fate was unknown.

What was known was that if he had survived, he had gone down in a hostile, war-torn land where Bosnian Serbs were using captured United Nations peacekeepers as human shields.

While the Nation waited for answers, a Navy ship steamed into the Adriatic Sea.

Aboard the ship was the 24th Marine unit, commanded by Col. Martin R. Berndt.

On June 8, at 3 a.m. Bosnian time, Colonel Berndt was notified that the downed pilot had been located. The marines moved quickly.

They hastily assembled a TRAP team, for Tactical Recovery of Aircraft Personnel, under the command of Lt. Col. Chris Gunther.

By 5 a.m., Colonel Berndt, Lieutenant Colonel Gunther, and their Marines were aboard helicopters en route to the Bosnian coast.

Forty-five minutes later, before crossing into Bosnian air space, the Marines were joined by EA–6B Prowlers from the USS Roosevelt, F/A 18 Hornets from Marine Fighter Attack Squadron 533, and two Air Force A–10 Thunderbolts.

AWACS airborne warning and control system aircraft, which had been in radio contact with the downed pilot, circled overhead and directed the Marines to his approximate location.

The Marines hit the objective at 6:40 a.m. The Cobra gunships went in first, flying fast and low over the trees to identify and destroy any potential threat from the ground.

Seconds later, the first Super Stallion landed. Marines leapt from the aircraft and deployed to secure the area.

As the second CH-53 touched down, 29-year-old Captain Scott O'Grady, the F-16 pilot who for 6 days had evaded capture and lived off the land, sprang from a tree line and ran toward the Marines.

Colonel Berndt reached out, grabbed O'Grady, and pulled him safely aboard the chopper.

"I'm okay," O'Grady said. "Get me out of here."

Colonel Berndt obliged.

From the time they landed to the time they lifted off, the Marines spent less than 2 minutes on the ground.

During the flight back to the ship they were fired on by surface to air missiles and small arms.

At least one round hit the helicopter that carried Captain O'Grady.

But it was not enough to stop the U.S. Marines, and today Captain Scott O'Grady is safely home.

This operation demonstrates many things.

It demonstrates the superior capabilities of our equipment, and the effectiveness of our tactics.

It demonstrates our military's exceptional capability for inter-service communications and cooperation.

But above all, it demonstrates the unequaled skill, valor, of American troops.

Courage saved Captain O'Grady—his own courage, and the courage of the Marines who pierced the Bosnian dawn to pull him from harm's way.

The TRAP team that rescued Captain O'Grady included two Sea Cobra helicopter gunships; four Harrier attack jets; and 41 Marines from an 81 mortar platoon from the 3rd Battalion, 8th Marines.

These elements are home based at Camp Lejeune, NC.

Much of Camp Lejeune is in the third congressional district, and I am here tonight as their Representative in Congress, to commend their actions over Bosnia.

These Marines are daring. They are intrepid. They are dauntless.

They represent the very best America has to offer, and their actions reflect great credit upon each individual Marine, the 3rd Battalion, the 8th Marines, the 24th MEU, and Camp Lejeune.

I am proud to represent them.

The Marines of Camp Lejeune demonstrate the spirit and meaning of the Corp's proud motto: "Semper Fi"—"Always faithful".

I say thank you Captain O'Grady and thank you to the U.S. Marine Corps.

COL. MARTIN BERNDT—A TRUE AMERICAN HERO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. FOX] is recognized for 5 minutes.

Mr. FOX of Pennsylvania. Mr. Speaker, I rise with pride tonight to address my colleagues and a salute an American hero, Marine Col. Martin Berndt. Just a few days ago Richard and Muriel Berndt were not aware of the danger their son faced until it was over. The Springfield Township, Montgomery County, PA, couple knew he was overseas, but did not know that Col. Martin Berndt led the marine unit that rescued Air Force Capt. Scott O'Grady. O'Grady's F-16C was downed Friday, June 2, by a Serbian SA-6 missile in Bosnia-Herzegovina. He commands 2,000 Marines that belong to a Marine amphibious unit.

But the couple were awakened from a peaceful night's rest in their Oreland, PA, home where they have lived for 34 years. They had heard about the successful mission around 2 a.m., but at 6 a.m., his daughter-in-law called Mr. Berndt, Sr., to tell him that his son was in charge of the entire operation which was so successful.

Their son had been involved with military operations in Vietnam, Haiti, Panama, and the Persian Gulf, and after a successful mission, Colonel Berndt said, "Well, tomorrow it is back to work."

Colonel Berndt's courageous actions in the former Yugoslavia were right in line with his character. He always told his parents he would not ask his men to do anything he would not do himself.

His decorations since he has joined the Marines in 1969 include the Defense Superior Service Medal, the Defense Meritorious Service Medal, the Navy Achievement Medal, the Meritorious Service Medal with two stars, the Combat Action Ribbon with one gold star, and the Joint Service Commendation Medal with a bronze oak leaf cluster.

After graduating from Springfield High School in 1965 and West Chester University in 1969, Colonel Berndt was commissioned a second lieutenant in the Marine Corps. He just came home one day and told his parents, "I have joined the Marines." His father said he was always very decisive, even as a child; quiet, active, and very decisive.

Throughout his brilliant 26-year military career, Berndt has served as a weapons platoon commander, a rifle platoon commander, a political military planner with the Office of the Joint Chiefs of Staff, Middle East/Africa planner, the U.S. liaison to the West Africa Peacekeeping Force, as well as the Assistant Chief of Staff of Headquarters, commanding officer of the Third Battalion, Fourth Marines, and commanding officer of the First Battalion, Sixth Marines.

Berndt and his wife, Diana, have been married for 26 years and have three children, Danielle, Martin, and Dennis, and they live on the U.S. Marine Corps Base in Camp Lejeune. Quite appropriately, Colonel Berndt is in line for promotion to brigadier general.

We salute tonight, Mr. Speaker, Col. Martin Berndt—a first class American leader, an outstanding patriot, and a genuine military hero of the United States. God bless our men and women who fight for us every day in the Armed Forces of the United States to make sure that America is free. Semper Fi.

IMPORTANCE OF A BALANCED BUDGET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. SMITH] is recognized for 5 minutes.

Mr. SMITH of Michigan. Mr. Speaker, a few minutes ago, roughly 28 minutes ago, the President of the United States made a nationally televised address indicating that he was now convinced that we should have a balanced budget. I wanted to give this 5 minutes tonight because I am delighted to welcome the President aboard, because he now realizes, or the pollsters realize, that a balanced budget is going to be very important if we are going to spur the economic and job development of this country, if we are going to end up not giving our kids and our grandkids a mortgaged future. Let me just make a couple of comments on how serious the overspending of this Congress is and what is happening to the obligation of future generations.

□ 2130

We now have a debt of approximately $4.9 trillion. That means that the interest on that debt this year is going to be $339 billion, the largest expense item of anything else on our budget. But the problem is of jobs and economic development. If we are not able to balance that budget, then we continue to obligate a greater and greater portion of our budget to the interest. But more than that, here is the Federal Government today going out and demanding that they have 42 percent of all of the money lent out in the Untied States this year. That means that extra demand for money is driving up interest rates.

Our top banker of this Nation, Chairman Greenspan of the Federal Reserve, estimates that if we are able to balance the budget, we can see interest rates drop between 1½ and 2 percent. What is that going to do for business? What is that going to do for people that want to go out and buy a new home or a new car or business to expand their operation and to hire more people? It is going to do a great deal.

The other problem, or course, is the United States needs to have the kind of tax policy that is going to spur economic development.

The President tonight said nothing to stimulate the economy through

taxes, but he was for those good political things of a middle class tax cut. And so I am concerned that whether or not this was political rhetoric on the part of the President tonight is going to be shown really in his details as he presents those details to the United States Congress.

It is good news that we are all going to talk from the same goal of eventually achieving a balanced budget. The President suggests we should wait for 10 years to get that balanced budget. But this is a problem technically, because the problem of compounding interest, the longer we wait to cut some of those expenses, the more drastic those cuts are going to have to be. That is why it is important that we start early, that we try to get this balanced budget in 5 years. The House and the Senate have said, let us take 7 years to do it, but let us do it at least in 7 years and then start paying off the actual debt that we have incurred for future generations.

Mr. Speaker, I thank you for this opportunity.

Mr. President, welcome aboard in the legitimate budget discussions of having a true balanced budget and saving our future for our kids.

BALANCING THE BUDGET

The SPEAKER pro tempore (Mr. BARR). Under a previous order of the House, the gentleman from Georgia [Mr. KINGSTON] is recognized for 5 minutes.

Mr. KINGSTON. Mr. Speaker, I wanted to follow up on the comments of the gentleman from Michigan about the President making a speech tonight concerning balancing the budget.

I, too, welcome the President in this discussion. We have had a game, I guess since January, of where is Bill, and I am glad to see that he has emerged. I regret that it is after the House has passed its balanced budget. I regret that it is after the Senate has passed its balanced budget. But there is still time, and this is going to be many, many years and a very long process. So I am glad to see he has decided to go ahead and jump in the game at this point.

But I am concerned that now, after fighting against a middle-class tax cut, he has come out for one.

Mr. Speaker, I yield to the gentleman from Arizona [Mr. HAYWORTH] on this matter because that is what I understand that he did notice; is that correct?

Mr. HAYWORTH. Mr. Speaker, I thank the gentleman from Georgia, my good friend, for yielding to me.

I think it is very important, in the wake of the Presidential address, to go on the record as the new majority party at a historic moment in our history to say that we welcome the President, albeit better later than never, finally owning up to the task of leadership and perhaps reading the polls and seeing that the American public does, indeed, want its politicians, no matter their party affiliation, to work toward a balanced budget.

But even as we welcome the President's constructive move, I know my friend from Georgia will be surprised when he hears that the harshest criticism, according to the wires of the Associated Press, Mr. Speaker, the harshest criticism comes from the ranking House Democrat on appropriations. Let me quote what our friend, Mr. OBEY, the Democrat of Wisconsin says about the President and tonight's exercise.

> I think most of us learned some time ago that if you don't like the President's position on a particular issue, you simply need to wait a few weeks.

Now, let me hasten, Mr. Speaker, and my good friend from Georgia, Mr. KINGSTON, to again reinforce the fact that the words are not ours. They come from the President's own side of the aisle. Indeed, those who bemoan the rise in partisanship and who continually talk of gridlock would do well to remember tonight that the harshest criticisms, again, come from the President's own party, those defenders of the status quo who have yet to meet a Government program they do not like, who have yet to meet a tax increase they do not like. And even as the President talks of tax cuts, again, he always qualifies those comments by talking of the middle class or the working class.

I know the gentleman from Georgia remembers the State of the Union Message where the President stood here behind us at the podium just in front of the Speaker's rostrum and offered a very curious type of family tax cut for families making only $75,000 a year, so a family making $76,000 a year I guess did not qualify as a working family, but also perhaps the gentleman from Georgia remembers the curious provision of what the President talked about at that time. Do you remember what that was? It was this, that the tax cut would only apply to children before the age of 13.

So, in short, the President's idea back in January was to penalize anyone who succeeded who made over $75,000 a year and not only to penalize people who succeed but to penalize their children for growing up.

Mr. KINGSTON. I think maybe the President's idea was to put them all in the national service league so they could get paid for volunteer work. When they are 14, they do not need the money anymore. It was typical of this administration to come up with a complicated middle-class tax relief plan. It looked a little bit to me like Mrs. Clinton's health care revision last year, just a chart of dots and arrows and boxes and squares going this way and all over the page and that is their idea, I guess, of simplification and so forth. That is, I think, why the American people are getting a little leery of it.

My 2-year-old, actually 3-year-old, sings a song, did you ever see a laddie go this way and that way and this way and that way. That is what we have got going on. We all know that. One day you are for tax cuts; the next day you are against them. One day you cannot balance the budget; the next day you can.

MORE ON THE PRESIDENT'S STATEMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona [Mr. HAYWORTH] is recognized for 5 minutes.

Mr. HAYWORTH. Mr. Speaker, we will continue the colloquy, as I enjoy the comments of the gentleman from Georgia and appreciate the enlightening nature of the same.

It is curious tonight, again, to see this sea change from the White House. And again, reminiscent of that children's song——

Mr. KINGSTON. Mr. Speaker, if the gentleman will yield, does the gentleman think that maybe since the marriage of James Carville and Mary Matalin there will be cross winds going on at the White House weather vane?

Mr. HAYWORTH. I would not care to speculate on the society status or where one might go on in terms of policy formulation at the White House, but I do find it curious that those members of the former majority, those guardians of the old order who would accuse the new majority of governance by polls find themselves tonight foisted upon a new pole, the Chief Executive finding now that the American public does want to see a semblance of fiscal responsibility. The reason I use the term "semblance" is because, once again, the President says, well, it would be nice to have a balanced budget but let us not do it in 7 years, no, no, let us stretch it out over a decade, over 10 years.

Now, by my calendar, as I check it, and the gentleman from Georgia perhaps can bear me out on this, that would be the year 2005. In the interim, according to the Medicare trustees report, which three of the President's own cabinet officers signed, Secretaries Reich and Rubin and Shalala, the Medicare trust fund goes broke in 6 years.

The fear I have, even as I welcome the President, albeit late to the table and to the recognition of the necessity of reducing the growth of the size of government, is, again, an inability to own up to the stark reality we face. And I cannot fathom why that is.

Mr. KINGSTON. Mr. Speaker, one of the interesting things that I find, and I am sure you do in Arizona when you go home, is that people are saying, stay the course, cut the budget, and I am

sick and tired of it. Get the Government out of my life. Reduce the regulations, reduce my taxes, make it work and stay out of Washington as much as possible.

With that in mind, what has happened here, suddenly somebody over at the administration has figured, wait, they did not tick off people when they actually carried through with their campaign promise of balancing the budget. Let us get in on this bandwagon. So now they are going to join the fray. But to do something a little differently, they have to say, let us do it in 10 years.

If you look back at the Grace commission, the Gramm-Rudman, the balanced budget amendment, every time we do something, it is always far off, it is not this year, not this budget. We did pass a budget that puts us having a balanced budget in 7 years, but even that is a long time.

And I think what the American people want is yesterday, not 10 years. And they are not even real happy with 7.

Mr. HAYWORTH. Reclaiming my time, Mr. Speaker, what I believe the American people want is not only civility in political discourse but straight answers. It is borne out in the frustration of an unrepentent liberal, the ranking member on the minority side of appropriations, who says of his party's own standard-bearer, and again this bears repeating, for those who have just joined us, according to the Associated Press, the gentleman from Wisconsin, DAVE OBEY, "I think most of us learned some time ago that if you don't like the President's position on a particular issue, you simply need to wait a few weeks."

That is reflective of a frustration born of a failure of this administration to rest comfortably with the mantle of leadership upon its shoulders.

Now, good people can change their minds from time to time on the issues. But I believe my friend from Georgia will bear me out, as he visits his district there along the beautiful Georgia coast, the fact is that people are highly suspicious when public policy is predicated on the prevailing winds akin to a weather vane.

Mr. KINGSTON. However, if the President of the United States is serious and wants to balance the budget, as we can only hope that he is, the Republican Party welcomes him and his administration, open arms, let us get in the arena, let us figure it out together and let us work for the good of America.

Mr. HAYWORTH. Reclaiming my time, we can say this tonight in the wake of the President's speech. He says now he wants a balanced budget. Let him work with us to achieve it in 7 years instead of a decade hence.

GATT

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from California [Mr. ROHRABACHER] is recognized for 60 minutes as the designee of the majority leader.

Mr. ROHRABACHER. Mr. Speaker, the passage of the GATT implementation legislation late last year was supposed to put into place the legal framework for trade policy that was required by a trade agreement that had been hammered out among the various nations of the world. That was what it was supposed to be. The only problem being a major change in the U.S. law was snuck into the implementation legislation, even though it was not required by the GATT treaty.

So what I am talking about tonight is something that was snuck into law late last year and is just now being implemented as the law of the United States of America.

What was this mysterious provision that magically appeared in the GATT implementation legislation? Oh, it was nothing more than just a little old change in the patent law, just a little change in the patent law that if allowed to stand will cost American inventors and American investors billions of dollars, if not corrected.

□ 2145

Something may be happening that is very sinister here in Washington, DC, or it might be very innocent. Whatever it is is going to result in the transfer of billions of dollars from one set of pockets to the other set of pockets. Why was this change, this change that actually redirects the money flow, why was it accomplished through the GATT implementation legislation?

This Congressman, along with a majority of my colleagues, voted for the GATT fast-track authority. What that did, it gave the administration the right to negotiate this trade agreement, which would then be voted on as a single vote. It would be all or nothing. The implementation legislation would be presented to us, it would be one vote, all or nothing, and we could not vote to amend what was presented to us.

This arrangement was made to ensure that the trade agreement would not be amended to death, and that our negotiators could actually go and negotiate with our foreign trade potential partners, and that, basically, was a good idea, as long as everyone kept their word. The understanding, of course, was that the only changes that would be made part of the GATT implementation process would be changes that were required by the treaties that had been negotiated with our potential trading partners. There would not be anything else in the GATT implementation legislation, so we could vote on it up-or-down.

Congress and the American people were lied to, and we were betrayed. I personally feel betrayed, because I voted for fast-track authority for GATT. GATT did not require our country to diminish the patent protection enjoyed by our citizens. Yet, it was placed in this bill in hopes of passing this major change in patent law without full debate, without full scrutiny.

This Congressman was even denied the right to even see the language of the proposed legislative change until shortly before the vote was scheduled. I am an elected representative of the people. I asked for weeks to see the legislative language. I was denied the right to see that until it was sent to Congress itself.

Adding insult to injury, under fast track, Congress was supposed to have 60 days to examine the proposal and then to vote on it. This administration submitted GATT to Congress only a few days before a scheduled recess, which put us in the position of voting for all of it or none of it, with little time to consider the detail. This was either smart or it was sneaky or it was sinister, depending on one's perspective. Luckily, the administrator was forced to stand off, which gave us some more time. We had to come back to vote on the GATT later on.

What is the major change that was in GATT which eventually was voted on and made into law? What is this change that I'm talking about that was snuck into GATT, but not required by our trade negotiations?

Americans traditionally have been blessed with patent laws which protected our inventors and our investors. This protection of patent rights ensured that our country was in a position, over our country's history, in the forefront of technological change. Patent protection was considered so vital to our country's well-being that it is put right into our Constitution. Very few countries can say that their Founding Fathers were so committed to technological change in the advancement and well-being of the common man that patent protection, patent laws, the actual insistence that there be a Patent Office, was put into the Constitution of our country at our country's founding.

This could explain why the Americans were in the forefront of things like the reaper, which helped us bring in crops so well that we fed our people better than any other country in the world; the telegraph; telephones; steam engines; trains, and the list goes on and on. The secret, perhaps, is that we had the protection of those inventors and investors who were behind them, we had that protection in law, up until it was secretly changed by the GATT implementing legislation.

If an American inventor applied for a patent, no matter how long it took the Government to issue that patent, once it was issued to the inventor, it might take 10 years, it might take 5 years, it might take 15 years, but once it was issued, the inventor and the investor

owned that invention for 17 years, so there was a profit motive, and they had control of the technology they had developed for 17 years.

That is the secret behind the genius of our people. We have built it into our country's laws. We have protected their rights to own what they have created. However, the GATT laws changed that.

The GATT law changes that dramatically. The change is designed, incidentally, to appear to be of little consequence. In fact, it appears to elongate the time of patent protection. Now, after the GATT changes are in effect, when an inventor files, if his patent is issued immediately, he will have 20, not 17 years but 20 years, of full protection. However, as the law now reads, after 20 years he is done. He does not have patent protection. Remember, before it was only 17 years.

That would be really great if patents were issued immediately, but they are not issued immediately. In fact, almost every technological breakthrough that has changed the lives of mankind that have been based on patents issued to Americans have taken years and years, sometimes more than a decade, sometimes more than 15 years, to issue.

Thus, the patent holder, under those laws, under the old laws, still had 17 years worth of protection. Under the new law, his or her patent rights would be virtually destroyed and meaningless. Under the new provisions, the real patent time is dramatically, dramatically reduced for people who are inventing important technology.

What does that mean? Again, it means billions of dollars that should be going into the bank accounts of American inventors and American investors will now end up in the bank accounts of multinational and foreign corporations. It also means that technology Americans have invested in and that Americans have created will not end up being used against us by our competitors, because the length of real patent protection has been drastically reduced.

It is, in short, one of the greatest ripoffs in history. That is what just happened in slow motion and quietly and part of the GATT implementation legislation, and something that, unless we act, the perpetrators of this crime will get away with.

Why was it done? What was the excuse? Certainly, it could not have been the excuse that we are going to put this into the law, and it is going to rip off the American people. No one would have agreed to that.

We have to admit that some of the people who voted for this and supported it probably do honestly believe that it will have a positive effect, and the positive effect that has been heralded by those who believe it and those who do not believe it, who are just using it as a cover, the positive effect is called harmonization of patent law.

Yes, the United States, Japan, and Europe have different kinds of patent law. We have different laws to protect other rights as well: freedom of speech, freedom of religion, freedom of press. There are different laws protecting rights in the United States, and we pride ourselves in having stronger protection of our rights in the United States than do other countries.

However, Bruce Lehman, head of our Patent Office in the United States, has decided that harmonization of patent law is really an important thing in and of itself, it will be something that is very good. In doing so, because he believes this, he agreed to put this change into our patent law, a change which eliminates the time certain of protection of American patent holders.

He did this in agreement with the Japanese, who were insisting upon this, and it was part of a verbal agreement, and yes, an agreement that was made in writing which has to be passed into law by Congress, but instead of going to Congress openly, he decided "Oh, well, I will fulfill my part of the bargain," which he had no right to make for the American people. Without the passage of Congress, he decided just to slip it into the GATT implementation legislation, so we would either have to accept that or we would have to vote down all of the changes in trade law that were encompassed in the trade negotiations, and we would have to suffer the consequences of a major disruption of trade in the United States.

What did Bruce Lehman, our negotiator, get in return for basically eliminating the rights that Americans have enjoyed for over 100 years in terms of their patent—their for sure time of patent protection? In exchange for it, we got the right to file in Japan, to file for a patent in Japan in English. We got that right.

We also got an agreement from the Japanese who, in good faith, promised our negotiator that "We will indeed improve our patent system so that the average patent in Japan, if you agree to make your changes, so that you no longer have this 17 years of protection, we agree that you will have a patent system in Japan to work with in which the average patent will be issued within 3 years."

This deal reflects an almost criminal naivete. To cover up this absurd acquiescence to the Japanese interests, we have seen underhanded tactics being used to pass this legislation, and we have seen representatives from our government lying to the American people about what this is all about.

Mr. Lehman himself has been claiming that the average time to issue an American patent is only 19 months. Thus, if the average patent is issued in 19 months, and you have said it is 20 years, you have 20 years, after all, of patent protection from the time of filing, then actually the average person has more time, more patent protection, than he would have had we kept the law the same.

Mr. Speaker, this is not true here, what Mr. Lehman is saying about 19 months, the average time, and it will not be true in Japan. The American people are in the process of having their patent rights ripped off. Yes, 19 months is an average for something in our Patent Office. It is the average Patent Office action, although American businessmen all over this country are repeating the phrase that it only take 19 months for a patent, average patent, to be issued. That is, pardon the pun, a patent lie.

The fact is that it is not 19 months for a patent to be issued in the United States, it is the 19 months that is an average patent action, meaning an action by the Patent Office. This includes the action on totally inconsequential patents, things that make no difference to anyone's lives, that are applied for in the hundreds, if not thousands, by businessmen, like the stripe on the bottom of a toothpaste tube.

There is a lot difference between talking about patenting the stripe on the bottom of a toothpaste tube and getting it approved in months, as compared to patenting a laser, which might take decades.

There is also another factor. Not only are they inconsequential patents that he is putting into the mix, but Mr. Lehman has been including patent rejections, meaning it is not 19 months for the average patent to issue. It is 19 months for the average action to take place, and those actions include inconsequential patents and rejections of patent requests, which also can be made in a very short order.

This type of absurdity with averages, Mr. Speaker, as they say, statistics can lie, and liers can use statistics. After altering my fellow Member's opinion on what they were being told, as to what the effect of this law would be, I moved forward to try to move forward with a provision and changing of our law that will bring back and restore the patent rights of the American people that were ripped off as part of the GATT implementation legislation.

□ 2200

My fellow members, we were sometimes unaware of what was going on in GATT, and some of them that were aware, when they talked to the so-called experts, were given these phony statistics and had no idea of the details which we are talking about tonight.

Well I authored the legislation, H.R. 359, to restore the American patent rights of the American people, and my colleagues from both parties, I have substantial support from both parties, rallied to the cause. One hundred seventy members from both parties have cosponsored H.R. 359 to restore American patent rights. A sister bill to the

one that I am talking about was introduced by Senator DOLE in the Senate.

Thus we are poised, ready to take back the rights that were stolen from the American people. Yet there has been no action.

Here we are in June, no action has been taken on H.R. 359, which has had more cosponsors than almost any bill like it in history. Now, why is it? Why is it just sitting here? Why has not it been acted upon?

Well, it is because of the opposition of one Member of this body, one Member, the gentleman from California [Mr. MOORHEAD], the chairman of the Subcommittee on Courts and Intellectual Properties, to which this bill was assigned. He has refused even to hold a hearing on this piece of legislation. "Not enough time to hold a hearing."

Well, some of those opposing my bill, they, and maybe the gentleman from California [Mr. MOORHEAD], is in the situation, maybe he is not, but there are some people who opposed this piece of legislation because they believed there is a bigger problem in the United States than simply protecting the patent rights of our people. There is an issue called the submarine patent issue, which has to be dealt with, and perhaps the gentleman from California [Mr. MOORHEAD] is more concerned about dealing with that problem than in dealing specifically with my bill that deals with patent protection for the American people.

Just to give you a short background on the submarine patent issue, the idea is, and there are some indications that some inventors have manipulated the system over at the Patent Office to elongate the time that it takes for their own patent to be issued.

Now, almost every patent or inventor that I know does everything that he or she can possibly do to get that patent issued immediately because change in our society is so rapid that if you have an invention now, you want to get it issued to you so you can start making a profit on it, and nobody, nobody is going to invest in your new technology on a patent pending. They are waiting until after you have been issued the patent. But some inventors, it is claimed, and it is possibly true, that there are some inventors who have been ripping off other corporations by basically playing the system, and so that they are not issued the patent and they elongate the time so when they are issued the patent, they have 17 years from that moment, which is longer than they would have otherwise.

Mr. Lehman claims there are hundreds of such cases. Unfortunately, he has not been able to prove that. There are some cases like that. Many of the examples he and other people in the Patent Office have given, in fact, are not cases of submarine patents, but are cases where the Government has, in fact, delayed the issuance of the patent, and sometimes for national security reasons, and not the patent applicant himself.

But I have been bent over backwards because I am concerned only about maintaining the 17 years of protection that is traditional for American patent applicants. So I have stated time and time again in meeting after meeting with the gentleman from California [Mr. MOORHEAD] and others, Mr. Lehman and others, people representing industry, I have said I will put into my legislation anything that we can put in that legislation that will solve the submarine patent issue as long as it does not diminish the 17 years of guaranteed protection that our American inventors have enjoyed, and, you know, no one has ever come back to me with any suggestions, which means that in my way of thinking that perhaps that issue is being used as a cover, as an excuse to diminish the time of patent rights and enrich multinational and foreign corporations by billions of dollars that they would not have otherwise.

The submarine patent issue is based on the idea that someone is playing the system at the Patent Office, which means the correction could be made simply by reforming the way the system works at the Patent Office, the way decisions are made at the Patent Office, the way the structure is set up by the Patent Office, which can be done by administrative reform and in no way does it mandate the diminishing of the intellectual property rights enjoyed by the American people.

I happen to believe that most people using the submarine patent argument are honest. They truly believe that this is the reason why that we have to bring down the number of years of patent protection, but again there are many people who are using this as a front to take away patent rights and take away property rights when the real solution could be done administratively without diminishing people's property rights at all.

So there my bill sits. There sits my patent bill, H.R. 359. The gentleman from California [Mr. MOORHEAD] claims there is no time for a hearing. Yet my bill has 170 cosponsors.

And last week, the gentleman from California [Mr. MOORHEAD] had a hearing in his subcommittee on another patent bill that was quickly put together that has two cosponsors, two. And what did that bill do? H.R. 1733, what did it do? What did the bill that is moving through the system accomplish? I will tell you what it does. It mandates that once an American files an application for a patent, that 18 months after that application is filed, whether or not the patent is issued within that 18 months, that patent application will be published for the world to see. This is before a patent has been issued, American inventors will see their creations published for the world.

It does not take a rocket scientist to understand the result of that will be the stealing of American technology by foreign interests and also by large corporations here. This, by the way, interestingly enough, why would anybody, why would anybody be stupid enough to come up with an idea about letting the world know all of our secrets of our technological creativity of our people even before the patents are issued to protect them? Why would they do this?

Well, this was another one of the demands that the Japanese had made to Bruce Lehman, and, you know, if we are going to have a harmonization and a goodwill between our countries, we have got to make sure that we have an understanding with Japan because, after all, it is our best trading partner, our biggest trading partner.

What we are talking about is a sign that says when a patent application is put into place, a sign that will be raised, a huge neon sign 18 months later that says, "Come and steal me. Anybody in the world, here is something of value, come and copy it."

There is something sinister happening here in Washington, or there is just something stupid happening here in Washington. The American people are about to become victimized in one of history's greatest ripoffs and they do not know what is coming down. They cannot see it happening. It is complicated; and it is a very complicated issue, and that is what all of these experts have been relying on.

But the Japanese and the Chinese, they are going to know; they know exactly what is happening. I will tell you that if the bill that the gentleman from California [Mr. MOORHEAD] is pushing through his subcommittee now passes and that every American inventor who applies after spending years trying to create new technology, if immediately after 18 months that this is published for the world, even before the patents are issued, before any kind of semblance of protection is granted, I can tell you that our Japanese and Chinese friends will have many people stationed here in Washington, DC. They will have offices right near the Patent Office because they will go there, and when it is published, the Japanese and Chinese runners will run to their offices, and the copy machines and the Xerox machines will be running, and the fax machines with overseas transmission lines to fax this material over to these other countries who are our competitors and trying to destroy us economically will be waiting for the good news of what new things, what new things, what new creations have Americans come up with today?

Does that not make you feel good? Something is happening. Something is happening. Something sinister or something stupid.

We are entering into a new technological age, and our government is destroying our greatest asset, the creative genius of our people. We are giving it away for some feather-headed notion that we are going to have global harmonization of patent rights and that is going to make us all love each other and we can operate in goodwill.

If we told the American people at any time that we wanted to have harmonization of the individual rights of our citizens to pray and to speak and to assemble and the other constitutional rights that we have, and we had some feather-brained government official making a deal with the government of Singapore or some other country, whether Japan or any other country, say, "By the way, the American people are just going to have to give up these rights that they have been talking about for so much. They are too individualistic. We need a new global concept of human rights to make sure wherever you go, people have the same human rights, so from now on the American people are going to have to accept the same human rights level and the same rights, political and social rights, that they would have if they lived in Singapore."

Do you think the American people would stand for that? Do you think anybody but a lamebrain would even think about offering that to the American people?

Well, somebody might offer it to them, but they might have some other motives in mind. Maybe they do not like the American people. Maybe they do not want the American people to have the rights that they have had fundamentally, both economically and politically, because they do not like America because of what America stands for.

Well, that is that what is happening here today. We are entering into a technological age, and our creative people are losing the fundamental rights that they have had as Americans. The investor who invest in new technology are finding that their investment, they will lose control of that investment of the product, of that investment, just like the inventor, and that their competitors, after a much shorter period of time, will end up using that technology against them and, in fact, their competitors will learn every detail of what they have created with their investment and their time and their energies even before it is granted a patent.

How can we look into the future and say that in this new technological era we are going to change the rules in a way that diminishes the incentive of our people to invest in technology?

Our biotech industry has invested tens of billions of dollars. Yet we are now going to tell our biotech industry whatever they come up with they are not going to have; if it takes them 10 years to get through the system, and sometimes it takes 15 years for them to get issued a patent, "Oh, I am just sorry, that means you are only going to have 5 years' or 3 years' worth of protection, even though you have invested billions and billions of dollars." What kind of effect will that have on America's future and our ability to lead the way, to keep and remain the technological leaders?

The biotech people will get ripped off, they know that, just like every other American inventor will get ripped off, and thus they will not invent, and thus they will not invest, because the system has changed fundamentally. Well, will these people, whoever they are, whether they are stupid or whether they are sinister, will they get away with this? Well, I do not know. But I can assure you this, the American people are going to hear about this. I am going to talk about it.

We have got 170 of my colleagues who have joined with me, and Senator DOLE who has joined with me in the Senate, to correct this horrible legislation, to restore American patent rights to what they were. We will not permit the gentleman from California [Mr. MOORHEAD], one man, to make the decision for this whole body on an issue of this magnitude. I call the system that would permit one man to make that decision for all of us a system that does not function for the people. I would call it an abuse of power if one individual tried to prevent the entire body from having a chance to vote on and to discuss this issue on the floor.

We Americans are respected because of our courage, our strength, but also one word that always comes to mind when people talk about the United States of America is creativity and ingenuity.

You know, Thomas Jefferson himself was an inventor. Visit Monticello. See those things that Jefferson did. What did he do? He thought of new ways to save labor and to make life better without having gone to spend as much time and effort.

What about Benjamin Franklin? We know about Benjamin Franklin. Benjamin Franklin was one of the premier inventors of his time in the world. He was also there at the Declaration of Independence, and he was there when our Founding Fathers put together that fundamental document of law that has served us so well, the Constitution of the United States.

It is no coincidence that technologists, that people who look to the future, were the people who wrote the Constitution of the United States of America.

□ 2215

It is up to us to carry on that tradition. Those people talked about individual rights. They talked about freedom. They talked about the dignity of the common man and that we would be a society that would be so prosperous that even the common man could own the product of his labor, could live in peace and harmony with his family. Unlike the other societies in Europe and in the vast stretches of Asia, tyranny would not reign in America because we believed in freedom and individual rights. Part of freedom and individual rights is the right of people to control their own creations, at least for a period of time in which they own that which they created. It is a precious right and as important to our society as any of the other rights Americans have enjoyed over these two hundred years, and now we have an unelected official, Bruce Lehman, making a secret deal with the Japanese, a deal that means that patent rights forever will be diminished for the American people, and we are supposed to accept that this will just be slipped through the system on a piece of legislation, the GATT implementation legislation in which it had no right to be in in the first place, and we had to vote yes on everything unless we wanted to say no in order to get that one little piece out.

This is a crime in progress. It is a rip-off of historic magnitude, and I can swear to you tonight they will not get away with it. We will alert the American people. This Congress is alerted to it already, and one man will not stand in the way.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mrs. MYRICK (at the request of Mr. ARMEY), for today, on account of family illness.

Mr. LAFALCE (at the request of Mr. GEPHARDT), for today after 8 p.m., and tomorrow, June 14, on account of attending my son's graduation ceremonies.

Mr. YATES (at the request of Mr. GEPHARDT), for today, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. GONZALEZ) to revise and extend their remarks and include extraneous material:)

Mrs. COLLINS of Illinois, for 5 minutes, today.

Mr. LIPINSKI, for 5 minutes, today.

Ms. JACKSON-LEE for 5 minutes, today.

(The following Members (at the request of Mr. KNOLLENBERG) to revise and extend their remarks and include extraneous material:)

Mrs. SEASTRAND, for 5 minutes, on June 14.

Mr. KNOLLENBERG, for 5 minutes, today.
Mr. GRAHAM, for 5 minutes, today.
Mr. KASICH, for 5 minutes, today.
Mr. JONES, for 5 minutes, today.
Mr. FOX of Pennsylvania, for 5 minutes, today.
Mr. SMITH of Michigan, for 5 minutes each day, today and June 14.
Mr. KINGSTON, for 5 minutes, today.
Mr. HAYWORTH, 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. GONZALEZ) and to include extraneous matter:)

Mr. MONTGOMERY.
Mr. STOKES.
Mr. ACKERMAN.
Mr. FRANK of Massachusetts.
Ms. LOFGREN.
Mr. PALLONE.
Mr. HILLIARD in two instances.
Mr. MOAKLEY.
Mr. FAZIO of California.
Mr. PETERSON of Minnesota.
Mr. SCHUMER.
Mr. DEUTSCH.
Mr. SANDERS.
Mr. HAMILTON.
Mr. DOOLEY.
Mr. VISCLOSKY.
Mr. DELLUMS.
Mr. FARR.
Mr. CONDIT.
Mr. HAYES.
Mr. BROWN of California.
Mrs. SCHROEDER.
Mr. RICHARDSON.
Mr. MINETA.
Ms. ESHOO.
Mr. WYDEN.
Mr. FILNER.
Mr. PASTOR.
Mr. TEJEDA.

(The following Members (at the request of Mr. KNOLLENBERG) and to include extraneous matter:)

Mr. BAKER of California, in two instances.
Mr. COBLE, in two instances.
Mr. SOLOMON, in two instances.
Mr. FORBES, in two instances.
Mr. WELDON of Pennsylvania, in two instances.
Mr. GEKAS, in two instances.
Mr. SHAW, in two instances.
Mr. ZIMMER, in two instances.
Mr. GILMAN.
Mr. RADANOVICH, in two instances.
Mr. HANSEN, in two instances.
Mrs. KELLY.
Mr. PACKARD.
Mr. GILMOOR, in two instances.
Mr. ARCHER, in two instances.

(The following Members (at the request of Mr. ROHRABACHER) and to include extraneous matter:)

Mr. TEJEDA.
Mr. BENTSEN.

ADJOURNMENT

Mr. ROHRABACHER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 19 minutes p.m.), the House adjourned until tomorrow, Wednesday, June 14, 1995, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1015. A letter from the Director, the Office of Management and Budget, transmitting the cumulative report on rescissions and deferrals of budget authority as of June 1, 1995, pursuant to U.S.C. 685(e) (H. Doc. No. 104–84); to the Committee on Appropriations and ordered to be printed.

1016. A letter from the Secretary of the Navy, transmitting a copy of the Department's determination that it is in the public interest to use other than competitive procedures for awarding a proposed contract, pursuant to 10 U.S.C. 2304(c)(7); to the Committee on National Security.

1017. A letter from the Chief Executive Officer, Resolution Trust Corporation, transmitting the Corporation's semiannual comprehensive litigation report, pursuant to Public Law 103–204, section 3(a) (107 Stat. 2374); to the Committee on Banking and Financial Services.

1018. A letter from the Chairman, Federal Trade Commission, transmitting the 22d report concerning the impact on competition and small business of the development and implementation of voluntary agreements and plans of action to carry out provisions of the International Energy Program, pursuant to 42 U.S.C. 6272(i); to the Committee on Commerce.

1019. A letter from the Acting Director, Defense Security Assistance Agency, transmitting the Department of the Air Force's proposed lease of defense articles to Australia (Transmittal No. 23–95), pursuant to 22 U.S.C. 2796a(a); to the Committee on International Relations.

1020. A letter from the Director, Defense Security Assistance Agency, transmitting notification concerning the Department of the Air Force's proposed Letter(s) of Offer and Acceptance [LOA] to the Netherlands for defense articles and services (Transmittal No. 95–27), pursuant to 22 U.S.C. 2776(b); to the Committee on International Relations.

1021. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting the Department's report on nuclear nonproliferation in South Asia for the period October 1, 1994, through April 1, 1995, pursuant to 22 U.S.C. 2376(c); to the Committee on International Relations.

1022. A letter from the Assistant Secretary of State for Legislative Affairs, transmitting copies of the original report of political contributions by William J. Hughes, of New Jersey, to be Ambassador Extraordinary and Plenipotentiary of the United States to the Republic of Panama, and members of his family, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on International Relations.

1023. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting notification that the Department has authorized danger pay for employees assigned to the Sindh Province of Pakistan, including the city of Karachi, pursuant to 5 U.S.C. 5928; to the Committee on International Relations.

1024. A letter from the Assistant Secretary of State for Legislative Affairs, transmitting copies of the original report of political contributions by David L. Hobbs, of California, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States to the Co-operative Republic of Guyana, and members of his family, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on International Relations.

1025. A letter from the Director, Office of Personnel Management, transmitting OPM's fiscal year 1994 annual report to Congress on the Federal Equal Opportunity Recruitment Program [FEORP], pursuant to 5 U.S.C. 7201(e); to the Committee on Government Reform and Oversight.

1026. A letter from the Inspector General, Railroad Retirement Board, transmitting the semiannual report on the activities of the Office of Inspector General for the period October 1, 1994, through March 31, 1995, pursuant to 5 U.S.C. app. (Insp. Gen. Act) Sec. 5(b); to the Committee on Government Reform and Oversight.

1027. A letter from the Secretary of Labor, transmitting the semiannual report on activities of the inspector general of the Pension Benefit Guaranty Corporation for the period October 1, 1994, through March 31, 1995, and the semiannual management report for the same period, pursuant to 5 U.S.C. app. (Insp. Gen. Act) Sec. 5(b); to the Committee on Government Reform and Oversight.

1028. A letter from the Chairman General, U.S. Consumer Product Safety Commission, transmitting the semiannual report on activities of the inspector general for the period October 1, 1994, through March 31, 1995, pursuant to 5 U.S.C. app. (Insp. Gen. Act) Sec. 5(b); to the Committee on Government Reform and Oversight.

1029. A letter from the Chairman, Federal Election Commission, transmitting proposed regulations governing the public financing of Presidential primary and general election candidates, pursuant to 2 U.S.C. 438(d); to the Committee on House Oversight.

1030. A letter from the Executive Director, U.S. Olympic Committee, transmitting the annual audit and activities report for calendar year 1994, pursuant to 36 U.S.C. 382a(a); to the Committee on the Judiciary.

1031. A letter from the Administrator, General Services Administration, transmitting an interim report on the operation of four Washington area telecommuting centers funded by fiscal year 1993 and 1994 appropriations; jointly, to the Committee on Government Reform and Oversight and Appropriations.

1032. A letter from the Secretary of Commerce, transmitting the annual report of the Secretary of Commerce to the Congress for the fiscal year ending September 30, 1994, pursuant to 15 U.S.C. 1519; jointly, to the Committees on Commerce, Ways and Means, Government Reform and Oversight, the Judiciary, Science, International Relations, Transportation and Infrastructure, and Banking and Financial Services.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LEACH: Committee on Banking and Financial Services. Supplemental report on H.R. 1062. A bill to enhance competition in

the financial services industry by providing a prudential framework for the affiliation of banks, securities firms, and other financial service providers (Rept. 104–127, Pt. 2).

Mrs. VUCANOVICH: Committee on Appropriations. H.R. 1817. A bill making appropriations for military construction, family housing, and base realignment and closure for the Department of Defense for the fiscal year ending September 30, 1996, and for other purposes (Rept. 104–137). Referred to the Committee of the Whole House on the State of the Union.

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. ROHRABACHER (for himself and Mr. HAYES):

H.R. 1814. A bill to authorize appropriations for environmental research, development, and demonstration activities of the Environmental Protection Agency for fiscal year 1996, and for other purposes; to the Committee on Science.

H.R. 1815. A bill to authorize appropriations for the National Oceanic and Atmospheric Administration for fiscal year 1996, and for other purposes; to the Committee on Science, and in addition to the Committee on Resources, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

H.R. 1816. A bill to authorize appropriations for civilian research, development, demonstration, and commercial application activities of the Department of Energy for fiscal year 1996, and for other purposes; to the Committee on Science.

By Mrs. VUCANOVICH:

H.R. 1817. A bill making appropriations for military construction, family housing, and base realignment and closure for the Department of Defense for the fiscal year ending September 30, 1996, and for other purposes; which was committed to the Committee of the Whole House on the State of the Union, and ordered to be printed.

By Mr. ARCHER (for himself, Mr. JACOBS, Mr. THOMAS, Mr. DELAY, Mr. CRANE, Mr. SHAW, Mr. BUNNING of Kentucky, Mr. HOUGHTON, Mr. HERGER, Mr. MCCRERY, Mr. HANCOCK, Mr. CAMP, Mr. RAMSTAD, Mr. ZIMMER, Mr. NUSSLE, Mr. SAM JOHNSON, Ms. DUNN of Washington, Mr. COLLINS of Georgia, Mr. PORTMAN, Mr. ENGLISH of Pennsylvania, Mr. ENSIGN, Mr. CHRISTENSEN, Mr. SOLOMON, Mr. YOUNG of Alaska, Mr. MYERS of Indiana, Mr. DORNAN, Mr. SMITH of Texas, Mr. ROHRABACHER, Mr. FROST, Mr. HALL of Texas, Mr. BURTON of Indiana, Mr. LIPINSKI, Mr. TORRICELLI, Mrs. VUCANOVICH, Mr. SAXTON, Mr. CALLAHAN, Mr. GALLEGLY, Mr. PICKETT, Mr. UPTON, Mr. POSHARD, Mr. STEARNS, Mr. BARTLETT of Maryland, Mr. BREWSTER, Mr. CRAPO, Mr. HILLEARY, Mr. INGLIS of South Carolina, Mr. KNOLLENBERG, Mr. MANZULLO, Mr. ROYCE, Mr. TALENT, Mr. CHAMBLISS, Mr. CHRYSLER, Mr. GANSKE, Mr. JONES, Mr. LARGENT, Mr. THORNBERRY, Mr. WATTS of Oklahoma, Mr. WELLER, Mr. WHITE, Mr. WICKER, Mr. HOKE, and Mrs. JOHNSON of Connecticut):

H.R. 1818. A bill to amend the Internal Revenue Code of 1986 to allow a deduction for contributions to a medical savings account by any individual who is covered under a catastrophic coverage health plan; to the Committee on Ways and Means.

By Mr. BARRETT of Wisconsin:

H.R. 1819. A bill to amend the Internal Revenue Code of 1986 to allow individuals a refundable credit for adoptions expenses with a larger credit for the adoption of a foster child; to the Committee on Ways and Means.

By Mr. CONDIT:

H.R. 1820. A bill to amend the Internal Revenue Code of 1986 to allow a credit against income tax for the purchase and installation of agricultural water conservation systems; to the Committee on Ways and Means.

By Mr. FARR (for himself, Mr. BLILEY, Mr. STUDDS, Mr. GILCHREST, Mr. PALLONE, Ms. PELOSI, Mr. GEJDENSON, Mr. ACKERMAN, Mr. BENTSEN, Mr. SAXTON, Mr. MORAN, Mr. TAUZIN, Mr. PETERSON of Florida, Ms. LOFGREN, and Mr. MARTINEZ):

H.R. 1821. A bill to amend the Internal Revenue Code of 1986 to provide that the diesel fuel tax on recreational boats shall be imposed only at the retail level; to the Committee on Ways and Means.

By Mr. FRANK of Massachusetts:

H.R. 1822. A bill to provide that Federal and State courts and agencies may not require that legal citations in which copyright subsists be the only acceptable submission to such courts and agencies where alternatives exist; to the Committee on the Judiciary.

By Mr. HANSEN (for himself, Mr. ORTON, and Mrs. WALDHOLTZ):

H.R. 1823. A bill to amend the Central Utah Project Completion Act to direct the Secretary of the Interior to allow for prepayment of repayment contracts between the United States and the Central Utah Water Conservancy District dated December 28, 1965, and November 26, 1985, and for other purposes; to the Committee on Resources.

By Mr. HAYES (for himself and Mr. BAKER of Louisiana):

H.R. 1824. A bill to authorize the Secretary of Labor to establish volunteer programs for the protection of employees of occupational hazards; to the Committee on Economic and Educational Opportunities.

By Mr. JOHNSON of South Dakota:

H.R. 1825. A bill to amend the Wild and Scenic Rivers Act to limit acquisition of land on the 39-mile headwaters segment of the Missouri River, Nebraska and South Dakota, designated as a recreational river, to acquisition from willing sellers; to the Committee on Resources.

By Mr. McHUGH:

H.R. 1826. A bill to repeal the authorization of transitional appropriations for the U.S. Postal Service, and for other purposes; to the Committee on Government Reform and Oversight.

By Mr. MINETA:

H.R. 1827. A bill to amend title 49, United States Code, to eliminate the requirement for preemployment alcohol testing in the mass transit, railroad, motor carrier, and aviation industries, and for other purposes; to the Committee on Transportation and Infrastructure.

By Mr. SCARBOROUGH:

H.R. 1828. A bill to require the Secretary of the Treasury to mint coins in commemoration of the 50th anniversary of the U.S. Navy Blue Angels; to the Committee on Banking and Financial Services.

By Mr. WYDEN:

H.R. 1829. A bill to evaluate the effectiveness of the juvenile justice system and report on certain information; to the Committee on the Judiciary.

By Mr. WELDON of Pennsylvania (for himself and Ms. DELAURO):

H. Con. Res. 74. Concurrent resolution authorizing the use of the Capitol Grounds for the exhibition of the RAH–66 Comanche helicopter; to the Committee on Transportation and Infrastructure.

By Mrs. KENNELLY:

H. Res. 166. Resolution designating minority membership on certain standing committees of the House of Representatives; considered and agreed to.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

110. By the SPEAKER: Memorial of the House of Representatives of the State of New Hampshire, relative to the Clean Air Act amendments; to the Committee on Commerce.

111. Also, memorial of the Senate of the State of Colorado, relative to protection of the fourth amendment; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. SCARBOROUGH:

H.R. 1830. A bill for the relief of Maj. Ralph Edwards; to the Committee on the Judiciary.

H.R. 1831. A bill for the relief of Harold David Strother, Jr.; to the Committee on the Judiciary.

By Mr. WISE:

H.R. 1832. A bill for the relief of Bruce L. Holland; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 38: Mr. BALLENGER and Mr. BEREUTER.

H.R. 60: Mr. LIPINSKI, Mr. BAKER of Louisiana, Mr. ROYCE, Mr. HILLEARY, Mr. WELLER, Mr. MCCRERY, Mr. HERGER, and Mr. HEFLEY.

H.R. 65: Mr. SCARBOROUGH, Mr. TRAFICANT, and Ms. RIVERS.

H.R. 103: Mr. EVANS.

H.R. 218: Mr. FUNDERBURK and Mr. PETRI.

H.R. 303: Mr. SCARBOROUGH, Mr. WELDON of Pennsylvania, Mr. SISISKY, Mr. TRAFICANT, and Ms. RIVERS.

H.R. 310: Mr. MARTINI.

H.R. 311: Mrs. MORELLA and Mrs. MEYERS of Kansas.

H.R. 312: Mr. MARTINI and Mrs. WALDHOLTZ.

H.R. 313: Mr. MARTINI.

H.R. 354: Mr. EHLERS.

H.R. 357: Mr. MARTINEZ.

H.R. 438: Mr. MARTINI.

H.R. 468: Mr. HASTINGS of Florida.

H.R. 481: Mr. MILLER of Florida and Mr. STEARNS.

H.R. 491: Mr. LAHOOD, Mr. BURR, and Mr. WELLER.

H.R. 528: Mr. MCDERMOTT and Mr. MATSUI.

H.R. 563: Mr. DOOLITTLE.

H.R. 580: Mr. FIELDS of Louisiana, Mr. LATOURETTE, Mr. BREWSTER, Mr. TORRES, Mr. TORKILDSEN, Mr. EDWARDS, Mr. SERRANO, Mr. LAFALCE, Mr. GRAHAM, Mr. CRAPO, Mr.

KILDEE, Mr. ORTIZ, Mr. GALLEGLY, Mr. BONO, Mr. CLEMENT, Mr. DICKS, Mr. TAUZIN, Mr. ENGLISH of Pennsylvania, Ms. LOFGREN, and Mr. ROEMER.

H.R. 587: Mr. REED.

H.R. 598: Mr. NUSSLE, Mr. ROBERTS, Mr. LAHOOD, Mr. SOLOMON, Mr. GOSS, Mr. MARTINI, Mr. BURR, Mr. RADANOVICH, and Mr. BROWDER.

H.R. 670: Mr. BRYANT of Texas.

H.R. 704: Mrs. MEYERS of Kansas and Mr. JOHNSON of South Dakota.

H.R. 709: Mr. MATSUI.

H.R. 713: Mr. BRYANT of Texas, Mr. JOHNSON of South Dakota, and Mr. REYNOLDS.

H.R. 714: Mr. POSHARD.

H.R. 721: Mr. MINETA.

H.R. 784: Mr. ROYCE, Mr. CALVERT, Mr. CRAPO, Mr. STUMP, and Mr. MONTGOMERY.

H.R. 820: Mr. HEFLEY, Mr. PICKETT, Mr. MCINNIS, Mr. FOX, and Mr. FOGLIETTA.

H.R. 833: Mr. BENTSEN.

H.R. 866: Mr. PICKETT and Mrs. MORELLA.

H.R. 868: Mr. BAESLER, Mr. MILLER of Florida, and Mr. MCCOLLUM.

H.R. 873: Mr. BOEHNER, Mr. SMITH of New Jersey, Mr. GALLEGLY, Mr. FRELINGHUYSEN, Mr. EMERSON, and Mr. HUNTER.

H.R. 904: Mr. LEVIN.

H.R. 911: Ms. DUNN of Washington, Mr. GALLEGLY, Mrs. FOWLER, and Mr. MOAKLEY.

H.R. 952: Mr. HAYES and Mr. PETRI.

H.R. 972: Mrs. THURMAN.

H.R. 973: Mrs. THURMAN and Mr. EMERSON.

H.R. 991: Mr. WILLIAMS.

H.R. 997: Mr. FOLEY, Mr. HEFNER, Mr. PASTOR, Mr. PICKETT, and Mr. POSHARD.

H.R. 1023: Mr. TORRICELLI, Mr. GILMAN, Mr. GALLEGLY, Mr. SHAW, Mr. WYNN, and Mr. JOHNSON of South Dakota.

H.R. 1024: Mr. BASS.

H.R. 1043: Mr. FRAZER.

H.R. 1090: Mr. HASTINGS of Florida, Mr. SISISKY, and Mr. FORBES.

H.R. 1100: Mr. BENTSEN.

H.R. 1114: Mr. WATTS of Oklahoma, Mr. KANJORSKI, and Mr. LATHAM.

H.R. 1118: Mr. STUPAK and Mr. LINDER.

H.R. 1124; Mrs. MEYERS of Kansas.

H.R. 1138: Mrs. MEYERS of Kansas and Mr. SMITH of Michigan.

H.R. 1140: Mr. OWENS, Mr. MCDERMOTT, Mr. COLEMAN, and Mr. SERRANO.

H.R. 1169: Mr. FRANK of Massachusetts.

H.R. 1210: Mr. TATE.

H.R. 1279: Mr. FUNDERBURK, Mr. HAYWORTH, Mr. HANCOCK, Mr. SHADEGG, and Mr. MILLER of Florida.

H.R. 1298: Mr. HERGER.

H.R. 1299: Mr. ENGLISH of Pennsylvania.

H.R. 1317: Mr. MARKEY and Mr. PALLONE.

H.R. 1339: Mr. COLEMAN, Mr. SMITH of New Jersey, Ms. SLAUGHTER, and Mr. CARDIN.

H.R. 1431: Mr. LIPINSKI and Mr. ENGLISH of Pennsylvania.

H.R. 1444: Mr. WAXMAN.

H.R. 1493: Mr. EVANS, Mr. SERRANO, Mr. MCDERMOTT, Mr. TOWNS, Mr. STUPAK, Mr. MORAN, and Mr. ENGLISH of Pennsylvania.

H.R. 1496: Ms. RIVERS.

H.R. 1501: Mr. DELAY and Mr. BURTON of Indiana.

H.R. 1515: Mr. MATSUI.

H.R. 1532: Mr. STUPAK, Mr. PASTOR, and Mr. BAKER of Louisiana.

H.R. 1594: Mr. HOSTETTLER, Mr. ZELIFF, Mr. BONILLA, Mr. WELDON of Florida, Mr. METCALF, MR. PACKARD, and Mr. WELLER.

H.R. 1610: Mr. ROGERS and Mr. FATTAH.

H.R. 1617: Mr. GOODLATTE.

H.R. 1631: Mr. BONO.

H.R. 1649: Ms. LOWEY, Mr. DAVIS, Mr. ENGEL, and Mr. DELLUMS.

H.R. 1680: Mr. MINGE, Mr. EWING, and Mr. PETERSON of Minnesota.

H.R. 1708: Mrs. SEASTRAND, Mr. HOBSON, Mr. ORTON, and Mr. SCHIFF.

H.R. 1713: Mr. PETERSON of Minnesota, Mr. MCINNIS, and Mr. ORTON.

H.R. 1735: Mr. POMEROY and Mr. HALL of Ohio.

H.R. 1739: Mr. DIAZ-BALART, Mr. CHAMBLISS, Mr. WOLF, Mr. MARTINEZ, Mr. ROHRABACHER, Mr. TOWNS, Mr. PACKARD, and Mr. MONTGOMERY.

H.R. 1744: Mr. TOWNS, Mr. ENGLISH of Pennsylvania, Mr. DAVIS, Ms. LOFGREN, Mr. LUTHER, and Mr. DOYLE.

H.R. 1791: Ms. RIVERS.

H.R. 1802: Mr. SCHIFF.

H.R. 1807: Mr. FRAZER, Mr. BEILENSON, Mr. SMITH of Texas, Ms. JACKSON-LEE, and Mr. FATTAH.

H. Con Res. 21: Mr. SANDERS and Mr. TORRICELLI.

H. Con Res. 50: Mr. BAKER of California.

H. Res. 160: Mr. BRYANT of Texas, Mr. GONZALEZ, Mr. GORDON, Ms. KAPTUR, Mr. MCHALE, and Ms. VELAZQUEZ.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 94: Ms. DANNER.

H.R. 1299: Mr. KLECZKA.

AMENDMENTS

Under clause 6 of rule XXII, proposed amendments were submitted as follows:

H.R. 1530

OFFERED BY: MRS. COLLINS OF ILLINOIS

(Amendment to the Amendment Offered by Mr. Clinger)

AMENDMENT NO. 2: Strike out sections 801, 802, 803, and 806 in the matter proposed to be inserted, and insert in lieu of section 801 the following:

SEC. 801. COMPETITION PROVISIONS.

(a) CONFERENCE BEFORE SUBMISSION OF BIDS OR PROPOSALS.—(1) Section 2305(a) of title 10, United State Code, is amended by adding at the end the following paragraph:

"(6) To the extent practicable, for each procurement of property or services by an agency, the head of the agency shall provide for a conference on the procurement to be held for anyone interested in submitting a bid or proposal in response to the solicitation for the procurement. The purpose of the conference shall be to inform potential bidders and offerors of the needs of the agency and the qualifications considered necessary by the agency to compete successfully in the procurement.".

(2) Section 303A of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253a) is amended by adding at the end the following new subsection:

"(f) To the extent practicable, for each procurement of property or services by an agency, an executive agency shall provide for a conference on the procurement to be held for anyone interested in submitting a bid or proposal in response to the solicitation for the procurement. The purpose of the conference shall be to inform potential bidders and offerors of the needs of the executive agency and the qualifications considered necessary by the executive agency to compete successfully in the procurement.".

(b) DESCRIPTION OF SOURCE SELECTION PLAN IN SOLICITATION.—(1) Section 2305(a) of title 10, United States Code, is further amended in paragraph (2)—

(A) by striking out "and" after the semicolon at the end of subparagraph (A);

(B) by striking out the period at the end of subparagraph (B) and inserting in lieu thereof "; and"; and

(C) by adding at the end the following new subparagraph:

"(C) a description, in as much detail as is practicable, of the source selection plan of the agency, or a notice that such plan is available upon request.".

(2) Section 303A of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253a) is further amended in subsection (b)—

(A) by striking out "and" after the semicolon at the end of paragraph (1);

(B) by striking out the period at the end of paragraph (2) and inserting in lieu thereof "; and"; and

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

"(3) a description, in as much detail as is practicable, of the source selection plan of the executive agency, or a notice that such plan is available upon request.".

(c) DISCUSSIONS NOT NECESSARY WITH EVERY OFFEROR.—(1) Section 2305(b)(4)(A)(i) of title 10, United States Code, is amended by inserting before the semicolon the following: "and provided that discussions need not be conducted with an offeror merely to permit that offeror to submit a technically acceptable revised proposal".

(2) Section 303B(d)(1)(A) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253b) is amended by inserting before the semicolon the following: "and provided that discussions need not be conducted with an offeror merely to permit that offeror to submit a technically acceptable revised proposal".

(d) PRELIMINARY ASSESSMENTS OF COMPETITIVE PROPOSALS.—(1) Section 2305(b)(2) of title 10, United States Code, is amended by adding at the end the following: "With respect to competitive proposals, the head of the agency may make a preliminary assessment of a proposal received, rather than a complete evaluation of the proposal received, rather than a complete evaluation of the proposal received, rather than a complete evaluation of the proposal and may eliminate the proposal from further consideration if the head of the agency determines the proposal has no change for contract award.".

(2) Section 303B of the Federal Property and Administrative Services Act of 1949 (41 (U.S.C. 253b) is amended by adding at the end the following: "With respect to competitive proposals, the head of the agency may make a preliminary assessment of a proposal, and may eliminate the proposal from further consideration if the head of the agency determines the proposal has no chance for contract award.".

(e) FEDERAL ACQUISITION REGULATION.—The Federal Acquisition Regulation shall be revised to reflect the amendments made by subsections (a), (b), (c), and (d).

EXTENSIONS OF REMARKS

TRIBUTE TO DANIEL D. CANTOR

HON. PETER DEUTSCH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1995

Mr. DEUTSCH. Mr. Speaker, I rise today to honor Daniel D. Cantor, who is being honored June 14, 1995 by the Joint Commission on the American promenade in Israel for his outstanding contributions in fostering and sustaining favorable relations between the State of Israel and the United States.

Mr. Cantor was chosen for this honor because of his appointment as the founding father from Florida to the State of Israel of the American-Israel Promenade. The American Promenade in Israel is a further tribute to the continuing friendship between our two countries. To be built at the gateway to Jerusalem, the Promenade will consist of 50 marble, 20-foot-high monuments bearing the flags of and the official seals of the 50 States as well as the United States-Israel Friendship Botanical Garden featuring Biblical and State trees, flowers and wildflowers. Mr. Cantor provided the leadership to bring about this significant gesture.

Mr. Cantor served in the U.S. Navy in 1942 immediately following graduation from New York Law School. Following his service in the Navy, Mr. Cantor went on to become a successful builder and developer and operator of shopping centers and homes for the aged in Florida and New York.

In addition to the American Promenade, Mr. Cantor has remained active in Jewish organizations in south Florida. He is the president and chairman of Israeli Bonds of Greater Fort Lauderdale and a life vice president and past campaign chairman of the Jewish Federation of Fort Lauderdale. He is also the president and founder of the Daniel D. Cantor Senior Center in Sunrise, FL, and chairman of the Daniel D. Cantor Charitable Foundation.

Again, I salute Daniel D. Cantor for his lifetime dedication to his community. He is eminently worthy of the honor being bestowed upon him.

FREEHOLD FIRE COMPANY CELEBRATES 50 YEARS OF FIGHTING FIRES

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1995

Mr. SOLOMON. Mr. Speaker, anyone who visits my office can't help but notice the display of fire helmets that dominates my reception area. They're there for two reasons. First, I had the privilege of being a volunteer fireman in my hometown of Queensbury for more than 20 years, which helps explain the second reason, the tremendous respect that experience gave me for those who provide fire protection in our rural areas.

Mr. Speaker, in a rural area like the 22d district of New York, fire protection is often solely in the hands of these volunteer companies. In New York State alone they save countless lives and billions of dollars worth of property. This is why the efforts of people like those fire fighters in Freehold, NY, is so critical.

This fire company was established in 1945 by a group of people concerned with the safety of their neighbors in Freehold. Originally, the village was under the jurisdiction of the East Durham volunteer fire company, however, it became apparent that their territory was too large to adequately service Freehold. Therefore, a group of concerned residents took it upon themselves to form their own fire company to protect local citizens. This, Mr. Speaker, is the true spirit of volunteerism which made our Nation what it is today. It is tribute to this uniquely American concept that the Freehold Fire Company has continued to ensure the safety of their neighbors for 50 years now.

Aside from providing fire protection, the Freehold Fire Company and its members have become an integral part of the community over the years. They have steadily been able to improve their facilities in order to host various dinners and activities. By renovating their meeting hall, the Freehold Fire Company cohosted the 86th annual Greene County Volunteer Firemen's Convention in 1974. Furthermore, the grounds have been the site of the Freehold little league baseball field since 1975, providing countless youngsters the invaluable experience of being part of a team and representing their community. Finally, in 1986, the fire company built a new equipment building which effectively doubled their equipment and office space.

For all their extraordinary service and growth, it is clear we owe the members of the Freehold Volunteer Fire Company an extreme debt of gratitude. This Saturday, June 17th, the community will have the opportunity to express their gratitude at an open house. Now, Mr. Speaker, I ask you and all Members to rise with me and pay tribute to the efforts of those who comprise the history of the Freehold Volunteer Fire Department. May they continue to serve the Freehold community for another 50 years and beyond.

CONGRATULATIONS TO THE BRIDGEHAMPTON FIRE DEPARTMENT

HON. MICHAEL P. FORBES

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1995

Mr. FORBES. Mr. Speaker, I rise today to congratulate the Bridgehampton Fire Department for 100 years of excellent service to the people of the town of Southampton and particularly the people of Bridgehampton. The residents of Southampton are very fortunate to have such a well trained and dedicated Fire Department. The Bridgehampton Fire Department has established itself as one of the best departments in New York and has achieved an impeccable record.

If one examines the Bridgehampton Fire Department, it comes as no surprise that they have been successfully fighting fires for 100 years. With the leadership of Commissioner Howell H. Topping, this fire department has played a very active role in the life of the Southampton community. Commissioner Topping possesses all of the traits that a town could possibly desire in its fire commissioner, such as superb leadership and concern for the community and its citizens. The Bridgehampton Fire Department consists of more than 100 volunteer firefighters and no career firefighters, offering further evidence of their dedication and commitment to the community of Southampton.

On Saturday, June 17, 1995, the Bridgehampton Fire Department will celebrate its 100th anniversary, and Mr. Speaker I ask that you and the rest of the House join me in congratulating the fire department on achieving this momentous feat. This is a much deserved celebration and I wish them all the best on their day of glory. These men and women truly are the heroes of our day. They give of themselves to the community because of the love and pride they all share for their town.

I hope that each resident of Southampton would, if they are able, to express the debt of gratitude that they owe the Bridgehampton Fire Department. They have certainly earned it.

TRIBUTE TO HENRY T. NACRELLI

HON. CURT WELDON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1995

Mr. WELDON of Pennsylvania. Mr. Speaker, I rise today to commend and pay tribute to Henry T. Nacrelli, superintendent of schools in the Rose Tree Media School District and a constituent from Broomall, PA.

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

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

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When Hank Nacrelli retires on June 30, 1995, he will come to the close of a highly distinguished career in the field of education. Hank began his life-long teaching career in 1961 at Media High School, my alma mater, where he also served as head football coach and athletic director, inspiring students in and out of the classroom. He later served as the school district's Federal program director and wrote its first chapter I program. He then went on to serve as a guidance counselor, principal of both Media and Springton Lake Junior High Schools, and assistant superintendent. In 1981, Hank was appointed to his current position as superintendent of schools.

Under his careful guidance as superintendent, Rose Tree Media schools have been recognized for excellence on both State and national levels. The Pennsylvania Department of Education has also commended the school district for maintaining consistently high student achievement on statewide assessment tests.

These honors bestowed upon the Rose Tree Media School District stem from Hank's ingenuity and dedication to the school system. To enhance the education of the entire community, Hank developed the "RTM Challenge," a program to promote recreational reading for not only students, but for staff and parents, as well.

Throughout his long and admirable career, Hank Nacrelli has brought an extraordinary level of commitment to the positions he has held. He has helped mold the lives of thousands of young people, providing students with a positive educational experience as a community leader. Under his leadership, the Rose Tree Media School District has met the multitude of challenges facing education today. As a result, he has earned the utmost respect of students, staff, parents, and the rest of the community.

As a former teacher, I have great respect for men and women who dedicate their lives to the education of America's children. Mr. Speaker, please join me in congratulating Henry T. Nacrelli for his leadership and dedication to education, and in wishing him much happiness in his retirement. His guidance will certainly be missed, but his legacy will long endure.

TRIBUTE TO WILLIAM M. COUCH

HON. PAUL E. GILLMOR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1995

Mr. GILLMOR. Mr. Speaker, I would like to take this opportunity to recognize an exceptional young man from my district who has recently accepted his appointment as a member of the class of 1999 at the U.S. Naval Academy.

William M. Couch graduated Margaretta High School in 1992 and joined the Navy. In the service, he has won numerous awards and commendations. While in high school, William distinguished himself as a leader among his peers. He is an outstanding citizen and patriot.

Mr. Speaker, one of the most important responsibilities of Members of Congress is to identify outstanding young men and women and to nominate them for admission to the U.S. service academies. While at the Academy, they will be the beneficiaries of one of the finest educations available, so that in the future, they might be entrusted with the very security of our Nation.

I am confident that William M. Couch has both the ability and the desire to meet this challenge. I ask my colleagues to join me in congratulating him for his accomplishments to date and to wish him the best of luck as he continues his career in service to our country.

TRIBUTE TO DAVID McINTOSH

HON. E. CLAY SHAW, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1995

Mr. SHAW. Mr. Speaker, I rise today to bring to the attention of this body a very distinguished Floridian, Mr. David McIntosh, of West Palm Beach, FL. Mr. McIntosh was inducted into the University of Florida Athletic Hall of Fame on April 7, 1995, as a distinguished letterman. Mr. McIntosh was a quarterback for the Gators from 1964 through 1967.

According to the Hall of Fame Criteria, a distinguished letterman is a letter-winner honored for major contributions to the university athletic programs through the investment of personal time, effort, and interest for many years, for distinguished service to and achievement in local, State, and national civic and charitable causes and for distinguished career achievements.

Mr. McIntosh has served in many capacities at the University of Florida. He is in his 5th year as a member of the board of directors of the University Athletic Association, its vice president, a member of its finance committee, and the chair of its audit committee. Mr. McIntosh is a past president of the University of Florida National Alumni Association. He has been a member of the board of directors of the University of Florida Foundation for many years, serving as chair for four of its committees: investments, budget, audit, and strategic planning. He is a past member of the board of directors of Gator boosters. He serves on the College of Business executive advisory board and previously served on the advisory board to the School of Accounting and on the College's Real Estate Advisory Board. He also served as the cochair of the major gifts committee for the College of Business during the University's Campaign for Excellence.

Mr. McIntosh has been very active in other capacities as well. He has served Palm Beach County as president of the United Way, the YMCA, the science museum, the Forum Club, and other organizations, as well as taking an active role in many other civic, charitable, and governmental causes on the local, State, and national level.

Mr. McIntosh has served as the chief executive officer of the 100-lawyer south Florida law firm of Gunster, Yoakley, Valdez-Pauli & Stewart, P.A., for the past 11 years. Prior to that time, he practiced as a CPA with Coopers & Lybrand in West Palm Beach for 15 years. He has earned many forms of professional recognition in each of those capacities.

Mr. McIntosh lives in West Palm Beach, FL, with his wife Leslie M. Ritch, and their 18-month old daughter, Madison Marie. He is indeed a source of pride for all graduates of the University of Florida.

CENTRAL UTAH PROJECT PREPAYMENT AMENDMENT OF 1995

HON. JAMES V. HANSEN

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1995

Mr. HANSEN. Mr. Speaker, I rise today to introduce the Central Utah Water Project Prepayment Amendment of 1995.

Under this legislation, the Secretary of the Interior will be extended the authority to allow the Central Utah Water Conservancy District to prepay municipal and industrial water delivery facilities under the same terms and conditions as negotiated by the Department of the Interior for the prepayment of the Jordan Aqueduct system as previously authorized in section 210 of the Central Utah Project Completion Act.

The bill does not call for any new Federal spending. The title to the facilities will remain with the United States of America. I am informed by the district's bond counsel that the prepayment of these Federal contracts could in fact result in as much as a $200 million payment to the Federal Treasury.

The successful implementation of this amendment will be beneficial financially to both the Federal Government and the local water district.

U.S. CONGRESSIONAL SUPPORT FOR THE LAO AND HMONG VETERANS COMMEMORATION CEREMONY IN FRESNO, CA, MARKING THE 20TH ANNIVERSARY OF THE FALL OF SOUTHEAST ASIA TO COMMUNISM

HON. GEORGE P. RADANOVICH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1995

Mr. RADANOVICH. Mr. Speaker, on May 6 in my congressional district in Fresno an important air show and dinner conference was held by the Lao Veterans of America organization to mark the 20th anniversary of the fall of South Vietnam and other Indochina nations to Communist aggression.

Present at the air show from the Fresno area and from across the United States were thousands of Hmong and Lao combat veterans of the Vietnam war as well as their families. Also in attendance were many important individuals and officials including: Maj. Gen. Vang Pao, former commander of Military Region II in the Royal Lao Army; Gen. Thonglit Chokhbenbol, former commander in the Royal Lao Army; Gen. Nguyen Khanh, former President of the Republic of South Vietnam and army commander; Mike Johns, former White

House speech writer for President George Bush; Phillip Smith, director of the Center for Public Policy Analysis in Washington, DC; Col. Douglas R. Moore, commander of the 144th Fighter Wing, Air National Guard; Lt. Col. James Arthur, wing executive officer, 144th Fighter Wing, Air National Guard; Jim Patterson, mayor of Fresno; Madame Nguyen, Vietnamese community leader and human rights activist; Joe Scheimer, representative of the Ravens, one of the organizations of United States pilots who flew covert military operations during America's secret war in Laos; Christopher Robbins, journalist and author of the important book, "The Ravens: The Men Who Flew in America's Secret War in Laos"; and Robert Lung, a Fresno city councilman.

CAPITALISM AFTER THE COLD WAR

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1995

Mr. GEKAS. Mr. Speaker, I rise today to recognize the efforts of the Denver and Ephrata Telephone & Telegraph Co. [D&E], a proven leader in the telecommunications industry. Along with three other firms, D&E is spearheading the development of a communications network in Hungary.

Since the end of the cold war, we have seen how the opening of new markets in Eastern Europe has affected the political and economic climate across the globe. The strength of our free-market system gave us victory in the cold war, and that same strength will help us to forge new friendships with developing nations by stimulating economic growth both here and abroad.

D&E is the 34th largest telephone company in the United States and serves more than 48,000 customers in northern Lancaster County, PA. It is recognized as a leader in the telecommunications industry due to its use of advanced technology.

D&E has joined three midwestern firms to create a consortium known as the Monor Communications Group [MCG]. The goal of this consortium is to provide modern telecommunications service to the people of Hungary. In May 1994, Hungary's Ministry of Telecommunications signed a concession contract allowing MCG to form a Hungarian-American telephone company named Monor Telefon Tarasag [MTT].

Monor, a suburb of Budapest, was selected as the location for MTT. The Monor region consists of 43 towns with a total population of 225,000 people. Then are approximately 78,000 private residences and 5,000 businesses.

MTT is steadily constructing a sophisticated, fiber optic linked, digital telecommunications network. Upon obtaining the MTT territory, there were 12,000 existing telephone lines. By the end of 1995, MTT plans to have 42,000 digital lines in service. A total of 70,000 lines should be in service by the end of 1996. In addition, MTT will provide cable TV as well as other value-added communications services. MTT looks to offer sophisticated technology along with the commitment to quality service that has been a trademark of D&E for more than 83 years.

This type of American ingenuity and forward-thinking should be an example to other American businesses in all industries. The decline of communism has provided a golden opportunity for economic investment, as well as the development of a mutual understanding between our cultures. Mr. Speaker, I invite my colleagues to join with me in saluting the efforts of the Denver and Ephrata Telephone & Telegraph Co.

THE OMNIBUS TRANSPORTATION EMPLOYEE TESTING ACT AMENDMENTS OF 1995

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1995

Mr. MINETA. Mr. Speaker, today, I am introducing the Omnibus Transportation Employee Testing Act Amendments of 1995. This bill, if enacted, will allow both the Department of Transportation and transportation employers to focus their efforts and resources on activities that truly enhance safety.

In 1991, Congress enacted legislation that imposed significant new drug and alcohol testing requirements on the transportation sector. The required testing included all modes—mass transit, railroad, trucking, and aviation—and many kinds of testing—preemployment, reasonable suspicion, random, and postaccident. The purpose of the legislation was to improve transportation safety, and the bill contributed to that goal.

However, one part of this bill has been mired in legal problems, and, as a result, simply does not contribute to transportation safety. That is the part of the bill having to do with preemployment testing for alcohol.

The core of the problem is that alcohol consumption by someone not yet employed in the transportation sector is not illegal. The bill attempted to deal with this problem by requiring preemployment testing for alcohol use, in violation of law or Federal regulation. However, this creates an unworkable situation where we require employers to test applicants, knowing that in virtually all instances, the results cannot be put to any purpose.

A recent decision by the court of appeals found that the Department of Transportation's regulations to implement preemployment testing for alcohol were inappropriate and the court vacated those regulations. The Department of Transportation suspended the regulations for preemployment alcohol testing to comply with the court's decision. But, we still have on the books statutory requirement to do something that everyone now acknowledges makes no sense, that is preemployment testing of all applicants for illegal consumption of alcohol.

We need to clean up this absurd situation and get both industry and the Department of Transportation focused on the testing that improves transportation safety. DOT estimates that preemployment alcohol testing of transportation applicants would cost around $30 million per year. This represents resources and attention that would be far more effective if focused on the testing that does produce safety benefits. We need to focus on the requirements for reasonable suspicion, random, and postaccident testing with respect to alcohol. In the case of illegal drugs, we need to focus on all types of testing, including preemployment.

The bill I am introducing today would rescind the invalidated requirement for preemployment alcohol testing of transportation employees, while making it clear that employers have the option of conducting such tests, if they wish. All other requirements for drug and alcohol testing are retained.

Thus, this bill eliminates a requirement that has proven to be unworkable, in favor of those requirements that have been effective in our ongoing efforts to improve transportation safety. We need to focus both our resources and our regulatory attention on those areas where we can achieve the greatest public safety benefit.

OMNIBUS TRANSPORTATION EMPLOYEE TESTING ACT AMENDMENTS OF 1995—SECTION-BY-SECTION ANALYSIS

Section 1: Section 1 establishes a short title for the bill—the "Omnibus Transportation Employee Testing Act Amendments of 1995."

Section 2: Section 2 amends existing language of the Omnibus Transportation Employee Testing Act of 1991 concerning drug and alcohol testing in the mass transit industry. It does not change the current provision of the Act that the regulations requiring testing in that industry provide for preemployment, reasonable suspicion, random, and post-accident drug testing. However, it provides that only three kinds of alcohol testing—reasonable suspicion, random, and post-accident—are required. The bill would eliminate the statutory mandate for preemployment alcohol testing, on the basis that this form of alcohol testing is less necessary than the others in order to have an effective program for deterrence and detection of alcohol misuse. Because alcohol is a legal substance that dissipates from the bloodstream relatively quickly, testing for its presence is most valuable at the time when safety-sensitive functions are performed. By contrast, the drugs for which testing is required are illegal, and their detection even during preemployment testing is important. Preemployment alcohol testing under the Act currently is estimated to cover more than seven million employees and cost about $30 million annually.

However, many employers may find that conducting preemployment alcohol testing can serve a useful purpose as a way of emphasizing, from the outset of an employee's connection with an employer, the employer's commitment to a substance abuse-free transportation workplace. Employers may also find preemployment alcohol testing helpful to screen out applicants whose use of alcohol is chronic. Such employers may wish to have preemployment alcohol testing as part of their substance abuse prevention programs. For this reason, the amendment provides that employers who choose to require preemployment alcohol testing may do so as part of their program that responds to the Act and Department of Transportation regulations.

Section 3: This section makes parallel changes to the railroad industry testing requirements under the Omnibus Transportation Employee Testing Act of 1991.

Section 4: This section makes parallel changes to the motor carrier industry testing requirements under the Omnibus Transportation Employee Testing Act of 1991.

Section 5: This section makes parallel changes to the aviation industry testing requirements under the Omnibus Transportation Employee Testing Act of 1991, including testing for Federal Aviation Administration employees performing safety-sensitive functions.

Section 6: This section establishes an effective date for the amendments made by the Act.

HONORING DON SCHIRRICK AS MINNESOTA KNIGHT OF THE YEAR

HON. COLLIN C. PETERSON

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1995

Mr. PETERSON of Minnesota. Mr. Speaker, I would like to congratulate a good friend of mine, Don Schirrick, for being honored as Minnesota's Knight of the Year. It is an honor that is well deserved.

Don joined the Knights of Columbus 7 years ago in Thief River Falls, MN, and 4 years ago, he helped start a council in Red Lake Falls. That council has now grown to 100 members.

Don has always been one of those people who thinks of others before thinking of himself. He has spent much of his time during the past 4 years raising money for the community. Just last year, he worked on an annual marathon, which raised $7,000 for St. Joseph's School and a Tootsie Roll drive, which raised about $600 for Northwood Home.

Don was named local Knight of the Year last year, which entitled him to enter the State competition against 20,000 others. A panel of seven knights from across the State picked Don as Minnesota Knight of the Year.

Again, Mr. Speaker, I would like to ask my colleagues to join me in congratulating Don Schirrick on his honor, and thanking him for his tireless work on behalf of the Knights of Columbus and the community of Red Lake Falls.

DRUG LEGISLATION

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1995

Mr. SOLOMON. Mr. Speaker, I would like to share with you some excerpts from an excellent speech recently given by former HEW Secretary Joseph Califano. Mr. Califano explores a subject that, unfortunately, is only seldom discussed—the enormous costs to taxpayers resulting from substance abuse. He also makes it clear that drug legalization would have disastrous consequences, especially on inner city communities.

Let me give just one example of how little most Americans understand about the wages of substance abuse. Do you ever see newspapers or television news report the amount that Federal entitlement programs pay out because of substance abuse? The answer is a colossal $77.6 billion this year—an amount equivalent to 40 percent of the Federal deficit.

Legalization of drugs in the United States is a policy of despair, one that would write off millions of our citizens, a disproportionate number of them black and Hispanic. It has not worked anywhere it has been tried. The claim that drug legalization in some European nation stands as a success story, especially when measured against the alleged failure of American drug policy, is specious.

Legalizers often cite marijuana as a harmless drug. Nonsense. Smoking pot savages short-term memory and ability to concentrate. And smoking pot can lead to use of other drugs for thousands of individuals. 12- to 17-year-olds who smoke pot are 85 times more likely to use cocaine than those who don't.

Secretary Califano understands that drug legalization would have one sure effect: Vulnerable inner city communities would become even more enslaved to drug pushers.

CONGRATULATIONS TO MR. AND MRS. KIRYLO ON THEIR 50TH WEDDING ANNIVERSARY

HON. MICHAEL P. FORBES

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1995

Mr. FORBES. Mr. Speaker, I rise today to congratulate Walter and Maria Kirylo on 50 glorious years of marriage. This fine couple is certainly a testament to the "American Dream." They have shown us all that dedication and love can be a great blessing and bring great blessings, leading to a happy and successful life and family.

Walter John Kirylo was born on April 14, 1918 in Cambridge, MA. As a member of the U.S. Infantry, Walter served honorably in World War II, securing the blessings of liberty and the fruits of freedom for generations to come. Shortly after the liberation of Holland in 1944, he met Maria Christina Callemeyn. One year later, they were married in Maastricht.

Walter and Maria now live in Ogden, UT, where they enjoy gardening and traveling. The pride of their lives are their 8 children and 10 grandchildren whom they love dearly.

Like so many others, the life that Walter and Maria have shared has been marked by moments of great happiness and great struggle. Ultimately, however, their love story has been a beacon of joy and love in a world sometimes darkened by loneliness and isolation. I'm sure that the entire House of Representatives joins me in expressing our gratitude and congratulations to Walter and Maria Kirylo.

TRIBUTE TO HARRY O'NEIL

HON. CURT WELDON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1995

Mr. WELDON of Pennsylvania. Mr. Speaker, I would like to take a brief moment to recognize Mr. Harry O'Neil, a constituent from my district who is this year's recipient of the Sourin Memorial Award. This great honor was bestowed upon him by the Catholic Philopatrian Literary Institute, and it represents society's appreciation for an individual who has made noteworthy contributions and achievements in a lifetime of adopting Catholic ideals, morality, and good citizenship.

Mr. O'Neil is currently a partner in the Philadelphia law firm of Stradely, Ronan, Stevens, and Young and practices banking and real estate law. As an employer in his banking practice he is well respected and liked by all, and is affectionately seen by his employees and colleagues as a tough but fair boss. In addition to his achievements here, he has served as counsel for the Dioceses of Philadelphia's Cemetery Division. He attended undergraduate and law school at Villanova University and received his B.S. in 1957 and his J.D. in 1977. Remarkably, he did not attend law school until he was 38, after having 4 children, and he graduated in the top 5 percent of his class. Most importantly, he is, I am advised by one of his children, an understanding father who has raised his children to respect and love the Lord, but who has never forced religion upon them.

Mr. O'Neil is the kind of citizen who both practices and teaches values that make our society a hard working and ethical one. As an employer, as an active member of his community, and as a loving father, he has achieved much in his lifetime. I would like to add that this is one of the first years that the Sourin Award has been given to a member of the laity rather than to a member of the clergy, and he clearly deserves it.

TRIBUTE TO JERROD E. HAWK

HON. PAUL E. GILLMOR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1995

Mr. GILLMOR. Mr. Speaker, I would like to take this opportunity to recognize an exceptional young man from my district who has recently accepted his appointment as a member of the Class of 1999 at the U.S. Military Academy.

Jerrod E. Hawk graduated Paulding High School in 1994 and enrolled in Marion Military Institute. At the institute he has worked hard to prepare himself for a career in the military. While in high school, Jerrod distinguished himself as a leader among his peers. He is an outstanding citizen and patriot.

Mr. Speaker, one of the most important responsibilities of Members of Congress is to identify outstanding young men and women and to nominate them for admission to the United States service academies. While at the academy, they will be the beneficiaries of one of the finest educations available, so that in the future, they might be entrusted with the very security of our Nation.

I am confident that Jerrod Hawk has both the ability and the desire to meet this challenge. I ask my colleagues to join me in congratulating him for his accomplishments to date and to wish him the best of luck as he begins his career in service to our country.

MR. HUU DINH NGUYEN RECOGNIZED ON THE OCCASION OF HIS RETIREMENT

HON. ZOE LOFGREN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1995

Ms. LOFGREN. Mr. Speaker, I rise today to acknowledge and extend my heartfelt congratulations to Huu Dinh Nguyen, on the occasion of his retirement from the Santa Clara County Social Services Agency. Mr. Nguyen's commitment to social work has improved the quality of life of many people. I commend his tireless dedication and relentless self-sacrifice in the name of public service.

Mr. Nguyen was born in Vietnam and earned a master's degree in literature from the University of Saigon. He later went to U.S. Army military schools in Georgia and Okinawa. A colonel in the South Vietnam Army, Mr. Nguyen came to the United States when North Vietnam overtook South Vietnam in 1975.

Following a brief stay in Alabama, Mr. Nguyen moved to California and began working for the Santa Clara County Social Services Agency. He was assigned to the Child Welfare Service Unit where he managed children in foster and adoptive programs. He has recently been recognized with the Daniel E. Koshland Award for outstanding social worker of the year for the State of California. Mr. Nguyen's 15 years of service is commendable.

Further, in his spare time, Huu Dinh Nguyen established Aid to Refugee Children Without Parents [ARCWP]. ARCWP is a nonprofit, volunteer organization which helps children in Southeast Asian refugee camps. Mr. Nguyen has served on several boards and commissions committed to helping children in need.

Mr. Dinh Nguyen is a shining example of what the United States of America is all about. This Nation was built on certain ideals including community, self-sacrifice, and caring. Mr. Nguyen has demonstrated, through his career as a social worker and by his voluntarism, that he is committed to those ideals that Americans value.

Mr. Speaker, I would like to express my own congratulations and gratitude to Mr. Huu Dinh Nguyen on behalf of my constituents in the 16th District of California and the U.S. House of Representatives.

PORT WASHINGTON YOUTH ACTIVITIES HONORS RUDY HOTAREK, TOM ROBERTSON, AND TOM BROWN

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1995

Mr. ACKERMAN. Mr. Speaker, I rise today to join with my constituents in the 5th Congressional District of New York, and the citizens of the Village of Port Washington, in Nassau County, in recognizing the Port Washington Youth Activities [PYA] as it celebrates its Fifth Hall of Fame Dinner Dance.

This year, the PYA will honor three individuals, Rudy Hotarek, Tom Robertson, and Tom Brown, for their dedication and support of youth activities in the community. These individuals will be inducted into the Port Washington Youth Activities Hall of Fame.

Rudy Hotarek was a significant force in the developmental days of PYA; he served as coach, officer, and member of the board for more than 10 years.

Tom Robertson was a distinguished and involved coach of young people for more than 12 years. He lent his exceptional efforts to PYA's football, basketball, and lacrosse programs.

Finally, Tom Brown is being honored for athletic achievements in basketball and football at the collegiate level in the 1970's. Much of the PYA's reputation for skillful competition and dedication to excellence was developed during Tom Brown's participation as a young man in PYA football, basketball, and baseball programs.

All three of these gentlemen are being recognized for their individual and collective contributions to youth sports. Their achievements are an excellent reflection upon themselves, their families, and their community, and represent the true American spirit of dedication and volunteerism embodied by the PYA. These three men are most deserving of this honor, and merit the special appreciation of their neighbors and friends.

Mr. Speaker, I ask all my colleagues in the House of Representatives to join me now in honoring Rudy Hotarek, Tom Robertson, and Tom Brown, and in congratulating the Port Washington Youth Activities for its generous contributions and dedicated service to the community.

HONORING ALISON GAVRELL

HON. BILL BAKER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1995

Mr. BAKER of California. Mr. Speaker, in June, a very talented young woman from my district in California will be traveling to Washington to receive a major literary award. Alison Gavrell will receive the Silver Award at the Scholastic Art and Writing Awards national exhibition at the Corcoran Gallery of Art for her short story, "Don't Believe Everything You Read."

This prestigious program, which honors talented young writers and artists from across the Nation, is designed to encourage some of America's finest and most gifted students in the pursuit of excellence. Alison plans to read from her story at the Library of Congress Saturday, June 17, and will be part of the ceremony and reception for all national award winning students at the Corcoran the following day.

Alison, a student at the Dorris-Eaton School in Walnut Creek, deserves high praise for her diligence, self-discipline, and creativity. My congratulations also go to her parents, George and Elaine Gavrell, and her teacher, Ms. Deeni Schoenfeld for their contributions to Alison's signal achievement. It is a pleasure for me to recognize Alison in the CONGRESSIONAL RECORD.

HONORING PHILIP BILGRAY, RAMP SERVICEMAN AT WASHINGTON DULLES INTERNATIONAL AIRPORT

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1995

Mrs. SCHROEDER. Mr. Speaker, I would like to bring to your attention the following story published in Hemispheres about Philip Bilgray, a United Airlines employee. Mr. Bilgray is the first hearing-impaired employee to work on the ramp at Washington Dulles International Airport. I have had the pleasure of meeting Mr. Bilgray and can tell you that he is a very special individual. He is proud of the work he does and of the fact that he has helped other employees learn sign language so that they can communicate better in situations where oral communication is impossible. As a frequent traveler, I feel good knowing that Philip Bilgray is working to keep everything running smoothly.

UNITED VOICES

(By Philip Bilgray)

My name is Philip Bilgray, and I am a Ramp Serviceman. You could say that I broke new ground as the first hearing-impaired employee on the ramp at Washington Dulles International Airport, where I've worked since 1986.

Some people may think it's difficult for me to do my job because I interact a lot with other employees and customers. But my disability doesn't get in the way of my work. Much of the time, aircraft noise on the ramp makes it very difficult for anyone to hear, and ramp employees often use hand signals to communicate as they work. In fact, I've expanded that practice by teaching my coworkers some simple sign language, and now we can communicate even better without speaking.

Also, driving a tug in the ramp area isn't much different for me than driving a car. In both cases, I take special precautions to make sure that I see nearby vehicles because I can't hear them approaching. With aircraft and other vehicles everywhere, making the extra effort to constantly look around ensures that I'm upholding our corporate value: Safety is all times, in all things.

As a United employee, I am proud to take care of your luggage whether you're traveling for business or pleasure. I try to help you if you have luggage problems. When delays occur, each of us knows that being a team is more important than ever, and by working together, we can minimize the impact of a delayed or cancelled flight.

Although I've taken my career at United seriously and I've worked hard, my parents get the credit for my successful entry into the workplace. They encouraged me to speak and sent me to a special private school for the speech impaired to make sure I could communicate with other people, like my coworker, supervisors, and manager. My parents gave me the confidence to go for what I wanted, and what I've always wanted is to work for the best airline in the world. And the really great thing is, I don't just work at United anymore, I'm one of the owners!

I've found that sometimes the best way to learn about a job you're interested in is to take a straightforward approach. Although I'm very open about my deafness, I know some people don't like the word "handicapped," so I say that people like me who are deaf or hard of hearing are exceptional people, who can do anything if they put their mind to it.

There are many examples of hearing-impaired people achieving a lot of success. Many people saw the Miss America Pageant on TV this past year and witnessed the crowning of the first hearing-impaired winner. Also, millions of people have seen Marleee Matlin, a deaf actress, in Children of a Lesser God and on television.

Those are only two examples. I truly believe that it makes no difference whether a person is deaf or hard of hearing. There are many fine people who work for airlines or as lawyers, doctors, dentists, etc. And, happily, there also are many hearing people throughout the world who either know sign language or would like to learn it. If you are one of them, I would encourage you to learn sign language—it can open up a whole new world for you!

NOTE: Philip Bilgray has received commendations for administering first aid to a passenger on a United flight and for participating in Dulles' annual Christmas Fantasy Flight for critically ill children.

LEAH McCANDLESS TRIBUTE

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1995

Mr. RICHARDSON. Mr. Speaker, one of our Nation's unsung heros is celebrating yet another milestone. Mrs. Leah McCandless is turning 95 years old this week.

While many of my colleagues may not know Mrs. McCandless, House and Senate Members who have had to run for office representing Hobart, OK, know Mrs. McCandless very well. It has become a sort of ritual for candidates to stop by her home for some pie and coffee and a nice chat. Every politician stops by the McCandless home hoping to receive her blessing.

Her word goes a long way back in Hobart. She is the matriarch of the community—a real force back home. She counsels her fellow citizens and offers longtime wisdom on everything from marriage to divorce.

But it is her lifelong devotion to her children that makes her most proud. She raised five sons—three of whom served in World War II—and she is proud and delighted to tell you about them.

Her oldest son, Bill, was a successful businessman before his death. He also served in the Johnson administration working as co-chair of Ozarks Regional Development. Jack is retired vice president of Gates Corporation of Denver. Earl is a retired Army Colonel who served as social aide to President Kennedy and is an accomplished musician. John is a successful attorney in Oklahoma City and served in the Army's Counter Intelligence Corps. Bob worked for Senator Robert S. Kerr, directed Senator Humphrey's 1968 presidential bid and is now a prominent attorney in our Nation's Capital.

Mrs. McCandless also has worked tirelessly on behalf of her Presbyterian Church. She has been active for some 80 years and has served many roles at the Church.

It is with great pleasure that I urge my colleagues to join me in paying special tribute to this outstanding woman, mother, neighbor, community leader, political advisor, and unsung hero. Mrs. McCandless has helped make this country great and we owe her our thanks and admiration.

A TRIBUTE TO THOMAS J. LAVIN

HON. DICK ZIMMER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1995

Mr. ZIMMER. Mr. Speaker, I rise today in order to recognize a remarkable individual, Thomas Lavin, who has been highly instrumental in promoting Irish-American awareness in New Jersey. Tom is now recovering from a near-fatal car accident, but even this has not dampened his spirit or his energy.

Tom almost single-handedly created the Irish American Public Action Committee, Inc., an organization dedicated to promoting the Irish culture and heritage. This organization also collects, through contributions and purchases, Irish books and tapes and donates them to libraries. In addition, IAPAC organizes lectures on Irish matters of interest and arranges traditional Irish entertainment for colleges and universities. The son of Irish immigrants from County Mayo, Tom was IAPAC's first president and serves as a director today.

I would like to join IAPAC in honoring Tom for all that he has done for Irish-Americans in New Jersey. Although still confined to a wheelchair, Tom has enjoyed a phenomenal recovery and looks forward to many more years of sharing his Irish heritage.

TRIBUTE TO THE RED DEVILS TENNIS TEAM

HON. HOWARD COBLE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1995

Mr. COBLE. Mr. Speaker, the old saying that it is sometimes better to be lucky than good was turned on its head recently by a high school in the Sixth District of North Carolina. The Graham High School doubles tennis team proved that sometimes it is better to be good than lucky.

The Red Devils tennis duo proved this by losing the draw for team seedings but then going on to capture the North Carolina high school boys doubles tennis championship. Graham tennis coach Jim Melvin told the Burlington, NC, Times-News that he tried to get the No. 2 seed for his team. "They did it the hard way," Melvin told the newspaper. "I tried to get them seeded second, but they wound up getting the third seed. A coin flip put them with the No. 1 seeds. Obviously, it wasn't a perfect draw. But they beat the No. 1 and No. 2 seeds. They did not back into it."

Stuart Melvin and Jeremy Wyrick defeated doubles teams from Mt. Airy and Elkin to capture Graham's first tennis title. What made the duo even more special for Coach Melvin was that one of its members was his son, Stuart. "It's Graham's first-ever tennis championship of any kind, and your son being part of it made it even more special."

I am sure that the championship was special for everyone at Graham High School. Congratulations to principal Brad Evans, athletic director Mike Williams, the faculty, staff, students, and parents of Graham High School. The entire Sixth District of North Carolina is proud of your first-ever tennis championship.

MEMORIAL DAY 1995

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1995

Mr. MONTGOMERY. Mr. Speaker, on May 9, 1995, an extension of remarks that appeared in the CONGRESSIONAL RECORD on page E980 was accidently attributed to my dear colleague, BOB STUMP. I regret this confusion and here follows the correct text of my Memorial Day message for 1995.

MEMORIAL DAY 1995

Sacrifice. It's a word we all know. All of us have made some sacrifices in our lives. We make sacrifices for our family, for our close friends, even for our neighbors and coworkers. Persons in the Armed Forces make many sacrifices, and over one million Americans have given their lives, the ultimate sacrifice, while serving in our Nation's armed forces. Throughout history, members of the Armed Forces have risked their lives not merely for their family or their coworkers, but for a cause represented by the American flag, and the freedom to choose and the liberty to succeed which it embodies.

Some Americans are too young to remember; others have too quickly forgotten. How important, therefore, that we honor our veterans, that we learn from them, and that we teach others about history, about war, about sacrifice. We are still reminded about Korea, Vietnam, and more recent encounters. We should not, however, allow the memory, the lessons, and the sacrifices of our terrible world wars to fade. Proud veterans of those wars are among us today. Their presence bears witness to sacrifice.

Fifty years ago this month, our Nation was beginning to absorb the meaning of victory in Europe, to realize what the final tally was in terms of lives lost or shattered as the result of the awful conflict in Europe and North Africa. In April of 1945, President Roosevelt had died of a cerebral hemorrhage at Warm Springs, Georgia. The battle in the Pacific still raged as scientists neared completion of the first atomic bomb. The sacrifices would continue for four more months, and then the bloodiest of all wars would be over.

Veterans of World War I saw staggering losses in bitter trench warfare and history's first use of such horrible tactics as gas warfare. Fewer than 20,000 veterans of that brutal conflict are still alive today.

Cemeteries in two small towns in northwest Maryland contain the dead from the battle of Antietam, where more casualties occurred in a single day than on any other day of the Civil War.

The United States and the world learned of the awful toll of war when two of Mathew Brady's assistants photographed the dead of Antietam. The pictures brought home the shocking toll of war and its accompanying sacrifice when they were first displayed in 1862, and they are no less shocking today. It is fitting that each Memorial Day, the 2,100 graves of the Union dead are decorated with small American flags, a scene which stirs the conscience, but which only hints at the sacrifices which took place on the day of the battle. In a nearby cemetery, there are no decorations for the graves of 2,400 Confederate soldiers. We hope that these graves will be decorated on Memorial Day.

Battlefields and cemeteries remind us of the terrible sacrifices and loss of life in war. But many of us or our family members remember all too directly the experience of war. The first half of this century saw two world wars. These were the "wars to end all wars". How wrong we were to think the experience of war was behind us! Consider Korea. Vietnam. Lebanon. Grenada. Panama. The Persian Gulf. Somalia. Haiti. We have asked much of our fighting men and women.

Although many members of our Armed Forces are buried on foreign soils, there are cemeteries throughout this country which contain the remains of the very best that America had to offer. Remembering is what Memorial Day is for, and what gives it meaning is how each one of us remembers the great sacrifices which have made possible the blessings we share as Americans today.

HONORING THE ST. JOSEPH HONOR CHOIR

HON. PAUL E. GILLMOR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1995

Mr. GILLMOR. Mr. Speaker, it gives me great pleasure to rise today and pay tribute to an outstanding organization located in Ohio's 5th Congressional District. The St. Joseph Honor Choir of Fremont, OH has been selected as one of only two choirs to represent the United States at the Pueri Cantores International Congress in Quebec, Canada from June 28 to July 9, 1995.

This is an honor for the choir to be Goodwill Ambassadors of the United States to an International Congress of this magnitude. St. Joseph Honor Choir is a proud member of Pueri Cantores. This international organization of children choirs, the name means little singers, has a world wide membership of over 25,000 children and encompasses such internationally renowned choirs as the Sistine Chapel Choir, the Vienna Boys Choir, and the Golden State Boys Choir and Bellringers of San Francisco, who hold the honor of also representing the United States at the Congress.

The St. Joseph Honor Choir consists of 43 children and 16 men. The Choir's repertoire is classical, religious, and secular music. Established in 1993, the Choir has quickly made a name for itself. The 1994–95 year has been and will be a very active and exciting year for the Choir. It began in November when the Choir hosted La Maitrise De Cap De La Madeline, which is recognized as one of the top children choirs in Canada. In December 1994, the St. Joseph Honor Choir went on its first mini-tour to Pittsburgh, PA. Also during the holiday season, the Choir performed for many church and civic organizations throughout the Fremont area. The Choir performed at numerous choir festivals, churches, and organizations throughout Northwest Ohio during the Spring season.

Mr. Speaker, it is obvious that the community and the members of the Choir have greatly benefited from the effort that was started in 1993. I ask my colleagues to join me today in recognizing the achievements of the St. Joseph Honor Choir and encourage them to continue to uphold what has become a standard for excellence.

THE PRESIDENT IS CORRECT REGARDING JAPAN

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1995

Mr. FRANK of Massachusetts. Mr. Speaker, President Clinton deserves great credit for his insistence that the Japanese stop being so restrictive regarding products from overseas. The great imbalance in trade between the United States and Japan is significantly exacerbated by restrictive Japanese practices, and President Clinton is to be congratulated for his unwillingness to simply allow business as usual—which for us in Japan has meant very little business.

For most of the post war period, the United States has put our geostrategic interests ahead of our own legitimate economic needs in dealing with our wealthy allies. That was appropriate when these allies where struggling to emerge from the doldrums of the post war period, and when we all confronted a powerful Soviet Union. Today, it is entirely legitimate for the President of the United States to be assertive about legitimate American economic interests vis-a-vis these wealthy nations. The response for many in the foreign policy establishment has been critical of the President for this legitimate defense of America's interest, and many economists have also—reflexively in my judgment—criticized the President for insisting that Japan follow rules which allow free competition within that country from overseas products.

In the New York Times on June 10, Lawrence Chimerine and James Fallows made a very strong case for the kind of action the President has taken. These two distinguished scholars know a great deal about American/Japanese economic relations, and think their strong support for the President's position should be printed here because of the great light it sheds on this controversy.

JAPAN DESERVES A TARIFF

(By Lawrence Chimerine and James Fallows)

WASHINGTON.—Although European and Asian governments have complained about the Clinton Administration's regrettable but justified proposal to place tariffs of 100 percent on 13 Japanese-made cars, most agree that Japanese trade barriers threaten the world trading system.

Debate in America on the issue has been more primitive. Many free-market economists, some pundits and lobbyists for Japanese and for some European interests question whether there is even a problem to be solved.

Mercifully, most have spared us the old argument that simply driving down the value of the dollar will eliminate trade imbalances. The dollar has lost two-thirds of its value against the yen in the last decade, yet trade between Japan and the United States has been remarkably unchanged, even though American products are much cheaper.

But we are hearing equally tired assertions, which rest on a misleading appearance of economic sophistication. The principal claim is that Americans import too much and save too little and that the Japanese do the reverse. But this supposed insight into the trade imbalance does not tell us which is the cause and which is the effect.

Most economists take it for granted that our low savings rate causes chronic, large trade deficits, because when we spend too heavily, we inevitably buy huge quantities of foreign goods. Yet it is just as proper to argue the reverse—that the large trade deficits caused by artificial barriers to American exports help create the low savings rate. This happens because reduced exports to, say, Japan mean smaller payrolls and profits at home. With less money earned, less is saved. And less is paid in taxes, driving up the Federal deficit and further depressing savings (because the Government borrows to finance the deficit).

The existence of formidable Japanese trade barriers is indisputable. Studies by the Economic Strategy Institute and other research groups estimate that if Japan's markets behaved like those of other industrialized countries, Japan would import up to $200 billion more in goods each year than it now does; of this, almost $50 billion would come from the United States.

The United States should raise its savings rate to limit reliance on foreign capital and to encourage productive investment—the key to vigorous long-term growth. But even if we do, we are likely to have a trade problem with Japan unless Japan changes. South Korea and Singapore, whose savings rates are even higher than Japan's also have large trade deficits with Japan.

Another faulty assertion in the debate over imposing a punitive tariff on Japan is that we're only hurting ourselves. Some claim we should keep our markets open regardless of what anyone else does because any other course would hurt American consumers.

They ask, Why should we punish ourselves by paying more for a Lexus or an Infiniti? And they say, if the Japanese or other Asians want to penalize their own people by running a closed economy, that's their problem. We'll enjoy the benefit of bargain-priced goods.

But Americans need jobs and income to buy even bargain-priced goods. Countries that combine closed markets with aggressive exporting to the United States effectively cut the number of good American jobs and thus consumer income. Closed foreign markets also inhibit our producers from investing, supporting research and development and creating new jobs.

A third argument against the tariff on Japanese luxury cars is that American car companies brought their problems on themselves by being lazy and greedy and not making cars suitable for Japan's left-side driving. This is the oldest red herring of all. Our auto producers make millions of right-hand-drive models for other left-side markets like Britain's.

The real issue is the cartel-like structure that ties Japanese parts makers, auto companies and dealers together in networks that are hard for outsiders to penetrate, no matter how attractive their products are.

In the auto parts business, there is no question of "wrong side" spark plugs, microcontrollers or piston rings. At current exchange rates, many American-made auto parts sell for one-third the price of Japanese-made items. American-made parts are of such high quality that the nation has an auto-parts trade surplus with Europe, where they are heavily used by BMW, Mercedes and other demanding manufacturers.

Nonetheless, American parts have captured only 2 percent of the Japanese market. And Japanese-owned auto assembly plants in the United States use at most only 50 to 60 percent American-made parts.

Finally, the silliest assertion is that the Administration's tariff might lead countriesto embrace managed trade—government manipulation of international commerce for national advantage. In raising this warning, the Europeans and Japanese are being hypocritical—and they know it.

The Europeans know it because their trade with Japan has long been managed in a Draconian way. Ever wonder why there are virtually no Japanese cars in France or Italy? It isn't because the Japanese are not trying hard enough or have the wrong steering wheels. It is because Europeans sharply limit the number of Japanese cars they will let in each year.

The Japanese know it because their own diplomats and foreign aid specialists advise the Thais, Russians, Indonesians and anyone else who will listen that careful controls on trade and capital are the best way to preserve an industrial base.

America's economy has its own mass of trade regulations and subsidies. But its markets are the most open of all the big industrialized countries. Japan's are the least open.

Ever freer trade over the last four decades has helped much of the world prosper. If there is a threat to the continued progress of this movement, it comes from those who pretend that problems with free trade—especially those created by the chronic American-Japanese trade imbalance—do not exist.

The Administration is at least trying to deal with this problem, which, if unaddressed, will destroy American support for free trade in general. If those who are most concerned about saving the world trade system don't like the Clinton solution, let them come up with a better and more realistic approach.

CHEER LEADER

HON. BERNARD SANDERS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1995

Mr. SANDERS. Mr. Speaker, I am submitting a copy of an article which appeared in the Brattleboro Reformer, Brattleboro, VT today. I think that it will be of interest to many and request that it be included in the RECORD.

[From the Brattleboro (VT) Reformer, June 13, 1995]

CHEER LEADER

Of all the fishermen, in all the rivers, in all the states of the union, why did it have to be Tim Kipp in the Androscoggin River in Milan, N.H., when Speaker of the House Newt Gingrich stopped Sunday to chat?

Kipp, a history teacher at BUHS, is Brattleboro point man for Vermont's independent Congressman Bernard Sanders. Well to the left, his presence in the middle of a river was probably the first time in years Kipp has been in the mainstream. He was waist deep in water and up to here in indignation when Gingrich, in New Hampshire testing the political waters, paused for a photo op. It didn't help that the very waters Kipp was fishing are imperiled by an anti-environment initiative championed by the conservative speaker.

Gingrich, a pawn of Murphy's Law, did not know whom he was greeting when he waved hello.

Kipp seethed back: "Your politics are some of the meanest politics I have ever heard. You make Calvin Coolidge look like a liberal."

Gingrich dismissed Kipp's testy greeting with an intriguing summary: "The guy is from Vermont and he didn't have that cheerful New Hampshire conservatism." The key word here is "cheerful."

To be cheerful in the face of assaults on the environment and cruel cuts to veterans, children, the elderly, the poor and the sick is evidence of either viciousness or delusion. We trust it is delusion that is behind "cheerful New Hampshire conservatism." Certainly, delusion—plus smoke and mirrors—are the main underpinnings of the Republican congressional agenda. Thus would tax breaks for the wealthy help reduce the budget. Thus would denying the needy simultaneously empower them.

Lately, Gingrich has been hustling a picturesque, even uplifting, vision of an alternative to a national social welfare system he regards as crushingly expensive and lacking a moral soul. In Gingrich's America, private charities would shelter the homeless, feed the hungry and lend a hand to the lame and halt. The welfare state would be dismantled. Government employees would be replaced by volunteers sustained only by their sense of mission.

According to the leaders of the charities that would be called upon to fill the breach left by an obliterated welfare system, however, Gingrich is, well deluded.

Officials of numerous national charitable institutions—Catholic Charities USA, the Salvation Army, the American Red Cross, among others—say private donations to their agencies have dropped off in recent years. Both tax laws and a precarious economy discourage giving, and volunteerism is down in an economy where there are too few non-working Americans with extra time on their hands.

It's hard to be cheerful in the face of the truth, but somebody has to balance the happy horsefeathers offered by the speaker. Maybe Kipp should go on a speaking tour of New Hampshire and Newt "Don't Worry, Be Happy" Gingrich should go fishing.

A SPECIAL SALUTE 1995 ARTISTIC DISCOVERY PARTICIPANTS

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1995

Mr. STOKES. Mr. Speaker, I rise today to announce the successful completion of the annual Artistic Discovery competition in the 11th Congressional District. Over the years, Members of Congress have utilized the Artistic Discovery competition to both recognize and encourage the artistic talents of high school students. Throughout the spring, art competitions are held in congressional districts throughout the United States. The winning artwork from the various districts will be on display later this month when the Artistic Discovery national exhibition is unveiled here on Capitol Hill.

I am proud to note that the Artistic Discovery competition has enjoyed great success in my congressional district. This year's competition generated 350 art entries from high school students in 13 area high schools. The student artwork represented some of the best ever. Mr. Gary Thomas, a talented artist who is responsible for preparing the portraits of inductees into the Pro Football Hall of Fame, judged the entries and selected the winning artwork.

Mr. Speaker, the 1995 Artistic Discovery winner from the 11th Congressional District of Ohio is Jermaine Powell of Warrensville Heights. The son of Salley Powell, Jermaine is an 11th grade student at Warrensville Heights High School. His winning artwork is a painting entitled, "A Mirror Can Dream." His artwork makes a strong statement about the need for unity and for people of our Nation to join together—regardless of color.

I am proud to report that Jermaine Powell is not only a talented artist, but he is an outstanding student at Warrensville Heights High School. He was recently inducted into the school's National Honor Society, maintaining a 3.5 grade point average. I extend my personal congratulations to Jermaine; his art instructor at Warrensville Heights, James Evans; and the school principal, Alex Murphy.

Mr. Speaker, it is important that the U.S. Congress recognize the importance of the arts, and take advantage of the opportunity to demonstrate our support for the Nation's youngest artists. I am extremely proud of each of the students who participated in the 11th District Artistic Discovery competition. They are very talented and all are winners.

I would also like to express my appreciation to the Cleveland community for its continued support of this important effort. In particular, I would like to thank officials and staff at the Cleveland Heights City Hall; Dick Bogomolny and Finast stores; Ted Sherron and the Cleveland Institute of Art; and the many others who helped to make our 1995 Artistic Discovery competition a great success. I ask that my colleagues join me in this special salute to the 1995 Artistic Discovery participants.

BEAUMONT SCHOOL

Alyssa Adams, Susan Ancheta, Amy Balbierz, Alithma Bell, Ann Bartek, Crystal Bell, Jennifer Blum, Anne Coburn, Molly Cook, Kelly Costello, Terry DePompei, Susan Dernyer, Julie Engstrom, Jessica Eppich, Katherine Fitzgerald, Sarah Fitzsimons, Elizabeth Havach, Alicia Hernandez, Lori Indriolo, Keisha Jones, Molly Keefe, Lucy Kirchner, Karola Kirsanow, Terre Kraus, Natalie Lanese, Maria Lind, Diane Lloyd, Josephine Lombardi, Brandyn-Marie Manocchio, Sara McCormack, Katie McCullough, Elise McDonough, Katheryn McFadden, Ann McKeever, Bridget Meredith, Nicole Patitucci, Carrie Paul, Sherry Petersen, Eileen Ryan, Micaela Redmond, Maura Schmidt, Kate Schuster, Jean Smith, Kate

Sopko, Maureen Standing, Vember Stuart-Lilley, Paola Tartakoff, Tracie Tegel, Jennifer Trausch, Mary Trevathan, Christiana Updegraff, Amelia Vlah, Katy Walter, Aisha White, Vassimo White, Andrea Williams, Allison Wooley.

Art Teachers: Ellen Carreras, Sister M. Lucia, O.S.U.

BEDFORD HIGH SCHOOL

Erik Acevedo, Shannon Bakker, Wendy Bascombe, Betsey Beveridge, Jashin Bey, Paul Biltz, Bryan Braund, Brian Brown, Lutoni Carter, Eboni Davis, Melanie Dusek, Rashaun Elias, Nicole Fenick, Shawna-Nova Foley, Becky Frank, Monica Grevious, Angela Gschwind, Brenna Hallaran, Nicole Hanusek, Aaron Hulin, Phil Jacobs, Robert Kendrick, Jason Koharik, Jon Koharik, Jay Kozar, Josh Kusek, Diamond Lewis, Michael Lovano, Aurora Mallin, Charles Minute, Steve Miracle, Samantha Nechar, Monica Oden, Lisa Pacanovsky, Melissa Petro, Cheryl Ress, Andrea Richardson, Susan Schmidt, Kareem Sharif, Farryn Shy, Larry Stepp, Heather Takacs, Jennifer Taylor, Jonelle Thomas, Laura Thome, Cameron Tullos, Jason Wainwright, Keytsa Warren, Shakhir Warren-Bey.

Art Teachers: Bob Bush, Dagmar Clements, Lou Panutsos, Andrew Rabatin.

BELLEFAIRE SCHOOL

Margaret Perkel.

Art Teacher: Kelly Gutowitz.

CLEVELAND SCHOOL OF THE ARTS

Monique Boyd, Tanya Gonzalez, Alan McClendon, Tonia Thomas, Cleveland Tolliver, Sahara Williamson.

Art Teacher: Andrew Hamlett.

COLLINWOOD HIGH SCHOOL

Tammy Beam, Tiffaney Beasley, Deryck Cleveland, Shawn Powers, Cornell Vernon.

Art Teacher: Jerry Dunningan.

GARFIELD HEIGHTS HIGH SCHOOL

Christine Boozer, Shawn Brady, Cassandra Cox, Michelle D'Angelo, Erik Drotleff, Cheryl Jones, Bernice Kane, Jennifer Langman, Valerie Lubinski, Kelly Markiewicz, Erin Michaels, Leigh Michaels, Erik Miller, Bianca Roberts, Lori Suihlik, Kristen Todaro, Erick Wessel, Chris Wintrich.

Art Teacher: Christine French.

JOHN ADAMS HIGH SCHOOL

Betty Burgett, Morris Terry.

Art Teacher: Harry Petaway.

JOHN HAY HIGH SCHOOL

Tasha Burnett, Nedra Carter, Anthony Glass, Terrence Graves, Nura Hakim, Shamerra Kuykendall, David Moraco, Jr., Wendy Mullins, Latanya Porter, Luis Rodriguez, Andrew Straka, Tyrone Sykes, Rachael Weisenseel.

Art Teachers: Kathleen Yates, Richard Chappini, Harriet Goldner.

MAPLE HEIGHTS HIGH SCHOOL

William Abram, Andre Allen, Christian Allen, Amanda Bates, Emily Bryant, Richard Cannon, John Cary, Jacob Filarski, Elizabeth Fisher, Dan Fulop, Greg Gadowski, Jennifer Gedeon, Traci Lynn Helmick, Charlene Koblinski, Michele Lakatos, Melissa Lenzo, Calvin Little, Alex Mismas, Brent Peters, Carla Ruffo, Charles Rupp, Stefeny Sega, Mike Sindelar, Otis Thomas, Eric Turk, Raheem Tyus, Mike Ulatowski, Jonathan Watts, Kevin Workman.

Art Teacher: Karen Mehling-DeMauro.

SHAKER HEIGHTS HIGH SCHOOL

Becky Beamer, Jessica Bilsky, Jeffrey Brigden, Sean Chang, Paul Daniels, Josh Greenspan, Holly Hukill, Rebecca Littman, Norman Paris, Donald Renner, Kristan Shenk, Alyson Tynes.

Art Teachers: Malcolm Brown, James Hoffman, Susan Weiner, Jody Wohl.

SHAW HIGH SCHOOL

Oscar Alexander, Clifford Allen III, Walter Caldwell, Thames Davis, Mario Gibson, DeAndre Hodges, Travis Rock, Emanuel Silmon, Alicia Stephens.

Art Teachers: Susan Lochar, Rena Reynolds.

SOUTH HIGH SCHOOL

Raysean Arnold, Tikisha Bailey, Tunisia Currie, Yavetta Doster, Erik Klepacki, Vernell Maddox, Dion Mills, Crystal Murray, Carmella Peterson, Kristina Rawls, Lartanna Remmer, Scott Rimar, Tenna Smith, Maria Stewart, Maurice Stubbs, Crystal Weatherspoon, Dante Williams.

Art Teacher: Roman Rakowsky.

WARRENSVILLE HEIGHTS HIGH SCHOOL

Raushanah El-Amin, Todd Moore, Jermaine Powell.

Art Teacher: James Evans.

TRIBUTE TO WOODLAND HIGH SCHOOL AT 100 YEARS

HON. VIC FAZIO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1995

Mr. FAZIO of California. Mr. Speaker, I rise today to pay tribute to a century of excellence at Woodland High School in Woodland, CA. This month we celebrate the commencement of the 100th graduating class from Woodland High School.

The history and highlights of the past 100 years at Woodland High School are well documented in the commemorative publication "100 Years of Excellence," which was compiled by current students, teachers, staff and alumni. I am pleased to have the opportunity to share a number of these stories with you today.

Over the past 100 years, Woodland High School has been located at a number of sites throughout the city of Woodland. August 1895 marked the first official meeting of classes with 78 students led by three faculty members at Walnut Street Grammar School. The following year the student body was able to occupy the old Hesperian College.

In 1913, students and faculty occupied the newly constructed 80 acre high school located at the current site of Douglass Junior High School. Enrollment at the high school continued to increase steadily during that decade until the United States entered World War I. One hundred fifty students and alumni served their country in Europe during the war.

On the last day of 1923, the main building of the high school was destroyed by fire and had to be rebuilt.

During World War II, Woodland High School played its part in the war effort through War Bond and Stamp drives which raised over $200,000. The superintendent and some members of the faculty left the school to enlist and serve their country. A number of students also enlisted upon graduation. By April 1945, 41 alumni were listed as dead, missing, or prisoners of war.

During the next two decades enrollment continued to grow and in 1971 classes began at the West Street campus' current location. Today, Woodland High School has grown to an enrollment of over 1,700 students.

Many things have changed at Woodland High School over the past 100 years. Academic offerings have changed. The school paper has been renamed twice from "The Omega" to "The Orange and White" to "The Orange Peal." Clubs and sports teams such as the Costume Actors Club, Civil Air Patrol, archery and croquet have come and gone. Others including the Future Farmer's of America and football have thrived and continue to have a strong presence on the campus today. But with all these changes one thing has remained constant: enthusiasm, spirit, and pride for the school.

Mr. Speaker, I ask my colleagues in the House of Representatives to join me today in celebrating the Centennial of Woodland High School. I offer my congratulations to all of the 100 graduating classes of Woodland High School and to the many more who will follow.

DISTINGUISHED JOURNEYMEN SHEET METAL WORKERS

HON. PETER J. VISCLOSKY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1995

Mr. VISCLOSKY. Mr. Speaker, over the course of my years as a private citizen and public official, I have witnessed a great, unfolding story. This story is one of pride and principle, enterprise and excellence. It is the story of American workers given the chance to contribute to society, with the labor movement's guiding hand.

Today, I would like to call attention to 16 young men who completed the sheet metal workers' apprenticeship program. On June 12, 1995, Sheet Metal Workers International Association Local Union No. 20 in Gary, IN, initiated these men as journeymen sheet metal workers. The new members are: John Babe, John Bodish, Erik Burkhart, Shane Byers, Andy Cleland, Kevin Frazier, Sam Glover, Phil Grede, Christopher Jenness, Eugene L. Klimazewski, J. Patrick Knox, Duke Popa, Jerry Porter, Richard Sells, Christopher Shaffer, and Matthew Vanbuskirk.

According to Mr. G. Russell Basset, who has almost 20 years of celebrated service as an elected official with Local No. 20, the apprentice program offers a broad overview of the sheet metal craft. Over a 5-year span, each apprentice must attend school once a week in Gary, IN. Moreover, the apprentice spends another 4 days a week working on sites and learning the various skills needed to make a successful and prosperous journeyman. These marketable skills include applied math, metal fabricating, welding, and architectural design as well as many others.

Mr. Speaker, I ask you and my other colleagues to join me in congratulating these fine individuals as they began their distinguished careers as journeymen sheet metal workers. Their futures promise to be successful as they use their intangible and tangible experiences

from the apprentice program in their careers as well as their personal lives. May their careers be long and fruitful.

INCREASE COMPETITION AMONG CREDIT CARD ISSUERS

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1995

Mr. SCHUMER. Mr. Speaker, I have long been an advocate of increasing competition among credit care issuers, so that consumers may be offered the widest possible choice and pay the lowest possible fees and interest rates. I have also spoken before about a particular case of anticompetitive, anticonsumer behavior by VISA, the dominant issuer of credit cards in the United States. Unfortunately, this case remains alive because the 10th Circuit Court of Appeals overturned a jury verdict in the lower courts that found VISA guilty of violating Federal antitrust law when it prevented Dean Witter from offering VISA cards to customers of a bank it owns. Dean Witter has appealed the case to the Supreme Court, where a petition for certiorari is currently pending.

I would like to read into the RECORD an article on this case by Prof. Lee Richardson, past president of the Consumer Federation of America and former acting director of the U.S. Office of Consumer Affairs during the Carter administration. It was published in the Wall Street Journal on May 23, and in it Professor Richardson clearly lays out the stakes in this case for "a market that affects the financial opportunities of tens of millions of American consumers." I fully concur with his view that "the Supreme Court should be willing to listen to both sides," and that a writ of certiorari should be granted accordingly.

[From the Wall Street Journal, May 23, 1995]

LET A THOUSAND CREDIT CARDS BLOOM

(By Lee Richardson)

"VISA—It's everywhere you want to be."

At least that's what VISA's marketers want us to believe. But unless the Supreme Court decides to overrule a recent appellate court decision about who can and cannot offer VISA cards, America's most prominent credit card will only be everywhere VISA wants it to be, to the detriment of consumers.

VISA's presence at some 3 million merchants (and in 180 million wallets and purses) allows it to dominate the domestic credit card market. But because VISA—an association of banks—determines who and under what conditions an organization may issue its card, the company maintains a tight grip on what options are actually available to consumers.

Since 1991, VISA has barred MountainWest Financial Corp. from issuing its card, ostensibly because MountainWest is owned by Dean Witter, which also issues the rival Discover Card. That seems strange because Citicorp, one of VISA's largest members, has long offered its own competing Carte Blanche and Diners Club cards. Indeed, almost all of VISA's members also offer MasterCard, VISA's chief competitor.

Thus, facing what it viewed as baldly anticompetitive practices, in 1991 Dean Witter went to U.S. District Court in Salt Lake City. Although a jury unanimously determined that VISA was significantly inhibiting competition, the 10th Circuit Court of Appeals reversed the jury's decision last September.

Now Dean Witter has asked the Supreme Court to review the case. Should it be accepted by the court before the end of this term, the case will undoubtedly become a critical test case in antitrust law.

More important, it could potentially establish a landmark ruling for the tens of millions of American consumers who want a more competitive and less costly credit card market—a market in which American consumers' credit card debt stood at more than $280 billion early last year, outstripping their auto loan debt. Consumer credit card charges totaled $474 billion in 1993 and are projected to nearly triple to $1.2 trillion by the year 2000.

So, until the Supreme Court renders a decision, the facts of the case provide us with a window into the rigid world of the charge card giant, revealing how far VISA is willing to go to maintain the high cost of credit.

Most consumers probably wonder why VISA should want to prevent a legitimate organization from issuing its cards. After all, VISA is a relatively open organization whose 6,000 members issue the card, charge annual fees, collect payments, and charge interest. All those members compete against each other for customers. The idea that adding one more member to the VISA family would pose a threat seems illogical.

An explanation may be found on the way that Dean Witter has chosen to compete in the lucrative credit card market. It successfully shookup that market with the Discover Card in the late 1980's, and it was prepared to do so again with its VISA program in the 1990s—by offering a card with no annual fee, a generous $3,500 credit line, and an initial interest rate of just 12.9% on each new purchase. VISA's 10 largest bank card issuers at the time—who collectively controlled a majority of all bank card business—were almost uniformly charging a sizable annual fee and a 19.8% interest rate. What Dean Witter was doing, in effect, was introducing a very unwelcome spirit of price competition into a credit card organization whose members were comfortably enjoying over 70% of the volume of the entire American market for general-purpose charge cards. So it is no wonder that the prospect of a Dean Witter VISA card sent tremors through VISA.

VISA had good reason to believe that Dean Witter's lowest-cost card could prove a threat to profits. By one estimate, every 1% decline in credit card interest rates translates into roughly $1.7 billion that consumers won't have to pay. Similarly, The Wall Street Journal estimated that the elimination of credit card annual fees could reduce issuer's profits by up to 40%.

To VISA, these numbers are no theoretical accounting exercise. In 1991, when VISA learned that Dean Witter, through its MountainWest bank, intended to launch a VISA card, VISA invoked a bylaw prohibiting membership to any institution that offers other cards deemed competitive by VISA's board. It is hard to believe that VISA's suddenly invoked bylaw is anything other than a transparent maneuver intended to limit the effectiveness of Dean Witter and other aggressive new competitors.

What is really going on in the legal dispute between Dean Witter and VISA is a battle over how competitive the future market in credit cards will be. The truth is, the market is not nearly competitive enough, and most consumers know this. In the early 1990s, the U.S. Senate, in response to public outcry, passed a bill that, had it become law, would have arbitrarily capped the interest rates on credit cards.

Fortunately, there is probably a better way than heavy handed federal regulation to meet consumer demands. Today, most of the top 10 issuers of bank credit cards still charge an annual fee, and one charges interest rates of as high as 21.9% a year. Surely consumers would benefit from opening this credit card market to new and more aggressive competitors.

VISA's strategy, as Dean Witter proved at trial, is two-pronged: First, it wants to head off a major increase in the level of competition within VISA from new competitors like Dean Witter. Second, it hopes to scare off other financial institutions that might want to follow Dean Witter by introducing their own proprietary card, and thus increase competition against VISA.

The strategy is working. No new competitor has entered the market with a proprietary card since 1985. And, if the Supreme Court allows the lower court decision to stand, it will be a major setback for a more competitive and dynamic market in credit cards. Little wonder that several of the established banking associations are lining up behind VISA on this issue.

But what is at stake here is not the future well-being of the banking industry, but of a market that affects the financial opportunities of tens of millions of American consumers. The Supreme Court should be willing to listen to both sides.

STUDENT LOANS

HON. EARL F. HILLIARD

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1995

Mr. HILLIARD. Mr. Speaker, I rise today to protest yet another one of the Republican plans to kill the American dream. I am speaking of the budget that was rammed through last week. This budget gutted the student loan program, taking away the dreams and hopes of young people everywhere who will not be able to go to college if the plan is adopted.

The budget plan is BAD. The Republicans have betrayed the future of America, for 30 pieces of silver, by getting rid of student loans and by cutting taxes for their rich friends. In order to finance this despicable debt, they have sold out the young people of America.

When I think of how hard some of these kids have worked, studying and saving to get a college education, it makes me want to cry. And it makes me mad, too.

There are some wonderful kids in Alabama who now may not ever reach their full potential. We have enticed them with dreams of a bright future, and the Republicans have made that dream a nightmare. Wake up Alabama! Wake up America!

LITTLE LEAGUE AMBASSADORS

HON. FRANK PALLONE, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1995

Mr. PALLONE. Mr. Speaker, 149 years ago, this June 19, the New York Nine played the Knickerbockers at Elysian Fields in Hoboken, planting the seeds that led to organized baseball in the United States. The rules which were established by Alexander J. Cartwright, who umpired the game, preceded the game between the Knickerbockers and New York 8 months later in Abner Doubleday's Cooperstown, NY.

America's favorite pastime has been a part of the scene in every State across the United States ever since, bringing together people of all backgrounds, races, beliefs, and economic strata in a fun-filled afternoon or evening of recreation, friendly competition, festivity, and vitality.

When Carl Stotz created the Little League in Williamsport, PA, in 1939, and encouraged baseball competition among youths between 9 and 12 years of age in the Keystone State and New Jersey, a competition that has grown to include the entire country, he did it with full knowledge that, as the Newark Evening News had said earlier, "An American boy can no more be separated from baseball than he can from the dinner table when he's hungry."

For many, the American pastime, baseball, is the American dream.

For 20 youths in the Sandy Hook Little League, bringing the great American pastime to the shores of the land their ancestors left, is the American dream of 1995.

The youths, accompanied by eight of their coaches, and attired in identical jackets, sweaters, and parkas depicting them as American ambassadors of friendship, will visit seven countries of Europe, beginning June 21,playing baseball and cricket against competing teams from each of the countries. When they return to their native United States on July 4, the 219th anniversary of the signing of the Declaration of Independence, they will be carrying the message of thousands of European youth who believe, like themselves, that competition on the ballfield as a child will wipe out conflict on the battlefield as an adult.

These youths of the Sandy Hook Little League are astute scholars, all achieving their academics to the best of their abilities. They are dedicated ball players, hard playing and energetic. They represent more than award-winning, unscored against, record-breaking Little Leaguers who can outclass the best that has ever appeared on a baseball diamond.

They are, simply put, good, decent, wholesome American boys, the kind of kid the country can be proud of, the kind of kid who will be the leader of the Nation in the 21st century. They're the youngster with a fishing pole, sitting on the side of the river; the youngster with peanut butter on his nose and a smile across a freckled face; they're the imp who chews on a pencil before finishing that last question on a history quiz, or the big brother who hugs a baby sister, wondering why she cries.

They are the ones who can carry the message of friendship; the message that, while an ocean may separate us from the lands of our ancestors, a common interest in sportsmanship, fun, and friendly competition that can narrow the gap that divides people of different cultures, ethnic backgrounds, or religious beliefs.

While the United States enjoys lazy, languid days of summer, beginning June 21, our ambassadors of friendship will be visiting their contemporaries in England, the Netherlands, Belgium, Luxembourg, Germany, Switzerland, and France, competing with them on the baseball diamond, and learning their backgrounds and beliefs across the dinner table, in the park, or on the slopes of the Alps. While the United States resorts to the shore or mountains for summertime recreation, our youthful ambassadors will be touring the historic sites, enjoying the recreational facilities, learning the cultural highlights of the various nationalities they will meet on their historic journey back to their roots. In short, the Sandy Hook Little League representatives will be representing each and every one of us, using the laces of the baseball glove to tie together friendships and the sparkle of a baseball diamond to demonstrate to our European neighbors the jewels of America.

I ask you to join me in congratulating special ambassadors: Sean Andrews, Howard Paronto, Shane Kochon, Brian Wolcott, John Bellavance, Louis Collins, Ryan Collins, Chris Springsteen, James Murray, Donnie Hinchman, Lee Murchie, Brian Burton, Matt Smock, Brian Martin, Nick Riker, Chris Kaasmann, Sean Alvator, Scott Strohmenger, Matt Morin and Jason VanDeventer. I ask you to join me in wishing a safe journey to these ambassadors and their coaches: Thomas Andrews, Director, Herb Kochon, Substinence specialist, Rich Martin, security and first aid, Art Post, communications officer, Tom Barry, quartermaster, Lou Collins, field marshal, Herb "Cappy" Kaasmann, aquatics director, and Howard Paronto, navigator.

I invite you to join me in asking our special ambassadors to carry the message of peace and friendship, of healthy athletic competition and international camaraderie to our friends across the Atlantic Ocean in seven nations of Europe where many of us have roots, memories, or familial ties.

I urge you to applaud the efforts of these special ambassadors to spread their message of sportsmanship, friendship, and international peace as they travel through the nations of Great Britain, The Netherlands, Belgium, Luxembourg, Germany, Switzerland and France.

I call on you to recognize these special ambassadors as they travel by plane, bus, boat, train, and on foot spreading the word of an America that is young enough to enjoy the baseball field yet mature enough to recognize that it is the leaders of tomorrow who will forge the future of a nation still considered a youngster in the eyes of its European friends.

I welcome your wishes for a safe journey, a successful ambassadorial experience and a lifetime memory for these young ambassadors, our hope for the future, the leaders of the greatest Nation in the world during the 21st century.

TRIBUTE TO THE FIRST ARMENIAN PRESBYTERIAN CHURCH OF FRESNO

HON. ANNA G. ESHOO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1995

Ms. ESHOO. Mr. Speaker, I rise today to honor the First Armenian Presbyterian Church of Fresno, CA, which is celebrating its 98th anniversary this year. As the only Member of Congress of Armenian descent, it is a privilege for me to bring this vibrant church to the attention of the House of Representatives.

On July 25, 1897, 34 women and men gathered in a hall on "F" Street in Fresno and formally organized the First Armenian Presbyterian Church, the first Armenian Church in the State of California. The congregation was duly received and enrolled in the fellowship of Presbyterian Churches a few months later. It has been providing spiritual guidance and support to the Armenian community ever since.

Over the years, the First Armenian Presbyterian Church has been a source of strength for the Armenian faithful. It has brought our people closer to God through prayer and study. It has encouraged our people to celebrate the joys of life and the wonders of creation. And it has helped our people through times of turbulence, such as the Turkish genocide and the Great Depression.

Ninety-eight years after it began, this church has grown to nearly 400 members, and it is still meeting the religious needs of believers of every age, married couples, single followers, and the Armenian speaking.

Mr. Speaker, the First Armenian Presbyterian Church has been a blessing to the Armenian people, the city of Fresno, and the State of California. I ask my colleagues to join me in saluting this remarkable congregation and extending to it our warmest congratulations on its 98th anniversary.

A TRIBUTE TO DANISH CREAMERY ASSOCIATION ON THE OCCASION OF THEIR CENTENNIAL CELEBRATION

HON. CALVIN M. DOOLEY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1995

Mr. DOOLEY. Mr. Speaker, I rise today to pay tribute to Danish Creamery Association, the Nation's oldest continually operated, farmer-owned dairy cooperative. Danish Creamery is celebrating its 100th anniversary.

In the tradition of all agricultural cooperatives, Danish Creamery has a long history of bolstering the economy of the cities and counties of California. Since 1895, the association has helped valley dairy farmers provide markets for their milk and has supplied the entire State with quality butter and dairy products.

The creamery and the member dairy farms are also important employers in the region.

Over the years, the Danish Creamery Association has led the way in the advancement of

dairy technology and in interstate and international marketing. It has also been an important voice in the development of national programs for the betterment of the entire dairy industry.

Mr. Speaker, I commend Danish Creamery for reaching its 100th anniversary and wish the association continuing success in providing its members with this valuable service.

TRIBUTE TO ATTORNEY BILL TAMAYO

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1995

Mr. DELLUMS. Mr. Speaker, today I rise to share with you and my colleagues that after 16 years, attorney Bill Tamayo, leaves the Asian Law Caucus [ALC] where he directed the immigrant rights project working on behalf of low-income immigrants and refugees, to join the Equal Employment Opportunity Commission. A 1978 graduate of the Martin Luther King, Jr., School of Law, University of California at Davis, attorney Tamayo has set a standard of commitment, dedication and community activism as an attorney, advocate and as a human being concerned with the quality of life of his fellow citizens.

Bill served as cocounsel on civil and human rights issues including immigration raids—International Molders and Allied Workers Union, Local 164 versus Nelson—and succeeded in legal challenges of Immigration and Naturalization Service [INS] regulations on the exclusion of Asian elderly who received public benefits, deportation of foreign-trained Filipino nurses, restriction on legalization and the building of INS detention centers in Oakland and Vallejo, CA. He was cocounsel in Equal Employment Opportunity Commission versus Tortilleria La Mejor, a landmark 1991 decision holding that undocumented workers are protected by the employment discrimination provision of Title VII of the Civil Rights Act of 1964.

Bill understood the importance of legal challenges; however, what makes him distinct from others in the legal profession is that also became legislative advocate. He worked and spoke out against various proposals to cut back on legal immigration, due process rights of immigrants and for the battered immigrant spouse provisions of the violence Against Women Act. He has published several articles on immigration rights, and on Asian Americans and public policy on immigration matters and on Asian American political.

Bill has served on the Boards of the Coalition for Immigrant and Refugee Rights and Services, Asian and Pacific Islander American Health Forum, and the Poverty and Race Research Action Council. He served as the chair of the National Network for Immigrant and Refugee Rights. From 1986–88, he was a National vice-president of the National Lawyers Guild.

In the 16 years with the Asian Law Caucus, Bill's accomplishments and achievements are indeed remarkable. It is an indication of the role Bill Tamayo has played and will continue as a leader and participant in the struggle for peace, justice, and social equality. I join with countless other civil rights and community leaders in honoring this dedicated public servant, Attorney Bill Tamayo.

INTRODUCTION OF LEGISLATION TO CORRECT THE IMPLEMENTATION OF THE MARINE DIESEL FUEL TAX

HON. SAM FARR

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1995

Mr. FARR. Mr. Speaker, I rise today to call attention to an issue of great importance to the boating community nationwide; the problems caused by the marine diesel fuel tax provisions imposed under the Omnibus Reconciliation Act of 1993.

Under this provision, two types of marine diesel fuel are available to boaters. Clear, taxable fuel is offered for sale to recreational boaters, while blue-dyed non-taxable diesel fuel is offered for sale to commercial boaters. In effect, this provision forces commercial vendors of marine diesel fuel to either dispense two types of diesel fuel which must be stored in separate tanks, often at the unnecessary and excessively burdensome cost of building an additional tank, or to offer only one type of diesel fuel, usually the dyed, which is not readily available for sale to pleasure boaters.

While this tax provision was meant to ensure that recreational boaters pay their fair share of marine diesel fuel taxes, it has instead created a disastrous situation where many recreational boaters cannot find clear, non-dyed taxable fuel for their use. This provision often forces boaters to travel long, often perilous distances at sea, in the search for diesel fuel.

I am offering a practical solution to this problem. My bill would amend the marine diesel fuel tax provision to all boaters, both commercial and recreational, to purchases dyed diesel fuel and pay applicable taxes at the pump. The bill would make it easier for fuel vendors to offer taxable fuel for sale while making it easier and safer for recreational boaters to purchase this fuel. The greater availability of dyed diesel fuel could even lead to an increase in current revenues to the United States Treasury. Commercial boaters would remain exempted from this tax.

Mr. Speaker, this problem is not specific to one particular district or State. Boaters nationwide are suffering from the unavailability of diesel fuel at local marinas. I urge my colleagues in the House to act on this legislation as soon as possible to ensure safe and fair access to diesel fuel for all boaters.

DR. HENRY FOSTER

HON. EARL F. HILLIARD

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1995

Mr. HILLIARD. Mr. Speaker, I rise today to address my colleagues of the House and speak out in support of Dr. Henry Foster. I believe strongly that Dr. Foster is an ideal candidate for this position.

Dr. Foster has devoted his entire career to ministering to impoverished and underprivileged citizens, especially teenagers.

He focused his efforts on addressing the problems of drug abuse and unplanned pregnancy among teenagers. Dr. Foster has recognized that the crisis of teen pregnancy is the root of many problems we face as a nation today. His work focused on motivating underprivileged teens to stay in school and graduate, and to concentrate on their futures.

The program he developed, called I Have a Future, was nationally recognized for its novel and innovative approach to the prevention of teen pregnancy. In 1992, he was honored by President George Bush as one of America's Thousand Points of Light.

In the late 1960's, Dr. Foster resided in Tuskegee, AL, where he was the only obstetrician in the area.

THE INTRODUCTION OF THE VOLUNTARY PROTECTION AUTHORIZATION ACT OF 1995

HON. JAMES A. HAYES

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1995

Mr. HAYES. Mr. Speaker, at a time when our economy demands that American businesses become more efficient to remain competitive, the relationship between management and labor, employer, and employee can no longer afford to be the confrontational one of the past. Improving health and safety in the workplace should not be divisive, but must instead be intuitive and one of our top objectives in facilitating greater productivity.

It is with this in mind that I join today with my fellow Louisiana colleague Congressman RICHARD BAKER to introduce the Voluntary Protection Authorization Act of 1995.

Our bill is intended to codify the highly successful Voluntary Protection Program [VPP] administered by the Occupational Safety and Health Administration. Under the current loose regulatory structure, VPP promotes effective health and safety program management that requires the participation and cooperation of both management and nonmanagement employees. Our legislation establishes framework that maintains the integrity of the existing program by providing the appropriate incentives to businesses to develop and implement high quality health and safety plans.

Authorizing VPP will level the playing field and allow the program the opportunity to compete for scarce dollars with other training and compliance assistance programs which have traditionally received insufficient resources. By doing so, we will endeavor to enhance the commitment to health and safety in the workplace that can never be fully realized through enforcement alone.

There are approximately 155,000 employees and 200 worksites, including two in my southwest Louisiana district, presently participating in VPP. Labor and management have come together to improve among other important things, employee motivation, lower lost

workdays, and workers compensation costs and claims. These are just a few examples of the benefits and accomplishments of VPP.

Health and safety is an issue that should not be volatile. Labor, management, and Government must work cooperatively toward the common goal of sustainable economic progress. Our bill represents such an effort. The proposal enjoys the support of representatives of the small businesses community, large industry, the VPP Participants Association, and rank-and-file labor of participating firms. I welcome my colleagues to join us in moving this consensus, bipartisan bill forward.

THE COMPREHENSIVE SURVEY OF YOUNG OFFENDERS ACT

HON. RON WYDEN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1995

Mr. WYDEN. Mr. Speaker, today I am introducing the Comprehensive Survey of Young Offenders Act. While Congress has spent much time and effort, and is about to spend vast sums on measures to address crime committed by adults, it is juvenile crime that is increasing exponentially. Particularly ominous, experts in the field report that while one can collect voluminous information on the national patterns and problems of adult crime and the adult criminal justice system, basic statistical data on the juvenile justice system is sketchy at best. Congress, States and localities have little or no comprehensive data on what the career record of a young offender looks like or how juvenile offenders flow through our country's juvenile justice systems.

A 1994 FBI study on major crimes reported that while the number of murders committed by adults 25 or older dropped 20 percent, the number of homicides committed by 18–24-year-olds increased 65 percent, and those by 14–17-year-olds increased 165 percent. However, according to several experts who study juvenile crime, by the year 2005 the number of teenagers in this county will increase 23 percent, and youth crimes will increase dramatically as well.

To effectively address youth crime, the Federal Government and the States need clear, straightforward data on how the current juvenile system functions. I have worked closely with Dr. James Q. Wilson, the noted UCLA criminologist, to meet this need through the legislation I introduce today. Dr. Wilson correctly pointed out that instead of fighting youth crime with grandiose rhetorical statements like harsh treatment and mollycoddling, it is time to address the issue with a commonsense look at the facts.

There is a substantial amount of anecdotal evidence that indicates the juvenile system is in trouble. For example:

In Portland, my hometown, the Oregonian, described a case where a child committed 50 crimes, 32 of which were felonies, before the juvenile justice system took action to protect the community.

According to New York magazine, in New York State, 30,000 juveniles picked up for misdemeanors in 1993 were issued youth division cards and then released—essentially the paperwork was filed and the child walked out.

In Chicago, in the case of Yummy Sandifer, Newsweek reported that he averaged a felony a month for the last year and a half of his life (23 felonies and 5 misdemeanors in all). He was actually convicted of two felonies in juvenile court and nothing ever happened to him. Finally, he killed someone and was killed himself.

A system like this neither serves the children who commit crimes nor the community it is supposed to protect. Nationally, only 50 percent of juvenile cases even go to juvenile court. Most cases are handled by some form of social services division. The majority of juveniles who do go to court are given probation.

While this information indicates a system that is overwhelmed with violent offenders and doesn't have the legal remedies necessary to deal with such an influx, a broad overview of the problem is missing. The Comprehensive Survey of Young Offenders Act, would help Congress, States, and localities fill the holes in our knowledge of juvenile crime and our country's juvenile services. Right now there is little or no comprehensive data on the patterns of crime for young offenders, how many times a young offender goes through the juvenile justice system or which punishments or programs effectively protect the community and reduce recidivism.

This legislation would require the Bureau of Justice Statistics [BJS] to look into these issues—to survey available data on the crimes juveniles commit, to examine how young offenders flow through the juvenile justice system, and to report the outcomes of juvenile cases that are both petitioned to juvenile court and those that are handled informally.

Additionally, my legislation would require the BJS to design and estimate costs of a program that will improve data collection on young offenders in the States. While many States are moving in the direction of juvenile reform, few systematically evaluate the outcomes in their juvenile justice programs.

It is obvious that the rate of juvenile crime is climbing. What Congress now needs to do is take a comprehensive look at how our country's juvenile systems are handling that increase in crime and then evaluate where our national policy needs to go to address this enormous challenge.

AGRICULTURE WATER CONSERVATION ACT

HON. GARY A. CONDIT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1995

Mr. CONDIT. Mr. Speaker, I rise today to introduce the Agriculture Water Conservation Act.

During 1992, nearly 1.5 million acres of cropland in the United States irrigated by surface/gravity methods, either was converted to more efficient irrigation systems or was removed from production. At the same time, low-flow irrigation acreage increased by 15 percent and sprinkler acreage grew at a pace of 3 percent. An increasing demand on a limited water supply has created a demand in the agriculture community for water conservation.

Over the last several years I have read countless articles in different publications on the need to conserve water, and the role Federal Government has with this mission. While discussing water conservation methods with farmers in my district, I found cost was their overriding concern. The outlays required to implement water conservation systems—i.e., drip irrigation, sprinkler systems, ditch lining—are a tremendous burden on the agriculture industry. While I firmly believe most agriculture interest are genuinely concerned about conserving water, cost has crippled by the ability to implement conservation methods on farms.

My bill is not a mandate for expensive water conservation systems, it is a tool and an option for the farmer. Specifically, it will allow farmers to receive up to a 30 percent tax credit for the cost of developing and implementing water conservation plans on their farm land. The tax credit could be used primarily for the cost of materials and equipment. This legislation would not require them to change their irrigation practices. However, it would allow those farmers who want to move toward a more conservation approach of irrigation but cannot afford to do it during these tough economic times.

I am currently focusing a great amount of effort on reducing the threats to viable agriculture in the United States. The Agriculture Water Conservation Act, which is similar to legislation I introduced in the last two Congresses, is the kind of incentive we need in order to establish conservation measures which enable farmers to assist in solving water shortage problems. I believe providing for the long term water supply needs of environmental, urban, and agricultural users is a critical part of the solution.

The Agriculture Water Conservation Act is not the end all solution. Since I have introduced this bill in 1992 I have consulted with farmers, local irrigation districts, the Department of Interior's Bureau of Reclamation and the Department of Agriculture's Natural Resources Conservation Service. All these groups have given me helpful and beneficial advice on how to improve on this legislation. I believe farmers will contribute to solving water supply problems when given the opportunity, as they already have through conservation transfers and crop changes. This bill will provide yet another vehicle for farmers to contribute toward a solution while offering a modest credit to share the cost with the true beneficiaries—the public.

USDA INSPECTOR GENERAL'S JANUARY 1995 REPORT "APHIS ENFORCEMENT OF THE ANIMAL WELFARE ACT"

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1995

Mr. BROWN of California. Mr. Speaker, as a long-time supporter of animal welfare legislation and as one of the Members of Congress

intimately involved in the 1985 amendments to the Animal Welfare Act [AWA], I have a keen interest in promoting the humane treatment of animals as well as ensuring the strength and enforceability of the Animal Welare Act.

After an initial review of the USDA inspector general's January, 1995, report, "Animal and Plant Health Inspector Service (APHIS) Enforcement of the Animal Welfare Act," I am deeply concerned with the Agency's ability and willingness to adequately monitor and reasonably ensure the humane care and treatment of animals. The inspector general stated, "APHIS does not have the authority . . . to effectively enforce the requirements of the Animal Welfare Act." While I am pleased to see this unambiguous statement, I am greatly troubled by the USDA's seemingly willful neglect of the law. It took APHIS over 6 years to promulgate regulations based on the amendments to the act that were enacted in 1985. While this delay in responding to the requirements of the amendments was in my view unacceptable, I find it even more disconcerting that the problems associated with the enforcement of this act have not abated.

Lack of adequate resources is part of the problem associated with APHIS's ability to adequately monitor and inspect animals and facilities. In the past I have testified before the Appropriations Committee in favor of increased funding for enforcement of the AWA. I realize that Congress shares the burden of responsibility for not allocating the appropriate resources needed to fully implement this law.

More importantly, however, the inspector general's report indicates that APHIS has been neglecting its statutory obligations and has renewed facility licenses even when cited violations—past and present—had not yet been corrected. Additionally, APHIS is not inspecting research facilities before issuing the initial registrations, therefore noncompliance with the act may go unnoticed until APHIS' first inspection up to a year later.

It was clearly the intent of Congress that facilities should come into compliance before being issued the initial registrations, and that license renewals should be withheld where licenses have been suspended or revoked or in instances where facilities are not in compliance with the provisions of the act. Section 2.3 of the Animal Welfare Act, among others, implicitly gives APHIS the authority to conduct inspections and to deny renewals. The provision reads:

Each applicant must demonstrate that his or her premises and any animals, facilities, vehicles, equipment, or other premises used or intended for use in the business comply with the regulations and standards set forth in parts 2 and 3 of this subchapter. Each applicant for an initial license or license renewal must make his or her animals, premises . . . available for inspection . . . to ascertain the applicant's compliance with the standards and regulations.

While APHIS maintains that it does not have the authority to withhold licenses for failure to comply with AWA requirements once an original license is issued, the agency does in fact have the authority to suspend and revoke the license of any facility that violates the act. I am hopeful that this misunderstanding within the agency can be corrected. If APHIS does not have the authority, under current legislation, to enforce the requirements of the act, then it should seek the authority from Congress or initiate legislation, as the inspector general has recommended, amending the act to provide APHIS with the proper authority:

The report surely provides plenty of ammunition for concerned groups and citizens who have asserted for years that APHIS is not willing to enforce the AWA. I am hopeful that we can move forward from here and begin to provide a more meaningful level of protection for the thousands of animals under the current jurisdiction of APHIS. I look forward to seeing APHIS move forward with a progressive approach toward rectifying the egregious problems associated with the enforcement of the act and its concomitant regulations.

NATIONAL ENDOWMENT FOR DEMOCRACY PROGRAMS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1995

Mr. HAMILTON. Mr. Speaker, I would like to call to the attention of my colleagues a letter I have received from Mr. John Brademas, chairman of the board of directors of the National Endowment for Democracy. The letter is in response to an article in Harper's Magazine criticizing a meeting sponsored by NED in Zagreb.

I agree with Mr. Brandemas that the Harper's article was filled with distortions that do not accurately reflect the purpose or the results of the Zagreb meeting. Those distortions and inaccuracies need to be addressed.

The National Endowment for Democracy has been in the forefront of supporting and promoting democratic values and the democratic system around the world for many years. The contributions made by the work of the Endowment, particularly in the emerging democracies of Central and Eastern Europe and in the former Soviet Union, have gone a long way to consolidating the movement toward democracy in those countries.

NEW YORK, NY,
June 2, 1995.

Mr. LEWIS H. LAPHAM,
Editor, Harper's Magazine,
New York, NY.

DEAR MR. LAPHAM: Your reporter's cynical account of the meeting the National Endowment for Democracy (NED) recently sponsored in Zagreb, Croatia ("At Play in the Fields of Oppression," May, 1995) betrays an almost willful ignorance of the meeting, its results—which were considerable—and the larger work of NED.

As Chairman of the Endowment's Board of Directors, I would like to set the record straight.

The purpose of the Zagreb meeting was to bring together democratic activists from Southeastern Europe to meet with one another and with Western groups interested in supporting free government and human rights, but seeking more knowledge of the region and its non-governmental organizations (NGOs). Since fighting began in the former Yugoslavia four years ago, like-minded activists living in different republics have found it nearly impossible to communicate with one another. Their respective societies have virtually no contact; for example, the telephone lines between Zagreb and Belgrade have been cut for over three years.

The Zagreb meeting, attended by representatives of 67 NGOs from the region and 34 Western aid organizations, was not the idle talk portrayed in the article, but a rare opportunity for friends of democracy in the war-torn Balkans to share ideas and establish contacts that will lead to practical assistance.

A few facts will give the lie to the charge that NED's programming is centered around meaningless conferences. The Endowment, which has been active in the former Yugoslavia since 1988, has provided computers, printing equipment, and vital supplies to independent newspapers and radio stations in Bosnia and Serbia-Montenegro. Without this timely aid, these free media outlets would have had to shut down. Acting through the Free Trade Union Institute, NED assists a multiethnic trade-union confederation in Serbia that openly challenges the anti-democratic policies of the Milosevic regime. Endowment funds also help underwrite the cost of the Balkan Media Network, an electronic bulletin board that links the region's media outlets through E-mail. These are but a few of the tangible forms of assistance that characterize NED-supported programs in every former Yugoslav republic.

Among the substantive results of the meeting in Zagreb are the many proposals the Endowment has received from participants inspired by the informal discussions and workshops they attended. Although the article identifies the director of an independent Bosnian radio station as a leading critic of Western donors, this same man felt the meeting of sufficient value to offer afterwards a project for the Endowment's consideration.

From the beginning, the Zagreb meeting was conceived as a way speedily to provide practical help to worthy groups that were poorly known (or completely unknown) to Western organizations, and to urge more Western groups to work in the region. Fortunately, Western groups never before active in the region have decided to get involved. A good example is NED's sister institution in Great Britain, the Westminster Foundation for Democracy, which will be working in Kosovo as a direct result of contacts made in Zagreb.

Your reporter falsely interprets the activists' general (and understandable) complains about the larger Western failure in the Balkans as an attack on NED, and focuses attention on some stray inanities uttered by a handful of the Western participants. He seems to have missed hearing any of the dozens of serious exchanges that took place informally. Yet those exchanges represented the real work of the meeting as participants developed plans for building independent media organs, human rights groups and civic organizations throughout the region.

Nowhere in the article is there acknowledgement that the meeting in Zagreb was an indigenous effort organized by the Erasmus Guild, a well-respected Croatian NGO. The Endowment-supported guild has worked effectively to promote civil society and ethnic harmony in a region that desperately needs both. For example, the Guild has successfully convened roundtable sessions that have brought together Croat, Serb and Muslim democrats to discuss inter-ethnic relations and the building of viable voluntary associations.

As Dr. Vesna Pusic, the Guild's Director has pointed out, "It is absolutely essential

to avoid replicating in the NGO sector a monopoly similar to the one that has been created by the ruling parties in most of the countries on the territory of the former Yugoslavia. That can be secured only by providing multiple sources of financing for different non-government organizations." This sentiment has been echoed by the Open Society Fund in Serbia, financed by the philanthropist George Soros, which has appealed for other funders to become involved.

The article is too loaded with inaccuracies and distortions to point them all out. Let me cite only the most blatant ones:

(1) None of the Eastern European participants had to pay their way to the meeting. Conversely, Western groups did.

(2) The reference to criticism of the Endowment by government accountants is based on a 1991 General Accounting Office report. Its recommendations for managerial improvements have long since been implemented.

(3) The description of two grants (neither accurately described) made by NED in 1984, the very first year of operations, continue to be trotted out by Endowment critics as proof that it "meddles" in the internal affairs of other countries. Yet the issues raised by these grants were addressed long ago: the Endowment has strict internal prohibitions against involvement in political campaigns (distinguished from electoral processes), and NED has a policy against working in established democracies. To put these two grants into perspective, I note that NED has funded over two thousand projects during its existence.

(4) The allegation that the International Republican Institute (IRI) expended funds to help finance the 1990 Republican National Convention is false. Funds raised privately were used to bring democratic activists from abroad to experience a particular aspect of American democracy and to be briefed by experts on campaigns, polling and elections.

(5) The IRI did use business class travel for its pro bono participants in overseas programs at a time when doing so was well within government regulations. Since 1992 (before the change in government regulations), IRI has permitted its volunteers and staff to travel in coach class only.

Let me close with a personal observation: After 22 years in Congress and 11 as President of New York University, I agreed to serve as Chairman of the National Endowment for Democracy, an obligation I did not assume lightly. To me, democracy is serious business and, in my case, a matter of lifelong commitment. I wish that Harper's would have been more discerning in publishing an article about a critical issue—encouraging free and democratic political institutions in countries that do not enjoy them—rather than accepting such a cynical, indeed arrogant, misrepresentation of fact.

Sincerely,

JOHN BRADEMAS.

APACHE LANGUAGE KEY TO CULTURE'S SURVIVAL

HON. ED PASTOR

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1995

Mr. PASTOR. Mr. Speaker, there are fewer eloquent leaders in Arizona, or the Nation, than Chairman Ronnie Lupe of the WhiteMountain Apache Tribe. Time and again Chairman Lupe has seized the attention of a large crowd in a busy meeting with his passion and spirit as he speaks of his Apache people and their heritage.

Mr. Speaker, Chairman Lupe's eloquence is not confined to the English language. He is as eloquent and as forceful in his sacred Apache language as well.

In a recent article published in the newspaper "Indian Country Today", Chairman Lupe writes of the threats posed by today's cultural influences on native America languages.

I would call the attention of all my colleagues to this excellent and forceful article:

[From the Indian Country Today]

APACHE LANGUAGE KEY TO CULTURE'S SURVIVAL

(By Ron Lupe)

A recent article in the Arizona Republic rekindled my deep concern about the preservation of our Apache language.

This article, which reported on a meeting of linguists, said that in the opinion of the experts, half of all spoken languages will become extinct in the next century. It further stated that there are currently 6,000 languages spoken in the world, but in the next 100 years half of them will become extinct.

The thought of the possibility that our sacred Apache language could be among those that become extinct was truly upsetting. To me, that is thinking the impossible. Not only would it mean an end to our spoken language, but it would be the demise of the cultural richness we reflect in our Apache language and express in our prayers.

Who would we be without our language?

Yet, as I go around our reservation, I hear fewer and fewer of our younger children speaking Apache. I see less emphasis on the speaking of our language in our homes. And while the recent efforts of the school district to incorporate the teaching of the Apache language in the lower grades is commendable, I'm afraid that alone will not be enough to reverse these trends.

According to the newspaper report, the culprits in the extinction of Native languages are no longer official government policies, as it was back in the boarding school and early reservation days.

Rather, it's the pervasive influence of the electronic media. The ever-present television, the videos, the music tapes and CDs and all of the other media influences that come to us in the dominant English language are having a destructive effect on the survival of Native languages.

The trend is true not only for the White Mountain Apache but for people all around the world. The influence of the modern electronic media is powerful and we see it operating on our own lives, as well as the lives of our children and our grandchildren.

It will take an extraordinary effort to counteract the dominating influences that are undermining the preservation of our Apache language.

It's interesting that the federal government will go to great lengths to protect endangered species like the loach minnow or small plants and insects, and yet it does very little to preserve the Native languages that exist within the United States.

It's a sad commentary on federal policies that plant and insect life have a higher priority with our government than the Native languages, which are capable of capturing and reflecting so much cultural beauty and diversity.

The same newspaper article reported on an 80-year-old Promo woman from California who recently died.

She was the last Native speaker of her tribe's language.

What a tragedy! We must work hard to see that similar tragedies never happen to our people and our Apache language, which reflects so much of the beauty and richness of our culture and traditions.

Another article on the same page reported on recent research findings showing that languages are best learned when an individual is young. Research has shown that as we get older, we lose the ability to learn languages. Experts feel that the best time to learn languages is between the ages of two and 12.

It's clear that we must concentrate on instilling the Apache language in our very young. That means there has to be a concerted effort in the home, at Head Start and the lower grades. And, it is in the home where the greatest influence on the acquiring of the Apache language will take place.

If the ability to speak Apache is important to the parent, it is likely that it will be important to their children. Apache parents need to know that they have a responsibility to pass on our rich cultural heritage to their children, and that the future of the Apache language truly depends on them.

Likewise, it should be the role of our tribal government to try to reinforce and emphasize—to our youngsters and other tribal members—the importance of learning our Apache language.

Such efforts can only supplement what the child is exposed to at home and with his friends. Despite the formidable obstacles, we must continue our efforts to keep our Apache language as a vibrant and vital part of our everyday life. That's why the recently adopted constitution included provisions requiring tribal council members to be fluent in our language. This was done to insure that our special Apache way of looking at the world, as reflected in our Apache language, is maintained in our governmental decision-making processes.

There were times when we were discriminated against by government agencies and schools for speaking our own Apache language. We were considered second-class citizens if we chose to speak our Apache language, rather than English. To a great extent, this cruel psychological attack from the government and others was successful.

Even today, there is legislation in Arizona and other states designed to embarrass other nationalities who speak their own language and to establish English as the only "official" language of the United States. Such discrimination will undermine our bi-lingual education efforts.

While we still have a majority of our tribal members speaking our Apache language, we must do all that we can to insure that our language is preserved and transmitted to future generations of the White Mountain Apache.

TRIBUTE TO SAN ANTONIO POLICE OFFICERS

HON. FRANK TEJEDA

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1995

Mr. TEJEDA. Mr. Speaker, we do not often enough have the opportunity to say "thanks" to the many hardworking men and women in our local police forces who risk their lives day in and day out to protect our towns and cities. I recently received a letter describing the successful efforts of San Antonio police officers to

apprehend the perpetrators of a foiled assault and robbery. The crime victim eloquently describes the incident and her gratitude to the assisting officers. I echo her sentiments and offer my thanks to the police officers for their professionalism and teamwork. The letter is set forth below:

APRIL 25, 1995.

Hon. FRANK TEJEDA,
Cannon House Office Bldg., Washington, DC.

DEAR FRANK TEJEDA: On February 21, 1995 at 4:00 p.m. I was at Ed's Car Wash on Military Drive. While washing my car I noticed six teenagers standing on the side of the stall I was occupying. I thought they were waiting for their after school bus.

As I was washing my car a teenager, who later turned out to be the perpetrator, asked me for the time. I replied that it was 4:00 p.m. I felt uneasy because something in the way he was acting did not seem right. At this time I noticed that two of the teens were watching me. At first I was going to just leave but I thought I was in a public place and there were plenty of people around, I felt I was safe.

As I was putting the wash wand up, I heard running behind me. Just as I turned around there were two more teens coming at me. At this time the first teen that asked for the time started attacking me. He grabbed me from behind the neck and started choking me. I could feel myself starting to black out. At this point, he started to hit me in the mouth with his fist, causing an open injury inside my mouth and I could feel myself start choking on my own blood. He placed a gun at the back of my head and then hit me on the side of my face with the gun. He kept ordering me to give him my car keys and telling me to get into the car. I could do neither as he was still choking me until I was nearly passing out and I could not talk at this time. He had my arms and legs pinned against the car. My keys were locked in the car. He finally loosened his grip on my throat and I was able to tell him my keys were locked in the car and I had a car code. Then I screamed "God help me." He looked frightened and they all started running. I also started running in the other direction. I yelled for someone to help me and call the police that some teens had tried to kill me and one of them at least had a gun. Everyone got into their cars and left me standing there. But someone did call the police and they were there within minutes. The police had caught all of the teens within minutes.

The following officers from the West Side Sub-station were involved in the arrest of the teens:

1. Officer Sid McDonald—#282.
2. Officer Daniel Zamora—#1198.
3. Officer Kevin Wreser—#1022.

Officers assisting in the arrest were:

1. Officer Joe Esquibel—#129.
2. Officer Mavin Cannon—#966.
3. Officer Steven Martinez—#547.
4. Officer Randy Geary—#1141.
5. Officer Royce Basquez—#1194.
6. Officer Ruben Ramon—#775.
7. Officer Steven Howard—#932.
8. Officer Michael Kubena—#2002.
9. Officer William Biesenbach—#2381.

Investigating Officer—1. Sgt. Greg Young.

These fine officers showed concern for me and professional teamwork in the apprehension of these teenage juveniles. Within minutes the teens were caught. It was later I learned that every one of them had prior arrest records.

Please thank these officers.

I have always stated and I will state again we have the finest police department in the United States. Please tell them to keep up the good work and God Bless All of the Police for making me feel safer because they are there.

I will always Back the Blue.

Sincerely Yours,

RUTH MAHL,
Executive Director, Helping Hands Lifeline Foundation.

LEGISLATIVE BRANCH FUNDING BILL

HON. RON PACKARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1995

Mr. PACKARD. Mr. Speaker, last week the Legislative Branch Subcommittee, which I chair, slashed $155 million in an unopposed bill. And that is just the beginning. If every other Government agency cut themselves back like we did, we would be three-quarters down, $133 billion, the road toward a balanced budget in 1 year—never mind the year 2002. We have set the standard and now it's up to the other branches of Government to do their part.

We must make Congress work better and at less cost to the taxpayer. To that end, we have defunded certain items, looking toward privatizing them, eliminated others which were redundant, reduced those which were bloated and recommended innovative ways to move Congress into the 21st century. The bill is structured to allow for privatizing many of the constituent related services including congressionally flown flags, historical calendars, and some mailing operations. We also eliminated redundant agencies and services. Among them, the Office of Technology Assessment [OTA], the Joint Committee on Printing, one House parking lot, funding for the barber and beauty shops and the House restaurants. And remaining agencies have all been held at fiscal year 1995 levels or have been reduced greatly.

This bill does what we said we would do last November. We are downsizing Government, making it work better for less. I ask that my colleagues support this effort.

WHEN INSURANCE TAX BACKFIRED, CONGRESS PASSED THE BUCK

HON. BOB FILNER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1995

Mr. FILNER. Mr. Speaker, newspapers across the country last week reported a story that this Congress and the Clinton administration have known for several years—the Federal Government is losing almost $2 billion annually because of a flaw in the tax policy. The analysis, prepared by a team of investigative reporters from the Associated Press [AP], concluded that a powerful political lobby has succeeded in blocking all attempts to close this unintended loophole. I ask unanimous consent to reproduce this report in the CONGRESSIONAL RECORD.

The political lobby cited by the AP story is the mutual life insurance industry. The industry says they have been assured by Ways and Means Chairman Bill Archer, according to AP, that Congress isn't "looking to advance anything."

At a time when Congress is supposedly examining every program for possible cutbacks and savings, we should not put any spending item—including unintended tax loopholes—off limits from scrutiny. My colleagues should be aware that Senator BOB DOLE recently stated on "Meet the Press" that closing loopholes is not considered a tax increase—but merely a correction.

The unintended loophole in Federal tax policy identified by the AP story in section 809, a provision included in 1984 amendments to the U.S. Tax Code. The Ways and Means Committee acknowledged in 1989 that section 809 had backfired and tried to fix the problem. As reported by AP, "After months of hearings and debate, lawmakers caved to the insurance lobby, with—the committee—asking the industry to devise its own tax plan." No industry recommendations have been forthcoming.

My own investigations suggest the yearly loss of revenues from section 809 is nearly $2 billion, a staggering amount of money. Rather than cut food programs for school children and hungry families, Congress should use these funds to reduce the Federal deficit.

Representative HELEN CHENOWETH and I have introduced legislation, H.R. 1497, to repeal section 809, a bill to restore tax fairness and close an unintended loophole. The Congress is proposing to ask every American to share in the effort to control spending, and to share the pain from downsizing the Federal Government. Everyone should be expected to contribute to this effort, including mutual life insurance companies which now escape their fair share of the tax burden.

Mr. Speaker, the independent voice of the Associated Press has revealed in this article that this $2 billion loophole exists and is being used by a handful of the country's largest mutual insurance companies. I hope the Ways and Means Committee will hold hearings on this situation and approve the legislation Congresswoman CHENOWETH and I have proposed to correct it.

Because no other major media outlet has delved into this national scandal, the AP story is reprinted below:

WHEN INSURANCE TAX BACKFIRED, CONGRESS PASSED BUCK

(By David Morris and John Solomon)

WASHINGTON.—Congressman BOB FILNER wants to put billions of extra dollars in the U.S. Treasury, but he is having trouble finding people to take up his cause.

The California Democrat has introduced legislation designed to close a loophole in federal tax law that allows mutual life insurance companies to avoid paying at least $1 billion in additional taxes each year. The legislation, similar to his bill that stalled in the last session of Congress, appears likely to be blocked again by the politically savvy insurance lobby.

The problem is not new. For six years, top officials in Congress and at the White House have known that an earlier law intended to increase taxes on the mutual companies backfired. Instead of raising additional tax dollars, documents obtained by The Associated Press show the 1984 law unwittingly

gave mutual companies a new deduction that wiped out most of the intended increase.

"We compromised away too much," said Rep. Pete Stark, D-Calif., a frequent critic of the insurance industry and an architect of the 1984 plan. Accounting studies show the mutual insurance companies which include such insurance giants as Prudential and Metropolitan Life, pay taxes at half the rate of stockholder-owned insurers 10.8 percent versus 22 percent. The disparity was supposed to be corrected through an additional tax on the mutuals, which are owned by their policyholders. The catch came in a provision of the 1984 formula that allowed the mutuals to deduct capital gains.

Congress expected the deduction to be minimal, since mutuals had reported less than $100 million in capital gains between 1979 and 1984. But the mutuals changed their accounting, declaring nearly $15 billion in capital gains over the next five years. With encouragement from the Bush administration, Congress tried to fix the problem in 1989. But after months of hearings and debate, lawmakers caved to the insurance lobby, with then-House Ways and Means Committee Chairman Dan Rostenkowski asking the industry to devise its own tax plan.

That, Stark scolded, "was like putting them on a steak and ice cream diet and telling them to get their cholesterol and fat down." The industry convened a study group, but eventually abandoned the effort.

Filner's bill also appears unlikely to solve the problem. He has only one co-sponsor, while the mutual industry apparently has locked up a powerful commitment to keep the bill back. Carroll Campbell, a former South Carolina governor who now heads the American Council of life Insurance, said he recently received assurances from Republican Ways and Means Chairman Bill Archer that bills to raise taxes were "non-starters."

Archer declined an interview. Ted Groom, a spokesman for the mutual side of the industry, said the system is already unfair. He contends that changing the law to collect more taxes would drive mutual companies out of business. "We are currently overtaxed,' he said in an interview.

Still, study after study by independent agencies has shown that the 1984 law backfired, and that giant mutual companies were benefiting the most. One 1989 Treasury Department study said the law was supposed to generate $5.2 billion from the mutual insurance industry from 1984 to 1986, but had fallen $2.4 billion short. Other estimates put the shortfall as high as $2 billion a year.

Most large mutual companies have entirely offset the amount of new taxes they were supposed to pay. Some even claim the formula left them with a negative tax bill, and one company has sued to get the money back from the government. The government's expert witness in that case estimates that if the company wins, mutual companies could get refunds of up to $5 billion.

For years, the mutual companies have argued that the official figures indicating they were paying a low tax rate were erroneous. But they have failed to offer proof. This year, the industry apparently changed its tack, acknowledging the 809 section worked in its favor in the early years. But mutual companies also point to a 1995 analysis by Moody's Investors Service, which predicts the industry will see a sharp increase in taxes this year because a poor year gave them fewer capital gains to deduct.

Girding for a new fight in Congress, insurers donated an estimated $25 million to the national parties and congressional candidates in the past two elections. They also have hired some of the most powerful lobbyists in Washington, including Thomas J. Downey, a former member of the House Ways and Means Committee.

As the lobbyists lined up in opposition, Filner tried to get help from the Clinton administration, which has declared war on "corporate welfare." But the administration has refused to take a position on the tax measure.

ARCHER-JACOBS FAMILY MEDICAL SAVINGS AND INVESTMENT ACT OF 1995

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1995

Mr. ARCHER. Mr. Speaker, I am introducing H.R. 1818, the Family Medical Savings and Investment Act of 1995. The American people want health care reform—but not health care reform that relies on one-size-fits-all big Government solutions. Medical savings accounts will allow Americans to find affordable health care tailored to their personal needs. By allowing businesses and individuals to set up tax-free accounts to use for their health care expenses, this bill accomplishes three things. It makes health care more affordable and more accessible, and it promotes savings.

One of the reasons health care costs have skyrocketed is overuse and abuse of the system. By giving patients incentives to purchase health care more carefully, medical savings accounts will reduce the pressures that cause costs to rise.

Medical savings accounts also increase access to health care. If you have your own account, you won't lose your health care if you change jobs or lose your job.

Finally, MSA's promote personal savings. Nearly all of the economists who have come before the Ways and Means Committee agree on one thing: we badly need more savings. MSA's provide a savings-based answer to the health care dilemma.

Last year, the American people were denied meaningful health care reform because the administration took an all-or-nothing big Government approach that left them with nothing. Our incremental approach looks to be just what the doctor—and the American people—ordered.

Medical savings accounts legislation has long been a goal of mine. And now, this is an idea whose time has come. I hope that my colleagues, on both sides of the aisle, will join me in supporting this legislation which will allow Americans to find better quality, more affordable health care.

FAMILY MEDICAL SAVINGS AND INVESTMENT ACT OF 1995

TECHNICAL DESCRIPTION OF THE BILL

IN GENERAL

The bill would permit individuals who are covered by a catastrophic health plan to maintain a medical savings account (MSA) to assist in saving for expenses not covered by the health plan. Within limits, contributions would be excludable from gross income if made by the employer and deductible if made by the individual. In general, the aggregate amount of individual and employer contributions that could be deducted or excluded for a taxable year would be the lesser of (1) the deductible under the catastrophic health plan, or (2) $2,500 if the MSA covers only the individual or $5,000 if the MSA covers the individual and the spouse or a dependent of the individual. Withdrawals from an MSA would be excludable from income if used for medical expenses for the individual and his or her spouse or dependents.

DEDUCTIBLE CONTRIBUTIONS TO MSAS

A deductible contribution could be made to an MSA for any month in which the individual is an eligible individual. In general, a person would be an eligible individual for a month if, at any time during the month, he or she is covered under a catastrophic health plan and (at the same time) is not covered under a health plan other than a plan that provides certain permitted coverage.[1] No deduction would be allowed for a year if employer contributions (including transfers from flexible spending arrangements) are made to an MSA for the individual. (As discussed below, such employer contributions would be excludable from income.)

A catastrophic health plan would be defined as a health plan that has a deductible amount of at least $1,800 (or $3,600 if the plan provides coverage for more than one individual). These dollar limits would be indexed annually for inflation (rounded to the nearest multiple of $50).

The maximum deductible contribution to an MSA would be determined separately for each month based on the individual's status for each month, including whether the individual is an eligible individual, whether or not the MSA covers more than one eligible individual, and the amount of the deductible under the catastrophic health plan.

In general, the maximum annual deductible contribution would be the sum of the following amounts determined separately for each month. 1/12 of the lesser of $2,500 or the deductible under the catastrophic health plan for each month[2] in which the individual is an eligible individual and the MSA covers only the individual, and 1/12 of the lesser of $5,000 or the deductible under the catastrophic health plan for each month in which the individual is an eligible individual and the MSA covers the individual and another eligible individual who is the spouse or dependent of the individual. The maximum annual deduction limit would be reduced by any employer contribution to an MSA and any amounts transferred to an MSA from a flexible spending arrangement (FSA). After 1995, the dollar limits would be indexed for increases in the medical care component of the consumer price index. Such increases would be rounded to the nearest multiple of $50.

The deduction limit generally would be determined separately for each spouse of a married couple. If both spouses are covered under the same catastrophic health plan, then the deduction limit generally would be divided equally between the spouses unless they agree on a different division in the time and manner prescribed by the Secretary of the Treasury.

Example: Individual A, who has compensation of $50,000 a year, is covered by a catastrophic health plan with a deductible of $2,400 for individual coverage and $4,800 in the case of family coverage (and no other health plan) for all of 1996. Individual A is single at the beginning of 1996, but marries in July 1996. A's spouse is also covered by the same catastrophic health plan as A (and no other health plan). The maximum deduction

limit for A is calculated as follows. For each of the months January through June of 1996, the contribution limit is $200 and for each of the months July through December of 1996, the contribution limit is $400. Thus, the maximum limit for the entire year is $3,800.

The deduction for contributions to an MSA would be taken in arriving at adjusted gross income (i.e., "above the line"). No deduction would be allowed to an individual if any other individual is entitled to a personal exemption for such individual.

Contributions to an MSA for a taxable year could be made until the due date for filing the individual's tax return for the year (determined without regard to extensions).

EMPLOYER CONTRIBUTIONS TO AN MSA

Employe contributions to an MSA on behalf of an eligible individual would be excludable from gross income and wages for employment tax purposes. The amount excludable could not exceed the deduction limit applicable to the individual (determined without regard to the employer contributions).

DEFINITION AND TAX TREATMENT OF MEDICAL SAVINGS ACCOUNTS

In general, an MSA would be a trust created exclusively for the purpose of paying the qualified medical expenses of the MSA holder (or his or her spouse or dependents) that meets requirements similar to those applicable to individual retirement arrangements (IRAs) The trustee of an MSA could be a bank, insurance company, or other person that demonstrates to the satisfaction of the Secretary that the manner in which such person will administer the trust will be consistent with applicable requirements.

MSAs generally would be taxable under the rules relating to grantor trusts. Any capital loss for a taxable year from an asset held in an MSA would be allowed only to the extent of capital gains from such assets for the taxable year.

An MSA trustee would be required to make such reports as may be required by the Secretary.

TAX TREATMENT OF DISTRIBUTIONS

Distributions used to pay the qualified medical expenses (not reimbursed by insurance or otherwise) of the individual or the individual's spouse or dependents would be excludable from gross income. Qualified medical expenses would be defined as under the rules relating to the itemized deduction for medical expenses (sec. 213), except that for this purpose medical expenses would not include insurance premiums other than premiums for a catastrophic health plan and would include premiums for long-term care insurance.

Distributions from an MSA that are excludable from gross income could not be taken into account for purposes of the itemized deduction for medical expenses.

Amounts not used for qualified medical expenses would be included in gross income to the extent such distributions do not exceed the excess of (1) the aggregate contributions to such account which were deductible or excludable from gross income, over (2) the aggregate prior payments from such account which were includable in gross income. An additional tax of 10 percent of the amount includable in income would also apply unless the distribution is made after the individual dies or becomes disabled.

FLEXIBLE SPENDING ARRANGEMENTS

The bill would provide that amounts in a health FSA could be transferred to an MSA for an eligible individual. A health FSA would not fail to be such merely because it permits such transfers. Such transfers would be excludable from gross income and would reduce the otherwise applicable contribution limit to an MSA.

An FSA generally would be defined as a benefit program which provides employees with coverage under which specified incurred medical expenses may be reimbursed (subject to reimbursement maximums and other reasonable conditions) and the maximum amount of reimbursement which is reasonably available to a participant for such coverage is less than 500 percent of the cost of such coverage. In the case of an insured plan, the maximum amount reasonably available would be determined on the basis of the underlying coverage.

EFFECTIVE DATE

The bill would be effective with respect to taxable years beginning after December 31, 1995.

FOOTNOTES

[1]The following types of coverage would be permitted coverage and therefore would not preclude an individual from being eligible to contribute to an MSA: (1) coverage only for accidents, dental care, vision care, disability income, or long-term care; (2) Medicare supplemental health insurance; (3) coverage issued as a supplement to liability insurance; (4) liability insurance, including general liability insurance and automobile liability insurance; (5) worker's compensation or similar insurance; (6) automobile medical-payment insurance; (7) coverage for a specified disease or illness; and (8) a hospital or fixed indemnity policy. Other types of coverage, e.g., a flexible spending arrangement, would not be permitted coverage.

[2]If the individual is covered under different catastrophic plans at different times during the month, the limit would be the lowest deductible under such plans.

CONGRATULATIONS TO DR. DIXIE MELILLO

HON. KEN BENTSEN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1995

Mr. BENTSEN. Mr. Speaker, I want to highlight the accomplishments of Dr. Dixie Melillo, a distinguished physician who has selflessly helped women with breast cancer in southeast Texas. In fact. Dr. Melillo is a wonderful healer for both the families and the patients with breast cancer. Dr. Melillo provides the latest medical treatments as well as emotional support for her patients. Every patient receives her home phone number so they can contact her at any time and discuss their case. Dr. Melillo is a good example of an extraordinary woman and professional who gives her time and effort to her community.

Dr. Melillo founded The Rose, a nonprofit organization for breast cancer screening. The Rose provides mammograms below cost or at no cost to women who otherwise would not receive these screenings. With these screenings, women have a much better chance of survival and receive appropriate medical treatment before their tumors have spread. As of December 1994, The Rose has provided low-cost mammograms to over 45,000 women, including 4,700 sponsored patients. In addition, The Rose is located in three locations so it is convenient for women to schedule their appointments.

Dr. Melillo is a tireless volunteer for The Rose, and serves as its medical director. In her capacity as medical director, Dr. Melillo has organized five different breast cancer support groups, and regularly attends each of these meetings. Her most recent accomplishment was to organize a metastatic support group for patients with a recurrence. Patients, spouses, and families all join in these important gatherings. Last year, Dr. Melillo consulted with more than 300 women.

In many cases, she will treat patients who cannot afford followup care, at no cost. She has never turned down an opportunity to help her fellow woman. Roughly 20 percent of her practice has been dedicated to charity care.

Dr. Melillo is a well recognized and dedicated physician. Dr. Melillo completed her medical studies at the University of Texas Medical Branch in Galveston, TX. A general surgeon in private practice in Pasadena, Dr. Melillo currently serves as the chairperson of the Southeast Harris County Task Force of the American Cancer Society. In 1986 she served as the Chairman of The Department of Surgery at Bayshore Medical Center.

Dr. Melillo works hard for her community. She currently serves on the board of directors at Texas Commerce Bank, Pasadena Branch. Since 1993, Dr. Melillo has served on the board of directors at Bayshore Medical Center, where she still practices. From 1986 to 1990, Dr. Melillo served as the chairman of the Pasadena Chamber of Commerce, Medical Services Committee. In addition, Dr. Melillo has served as the alternative delegate for the Texas Medical Association. In 1988, Dr. Melillo received the Mayor's Volunteer of the Year Award in the health category for her dedicated service to the Houston community.

IN RECOGNITION OF COL. PIERCE ALBERT RUSHTON, JR., DIRECTOR OF ADMISSIONS AT THE U.S. MILITARY ACADEMY IN WEST POINT, NY

HON. SUE W. KELLY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1995

Mrs. KELLY. Mr. Speaker, Col. Pierce Albert Rushton, Jr., Director of Admissions at the U.S. Military Academy which is located in my District in West Point, New York, is retiring this year. He has a long and distinguished career of service to his country and the continued development of its future leaders.

At this point Mr. Speaker, I would ask that the attached statement be inserted into the RECORD for my colleagues review:

Colonel Rushton will retire from active military service in September 1995. Colonel Rushton's long and distinguished career as a soldier began in 1959 with his graduation from West Point and has spanned over 36 years. Colonel Rushton has made immeasurable contributions to the U.S. Army and to the U.S. Military Academy. Throughout his career he has distinguished himself as an exceptional leader, who fostered and upheld the timeless and honorable traditions of the U.S. Army.

As a soldier, Colonel Rushton served the nation in Germany, Vietnam, Korea, and the United States. He commanded a battalion and four different companies. Among these

were command of the Command Operations Company of the 1st Infantry Division during the height of the Vietnam conflict, and command of the 142d Signal Battalion, 2d Armored Division, Fort Hood, TX, during the era of vital division testing. He served as battalion executive officer of the largest signal battalion in the Army in Korea, on the Department of the Army Staff in Washington, DC, and with TRADOC Combined Arms Test Agency at Fort Hood. He is a graduate of the Air War College, Montgomery, AL and the U.S. Army Command and General Staff College, Fort Leavenworth, KS.

Colonel Rushton holds a master of science degree in management from the University of Alabama and was elected to Beta Gamma Sigma academic fraternity. His first assignment to the West Point staff and faculty was from 1972–1975 as Associate Director of Admissions. In 1979, Colonel Rushton returned to West Point as the Deputy Director of Admissions. In 1985 he was appointed by President Reagan as the U.S. Military Academy Director of Admissions. During his tenure in admissions, Colonel Rushton developed and implemented a number of impressive initiatives. Some of the more important and far-reaching actions for West Point have been the development of comprehensive admissions tracking and trend analysis; the first use of student search programs for the Military Academy; the development of a state-of-the-art training and assessment program for newly assigned admissions officers; the opening of field offices in California and Texas, and the establishment of the West Point Spotlight School Program and Annual USMA Admissions Distinguished Service Award. During Colonel Rushton's admissions service, the U.S. Military Academy has enrolled 87 percent of the women and 77 percent of the African-American graduates in its history.

Colonel Rushton serves as a member and secretary of the U.S.M.A. Academic Board and as a member of the superintendent's policy board. He has been directly involved in enrolling 20 West Point classes or approximately 34 percent of the total graduates of West Point. As a result of Colonel Rushton's dedicated leadership in attracting and admitting the best young people our Nation has to offer, West Point has retained its position as one of the country's finest institutions of higher learning and the premier leader development institution in the world.

Colonel Rushton and his wife, Charlene have two children, Stephanie Patelli of Fort Irwin, CA and Cheryl Neuburger of Katonah, NY.

Colonel Rushton's many friends, fellow soldiers, and the Corps of Cadets join together on this day, to wish him the best of health and happiness and continued success.