SENATE—*Wednesday, September 13, 1995*

(Legislative day of Tuesday, September 5, 1995)

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

The PRESIDENT pro tempore. Today's prayer will be offered by guest chaplain, Pastor Richard Laue, Calvary Bible Church, Burbank, CA.

PRAYER

The Reverend Richard Laue, pastor of Calvary Bible Church, Burbank, CA, offered the following prayer.

Our Sovereign God, we bow our heads, we open our hearts that our lives as well as our lips might give You praise. We worship You, we love You, we honor You for the abundant blessings and immeasurable grace that You have poured out upon us as a nation. We thank You today for the Senate of these United States of America. We pray that You might open the windows of Heaven and pour out upon these our governmental leaders that You have chosen, wisdom and knowledge that they might lead us in the direction You have established.

May every soul from coast to coast and border to border be subject to the governing authorities that rule over us, because we know there is no authority, except what You have established. Remind us, Lord, that those who ever resist the authority resist the ordinance of the Almighty God, and those who resist will bring judgment upon themselves. We have learned from experience that rulers are not a terror to good works and obedient living, but to evil in the world. Remind us frequently that rebellion and anarchy bring judgment.

Remind the citizenry and the leadership of this Nation that when we "sow the wind, we shall reap the whirlwind." Burn into our thinking and our decisionmaking that text of Scripture, "Be not deceived for God is not mocked for whatsoever a man (or a nation) soweth, that shall he also reap"—Galatians 6:7.

Help us to encourage the weak, lift up the fallen, and heal the wounds in our Nation. We pray that the blessing and the benediction of Almighty God might rest upon the Senate of these United States of America. To God be the glory. Amen.

FAMILY SELF-SUFFICIENCY ACT

The PRESIDENT pro tempore. The clerk will report the pending bill.

The assistant legislative clerk read as follows:

A bill (H.R. 4) to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

The Senate resumed consideration of the bill.

Pending:

Dole modified amendment No. 2280, of a perfecting nature.

Moseley-Braun amendment No. 2471 (to amendment No. 2280), to require States to establish a voucher program for providing assistance to minor children in families that are eligible for but do not receive assistance.

Moseley-Braun amendment No. 2472 (to amendment No. 2280), to prohibit a State from imposing a time limit for assistance if the State has failed to provide work activity-related services to an adult individual in a family receiving assistance under the State program.

Graham/Bumpers amendment No. 2565 (to amendment No. 2280), to provide a formula for allocating funds that more accurately reflects the needs of States with children below the poverty line.

Domenici modified amendment No. 2575 (to amendment No. 2280), to strike the mandatory family cap.

Daschle amendment No. 2672 (to amendment No. 2280), to provide for the establishment of a Contingency Fund for State Welfare Programs.

Daschle amendment No. 2671 (to amendment No. 2280), to provide a 3-percent set aside for the funding of family assistance grants for Indians.

DeWine amendment No. 2518 (to amendment No. 2280), to modify the method for calculating participation rates to more accurately reflect the total case load of families receiving assistance in the State.

Faircloth amendment No. 2608 (to amendment No. 2280), to provide for an abstinence education program.

Boxer amendment No. 2592 (to amendment No. 2280), to provide that State authority to restrict benefits to noncitizens does not apply to foster care or adoption assistance programs.

Ms. MOSELEY-BRAUN addressed the Chair.

The PRESIDENT pro tempore. The Senator from Illinois is recognized.

AMENDMENT NO. 2471

Ms. MOSELEY-BRAUN. Mr. President under the previous order, there is to be a final 10 minutes of debate on two pending amendments which I offered. The vote is to occur at 9:10 this morning. Therefore, in light of the fact that we have about 7 minutes left, I will be very brief and succinct in describing the two amendments.

At the outset, I would like to submit for the RECORD an article in the Washington Post yesterday by Judith Gueron, which talks about the way out of the welfare bind. There is one line in particular that I call to the attention of my colleagues, and the Senator from Pennsylvania, who is on the floor and working this legislation. She talks about time limits and she concludes that they should be tested. Then she goes on to say:

> But given the public expectations, we cannot afford to base national policies on hope rather than knowledge. The risk of unintended consequences is too great.

Now, the point of these amendments is to at least provide us with some security against unintended consequences. I believe the two amendments pending will go to the heart of the debate about welfare reform. Are we, as a national community, going to maintain a national commitment to poor children, or are we going to gamble with the future of millions of children?

I remind my colleagues, in the discussion that we have had that there are some 14 million AFDC welfare recipients; 5 million of those people are adults, but 9.6 million—almost 10 million of them—are children. Work is important and certainly we all support work for adults. But it is the children who have been forgotten, I think, in this debate and who are the unintended targets of this debate and who will suffer if there are any unintended consequences of our policymaking.

Some 60 percent of the children of the AFDC recipients are children under the age of 6. So the first amendment suggests, or asserts, really, that these 9 million children, 60 percent of whom are under the age of 6, are too precious to take a gamble that the States will construct programs that will, in fact, work, and that we, therefore, make a national commitment by allowing for the child vouchers. We can make a commitment that we will not allow children to go hungry or to become homeless; nor will we allow a child to become subject to the vicissitudes of misfortune or accidents of geography. As a nation with a $7 trillion economy and $1.5 trillion Federal budget, I believe that we can provide a minimum safety net for poor children.

This amendment provides for that safety net by requiring the States to provide vouchers for poor children who live in families that may be ineligible or kicked off, or somehow or another not eligible for assistance because of rental circumstances.

This amendment seeks to hold the child harmless, to protect the child even from the behavior of their parents. If anything, Mr. President, it seems to me that we ought to provide some basic level of protection for these

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

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children for whom all of our decision-making will have grave and dramatic impact.

The second amendment goes to the parents. Essentially, it says that of those 5 million parents who are being called on to work in this welfare reform, as to those individuals—parenthetically, all of us agree that anybody who can work should work—but the State, in the legislation, is required to set forth a work plan for those individuals that they deem needed. But if the State does not live up to its part of the bargain, that State does not provide jobs assistance, job training, does not follow its own plan—not a plan we are imposing from Washington, but if the State does not do what it needs to do with regard to job training and placement of the adult, then this amendment says that the State should not eliminate assistance for those individuals who they have themselves failed.

Again, I want to bring to the attention the second part of the article called "A Way Out of the Welfare Bind." She says:

States, in any case, are concluding that time limits do not alleviate the need for effective welfare-to-work programs. In a current study of states that are testing time-limit programs, we have found that state and local administrators are seeking to expand and strengthen activities meant to help recipients prepare for and find jobs before reaching the time limit. Otherwise, too many will "hit the cliff" and either require public jobs, which will cost more than welfare, or face dramatic loss of income with unknown effects on families and children and, ultimately, public budgets.

That goes to the heart of the debate here, that in the event there are unintended consequences of our decision-making, we should assure that the unintended consequences do not impact the children—again, 60 percent of whom are under the age of 6, or alternatively, that people are not penalized for circumstances beyond their control.

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

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

A WAY OUT OF THE WELFARE BIND

(By Judith M. Gueron)

Much of this year's debate over welfare reform in Washington has focused on two broad issues: which level of government—state or federal—should be responsible for designing welfare programs, and how much money the federal government should be spending.

The debate has strayed from the more critical issue of how to create a welfare system that does what the public wants it to do. Numerous public opinion polls have identified three clear objectives for welfare reform: putting recipients to work, protecting their children from severe poverty and controlling costs.

Unfortunately, these goals are often in conflict—progress toward one or two often pulls us further from the others. And when the dust settles in Washington, real-life welfare administrators and staff in states, counties and cities will still face the fundamental question of how to balance this triad of conflicting public expectations.

Because welfare is such an emotional issue, it is a magnet for easy answers and inflated promises. But the reality is not so simple. Some say we should end welfare. That might indeed force many recipients to find jobs, but it could also cause increased suffering for children, who account for two-thirds of welfare recipients. Some parents on welfare face real obstacles to employment or can find only unstable or part-time jobs.

Others say we should put welfare recipients to work in community service jobs—workfare. This is a popular approach that seems to offer a way to reduce dependency and protect children. But, when done on a large scale, especially with single parents, this would likely cost substantially more than sending out welfare checks every month. To date, we haven't been willing to make the investment.

During the past two decades, reform efforts, shaped by the triad of public goals, have gradually defined a bargain between government and welfare recipients: The government provides income support and a range of services to help recipients prepare for and find jobs. Recipients must participate in these activities or have their checks reduced.

We now know conclusively that, when it is done right, the welfare-to-work approach offers a way out of the bind. Careful evaluations have shown that tough, adequately funded welfare-to-work programs can be four-fold winners: They can get parents off welfare and into jobs, support children (and, in some cases, make them better off), save money for taxpayers and make welfare more consistent with public values.

A recent study looked at three such programs in Atlanta, Grand Rapids, Mich., and Riverside, Calif. It found that the programs reduced the number of people on welfare by 16 percent, decreased welfare spending by 22 percent and increased participants' earnings by 26 percent. Other data on the Riverside program showed that, over time, it saved almost $3 for every $1 it cost to run the program. This means that ultimately it would have cost the government more—far more—had it not run the program.

In order to achieve results of this magnitude, it is necessary to dramatically change the tone and message of welfare. When you walk in the door of a high-performance, employment-focused program, it is clear that you are there for one purpose—to get a job. Staff continually announce job openings and convey an upbeat message about the value of work and people's potential to succeed. You—and everybody else subject to the mandate—are required to search for a job, and if you don't find one, to participate in short-term education, training or community work experience.

You cannot just mark time; if you do not make progress in the education program, for example, the staff will insist that you look for a job. Attendance is tightly monitored, and recipients who miss activities without a good reason face swift penalties.

If welfare looked like this everywhere, we probably wouldn't be debating this issue again today.

Are these programs a panacea? No. We could do better. Although the Atlanta, Grand Rapids, and Riverside programs are not the only strong ones, most welfare offices around the country do not look like the one I just described.

In the past, the "bargain"—the mutual obligation of welfare recipients and government—has received broad support, but reformers have succumbed to the temptation to promise more than they have been willing to pay for. Broader change will require a substantial up-front investment of funds and serious, sustained efforts to change local welfare offices. This may seem mundane, but changing a law is only the first step toward changing reality.

It's possible that more radical approaches—such as time limits—will do an even better job. They should be tested. But given the public expectations, we cannot afford to base national policies on hope rather than knowledge. The risk of unintended consequences is too great.

States, in any case, are concluding that time limits do not alleviate the need for effective welfare-to-work programs. In a current study of states that are testing time-limit programs, we have found that state and local administrators are seeking to expand and strengthen activities meant to help recipients prepare for and find jobs before reaching the time limit. Otherwise, too many will "hit the cliff" and either require public jobs, which will cost more than welfare, or face a dramatic loss of income with unknown effects on families and children and, ultimately, public budgets.

Welfare-to-work programs are uniquely suited to meeting the public's demand for policies that promote work, protect children and control costs. But despite the demonstrated effectiveness of this approach, the proposals currently under debate in Washington may make it more difficult for states to build an employment-focused welfare system. Everyone claims to favor "work," but this is only talk unless there's an adequate initial investment and clear incentives for states to transform welfare while continuing to support children.

Many of the current proposals promise easy answers where none exist. In the past, welfare reform has generated much heat but little light. We are now starting to see some light. We should move toward it.

Ms. MOSELEY-BRAUN. I see my time has expired. I yield the floor.

Mr. SANTORUM addressed the Chair.

The PRESIDING OFFICER (Mrs. HUTCHISON). The Senator from Pennsylvania.

Mr. SANTORUM. Madam President, I think the Senator from Illinois hit the nail right on the head in talking about the issue of unintended consequences. How can we risk to do this, to put a time limit on people on welfare? I wish we would have had that same discussion back when we instituted all these welfare programs in the sixties, because when we did that we had absolutely no idea what was going to happen. We had no idea of the unintended consequences. We had no idea that the harm that has been caused by all of these programs, the dependency that exists in this country because of these programs, had we thought about these unintended consequences, we may have not have done that, but we did it anyway, without any proof that what we were passing was going to be beneficial to the American citizens. We had no proof at all. In fact, in the thirties when these were initially realized they

were replacements for private charity systems that were networks of charities that are all over the country.

We said, no, the Government will take more responsibility. Franklin Roosevelt warned us about the subtle narcotic being delivered to the masses on welfare. We ignored a lot of the naysayers out there at the time, saying big Government programs and unlimited welfare were going to be a real problem for this country, were going to be a disintegration of community, family, and the support that we have seen in communities. We ignored all that and just plowed ahead.

Now we are saying, "Oh my goodness, we cannot change that because we do not know what will happen." Well, we changed it in the 1930's and the 1960's without knowing what would happen. We found out what has happened, and it is a big problem.

To suggest now we cannot find some moderation, we are not talking about pulling the Government out of welfare, we are talking about putting a limit on the amount of assistance that we are going to give people, and changing the system from one of a maintenance and dependency system to one that is a dynamic transitional system.

I think that is a good middle ground that we have established with this piece of legislation.

What the amendment of the Senator from Illinois will do is perpetuate a system of dependency, of maintenance of poverty. I think it hopefully will be rejected by the Senate.

I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to amendment numbered 2471. The yeas and nays have been ordered.

The clerk will call the roll.

The assistant legislative clerk called the roll.

The PRESIDING OFFICER (Mr. THOMPSON). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 42, nays 58, as follows:

[Rollcall Vote No. 413 Leg.]

YEAS—42

Akaka	Feingold	Lieberman
Biden	Feinstein	Mikulski
Bingaman	Ford	Moseley-Braun
Boxer	Glenn	Moynihan
Bradley	Heflin	Murray
Breaux	Hollings	Pell
Bryan	Inouye	Pryor
Bumpers	Johnston	Reid
Byrd	Kennedy	Robb
Conrad	Kerrey	Rockefeller
Daschle	Kerry	Sarbanes
Dodd	Lautenberg	Simon
Dorgan	Leahy	Specter
Exon	Levin	Wellstone

NAYS—58

Abraham	Campbell	D'Amato
Ashcroft	Chafee	DeWine
Baucus	Coats	Dole
Bennett	Cochran	Domenici
Bond	Cohen	Faircloth
Brown	Coverdell	Frist
Burns	Craig	Gorton
Graham	Kempthorne	Roth
Gramm	Kohl	Santorum
Grams	Kyl	Shelby
Grassley	Lott	Simpson
Gregg	Lugar	Smith
Harkin	Mack	Snowe
Hatch	McCain	Stevens
Hatfield	McConnell	Thomas
Helms	Murkowski	Thompson
Hutchison	Nickles	Thurmond
Inhofe	Nunn	Warner
Jeffords	Packwood	
Kassebaum	Pressler	

So the amendment (No. 2471) was rejected.

Mr. MOYNIHAN. Mr. President, 42 votes. A good vote. I move to reconsider.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 2472

The PRESIDING OFFICER. Under the previous order, there will now be 4 minutes debate equally divided on the second Moseley-Braun amendment numbered 2472, to be followed by a vote on or in relation to the amendment.

Who yields time?

Mr. MOYNIHAN. Mr. President, I believe the time has been agreed to, 4 minutes.

The PRESIDING OFFICER. The Senator from Illinois.

Ms. MOSELEY-BRAUN. Mr. President, the second amendment has been explained at length.

Mr. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order.

Mr. BYRD. Mr. President, I would like to be able to vote intelligently on this amendment. I hope the Senate will give its attention to Members who are attempting to explain briefly these amendments. I hope the Chair will insist on order in the Senate, and I for one will applaud the Chair for the effort.

The PRESIDING OFFICER. The Senate will be in order.

Mr. MOYNIHAN. The Chair can name names if that becomes necessary.

The PRESIDING OFFICER. Will Senators take their conversations off the floor.

The Senator from Illinois.

Ms. MOSELEY-BRAUN. I thank the Chair very much. I will be brief.

Essentially, the second amendment also deals with unintended consequences. But unlike the amendment that applied, or was directed at almost 10 million children who are presently on welfare, this one applies, or is directed, to the approximately 5 million adults who are recipients under the various programs in the States.

Essentially, what it says is that the State will do what it says it is going to do. It is intended to address the issue of unintended consequences where a State has not provided job assistance, where the economy in the State has pockets of high unemployment, where a recession occurs or plants leave and individuals cannot work because there are no jobs. Then the State will not in that situation throw an individual off of welfare who wants to work, who needs to work, who wants to support their family and has no other way of providing for their children.

I had introduced earlier an article out of the Washington Post regarding welfare-to-work programs. Certainly, we all agree that anybody who can work should work. There is no debate, I think, about that. But in the event there are no jobs, in the event there is high unemployment, in the event there is some economic downturn over which an individual has no control, the question is, are we prepared to accept the consequences, the unintended consequences of an able-bodied person who wants to work, who is unable to work, being unable to provide anything for their children.

Many States are such as my own. In Illinois, 64 percent of the caseload resides in one county. In that instance, it seems to me that a State should be called on to do what the State says it is going to do. This is not imposing anything on the States other than the States have imposed on themselves. This, it seems to me, is a reasonable moderation of our approach in turning this issue over to the States, letting the States create their plan. It simply says the State will do what the State says it will do in regard to job assistance.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. NICKLES. Mr. President, I rise in opposition to this amendment. In my opinion, this amendment really is a back-door effort to have a continued entitlement. This creates a new entitlement which requires the States to provide services. It tries to get around the idea of having a time limit, a limitation on welfare.

I remember President Clinton's statement that we want to end welfare as we know it. This amendment basically is an effort to exempt the 5-year time limit to keep an open-ended entitlement. This opens up States also to lawsuits from recipients who do not get the type of training they want rather than what the State thinks they need.

I might mention we had a similar type provision that was earlier defeated.

Mr. President, I hope that my colleagues would vote "no" on this amendment. I yield back the remainder of our time.

The PRESIDING OFFICER. The question is on agreeing to the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

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

The result was announced—yeas 40, nays 60, as follows:

[Rollcall Vote No. 414 Leg.]

YEAS—40

Akaka	Ford	Lieberman
Bingaman	Glenn	Mikulski
Boxer	Graham	Moseley-Braun
Bradley	Harkin	Moynihan
Breaux	Heflin	Murray
Bryan	Hollings	Pell
Bumpers	Inouye	Pryor
Conrad	Johnston	Robb
Daschle	Kennedy	Rockefeller
Dodd	Kerrey	Sarbanes
Dorgan	Kerry	Simon
Exon	Lautenberg	Wellstone
Feingold	Leahy	
Feinstein	Levin	

NAYS—60

Abraham	Faircloth	McCain
Ashcroft	Frist	McConnell
Baucus	Gorton	Murkowski
Bennett	Gramm	Nickles
Biden	Grams	Nunn
Bond	Grassley	Packwood
Brown	Gregg	Pressler
Burns	Hatch	Reid
Byrd	Hatfield	Roth
Campbell	Helms	Santorum
Chafee	Hutchison	Shelby
Coats	Inhofe	Simpson
Cochran	Jeffords	Smith
Cohen	Kassebaum	Snowe
Coverdell	Kempthorne	Specter
Craig	Kohl	Stevens
D'Amato	Kyl	Thomas
DeWine	Lott	Thompson
Dole	Lugar	Thurmond
Domenici	Mack	Warner

So the amendment (No. 2472) was rejected.

Mr. MOYNIHAN. Mr. President, I move to reconsider the vote by which the amendment was rejected.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 2565

The PRESIDING OFFICER. Under the previous order, there will now be 20 minutes for debate equally divided on the Graham amendment No. 2565, to be followed by a vote on or in relation to the amendment.

Mr. GRAHAM. Mr. President, I yield 2 minutes to the Senator from Nebraska, Senator KERREY.

The PRESIDING OFFICER. The Senator from Nebraska [Mr. KERREY] is recognized for 2 minutes.

Mr. KERREY. Mr. President, under the Dole bill, we are fundamentally changing the covenants of welfare. It seems to me and other supporters of this amendment that we should be fundamentally changing the way we design our formulas. Instead, under the Dole bill, we continue to use a formula that is based upon an older system.

Instead, what the Graham-Bumpers amendment does is provides a formula that is based on fairness and guided by three principles: First, that the block grant should be based on need; second, the funding level should respond to changes in the poverty level; and third, the States should not be permanently disadvantaged based upon their policy choices and circumstances made in 1994.

Mr. President, the Graham-Bumpers children's fair share proposal meets the test that I have just described by allocating funding based upon the number of poor children in each State, a formula just for changes in the population of children in poverty, so it does not lock States into an outdated funding level.

I point out to my colleagues something I suspect they already know, and that is, child poverty has enormous economic costs. It has huge human costs as well. Low-income children are twice as likely to suffer from stunted growth, twice as likely as other children to die from birth defects, and three times more likely to die from all causes combined.

It has been estimated that there are $36 to $177 billion in lower productivity coming from the American economy as a consequence of child poverty. It has enormous future costs as well. There is a University of Michigan study that those children under age 5 who experience at least 1 year of poverty have significantly lower IQ scores. If we are going to change our welfare system to a block grant, we need to change our funding formula to address child poverty. I cannot imagine—except for States that lose money, and some will under this formula. Unless your States lose money, I do not know how you can do anything other than to support this amendment.

The PRESIDING OFFICER. Does the Senator yield back his time?

Mr. KERREY. I yield back my time.

The PRESIDING OFFICER. Who yields time? The Senator from Texas [Mrs. HUTCHISON] is recognized.

Mrs. HUTCHISON. Mr. President, I yield 4 minutes from our 10 minutes to the Senator from Pennsylvania.

The PRESIDING OFFICER. The Senator from Pennsylvania [Mr. SANTORUM] is recognized for 4 minutes.

Mr. SANTORUM. Mr. President, I thank the Senator from Texas. I find it interesting that the Senator from Nebraska is standing up here arguing for this amendment. It is very magnanimous of him. I know originally his State gains. I am not too sure he is aware that after 5 years, the State of Nebraska goes from $100 million down to $23 million, which is actually less money than they are getting now under the current formula. They will get less money.

The Senator from Nevada spoke on this amendment yesterday. They will get less money under this formula. There is no hold harmless here.

You should look at the formula not just in the first year, but over 5 years. Your numbers come down. Nevada is one. Actually, your maintenance of effort in Nebraska and Nevada, under the 80 percent maintenance-of-effort provision, will be required to pay more than what the Federal share will be, because you will be required to maintain 80 percent, but your number is going to come down below that.

Look at the numbers over the 5 years and you will see States like California, Connecticut, Hawaii, Maryland, Massachusetts, Nebraska, Nevada, New Jersey, New York, Rhode Island, and Washington all will have higher maintenance-of-effort requirements than Federal contributions under the Graham amendment.

Throw away parochialism. This is bad public policy. We are going to say on the floor of the Senate that we are going to make you pay more than what the Federal share will be to your States. That is wrong.

Hawaii is one of the big losers. I see the Senator from Hawaii here. They are going to have to pay more out of their own State coffers than will come from the Federal Government over a period of time. Some of these States get a little bump at the beginning, but what you do not see is they do not hold the small States harmless, and, over time, their number comes down and comes down dramatically.

In fact, if you look at the States that lose over time—I will go through them quickly—other than the States I just mentioned, because all the States I mentioned lose over time. In addition to those States, you have Alaska, Delaware, Maine, Michigan, Minnesota, Montana, New Hampshire, North Dakota, Oregon, Pennsylvania, Vermont. I mentioned Washington State before. You may think you are getting a boost under this, because if you look at it in the first year, you do, but with a lot of those States, over time their allocation, according to the formula, goes down.

So do not look at the first year and be suckered into a vote in favor of this amendment because you get a little bump at the start. Over time, the big winners—and I give a lot of credit to the Senator from Texas for standing up—Florida and Texas are the two big States that are going to be the big, big winners under this and the rest of the other States, particularly the small States in the West, the Midwest, and Northeast, are going to get hammered over the next 5 years.

Again, throw parochialism aside. To suggest that we are going to make 12 States maintain a higher effort of State dollars than we will give them Federal dollars is wrong. It is absolutely wrong, I do not care where you come from. That is what this amendment does. It is misguided, it is unfair, not just to the States involved, but I think unfair to children in general.

I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time? The Senator from Florida.

Mr. GRAHAM. Mr. President, I yield 2 minutes to the Senator from Arkansas.

The PRESIDING OFFICER. The Senator from Arkansas [Mr. BUMPERS] is recognized for 2 minutes.

Mr. BUMPERS. Mr. President, let me start by asking the Senator from Pennsylvania, before he leaves the floor, if he thinks this country is fair to the children, when the District of Columbia, under this bill, is going to get $4,222 per child, and the State of Arkansas is going to get $390.

Do you know why a child in the District of Columbia is worth $4,200, 11 times more than the child in Arkansas? Because for years, the Federal Government says whatever you put in, we will match it. So they have matched it over the years. And now we are institutionalizing a gross inequity.

What we are saying in this bill is, if you happen to come from a poor State, no matter how hard you try, no matter how much money you did your very best to put in AFDC, you could not match Pennsylvania, New York, Massachusetts. Those States made a monumental effort, and we should congratulate them for it. But to say now 1994 is the be-all and end-all, whatever you contributed in 1994 is what you are going to get forever?

In short, if you are poor, you stay poor. If you are affluent, you stay affluent. There are Governors in this country—the Republicans got a lot of Governorships last year, and I guarantee you that a lot of them have already cut their contribution. No matter, it is 1994 that counts.

I cannot believe we are doing this. I could not vote for this bill in 100 years with this formula in it. How will I go home and tell the people of my State that a child in New York is worth $2,200 and their poor children are worth $400, or a child in the District of Columbia is worth $4,200 and our children worth $400?

The PRESIDING OFFICER. The time of the Senator has expired.

Who yields time?

Mrs. HUTCHISON. Mr. President, I yield 2 minutes to the Senator from California.

Mrs. FEINSTEIN. Mr. President, I thank the Senator from Texas. I rise to oppose this Graham-Bumpers formula. I must say—and I say it respectfully—this formula is sudden death for California. It will cost California about $1 billion. It is enormous in its impact.

There is no fiscal year in which California comes close to what is offered in the Dole bill, and I think the Dole bill formula is bad for California. So that is why I say this is sudden death.

Frankly, I respect the Senator from Arkansas very much, but how a formula can be justified, which essentially says we will reward States who do very little for their poor people and we will seriously disadvantage States that are willing to do more for their poor people, I have a hard time understanding that logic.

This is a Government that has practiced devolution. This is a Government that has said more and more that it is the responsibility of the State. Yet, in this bill, they seek to punish those who have a high maintenance of effort.

For California, over the 5-year period, this bill will cost $1 billion. The impact is enormous. There is no amendment that has been proposed that has a greater negative impact on the State of California than does this.

I thank the Senator and yield the floor.

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

The PRESIDING OFFICER. The Senator from Florida has 6 minutes.

Mr. GRAHAM. We will reserve our 6 minutes to close.

Mrs. HUTCHISON. Mr. President, I yield 2 minutes to the senior Senator from New York.

Mr. MOYNIHAN. I thank my friend from Texas.

Mr. President, last evening, we debated this matter in greater length. I took the liberty to go over the historical provision of the entitlement by States to a matching share of their expenditures on children. From the first, it has been a formula designed to move more Federal funds to the South and West, out of the North and East. The ratio is determined by the square of the difference between the State's per capita income and national per capita income. States have received as much as an 83 percent Federal match. New York and California get the lowest Federal match rate: 50 percent.

We have since recalculated our poverty data to account for cost of living. Mr. President, may I make this point? Adjusted for the CPI, New York State has the sixth highest incidence of poverty in the country. Florida has the 20th highest. Arkansas has the 19th highest. New York is a poorer State than Arkansas. A new idea, I grant; new data, I assert. But truth as well.

This amendment would cost California $5.4 billion and New York $4.6 billion. Not because we have had an advantage in the Federal formula. To the contrary. It is because we have had a civic policy that has sought caring for children to be a higher priority than perhaps some others have done, or we felt we had the capacity, even in the face of the data that suggests we have not.

This is an elemental injustice. I am openly conflicted. If this amendment passes, the bill dies. But in the first instance, I will remain loyal to the principle of the last 60 years.

My time has expired. I thank the Senator from Texas.

Mrs. HUTCHISON. Mr. President, I yield 2 minutes to the junior Senator from New York.

The PRESIDING OFFICER. The junior Senator from New York [Mr. D'AMATO] is recognized.

Mr. D'AMATO. Mr. President, I thank my colleague from Texas and the distinguished senior Senator from New York, who are opposing this amendment.

This amendment is not about welfare reform. It is about pitting region against region, about enriching certain States at the expense of others, about taking money from States which have made an effort to deal with the plight of poor children and poor adults and just identifying 15 States and saying we are going to give you more money so we can buy your votes. That is wrong.

Let me tell you what it does to our State of New York. It costs us, as Senator MOYNIHAN has indicated, $4.5 billion over 5 years. It will cost us nearly $1 billion in the first year alone.

Let us talk about maintenance of effort. Senator SANTORUM has spoken to it. We have to maintain an effort at 80 percent. Under this amendment, the State of New York will spend $600 million a year more than it gets from the Federal side. Let us talk about rich and poor, about poverty, and what people are worth and are not worth, as it relates to the Northeast and Midwest. We sent $690 billion more in taxes to Washington than we received in the past 14 years. I thank my distinguished colleague, the senior Senator from New York, because under his stewardship, the coalition put these numbers together.

Let us talk about the State of New York. In the last 14 years, during the same period of time, we sent $142.3 billion more to Washington in taxes than we have received in what we call "allocable spending." Let us look at the State of Florida. They have gotten back from Washington $38.5 billion more during that same period of time than they sent down to Washington in taxes. Now we see nothing other than a raid on New York, and its poor children in particular. Maybe what we should do is discuss an amendment to reallocate some of the Federal funds that flow to States such as Florida to give relief to those disadvantaged States in the Northeast and Midwest—New York, Pennsylvania and others—that already get less than their fair share of Federal allocable spending. Instead we have before us an amendment that would transfer more money to Florida at the expense of poor children in New York.

So I urge defeat of this amendment. It is a bad amendment.

The PRESIDING OFFICER. The Senator from Florida has 6 minutes remaining.

Mrs. HUTCHISON. Has our time expired?

The PRESIDING OFFICER. Yes.

Mr. GRAHAM. Mr. President, to close on this amendment, we have heard a lot about the phrase that "we want to change welfare as we have known it" and that it is a failed system. There are many citations as to what those failures are. If one of the objectives of the welfare system was,

as the senior Senator from New York has stated, to move resources from the Northeast to the South and West, we will add that as an additional failure of the welfare system.

How can you say that a system has accomplished that objective of assisting the poorest States in America when Texas receives one-fifth the amount of funds for its poor children as does New York and when Arkansas receives one-eleventh of the funds per poor child as does the District of Columbia? Another example of the failed system.

Assume that we were to start this process with a blank piece of paper. Assume we had never distributed Federal money for the purposes of assisting poor children and assisting the guardians—particularly the single, female heads of households—of those poor children to get off welfare and on to work and thus independence. How would we go about allocating the money?

First, I think we want to allocate it in a manner that would, in fact, make the system work, that would provide a sufficient amount of resources into each of the communities of America to allow the kinds of training programs and child care to be functional, to accomplish the objective of moving from dependence to independence through work.

Second, we want to have elemental fairness in how those funds are distributed. That is the essence of the amendment that is before us today, Mr. President.

This amendment follows the simple principle, take the total number of poor children in America—they are America's poor children. They are not Florida's poor children or California's poor children, they are America's poor children. The funds will come from all Americans through the Federal Treasury. Take the number of poor children in the country, divide that into the funds we have available, approximately $17 billion a year, and distribute the money wherever the poor children are. That seems to me to be an imminently reasonable approach and a fair approach in terms of achieving the objective.

The amendment that has been offered by Senator DOLE would distribute 99 percent of the Federal dollars to the status quo. However, the money which was distributed in 1994 will be distributed in the year 2000, without regard to any changes. There can be a depression in Colorado, you can have enormous growth in Arizona, you can have a depopulated Michigan, and yet you will get the same money in the year 2000 that you got in the year 1994. That does not sound like a fair, reasonable plan, or a plan which will accomplish the objective of this legislation.

Much has been made by the Senator from Pennsylvania about maintenance of effort. Frankly, maintenance of effort has been a moving target throughout this debate. We had no maintenance of effort when we started this debate. We defeated an amendment yesterday to require a continuation of maintenance of effort. Whatever final position we take on this formula, obviously, we will have to readdress the issue of maintenance of effort.

Mr. President, I believe there are a number of considerations that Members of this Senate ought to take into account as they decide whether to vote on this amendment. First, the Dole amendment does not respond to economic or demographic changes. Second, the Dole amendment rewards inefficiency. New York State spends over $100 per welfare case for administration. West Virginia spends $13. Yet, those inefficiencies are going to be rewarded in that New York State will get a higher proportion of the money, in part because it has been more inefficient in utilizing the funds available.

The mandates that we are imposing, heavy mandates in training and in child care, will be much more difficult to meet in a State like Texas, where 84 percent of the money Texas gets from the Federal Government will have to be spent to meet the mandates of training and child care. In Mississippi, 88 percent of the money will have to be used, whereas in more affluent States, less than 40 percent of their Federal funds will be required in order to meet these mandates.

Much has been said about the fact, Mr. President, that we are going to be moving toward parity under the Dole amendment, that eventually we will get to the goal that all children will be fairly and equally treated. How long will that trail take? Let me give some examples.

How long will it take from today, using the Dole formula, for the State of Alabama's poor children to have the same worth in terms of the distribution of Federal funds as do the poor children of the rest of America? Mr. President, 74 years is how long it will take Alabama; Delaware, 39 years; Louisiana, 79 years; Idaho, 42 years; Mississippi, 100 years before the poor children of Mississippi reach the average of the Nation; Florida, 29; Nevada, 29; Illinois, 13; South Carolina, 78 years before South Carolina's poor children reach the average of the Nation in terms of the distribution of the Nation's resources for poor children; South Dakota, 27 years; Texas, 75 years.

How, in 1995, do we support a formula which has that degree of inequity and unfairness, and the fundamental undermining of the ability of this legislation to achieve its intended result, to change welfare as we have known it by giving people a chance, a chance to move from dependency to independence through work.

I urge the adoption of this amendment.

Mr. BUMPERS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 2565, offered by the Senator from Florida [Mr. GRAHAM].

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

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

The result was announced—yeas 34, nays 66, as follows:

[Rollcall Vote No. 415 Leg.]

YEAS—34

Akaka	Exon	Mack
Baucus	Ford	McConnell
Biden	Graham	Moseley-Braun
Bingaman	Gregg	Nunn
Breaux	Heflin	Pell
Bryan	Hollings	Pryor
Bumpers	Inouye	Reid
Byrd	Jeffords	Robb
Coats	Johnston	Rockefeller
Conrad	Kerrey	Simon
Daschle	Leahy	
Dorgan	Lugar	

NAYS—66

Abraham	Frist	McCain
Ashcroft	Glenn	Mikulski
Bennett	Gorton	Moynihan
Bond	Gramm	Murkowski
Boxer	Grams	Murray
Bradley	Grassley	Nickles
Brown	Harkin	Packwood
Burns	Hatch	Pressler
Campbell	Hatfield	Roth
Chafee	Helms	Santorum
Cochran	Hutchison	Sarbanes
Cohen	Inhofe	Shelby
Coverdell	Kassebaum	Simpson
Craig	Kempthorne	Smith
D'Amato	Kennedy	Snowe
DeWine	Kerry	Specter
Dodd	Kohl	Stevens
Dole	Kyl	Thomas
Domenici	Lautenberg	Thompson
Faircloth	Levin	Thurmond
Feingold	Lieberman	Warner
Feinstein	Lott	Wellstone

So the amendment (No. 2565) was rejected.

Mr. MOYNIHAN. Mr. President, I move to reconsider the vote by which the amendment was rejected.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 2575

The PRESIDING OFFICER. Under the previous order there will now be 20 minutes of debate equally divided on the Domenici amendment, No. 2575, to be followed by a vote on or in relation to the amendment.

The time will be divided four ways—5 minutes each to Senators DOMENICI, GRAMM, DASCHLE, and DOLE.

POSTPONEMENT OF VOTE ON AMENDMENTS NOS. 2672 AND 2608

Mr. DOLE. Mr. President, I have a consent agreement that has been cleared by the Democratic leader, Senator DASCHLE.

I ask unanimous consent that the debate time and the rollcall vote scheduled with respect to the Daschle

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amendment, No. 2672, and the Faircloth amendment, No. 2608, be postponed to reoccur at a time to be determined by the majority leader after consultation with the Democratic leader.

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

AMENDMENT NO. 2575

The PRESIDING OFFICER. Who yields time?

Mr. BRADLEY addressed the Chair.

Mr. DOMENICI. Regular order, Mr. President. What is the regular order?

The PRESIDING OFFICER. The regular order is the consideration of the Domenici amendment with 5 minutes to each to be allocated to Senators DOMENICI, DASCHLE, GRAMM, and DOLE.

Mr. MOYNIHAN. Mr. President, it was my understanding that there was to be 20 minutes equally divided.

The PRESIDING OFFICER. The Senator is correct. It totals 20 minutes divided four ways.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico, [Mr. DOMENICI], is recognized.

Mr. DOMENICI. Mr. President, Senator MOYNIHAN, on the minority side, and I have decided that I will control 10 minutes with him using part of that. That means there are 10 minutes under the control of Senator DOLE, 5 minutes, and Senator GRAMM, 5 minutes.

Mr. President, I am going to speak for 2 minutes, and if you will tell me when I have used the 2 minutes I would appreciate it.

First, I ask unanimous consent that Senator SPECTER be added as a cosponsor.

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

Mr. DOMENICI. Mr. President, Governor Engler testified before the Budget Committee that conservative strings to block grants were no better than liberal strings to block grants. A man saying that was not just an ordinary Governor but a Governor who is advocating no strings on the block grants in welfare. He said leave this issue that is before us—the family cap—up to the States. Give them the option to decide amongst a myriad of approaches to the very difficult problem of welfare teenagers and welfare mothers having children. He said let us experiment in the great democratic tradition in the sovereign States, and we are apt to do a better job.

What I propose is very simple. It mandates nothing. So nobody should think I am mandating that there be no family cap. I am merely saying each State in its plan decides this issue for itself. If they want a cap, they can have a cap. If they want to decide to try something different, they try something different.

It seems to me that is in the best tradition of what Republicans and conservative Democrats have been saying when they say send these programs to the States so they can manage them properly and let those who are closest to the grassroots—the State legislatures and Governors—decide how to do it.

There is nothing complicated about it. Again, I do not mandate anything. What my amendment says is the States can do it however they want with reference to the family cap or using cash payments for children who are part of a welfare situation where there is already one child, another one is born, and the States can decide how to handle that. We do not have all the wisdom here in Washington. That is the issue.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. DOMENICI. I yield 2 minutes to Senator BRADLEY.

The PRESIDING OFFICER. The Senator from New Jersey is recognized.

Mr. BRADLEY. Mr. President, I rise in support of the Domenici amendment.

New Jersey is the only State that has actually implemented a family cap. It took effect almost 2 years ago as part of a comprehensive reform of welfare which combines such disincentives as the family cap along with strong positive incentives for welfare recipients to work, and to marry. Almost from the day the family cap took effect we have been bombarded with people declaring absolutely that it works, and absolutely that it does not work. We have heard that there is a 1-percent reduction in birth rates to parents on welfare. We have also then, based on an evaluation by Rutgers, heard that there was no difference in births. We heard there was an increase in abortions. Then we heard that there was but it was not statistically significant. Never have such dramatic conclusions be drawn from such shaky and preliminary numbers.

Let me simply reiterate that from New Jersey's perspective—what everyone involved in the program has said—it is an experiment. I repeat, it is an experiment. We only have a year of data. We know only that a total of 1,500 fewer children were born to welfare recipients than over the previous 12 months. But births overall are down, and a difference of 1,500 births does not mean at all much compared to 125,000 total births in the State in the same period. At the same time, we penalize 6,000 families on welfare in which children were born.

Is the tradeoff of 6,000 children denied benefits worth the 1,500 hypothetical children whose mothers thought twice before becoming pregnant, or, on the other hand, who had abortions? I do not know. Will these numbers change? Will the message sink in? I do not know.

The basic point is that it is an experiment. We have inconclusive data.

We should not mandate something when we do not know what we are doing. States should be able to experiment.

The PRESIDING OFFICER. The Senator's time has expired.

Who yields time?

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized to speak for 5 minutes.

Mr. DOLE. Mr. President, I have the greatest respect for the Senator from New Mexico, but I rise in opposition to his amendment.

So let me tell you that we have been trying to craft a bill here and maintain a balance to get enough people on board to pass a very strong welfare reform bill. And I believe we are on the verge of accomplishing that. In fact, I hope we can do it by tomorrow. In fact, we need to do it by tomorrow.

I understand precisely what the Domenici amendment does. It simply strikes a provision in our bill that prohibits additional cash to children born to families receiving assistance.

I know the Catholic bishops feel very strongly about this, and the Catholic charities, because they deal with a lot of these families. They understand some of the problems.

As I have suggested, I think our bill has structured the right balance on the important issue of out-of-wedlock births.

I am committed to supporting a provision in our bill which allows States to provide vouchers in lieu of cash assistance. We think that goes a step in the direction that we think the bishops and others who support the Domenici amendment want to go.

Under this provision, I believe the children in need will be provided support. They are going to have vouchers, not going to have cash but vouchers, and the important thing is that these vouchers may be used for goods and services to provide for the care of the children involved. In addition, we all know that other forms of Federal and State aid remain available.

This has been one of the most difficult issues. The family cap and whether you have cash payments for teenage moms are probably the two most difficult issues we have faced, two of the most difficult issues we have faced in putting a welfare reform package together.

I understand the concerns that Senator DOMENICI expressed. I have talked with the Catholic bishops. They have been in my office. I have talked with Catholic Charities. They have been in my office. But I have talked to others who feel just as strongly on the other side. I also have talked with the Governors, and they do not want any strings. They do not want conservative or liberal strings. But they know in some cases they are going to have strings. I do not know of any objection by the Governors with reference to the family cap. I think they would accept

that. They may not like it, but they would accept it. So I would hope that we also give flexibility in the family cap provision. If we do not deal with out-of-wedlock births, then we are really not dealing with welfare reform.

We have had a number of Governors—12 States—who have currently received waivers from the Federal Government to experiment with some version of the family cap. However, our proposal also maintains considerable flexibility for these States and addresses the crisis of out-of-wedlock births.

The crisis in our country must be faced. Thirty percent of America's children today are born out of wedlock. And many believe we, at the Federal level, must send a clear signal. We believe the underlying proposal which is identical to the one agreed to by the House does just that. We are going to be in conference in any event.

Let me emphasize again that we have tried to keep everybody together in this proposal. I am not certain what happens if this Domenici amendment is adopted. We will still have an opportunity in conference. But we have crafted a very careful bill here to respond to the needs of many. Unlike the situation of single teenage mothers in poverty, this provision mostly affects families.

It seems to many of us the time has come when these families must face more directly whether they are ready to care for the children they bring into the world. That is the reason for the family cap.

So somebody has to make some decision out there—the families themselves, the parents, the mother. We believe the family cap will certainly encourage someone to make that decision and that if you continue cash payments, there is no restraint at all.

I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas [Mr. GRAMM], is recognized.

Mr. GRAMM. Mr. President, I yield myself 3 minutes.

Mr. President, it is hard for me to take this argument about States rights seriously when Senator DOMENICI has another amendment, amendment 2573, that mandates how much States pay on welfare. So let us make it clear. This is not an issue about flexibility. This is not an issue about strings. This is an issue about reform.

The Domenici amendment preserves the status quo. And what is the status quo? The status quo is that one out of every three babies born in America today is born out of wedlock. The status quo is if we continue to give people more and more money to have more and more children on welfare, by the end of this century illegitimacy will be the norm and not the exception in America. No great civilization has ever risen that was not built on strong families. No great civilization has ever survived the destruction of its families, and I fear the United States of America will not be the first.

Under existing law, States can do exactly what Senator DOMENICI's amendment allows them to do. What his amendment will do is perpetuate a system which subsidizes illegitimacy, which gives cash bonuses to people who have more and more people on welfare.

The compromise we have hammered out helps children. It provides vouchers. It provides them the ability to take care of them. But it does not provide cash incentives for people to have children that they cannot support.

What a great paradox it is that while families across America are pulling the wagon, both husband and wife working every day to save enough money to have a baby, they are paying taxes to support programs like this one which is subsidizing people to have babies that they cannot support.

I think if we are going to deal with welfare reform, if we are going to have a bill worthy of the name, we have to defeat this amendment.

I do not know what is going to happen on this amendment. Obviously, I am concerned about it. It breaks the deal that we have negotiated. It basically eliminates the glue that held a compromise together.

I am very concerned about the fate of welfare reform if this amendment is adopted. In the end, whether we have to do it in conference or whether it is not done, I am not going to support a bill that does not deal with illegitimacy. There is no way you can solve the welfare problem and not deal with illegitimacy. It is the basic cause of the problem, and I think we are running away from it with this amendment. I hope my colleagues will oppose it.

This is a crisis in America. It is a crisis that has got to be dealt with. I think to assume that the problem is simply going to go away is a bad mistake. Then he opposes even a modest limitation on the use of Federal funds turned over to the States.

My position is different. Do not tell the States how to spend their own money but set a few basic moral principles for the use of Federal funds. I believe that Federal funds should not subsidize illegitimacy.

This amendment is a complete reversal of the agreement we reached on this bill. It is time we take our commitment seriously and defeat this amendment.

I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President, how much time do I have?

The PRESIDING OFFICER. The Senator from New Mexico has 1 minute.

Mr. DOMENICI. If we pool the 10, how much do we have left?

The PRESIDING OFFICER. Under the previous agreement, Senator MOYNIHAN has 5 minutes given to him by Senator DASCHLE, and Senator NICKLES has one-half yielded by Senator DOLE.

Mr. DOMENICI. I yield—how much time does the Senator want to use?

Mr. MOYNIHAN. Two minutes.

Mr. DOMENICI. Two minutes to Senator MOYNIHAN.

The PRESIDING OFFICER. Senator MOYNIHAN is recognized for 2 minutes.

Mr. MOYNIHAN. Mr. President, in the current issue of the Economist, the cover story is "The Disappearing Family," and it speaks of the problem of out-of-wedlock births. It says of this Senator that I have taken this problem seriously for 30 years. It quotes an earlier statement that "a community without fathers asks for and gets chaos."

I am not new to this subject, and I am very much opposed to a family cap of any kind. This is not the way to deal with this baffling and profoundly serious subject. When my friend from Texas cites the projections of where we will be at the end of the century, those, sir, are my projections. It has been a field I have worked in as he has worked in his field. But the dictum of the Catholic Charities is that the first principle in welfare reform must be "do no harm."

These children have not asked to be conceived, and they have not asked to come into the world. We have an elemental responsibility to them. And so I hope, regarding the most fundamentally moral issue we will face on this floor, that we will not have the State deny benefits to children because of the mistakes, or what else you will say, of their parents.

Mr. President, I yield back my time.

Mr. DOMENICI. I yield Senator BREAUX 2 minutes.

Mr. BREAUX. I thank my colleague.

Mr. President, I rise in strong support of the Domenici amendment. There is no disagreement in this body by either Republicans or Democrats on the question of illegitimacy. We oppose it very strongly and are looking for ways to help curtail it in this country. My State has the second highest illegitimacy rate in the country; 40 percent of all children born are illegitimate.

The question is, how do you solve it? Do you solve it by punishing the children or do you solve it by requiring work requirements for the parents, by requiring them to live under adult supervision, by requiring them to take work training, by requiring them to live in a family setting? I suggest that the way to do it is by those types of requirements. Do not penalize the child.

The current bill says absolutely a new child that is born will get no help.

That is a mandate. It says, well, the States have the option if they want to give a voucher they can. They do not have to. The Domenici bill changes that and the Domenici bill says that, if a child is born, we are going to look at that child as an innocent victim. And that is the proper approach. States that have had mandatory caps have not seen illegitimacy birth rates go down. But they have seen abortion rates go up. I do not think that is what this Senate wants to stand for. I urge the strong support of the Domenici amendment.

Mr. MOYNIHAN. Could I say that the Senator from New York is a cosponsor, and on both sides there is support.

Mr. BREAUX. The Domenici-Moynihan amendment. And I have strong support for it.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. NICKLES. Mr. President, everyone I heard speak on this issue said illegitimacy is a very serious problem. There is no question that it is. Illegitimacy has been exploding in this country, and, as a result, we have increased crime, we have increased welfare.

We need to break that cycle. The present system is we subsidize illegitimacy, the more children born out of wedlock the more Federal money they received. That is the present system. A lot of us think that is wrong. This bill says that there will be no additional under the Dole bill—not the Domenici amendment, the Dole bill says we are not going to give additional Federal cash payments for welfare families if they have additional children.

It does not say the States. If the States are really adamant and say they want to help and do it in the form of cash, they can use their own money. The bill allows them to give noncash benefits, so they can take some of the block grant money and use noncash benefits in the form of vouchers and give. But we do not want to have cash incentives for additional children born out of wedlock. So I think Senator DOLE has a good provision, and it is with regret that I oppose my friend and colleague, Senator DOMENICI's amendment.

One final comment. I heard New Jersey mentioned. The Heritage Foundation did a report. I will capsulize.

New Jersey is the only State in the Nation that instituted a family cap policy, denying an increase in cash welfare benefits to mothers who have additional children while already receiving welfare. The evidence currently available from New Jersey indicates that a family cap has resulted in a decline in births to women on AFDC, but not an increase in the abortion rate.

Mr. President, I reserve the balance of our time.

The PRESIDING OFFICER. All time of the Senator from Oklahoma has expired.

The only Senator that still controls time is the Senator from New York, who has 2 minutes remaining.

Mr. DOMENICI. Mr. President, I had previously arranged to make sure that Senator CHAFEE spoke.

Mr. MOYNIHAN. Yes. I ask the Chair, how much time is remaining?

The PRESIDING OFFICER. The Senator from New York has 2 minutes remaining.

Mr. MOYNIHAN. I will be happy to yield.

Mr. DOMENICI. Because of some of the things that were said, I need to have at least a minute.

Mr. MOYNIHAN. I ask that 1 minute be yielded to the Senator from New Mexico and the other minute to the Senator from Rhode Island.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized for 1 minute.

Mr. CHAFEE. Mr. President, I support the Domenici amendment. There has been a lot of talk about inconsistency and about flexibility. I think that applies on both sides. None of us have been totally consistent. But with regard to this, the whole thrust of this bill is meant to be for flexibility. And with a mandatory family cap, as is suggested by the opponents of this bill, certainly that is not in keeping with flexibility.

Now, the suggestion is that, "Do not worry. There are no cash payments provided in this bill, but vouchers are provided." That is not quite accurate. The underlying bill does not provide for vouchers. It says vouchers may be provided.

I would also point out that this is a nightmare of administration when you are dealing with vouchers for children. So it seems to me, as has been pointed out here, under the underlying bill, the people that suffer under this proposal to get at illegitimacy as the target, the people that suffer are the children. I just do not think that is the way to proceed. As has been pointed out by the Senator from New Jersey, there is no definiteness about the family cap having reduced illegitimacy.

I want to thank the Senator for the time.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico is recognized for 1 minute.

Mr. DOMENICI. I want to say to all my friends, especially some of the Republicans who talked about breaking an agreement, I do not break agreements. I was not part of any agreement. I was not in attendance. I had one meeting where we went over the whole bill. But I was not there. If I were there, I would have said I did not agree. And so I am bringing my disagreement here to the floor to let you decide.

Frankly, I am absolutely convinced the New Jersey experience is meaningless with reference to whether or not there will be less welfare mothers having children if there is a family cap. The study I see says that there is no evidence that it has succeeded. If there is evidence of that, there is equally as good evidence that abortions have increased. I do not believe either one.

But my argument is, why make a mistake? Why not let the Governors and the States decide as they put a big plan together. Let them do innovative things to make this system work better. Do we really know that if we say no cash for second children of a welfare mother, that the others are going to stop having children? I mean, I do not believe that. And if you believe that—I do not want to make it so mundane—but you believe in the tooth fairy. It just is not going to happen.

I think we ought to adopt this and go to conference. We have a good bill. And I, frankly, am trying my best to be helpful in this bill. And to say I am inconsistent—most Senators are for maintenance of effort—that is the inconsistency; I am for maintenance of effort.

The PRESIDING OFFICER. All time has expired.

The question occurs on amendment No. 2575.

Mr. MOYNIHAN. 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.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk called the roll.

The PRESIDING OFFICER (Mr. KEMPTHORNE). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 66, nays 34, as follows:

[Rollcall Vote No. 416 Leg.]

YEAS—66

Abraham	Exon	Levin
Akaka	Feingold	Lieberman
Baucus	Feinstein	Lugar
Bennett	Ford	Mikulski
Biden	Glenn	Moseley-Braun
Bingaman	Gorton	Moynihan
Bond	Graham	Murray
Boxer	Harkin	Nunn
Bradley	Hatch	Packwood
Breaux	Hatfield	Pell
Bryan	Heflin	Pryor
Bumpers	Hollings	Reid
Byrd	Inouye	Robb
Chafee	Jeffords	Rockefeller
Cohen	Johnston	Roth
Conrad	Kassebaum	Sarbanes
D'Amato	Kennedy	Simon
Daschle	Kerrey	Simpson
DeWine	Kerry	Snowe
Dodd	Kohl	Specter
Domenici	Lautenberg	Stevens
Dorgan	Leahy	Wellstone

NAYS—34

Ashcroft	Coverdell	Grams
Brown	Craig	Grassley
Burns	Dole	Gregg
Campbell	Faircloth	Helms
Coats	Frist	Hutchison
Cochran	Gramm	Inhofe

Kempthorne	Murkowski	Thomas
Kyl	Nickles	Thompson
Lott	Pressler	Thurmond
Mack	Santorum	Warner
McCain	Shelby	
McConnell	Smith	

So the amendment (No. 2575), as modified, was agreed to.

Mr. DASCHLE. Mr. President, I move to reconsider the vote, and to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2671

The PRESIDING OFFICER. Under the previous order, there will be 10 minutes debate, equally divided, on the Daschle amendment No. 2671, to be followed by a vote on or in relation to that amendment.

Who yields time?

Mr. DASCHLE. Mr. President, I will take 3 minutes of my time and then yield 1 minute to the Senator from Hawaii, Mr. INOUYE, and 1 minute to the Senator from New Mexico, Senator BINGAMAN.

Mr. President, I offer this amendment in the hope that we can find some resolution to what we all understand to be a very serious problem on reservations. My amendment would simply change the funding mechanism in the bill to ensure that adequate funding is provided to tribes across the country. It would establish a 3 percent national set-aside, and tribal grants would be allotted from the set-aside based on a formula to be determined by the Secretary. Tribes, in both the pending legislation as well as in this amendment, would receive direct funding from the Federal Government to administer their own programs.

The difference between the pending bill and our amendment is that, under the pending legislation, tribes would receive money based on the amount the State spent on them in fiscal year 1994. The State grant would be reduced by the amount of the tribal grant. Under our amendment, tribes would be allocated funds directly from the national set-aside. The funding for the tribes would be taken out of that 3 percent set-aside, even before the money is allocated to the States.

So it is simply a different mechanism for ensuring that funds are allocated in an appropriate way. Why 3 percent? Mr. President, the poverty rate for Indian children on reservations is 60.3 percent—three times the national average. I know that the percentage of the AFDC population that is represented by native Americans is less than 3 percent, but the problems tribes face are far greater than that statistic would dictate.

Clearly, when you have a poverty rate of 60 percent, we have to do more than what at first glance might appear to be necessary. Per capita income in the United States is $14,000. Per capita income on the reservations is $4,000. Unemployment rates range, in South Dakota, from 29 percent all the way up to 89 percent. Nationwide, unemployment on reservations is four to seven times the national average.

So we face some extraordinary circumstances on the reservations, Mr. President, and there is very little infrastructure in existence to address these problems today. We need reform. We need to recognize that reform has to mean more than just resources. We need the mechanism and infrastructure to create new opportunities to provide the services that are so needed on reservations today. For all these reasons, tribes deserve the 3 percent. I hope that the amendment will be supported.

I yield a minute to the distinguished Senator from New Mexico.

Mr. BINGAMAN. Mr. President, I appreciate the chance to speak on behalf of the Daschle amendment. I do think it is very important that we try, as we are going through this legislation, to assist Indian tribes in pueblos around the country in helping their own people.

We talk a lot about empowerment. Here is a chance for us to do just that. At the same time that we are talking about empowering people, we are in fact cutting funds for Indian education, cutting funds for tribal justice programs, for housing operations, for tribal law enforcement, tribal social services, and a number of other vital programs.

We should not shortchange the Indian children of this country and their families in this bill. The Daschle amendment helps to ensure that we do not do that. I very much urge my colleagues to support the Daschle amendment.

I yield the floor.

Mr. DASCHLE. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Democratic leader has 1 minute 18 seconds.

Mr. DASCHLE. I yield that to the distinguished Senator from Hawaii.

Mr. INOUYE. Mr. President, as we prepare to vote on this measure, we should remind ourselves that, first, Indians are sovereign. Second, there is a unique relationship existing between Indian nations and the Federal Government of the United States, a trust relationship. There is no special relationship existing between States and Indian country. The Constitution sets forth this relationship. The Supreme Court has upheld it on numerous occasions.

I support the Daschle amendment. I hope we will continue to maintain the unique relationship that exists between Indians and the Federal Government.

Mr. NICKLES. Mr. President, I yield the Senator from Arizona 3 minutes.

Mr. McCAIN. Mr. President, as the Senator from South Dakota points out, there are more poor Indians in America than reflected in the national average. The Senator's amendment calls for a 3-percent set-aside, even in States where there is no Indian population. I began this process several months ago, working with Senator DOLE and the Finance Committee, in attempting to achieve some way of providing native Americans with direct block grants to pay for their welfare programs.

As part of the bill, no off-the-top lump sum is dedicated for tribes. Indeed, the Dole bill targets Federal funding on a tribe-by-tribe basis, scaled to the actual need, supported by the fiscal year 1994 data, not some overall national estimate of need of 3 percent or 2 percent.

Mr. President, I have worked very hard with the Finance Committee in crafting a compromise that will provide direct welfare block grants to the Indian tribes, separate from the States. In response to that, Mr. President, I have received from Indian tribes all over the country, including from the National Indian Child Welfare Association, complete satisfaction with the compromise that was worked out with Senator DOLE.

If Senator DASCHLE can, in the name of politics, get Senators from West Virginia, Ohio, Illinois, and other States that have no Indian population to support this, fine. But I would like to point out to the Senator from South Dakota that he voted against an amendment by Senator DOMENICI that was going so restore 200-some million dollars in draconian cuts that are going to triple and destroy the social programs in his State and in my State. I hope that he will devote some of his efforts to restoring those draconian measures which have brought 300 tribal leaders to the Nation's Capital in the most vociferous process I have ever seen in my 13 years in Congress.

Mr. President, I support the Dole part of the bill which provides direct welfare block grants to Indian tribes, which the Indian tribes themselves support.

Mr. NICKLES. Mr. President, I wish to compliment Senator McCAIN as chairman of the Indian Affairs Committee. I think he has provided a very valuable service because he does put some good language in this bill.

The bill that we have before us—not the amendment, the bill we have before us—allows direct funding to Indian tribes based on actual AFDC population.

Now, Indian AFDC population I heard is 1.3 percent, and I heard somebody say it is 1.7 percent of the population. Why would it be right to say they should receive 3 percent of the funding set aside? I think that is arbitrary. I also think it is maybe double what they are now receiving.

Indian tribes should be able to receive the block grant and be able to manage that, but it should be based on

the population receiving AFDC payments. It should not be some arbitrary figure that is pulled out of the sky.

I compliment Senator MCCAIN for the language he has inserted in the bill. I urge my colleagues to vote no on the Daschle amendment because I think it sets up an arbitrary level that happens to be about double what the current Indian population of AFDC is, and that is not called for.

I do not think it is a good way to manage our welfare program. I think Senator DOLE has good language in the bill. Hopefully, it will be sustained.

I urge my colleagues to vote no on the Daschle amendment.

I yield to the Senator from Rhode Island the remainder of our time.

The PRESIDING OFFICER. The Senator has 1 minute 20 seconds.

Mr. CHAFEE. My query is this, to the distinguished sponsor of the amendment. It seems to me that, as I understand it, Indians make up 1.5 percent of the AFDC caseload. There are different figures given here, but I heard no figure more than 2 percent.

Therefore, it is hard to understand why 3 percent should be set aside for this group that makes up 1.5 or 2 percent—whatever it is—of the caseload.

I would appreciate if the distinguished Senator could give us some help on that.

Mr. DASCHLE. Mr. President, I will use whatever time I may consume out of leader time to respond.

Mr. President, the point I made in the short remarks that I have just completed is that the circumstances affecting Indian tribes are vastly different than those affecting any other cross-section of the population.

We have unemployment rates in South Dakota close to 90 percent. Indian tribes nationwide have unemployment rates of up to seven times what they are for the rest of the population. Not only are we dealing with an extremely high level of unemployment, there is also little infrastructure to deliver social services on many reservations. Clearly, we have circumstances on many reservations that is far different from other areas.

That is really what we are trying to do, to recognize the extraordinary difficulties that we face in a very concentrated area: Reservations where there are really no resources; reservations where there is no employment. We cannot locate businesses on reservations today.

We are simply saying that if we are going to do this right, if we are going to allow tribes to do this right, we should allocate a 3 percent set-aside for tribes to allow them to begin solving these problems.

Other requirements of the welfare bill before the Senate are required on the reservation. They have to work. Workfare is going to be an essential part of the requirement for the tribes, as it is for everybody else.

Clearly, given the problems, given the requirements, and given the circumstances, I think this is the nominal amount of effort that we ought to put forth to do this job right.

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

The PRESIDING OFFICER. The Senator has 35 seconds.

Mr. NICKLES. Mr. President, I do not doubt—as a matter of fact, I think I know probably almost as well as anybody on this floor—that we have very significant problems in the Indian community. Welfare is part of it. It may be part of the problem.

I am not sure that doubling the money going into AFDC for Indian tribes will solve that problem. It would provide greater cash assistance, no doubt. But I do not think that is necessarily right.

If they have 1.5 percent of the population, we will say they get 3 percent of the money—that is not going to make their problems go away. If I really thought that would make their problems go away, I might support the amendment.

We have lots and lots of problems on reservations and in the Indian community, but I do not think just by increasing cash payments, that that is a solution. I think the solution is in the Dole bill.

I urge our colleagues to vote no on the Daschle amendment.

Mr. DASCHLE. 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 now occurs on agreeing to the Daschle amendment No. 2671.

The yeas and nays have been ordered.

The clerk will call the roll.

The assistant legislative clerk called the roll.

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

The result was announced—yeas 38, nays 62, as follows:

[Rollcall Vote No. 417 Leg.]

YEAS—38

Akaka	Domenici	Kohl
Baucus	Dorgan	Leahy
Biden	Exon	Mikulski
Bingaman	Feingold	Moseley-Braun
Boxer	Feinstein	Moynihan
Bradley	Ford	Murray
Breaux	Graham	Pell
Burns	Harkin	Pressler
Byrd	Inouye	Pryor
Campbell	Johnston	Sarbanes
Conrad	Kennedy	Simon
Daschle	Kerrey	Wellstone
Dodd	Kerry	

NAYS—62

Abraham	Bumpers	Craig
Ashcroft	Chafee	D'Amato
Bennett	Coats	DeWine
Bond	Cochran	Dole
Brown	Cohen	Faircloth
Bryan	Coverdell	Frist
Glenn	Kempthorne	Robb
Gorton	Kyl	Rockefeller
Gramm	Lautenberg	Roth
Grams	Levin	Santorum
Grassley	Lieberman	Shelby
Gregg	Lott	Simpson
Hatch	Lugar	Smith
Hatfield	Mack	Snowe
Heflin	McCain	Specter
Helms	McConnell	Stevens
Hollings	Murkowski	Thomas
Hutchison	Nickles	Thompson
Inhofe	Nunn	Thurmond
Jeffords	Packwood	Warner
Kassebaum	Reid	

So the amendment (No. 2671) was rejected.

Mr. MOYNIHAN. Mr. President, I move to reconsider the vote by which the amendment was rejected.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 2518

The PRESIDING OFFICER. Under the previous order, there will now be 10 minutes of debate equally divided on the DeWine amendment, No. 2518, to be followed by a vote on or in relation to the amendment.

Mr. DEWINE addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. DEWINE. Mr. President, I yield myself such time as I may consume.

Mr. President, the amendment which Senator KOHL and I have proposed really is a very simple one. It encourages States to work to keep people off of welfare before they ever go on welfare.

I think this is not only the right thing to do from a humanitarian point of view but it is also the most cost effective thing to do. In fact, we have seen several States make great progress with their programs to do this—Utah, Wisconsin, and there are many other States that are now just starting this type of a program.

I believe that without this amendment the underlying bill would have the unintended consequence and resolve of discouraging States from this type of early intervention. And I think everyone agrees we should be encouraging States to do so.

Our amendment would give States credit toward their work requirement for reducing their caseload by helping people before they ever go on welfare.

As I said, Mr. President, I think it is a very simple amendment. But I think it is an amendment that will in fact make a difference and will in fact encourage the States to do what everyone agrees needs to be done; that is, keep people from getting on welfare.

I might add, Mr. President, that it does not give the States credit toward their work requirement if, in fact, the reduction in caseload is achieved merely by changing the requirements for being on welfare. These have to be actually meaningful reductions that are achieved in other ways. Of course, one of the ways to achieve those is, in fact, by having that very, very early intervention.

Mr. NICKLES. Mr. President, I wish to compliment the Senator from Ohio, Senator DEWINE, who explained this amendment last night. We reviewed the amendment. We have no objection to it.

Mr. MOYNIHAN. Mr. President, as one who dearly loves Federal regulations imposed on States in minute, indecipherable detail, I accept this amendment with great gusto.

The PRESIDING OFFICER. Do all Senators yield the time?

Mr. DEWINE. I yield the time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2518) was agreed to.

Mr. NICKLES. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 2668

The PRESIDING OFFICER. Under the previous order, there will now be 10 minutes of debate on the Mikulski amendment, No. 2668, to be followed by a vote on or in relation to the amendment.

Who yields time?

Ms. MIKULSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

Ms. MIKULSKI. Mr. President, I yield myself 3 minutes on this amendment, and then I will yield to the Senator from Iowa.

I also ask unanimous consent that Senator WELLSTONE be a cosponsor of the amendment.

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

Ms. MIKULSKI. Mr. President, I correct myself. I yield myself 3 minutes, and then I will yield to the Senator from Iowa [Mr. GRASSLEY], 2 minutes.

Mr. President, today I rise to save the Senior Community Service Employment Program of title V of the Older Americans Act.

I do this to preserve over 100,000 senior citizen jobs. Title V provides part-time, minimum wage employment, and community service to low-income workers as well as training for placement in unsubsidized employment.

Its participants provide millions of dollars of community service at on-the-job sites making a critical difference in care centers, hospitals, senior centers, libraries, and so on.

The Dole substitute now before us repeals the Senior Community Service Employment Program. My amendment strikes this repeal. It saves the Senior Community Service Employment Program of title V of the Older Americans Act.

If title V is not removed from the welfare reform bill, it will be repealed, along with 100 Federal job training programs, and rolled into a block grant. This will have a devastating consequence on these older workers. It serves directly in the communities across the Nation that benefits from these.

My amendment is supported by senior organizations across this country, including AARP, the National Council of Senior Citizens, and others.

Mr. President, there are so many good reasons to support the Senior Community Service Employment Program. Title V is our country's only work force development program designed to maximize the productive contributions of a rapidly growing older population. It does this through training, retraining, and community service.

We should leave title V in the Older Americans Act. It does not belong in welfare reform, and it does not belong in the reform of the job training bills.

Title V is primarily operated by private nonprofit national aging organizations. This is not big bureaucracy.

It is a critical part of that Older Americans Act and has consistently exceeded all goals established by Congress and the Department of Labor, surpassing a 20 percent placement goal for the past 6 years and achieving a record of 135 percent in the last year.

Title V, this Senior Community Service Employment Program, provides a positive return on taxpayer investment, returning $1.47 for every $1 invested. It is means tested, and it also serves the oldest and the poorest in our society; 40 percent are minorities, 70 percent are women, 30 percent are over the age of 70, 81 percent are age 60 and older, and 9 percent have disabilities.

Surely they deserve to have their own protection.

Title V ensures national responsiveness to local needs by directly involving participants in meeting critical human needs in their communities, from child and elder care to public safety and environmental preservation.

Title V has demonstrated high standards of performance and fiscal accountability unique to Government programs.

Less than 15 percent of funding is spent on administrative costs.

Title V historically has enjoyed strong public support because it is based on the principles of personal responsibility, lifelong learning, and service to community.

I urge your support for my amendment.

Is the Chair tapping?

The PRESIDING OFFICER. The Senator's time has expired.

Ms. MIKULSKI. I did not hear the tap, but having heard the tap I now yield 2 minutes to the Senator from Iowa, a supporter of my amendment.

The PRESIDING OFFICER (Mr. ASHCROFT). The Senator from Iowa is recognized for 2 minutes.

Mr. GRASSLEY. I support Senator MIKULSKI's amendment because there are a unique group of older Americans who will not be properly served by Senator KASSEBAUM's new program, as well-intentioned as it is.

Title V provides community service employment. In my State of Iowa, the program provided a total of 402,480 hours of service just in this year.

These workers serve in public schools, child care centers, city museums and parks, as child care workers, library aides, kitchen workers; they work for Head Start, YMCA, YWCA, the Alzheimer's Association, the Salvation Army, the Easter Seal Society, and the American Red Cross.

They work in activities that support as well the other Older Americans Act programs like senior centers, congregate meal sites, and home-delivered meals.

I think this is a good use of taxpayers' money because it leverages private funds and other public funds. Senator KASSEBAUM's bill will not lead to programs providing such employment.

The Senator's legislation will help individuals find gainful private sector employment, and there is nothing wrong with that. That is a proper focus. But it is not a focus which is going to assist the kind of individuals currently enrolled in title V programs—people 55 years and older, less than 115 percent of poverty. We are talking about low-income older Americans. Thirty percent of these workers are over 70 years of age. Eighty-one percent are over 60 years of age. They will not benefit from the training programs and education programs that would be established under Senator KASSEBAUM's bill. Title V provides subsidized employment in community service jobs for workers who are highly unlikely to be the focus of programs under Senator KASSEBAUM's bill.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. LEVIN. Mr. President, I am pleased to speak today as a supporter of the amendment of my friend from Maryland. Her proposal would remove the Senior Community Service Employment Program, or title V, from this bill. This amendment is important for several reasons: First, the Title V Program is not job training and should not be considered as part of this block grant; second, it fills an important role within the Older Americans Act; and third, it effectively serves a population that is difficult to reach with traditional job training programs.

The State of Michigan has had a long and successful relationship with this program. Thousands of people participate in it each year. These individuals work in hundreds of different occupations. The unifying factor in all this work is that older workers are contributing to their communities. In most cases, they are coming out of retirement to reenter the labor force.

I have received hundreds of constituent letters asking me to support this provision. In explaining their involvement with the Title V Program, almost all the participants mention "giving something back to the community." It is imperative that Congress capitalize on this feeling. Now more than ever we need to hold onto and support our sense of communities and this can be done by following the examples set by our elders. In many communities, title V programs provide the link between senior citizens and the younger generations. The SCSEP gives older workers an opportunity to become engaged with their neighbors in a direct and meaningful way.

Many of my colleagues know of the emphasis I place on community service. Usually, however, when we talk about this issue, our concern is about mobilizing young people to become involved. By contrast, the Title V Program is in operation. Its participants are active in communities now. If we repeal the Title V Program, many of these positions will be eliminated. One study estimates that 30,000 to 45,000 positions will be eliminated by 1998. This will deprive neighborhoods and towns of one of their most valuable resources.

Removing title V from this bill will provide us with the opportunity to discuss the reauthorization of the Older Americans Act in its entirety. I am aware that the Aging Subcommittee of the Labor and Human Resources Committee has already begun hearings on this issue. I look forward to seeing the recommendations that they produce on the act as a whole. I thank the Senator from Maryland for her leadership on this issue and I urge my colleagues to support the amendment.

Mr. SARBANES. Mr. President, I am pleased to join my colleague from Maryland, Senator MIKULSKI, in offering this amendment to save title V of the Older Americans Act. As you are aware, title V authorizes the Senior Community Service Employment Program [SCSEP] which provides senior citizens valuable opportunities to serve their communities by contributing their valuable insight and experience.

As a strong supporter and past cosponsor of the Older Americans Act, it is my view that the future of the SCSEP should be determined during the reauthorization of the Older Americans Act, and should not be considered as part of the welfare reform debate. This successful employment program which serves our Nation's senior citizen is not part of the welfare system and does not belong in this bill.

The SCSEP is one the most important programs authorized under the Older Americans Act which have been successful in the organization and delivery of support services for senior citizens. For almost 30 years this program has offered low-income persons aged 55 or older part-time paid community service assignments with the goal of eventually obtaining unsubsidized jobs.

The only work force development program specifically designed to maximize the potential of senior citizens, the SCSEP has consistently exceeded placement goals established by Congress and the Department of Labor. This clearly illustrates what I have always believed—older Americans want to contribute. They want to work, to volunteer, to participate in their community. It is critical that we recognize this interest and tap the valuable wisdom, insight, and experience that senior citizens bring to all aspects of life.

There are several successful SCSEP programs here in Maryland, one of which serves my home community of Wicomico County. The Senior AIDES Program—in cooperation with State employment offices, community colleges, and other federally funded employment and training programs—helps seniors get the skills necessary to become part of the work force.

Let me share with you one of the program's many success stories. Sarah Maxfield of Salisbury finished high school, got married, and raised a family. She had the occasional odd job or part-time work, but never really worked full-time until she had to go back to work to support herself. At age 57, she entered the Senior AIDES Program in Wicomico County. While receiving training in office skills, she also worked with the volunteer office delivering meals to elderly shut-ins.

In September 1994, after having received training, she was placed in a subsidized job at Shore Up, Inc., a local community action agency. Shore Up was so impressed with her that I am pleased to report that she was subsequently hired full time.

Mr. President, by including the SCSEP in the job training block grant portion of this welfare bill, the program will be forced to compete with other, unrelated programs for a limited amount of funding. The end result will be fewer seniors working and fewer communities benefiting from the contributions of these older Americans.

One of the central recommendations of the recent 1995 White House Conference on Aging with respect to seniors in the work force was to make available educational programs to provide skilled trained, job counseling, and job placement for older men and women. This enhances senior citizens' ability to stay in or rejoin the work force or to prepare them for second careers.

In my view, Mr. President, it is clear that the proper legislative vehicle for consideration of this important program is not a welfare reform bill. The SCSEP deserves to be debated fully as part of the reauthorization of the Older Americans Act and I urge my colleagues to support this amendment.

Mr. PRYOR. Mr. President, I rise today in support of the amendment proposed by my colleague from Maryland concerning the Senior Community Service Employment Program, also known as the title V program. This amendment would remove title V from the job training block grant contained in the welfare reform bill we are considering.

Mr. President, this program is unique among employment programs. It serves people whose needs are not met by the more traditional job programs. The program also has a unique character which I believe would be destroyed by the block grant approach.

Title V serves seniors who are often difficult to reach. The individuals who participate in this program have very low incomes, and often they have little or no formal job experience. Most participants are over 65, many are widows, and any job experience they have may have occurred decades ago. These individuals need this program because it is the safety net separating them from extreme poverty and welfare dependency.

Title V also differs from other job training programs because of its unique nature as a community service program. The jobs occupied by title V participants are in organizations which serve other seniors, children, and the community at large. Organizations which sponsor title V enrollees are those which are most likely to feel the pain of budget cuts and economic downturns, and they simply could not get the job done without the help of the title V program.

Mr. President, if the job training block grant includes title V, the losses will be felt throughout our social fabric. Who will lose? Well, first of all, the individuals who participate in title V will lose. By the time the block grant is fully implemented in 1998, between 30,000 and 45,000 older people will be given pink slips. Do we really want to tell 45,000 poor people, most of whom are aged 65 and older, that they can no longer work to supplement their meager income? Do we want to tell these proud people that we would rather have them on welfare?

Communities will also lose under this block grant. There will be money lost from local economies as we squeeze more people into poverty. Local communities across America will also lose vital human services which are made possible through title V—services like tutoring of disadvantaged children and meals for the poor. In this social climate, these are services we cannot do without.

Another big loser will be government. We will lose tax revenue from people who are no longer employed. We will also lose because the title V participants who are forced out of jobs will be forced to go onto the welfare rolls, causing us to spend more money

on the very programs in which we are trying to find savings. Mr. President, this just does not make sense to me.

I want my colleagues to understand that I am not standing before you saying that this program should not be changed in any way. I acknowledge that the time has come to subject title V to a thorough examination. As you know, concerns have been raised about this program, and these are concerns which deserve to be addressed. There also comes a time in every program when it is appropriate to take a few steps back, take stock of where we are, and make whatever changes are necessary to ensure that the program is fulfilling its central mission. But Mr. President, the last thing we need to be doing is combining this program with other employment programs with which it has very little in common.

Let us act decisively today to save this program—for the sake of our local communities and the many organizations which benefit from the program, and most of all, for the sake of the tens of thousands of older people who participate in title V. Over the years, this worthwhile program has freed countless senior citizens from a prison whose bars are poverty, dependency, isolation, poor self-confidence, and lack of experience. Let us not slam the doors shut on them.

Ms. MIKULSKI. Mr. President, today, I rise to save the Senior Community Service Employment Program—title V of the Older Americans Act—and preserve over 100,000 senior citizens' jobs.

Title V provides part-time, minimum wage employment in community services to low-income older workers, as well as training for placement in unsubsidized employment.

Its participants provide millions of hours of community service work at their on-the-job sites, making a critical difference at day care centers, hospitals, senior centers, libraries, and so on.

The Dole substitute now before us repeals the Senior Community Service Employment Program.

My amendment strikes this repeal and saves the Senior Community Service Employment Program, title V of the Older Americans Act.

If title V is not removed from the welfare reform bill, it will be repealed along with over 100 Federal job training programs and rolled into a block grant.

This will have devastating consequences on over 100,000 low-income older workers it serves directly, and the many communities across the Nation that benefit from these workers' job activities.

My amendment is supported by senior organizations across this country including the American Association of Retired Persons, Green Thumb, the National Council of Senior Citizens, National Council of Black Aged, National Council on Aging, and the Urban League.

The purpose of title V is to assure resources reach low-income older workers.

The special needs of low-income seniors are often ignored or neglected by other employment and training programs: Seniors with limited education; seniors with outmoded work skills; seniors with limited English-speaking ability; and seniors with a long-term detachment from the workforce, such as widows.

The purpose of having a separate title V of the Older Americans Act is to assure that funds are actually used to serve low-income persons 55 and older.

Title V merges two important concepts: Community service employment for seniors who would otherwise have a difficult time locating employment in the private sector, and the delivery of services in their communities.

Eliminating title V places seniors at-risk on winding up on welfare.

Title V enables low-income seniors to be economically self-sufficient, rather than depend upon welfare.

How ironic as we debate the welfare reform bill, that the result of repealing title V could swell the welfare rolls for seniors. Many title V participants are now self-sufficient. If this program is repealed and seniors lose their community service employment positions, these seniors may be forced to accept SSI, Medicaid, food stamps, and housing assistance.

Title V seniors would rather have a hand-up not a hand-out.

There are 10 good reasons to support the Senior Community Service Employment Program.

First, title V is our country's only work force development program designed to maximize the productive contributions of a radidly growing older population through training, retraining, and community service.

Second, title V is primarily operated by private, nonprofit national aging organizations that are customer-focused, mission driven, and experienced in serving older, low-income people.

Third, title V is a critical part of the Older Americans Act, balancing the dual goals of community service and employment and training for low-income seniors.

Fourth, title V has consistently exceeded all goals established by Congress and the Department of Labor, surpassing the 20 percent placement goal for the past 6 years and achieving a record 135 percent of goal in 1993–94.

Fifth, title V provides a positive return on taxpayer investment, returning $1.47 for every $1 invested.

Sixth, title V is a means-tested program, serving Americans age 55+ with income at or below 125 percent of the poverty level, or $9,200 for a family of one.

Seventh, title V serves the oldest and poorest in our society, and those most in need—39 percent are minorities; 72 percent are women; 32 percent are age 70 and older; 81 percent are age 60 and older; 9 percent have disabilities.

Eighth, title V ensures national responsiveness to local needs by directly involving participants in meeting critical human needs in their communities, from child and elder care to public safety and environmental preservation.

Ninth, title V has demonstrated high standards of performance and fiscal accountability unique to Government programs. Less than 15 percent of funding is spent on administrative costs.

Tenth, title V historically has enjoyed strong public support because it is based on the principles of personal responsibility, lifelong learning, and service to community.

I urge your support for my amendment.

Mrs. KASSEBAUM addressed the Chair.

The PRESIDING OFFICER. Who yields time in opposition?

The Senator from Kansas.

Mrs. KASSEBAUM. How much time do I have, 5 minutes?

The PRESIDING OFFICER. Five minutes.

Mrs. KASSEBAUM. I yield myself 3 minutes and would yield the rest of the time to the Senator from New Hampshire [Mr. GREGG].

I know how much the Senator from Maryland cares about older workers, as does the Senator from Iowa [Mr. GRASSLEY]. But I must oppose the Senator's amendment to remove the Senior Community Service Employment Program from the job training consolidation bill, which has been incorporated into the legislation before us, for the following reasons.

First, older workers are already protected in the bill. Each State must meet benchmarks that show how well they are providing jobs for needy older workers. Their funds may be cut if they do not do an adequate job.

Second, successful grassroots programs like Green Thumb—and it has been a very successful program in Kansas—will be able to continue. This does not mean that that program is going to end. It simply means that it will be part of the training initiatives in the State, and its voice will be heard at that level. Older workers will have a very strong voice with Governors, and States will hear that voice when they develop their statewide training system. I have no doubt but that such strong programs will prevail.

Third, older workers will be better served under the current bill because we will eliminate the middleman. Right now, most of the older worker funds go to 10 national contractors. The Senator from Maryland mentioned that fact. Let me just say, Mr. President, something I think it is important

for my colleagues to recognize. The GAO will soon release a report showing that there is a great deal of waste in these national contracts, overhead that will be eliminated if the funds go directly to the States.

For example, the GAO found that one contractor spent about 24 percent of its contract on administrative expenses, well above the amount that is currently permitted. Over $2 million was spent on personnel and $1 million was spent on fringe benefits. None of these funds went to older workers. It is an important group to reach, and I think the Senator from Iowa made that point. But I strongly feel there is a better way in which to deal with this. This training program is just one of 90 programs we have consolidated into a single system that will hold States accountable.

Finally, and I think this is an exceptionally important point to take into account, if we make an exception for this program, other programs will want out as well, and we will only perpetuate a system of duplication and overlap.

I must oppose the motion to strike. I would like to yield the remainder of the time to Senator GREGG, who cares a great deal also about the Older Americans Act. He is the ranking member of the Labor and Human Resources Subcommittee dealing with this issue.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. I thank the Senator from Kansas. I wish to associate myself with her remarks. The point she is making is that it is not a question of whether or not the money will be spent on senior citizens' jobs programs. Under the proposal of the Senator from Kansas, the same amount will be spent on senior citizens' jobs programs as will be spent as it is presently structured. It is a question of whether or not those dollars actually get to senior citizens or whether they stay here in Washington and are administered by a group of unrepresentative, in my opinion, or at least by people who have not competed for the grants and that receive the grants.

There are nine organizations that receive funds under this proposal. They receive them without competition. They simply are earmarked funds. These organizations, GAO tells us, are spending more than the law allows them to spend on administrative costs. Of the $320 million that is supposed to go to help senior citizens with jobs, $64 million of that $320 million is presently going to administration.

The proposal Senator KASSEBAUM has brought forward and which is included in this bill would allow that full $320 million to go back to the States. We would no longer see that money skimmed off here in Washington for the purposes of lunches and funding large buildings that are leased or driving around the city or coming up here and lobbying us. Rather, it would go back to the States and the States would have the ability through their councils on aging to administer these programs and as a result the dollars would actually flow to the seniors who need the jobs, which is the basic bottom-line goal here.

So if you want to vote against what basically amounts to a designated program where nine organizations benefit and put the money instead into the seniors' hands where the seniors can benefit, you will stay with the Kassebaum approach in this bill.

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

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and yeas were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Maryland. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

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

The result was announced—yeas 55, nays 45, as follows:

[Rollcall Vote No. 418 Leg.]

YEAS—55

Akaka	Feinstein	Lieberman
Baucus	Ford	Mikulski
Biden	Glenn	Moseley-Braun
Bingaman	Graham	Moynihan
Boxer	Grassley	Murray
Bradley	Harkin	Nunn
Breaux	Hatfield	Pell
Bryan	Heflin	Pressler
Bumpers	Hollings	Pryor
Byrd	Inouye	Reid
Campbell	Johnston	Robb
Cohen	Kempthorne	Rockefeller
Conrad	Kennedy	Sarbanes
Craig	Kerrey	Simon
Daschle	Kerry	Snowe
Dodd	Kohl	Specter
Dorgan	Lautenberg	Wellstone
Exon	Leahy	
Feingold	Levin	

NAYS—45

Abraham	Frist	McCain
Ashcroft	Gorton	McConnell
Bennett	Gramm	Murkowski
Bond	Grams	Nickles
Brown	Gregg	Packwood
Burns	Hatch	Roth
Chafee	Helms	Santorum
Coats	Hutchison	Shelby
Cochran	Inhofe	Simpson
Coverdell	Jeffords	Smith
D'Amato	Kassebaum	Stevens
DeWine	Kyl	Thomas
Dole	Lott	Thompson
Domenici	Lugar	Thurmond
Faircloth	Mack	Warner

So the amendment (No. 2668) was agreed to.

Ms. MIKULSKI. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 2592

The PRESIDING OFFICER. Under the previous order, there will now be 10 minutes, equally divided, on the Boxer amendment No. 2592, to be followed by a vote on or in relation to the amendment.

Mr. MOYNIHAN. Mr. President, may I ask that the Senator from Massachusetts be recognized for a unanimous-consent request?

The PRESIDING OFFICER. Yes. The Senator from Massachusetts is recognized.

PRIVILEGE OF THE FLOOR

Mr. KENNEDY. Mr. President, I ask unanimous consent that the privilege of the floor be granted to Omer Waddles, a legislative fellow in my office, during the consideration of H.R. 4.

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

Mr. MOYNIHAN. Mr. President, I suggest the absence——

The PRESIDING OFFICER. Will the Senator withhold that request?

Mr. MOYNIHAN. Yes.

Mr. CHAFEE. Mr. President, is this the last amendment that time has been reserved for?

The PRESIDING OFFICER. The Senator is correct.

Mr. CHAFEE. I notice there was a Faircloth amendment intervening. Is that withdrawn?

Mr. SANTORUM. It was temporarily set aside.

Mr. CHAFEE. So following the Boxer amendment, we will then go to other amendments that are called up. Is there any time agreement following the Boxer amendment?

The PRESIDING OFFICER. The floor is open and other Senators may call up their amendments.

The PRESIDING OFFICER. Who yields time?

Mr. SANTORUM. 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. CHAFEE. 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. CHAFEE. Mr. President, I ask unanimous consent that the Boxer amendment be temporarily laid aside so that I might proceed with a modification to the underlying Dole amendment.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

AMENDMENT NO. 2280, AS FURTHER MODIFIED

Mr. CHAFEE. Mr. President, I send a modification of Senator DOLE's amendment to the desk.

The PRESIDING OFFICER. The Senator has that right.

Without objection, the amendment is so modified.

The modification is as follows:

On page 23, beginning on line 7, strike all through page 24, line 18, and insert the following:

"(5) WELFARE PARTNERSHIP.—

"(A) IN GENERAL.—The amount of the grant otherwise determined under paragraph (1) for fiscal year 1997, 1998, 1999, or 2000 shall be reduced by the amount by which State expenditures under the State program funded under this part for the preceding fiscal year is less than 80 percent of historic State expenditures.

"(B) HISTORIC STATE EXPENDITURES.—For purposes of this paragraph—

"(i) IN GENERAL.—The term 'historic State expenditures' means expenditures by a State under parts A and F of title IV for fiscal year 1994, as in effect during such fiscal year.

"(ii) HOLD HARMLESS.—In no event shall the historic State expenditures applicable to any fiscal year exceed the amount which bears the same ratio to the amount determined under clause (i) as—

"(I) the grant amount otherwise determined under paragraph (1) for the preceding fiscal year (without regard to section 407), bears to

"(II) the total amount of Federal payments to the State under section 403 for fiscal year 1994 (as in effect during such fiscal year).

"(C) DETERMINATION OF STATE EXPENDITURES FOR PRECEDING FISCAL YEAR.—

"(i) IN GENERAL.—For purposes of this paragraph, the expenditures of a State under the State program funded under this part for a preceding fiscal year shall be equal to the sum of the State's expenditures under the program in the preceding fiscal year for—

"(I) cash assistance;

"(II) child care assistance;

"(III) education, job training, and work;

"(IV) administrative costs; and

"(V) any other use of funds allowable under section 403(b)(1).

"(ii) TRANSFERS FROM OTHER STATE AND LOCAL PROGRAMS.—In determining State expenditures under clause (i), such expenditures shall not include funding supplanted by transfers from other State and local programs.

"(D) EXCLUSION OF FEDERAL AMOUNTS.—For purposes of this paragraph, State expenditures shall not include any expenditures from amounts made available by the Federal Government.".

Mr. MOYNIHAN. What does the modification do?

Mr. CHAFEE. Mr. President, it provides that there shall be a maintenance of effort at the 80 percent level, with the tight definitions that we have previously been discussing.

Furthermore, it provides that should there be the effort below 80 percent, then the reduction will be a dollar-for-dollar reduction between the State funds and Federal funds.

Mr. President, this is an amendment that we have discussed, I believe broadly, that has been cleared by both sides.

Senator DOLE is a supporter of this amendment on this side. Mr. President, I am glad that the amendment is acceptable. I want to thank everybody for this. I especially thank the senior Senator from New Mexico, Senator DOMENICI, for his outstanding work. He was key in the whole effort. Indeed, it was he who suggested to the majority leader that we have the 80 percent maintenance of effort.

This gets us through a difficult spot. We have been tied up on the 90-percent, 75-percent maintenance of effort. This is a compromise that has been worked out.

I know the distinguished Senator from Louisiana has been very, very active in this area, and I am happy to hear any comments he might have.

Mr. BREAUX. I will be brief, Mr. President.

We attempted, as our colleagues know, to offer an amendment that would require that States to maintain an effort of 90 percent of what they were doing in 1994 in order to assure that the States and the Federal Government had a true partnership in this effort.

That amendment lost by only one vote. I think this effort of the Senator from Rhode Island, Senator CHAFEE, is a good effort. It is a big improvement over the current bill that is before the Senate. It is not 90 percent, but it does at least maintain an 80-percent effort on behalf of the States. That is better than the current underlying bill.

The concern I have—and I ask the Senator to comment on this—is that the other body has no maintenance of effort at all in their bill and ultimately we will have to go to conference with the other body. I am concerned about the ability that the Senate will have to come out with a figure that is reasonable.

I wonder if the Senator from Rhode Island could comment on whether there would be united support for the Senator's effort on behalf of his Republican colleagues, and could he shed light on what he thinks may or may not happen as a result of a conference?

I conclude by saying I do congratulate him in this effort and I think it is a step in the right direction. Could he comment on what is likely to occur?

Mr. CHAFEE. Mr. President, first, I want to start off by commending the Senator from Louisiana because but for his amendment yesterday on the 90 percent, I do not think we would have reached the compromise that we have on the 80-percent maintenance-of-effort level.

The Senator is exactly right in pointing out that the House is at zero. All I can say is, obviously I cannot guarantee what will come out of the conference. Nobody can. All I can assure him is that speaking for this Senator, who I presume will be a conferee, plus the other Republican Senators who I presume will be conferees, including the majority leader, all have indicated that they are strongly in support of this effort and this percentage.

Now, I do not think we expect that this percentage is what will emerge from the conference. But it is going to be a lot better than zero, I can assure everybody of that.

Mr. BREAUX. I thank the Senator.

Mr. CHAFEE. Obviously, I hope that it would be the 75-percent level, but I see the distinguished ranking member of the committee, and we have all been through conference many times and all we can say is we will do our best.

Mr. MOYNIHAN. Mr. President, I simply would like to be recorded as saying the best of the Senator from Rhode Island is very good, indeed, semper fi, in my view.

I will be on that conference. I do not know to what consequence, but I will be there applauding.

Mr. CHAFEE. Mr. President, the mere presence of the Senator from New York at the conference is a big plus to our side.

Again, I want to thank him for his support of this amendment and thank the distinguished Senator from Louisiana for everything he has done, including previous to today as I mentioned before.

Mr. President, the amendment has been adopted. I want to thank all.

The PRESIDING OFFICER. The amendment was a modification of the amendment which was modified by unanimous consent.

Mr. GRAHAM. Mr. President, I asked for a copy of the amendment, and it was not available, so would the Senator from Rhode Island yield for two questions relative to the amendment?

Mr. CHAFEE. I yield.

Mr. GRAHAM. I am familiar with the amendment we voted on yesterday offered by the Senator from Louisiana as it relates to what categories a State can allocate funds which will count towards the 80-percent maintenance-of-effort requirement.

Could the Senator indicate if there are any variations from the amendment of the Senator from Louisiana? And, if so, what are those variations?

Mr. CHAFEE. It is my understanding this gets a little bit arcane, and I am not trying to avoid the Senator's question in any fashion. We can safely say, basically the same as the amendment of the Senator from Louisiana. That is, the Senator is talking about—it is the title I block grants which fits into the definitions.

Mr. GRAHAM. There had been concern about the definition under the original 75-percent maintenance of effort that it would have allowed, for instance, a State's contribution to Medicaid and Head Start programs to count toward maintenance of effort.

Mr. CHAFEE. I want to assure the Senator, because I was disturbed by that provision likewise, that there cannot be that kind—a contribution to Medicaid does not count. It has to be basically the AFDC existing categories. It cannot be something for food stamps or Medicaid or an automobile or something like that.

Mr. GRAHAM. The second question: We had earlier debate about what happens if a State's allocation of Federal funds declines, what occurs to that State's continuing maintenance of effort?

For instance, there is a very high probability that many States are going

to end up being sanctioned under this bill because they will have such a limited amount of Federal funds that they would be unable to meet the work requirements and therefore would become subject to the 5-percent sanction, reduction.

If that were to occur, what, if any, effect under your amendment will that reduction in Federal funds, for whatever reason, have on their maintenance-of-effort obligation?

Mr. CHAFEE. If the Senator can hold for a moment.

I know if the State goes down in its contribution, as I previously mentioned, then the Federal goes down dollar for dollar if the State should go below the 80 percent.

If your question is, what happens if the Federal goes down, under a sanction, for example—if I might get the answer to that.

If they are sanctioned, the answer is, I am informed, if they are sanctioned, the State still has to do its 80 percent. In other words, you cannot be so-called punished and be relieved of a burden at the same time, which is my understanding of the existing law today.

Mr. GRAHAM. Are there any instances in which, if the Federal funds are reduced below what they were in the base year 1994, that there would be adjustment to the maintenance of effort?

Mr. CHAFEE. I am not sure I understand.

Mr. GRAHAM. If for any reason—sanction or for other reason—sufficient that we do not appropriate the full $17 billion in the year 2000 and States get less than is currently projected, if for that or any other reason—sanction, political, economic, or otherwise—Federal funds should fall below the 1994 level, does your amendment provide for any adjustment to the maintenance-of-effort provision?

Mr. CHAFEE. We do not address that, nor did the Breaux amendment address it.

The question really is, should the Federal Government not make its appropriation, for the 1994 level, in the year 1998, or, as you said, 2000—we do not address that here. But I cannot believe that, with 100 Senators, all representing States here, that they are going to permit their State in some way to be punished, or lack funds, or have to continue their effort at 80 percent when the Federal Government does not do its matching share. But we do not specifically address that problem. We address the sanction problem.

Mr. GRAHAM. I wish I could be as sanguine as the Senator from Rhode Island. Having seen how many Senators voted to punish the poor children on an earlier vote, I cannot be so sanguine.

Mr. BREAUX. Will the Senator yield on that point?

When we altered the 90-percent maintenance of effort, it was based on 90 percent of what the State received. So if the State received less from the Federal Government because of cutbacks or whatever reason, they would have a 90-percent requirement, to spend 90 percent of the funds that they had received. Take that into consideration.

Mr. GRAHAM. Am I correct—this is a question of the Senator from Rhode Island—this 80 percent is based on what was received in 1994? The Senator from Louisiana explained that in his amendment the 90 percent was 90 percent of the Federal funds in the year of receipt. So if in 1998 a State received $100 million, it would have a required maintenance of effort of $90 million.

I understand under the amendment of the Senator from Rhode Island—or am I correct that the 80 percent is 80 percent of what the State's required effort was in 1994? Is that correct?

Mr. CHAFEE. Our bill—I cannot speak for the Breaux amendment because I am not familiar with that particular portion. Under our bill, the 80 percent is related to 80 percent of what the State paid in 1994.

Mr. GRAHAM. And that would be constant over the 5-year period, without regard to changes in the levels of Federal support?

Mr. CHAFEE. That is right.

Mr. GRAHAM. Thank you, Mr. President.

Mr. CHAFEE. I ask the Chair now the parliamentary situation.

I urge the adoption of the modification. Has that taken place?

The PRESIDING OFFICER. The modification has been made in the amendment, made by unanimous consent.

The pending question will be the Boxer amendment. There has been time reserved of 10 minutes, equally divided.

Mr. CHAFEE. Mr. President, I thank everybody for their help in this, and particularly I want to thank the majority leader, the distinguished ranking member of the Finance Committee, and others who have been very, very helpful on this. And of course the Senator from Louisiana. The Senator from Florida had some excellent questions.

Mr. SANTORUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

UNANIMOUS CONSENT AGREEMENT—AMENDMENT NO. 2592

Mr. SANTORUM. Mr. President, I ask unanimous consent that debate time and the rollcall vote scheduled with respect to the Boxer amendment No. 2592 be postponed to occur at a time later today, before the cloture vote, to be determined by the majority leader after consultation with the Democratic leader.

Mrs. BOXER. Reserving the right to object, Mr. President. I shall not object. I support it. I just want to use this time to thank Senator SIMPSON, the majority leader's staff, Senator SANTORUM, and Senator NICKLES. We are working out some technical changes that will assure that this amendment does what we all want it to do. I just wanted to put that on the record. I look forward to the vote later in the day.

It has been set aside. I am not objecting.

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

Mr. SANTORUM. Mr. President, we do not have any unanimous consent to work from at this point. We will take up, at this point, the Coats amendment.

Mr. COATS addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

AMENDMENT NO. 2539

Mr. COATS. Mr. President, I call up amendment No. 2539 and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, that will be the pending question.

Mr. COATS. Mr. President, I think it is easy for us to be overly consumed by some of the details of this welfare debate, arguing numbers and formulas—portions of the legislation that are all important but can tend to mire us down and take our attention away from some of the broader implications of the debate we have been engaged in for the past several days. A great deal is at stake here, and I think we need to remind ourselves that this is the case.

If we as a Nation accept the existence of a permanent underclass, we will become a very different Nation indeed. Social and economic mobility has always been part of our national creed. It has been an outgrowth of our belief in equality. If we abandon that goal for millions of our citizens, through either indifference or through despair, giving up, we will do a number of, I think, socially very disadvantageous things. We will divide class from class. We will foster a future of suspicion and of resentment. And, while this may be a temptation to accept, I believe it is something we as a nation cannot accept.

On the left, it seems there are those who are so accustomed to the status quo that the best they can offer is some kind of maintenance of a permanent underclass as wards of the State, providing cash benefits to, hopefully, anesthetize some of their suffering, food stamps to relieve their hunger. But all hope for social and economic advancement seems to be set aside or abandoned.

On the right, it seems that there are some who simply want to wash their hands of all of this, who view the underclass as beyond our help and beyond any degree of sympathy or empathy. The only realistic response, they suspect, is probably more police and more prisons to deal with the tragic consequences of this breakdown in civil society.

The effect, I believe, of both of these approaches is to accept that poverty is permanent; that the underclass is going to be a fixture of urban life to be fed, feared, and forgotten. In doing so, we will condemn, in our minds, a whole class of Americans to be either wards or inmates. And I believe the American ideal will be diminished in that process.

I understand those temptations. The problems we face seem so intractable. Those who listened to Senator MOYNIHAN's initial discussion on the welfare bill last week had to understand both the brilliance and the sobering nature of that debate. We face a crisis, he said, and he outlined in graphic detail a crisis of illegitimacy that threatens not just the well-being of the children but the existence of our social order.

To quote Charles Murray, he said, "Once in a while the sky is really falling." And I believe, in this instance, as Senator MOYNIHAN has pointed out to us, that the sky is falling and that our Nation faces a crisis of a proportion that we have seldom faced before.

I also understand that any reform that we undertake, particularly any radical reform that we undertake of the system, is undertaken with a degree of uncertainty. Senator MOYNIHAN has reminded us of the law of unintended consequences.

Nathan Glazer has talked about "the limits of social policy," arguing that whatever great actions we undertake today involve such an increase in complexity that we act generally with less knowledge than we would like to have even if with more than we once had.

But I think we also need to understand that there is another law at work. That would be the "law of unacceptable suffering." Because as the cost of our welfare system mounts the human cost mounts, the risk of change is diminished, and I believe there is a point beyond which inaction becomes complicity. I think we have reached that point. I think this is a principle that ought to organize and direct our debate, to try to find a source of hope so that we will not have an endless class of underrepresented, underprivileged citizens with which we have nothing to offer—hope that our divisions, class divisions, that appear to be so intractable in our society are not permanent and hope that suffering will not be endless.

Mr. President, I think one source of that hope is found in devolution of power to the State. I know there is disagreement on that. But I think there is a compelling logic to the proposal. States are closer to the problems. Generally, State solutions are more acceptable to their public, and they are more flexible. We do not have a one-size-fits-all Federal mandate. Federal officials do not have a monopoly on compassion. I think that belies the lack of accomplishment over the last few decades.

So I support the devolution as an element of the Republican reform. But I believe also there are limits to the approach of devolution. The fact is most States have already engaged in some flexibility experiments and some devolution, some welfare experiments through devolution. Some reforms have been in place for years, and while the results show some good results there are several cases that have been good. Often progress is marginal, and sometimes incremental.

I do not offer this as a criticism. I offer it as a caution. Devolution I believe is necessary. But I do not believe it is all sufficient because, as we all know, State officials are fully capable of repeating the same mistakes as Federal officials, and State welfare bureaucracies can be just as strong and just as wrong as Federal programs.

So I think the limitations of devolution come down to this: The problem with welfare for the last 30 years is not the level of government at which money has been spent. Our difficulty is more than procedural. It is substantive. We need to make fundamental choices on the direction that our system is going, not just about its funding mechanisms.

Mr. President, I think a second source of hope is found in the strengthened work requirements of the legislation that we have been discussing. Requiring work for welfare makes entry-level jobs more attractive and discourages many from entering the welfare system in the first place. I think it is also an expression of our values as a nation. Work, as we know, is the evidence of an internal discipline. It orders and directs or lives. I believe no child should be without the moral example of a parent who is employed, if at all possible.

So I support this element of welfare reform. But, as we all know, work requirements are expensive. They are often difficult to enforce. They represent the problem of what to do with the mothers of young children. Again, while not arguing that they are useless but that their effect is limited, they should be supported but they should not be oversold.

I think a third source of hope is the removal of incentives to fail. We have been discussing that in detail today with these amendments. I think it is a mistake for Government to pay cash for a 14-year-old girl on the condition that they have children out of wedlock and never marry the father. We cannot justify, Mr. President, public policy that penalize marriage and provide illegitimacy its economic lifeline. I think Government violates its most fundamental responsibilities when it tempts people into self-destructive behavior.

So I support the elements in the Republican plan. But the destructive incentives in our welfare system are only part of the problem. The decline of marriage, the rise of illegitimacy are rooted clearly in broader cultural trends that affect everyone, rich and poor. Without a welfare system, these trends would still exist and still threaten our society.

Let me repeat that statement. Without a welfare system, the trends of illegitimacy, the decline of marriage, would still exist and still threaten at the rate of their growth, and would still threaten our society.

James Q. Wilson recently authored and article called "Culture, Incentives in the Underclass." He accepts the figure that less than 15 percent of rising illegitimacy between 1960 and 1974 was due to increased Government benefits. "Some significant part of what is popularly called the 'underclass problem'" he argues, "exists not simply because members of this group face perverse incentives but because they have been habituated in ways that weaken their self-control and their concern for others."

In other words, I think what Wilson was trying to say is that the basic problem lies in the realm of values and character, and those values are shaped, particularly in early childhood, by certain cultural standards. "I do not wish," Wilson adds, "to deny the importance of incentives such as jobs, penalties, or opportunities, but I do wish to call attention to the fact that people facing the same incentives often behave in characteristically different ways because they have been habituated to do so."

People are not purely economic beings analyzing costs and benefits. We are moral beings. We make choices that reflect our values. Incentives are not irrelevant but it is ultimately our beliefs and habits I think that determine our future.

So I support these measures: Devolution, work requirements, changing incentives. Each one should be part of the package that the Senate passes. But even if they were all adopted in the form that I would like I believe that our problems and our divisions would still persist.

It is important to work at the margins because those margins are broad. A 15 percent reduction in illegitimacy would be a dramatic and positive social change. A similar increase in work participation could be labeled a major victory. But I would suggest, Mr. President, that our greatest single problem lies beyond the changes that we are debating in this welfare discussion. That problem I would suggest is a breakdown in the institutions that direct and have humanized our lives throughout history, institutions of family, institutions of neighborhood, community associations, charities, and religious-based groups.

Sociologists call this the "civil society." They talk about "mediating

structures." They say that these institutions build "social capital" and "positive externalities." But this point I think can be reduced to some simple facts.

A child will never find an adequate substitute for a father who loves him or her. The mantle of government, the assistance of government, will never replace the warm hand of a neighbor. The directions of a government bureaucrat will never replace the counsel of a friend. Any society is a cold, lonely, and confusing place without the warmth of family, community, and faith.

So it is interesting that this is precisely the reason that Nathan Glazer warns of the "unintended consequences" in social policy. "Aside from these problems of expectations, cost, competency and limitations of knowledge," he argues, "there is the simple reality that every piece of social policy substitutes for some traditional arrangement, a new arrangement in which public authorities take over, at least in part, the role of the family, of the ethnic and neighborhood group, of voluntary associations [of the church]. In doing so, social policy weakens the position of these traditional agents and further encourages needy people to depend on the government for help rather than on the traditional structures," according to Glazer, and I agree with him. I believe this concern is real, and I think it ought to reorient our thinking and our efforts. Our central goal in this debate ought to be to try to find a way to respect and reinvigorate these traditional structures—families, schools and neighborhoods, voluntary associations—that provide training in citizenship and pass on morality and civility to future generations.

Listen again to James Wilson. I quote.

> Today we expect "government programs" to accomplish what families, villages and churches once accomplished. This expectation leads to disappointment, if not frustration. Government programs, whether aimed at farmers, professors or welfare mothers, tend to produce dependence, not self-reliance. If this is true, then our policy ought to be to identify, evaluate and encourage those local private efforts that seem to do the best job at reducing drug abuse, inducing people to marry, persuading parents, especially fathers, to take responsibility for their children and exercising informal social control over neighborhood streets.

Mr. President, I believe we should adopt this approach because the alternative, centralized bureaucratic control, has failed. And because, second, the proposal of strict devolution has, as I indicated earlier, limitations. But I think there is a third reason we ought to adopt this approach, and I think that is the most central reason, that is because this is the only hopeful approach that we face.

These institutions—family, neighborhood, schools, church, charitable organizations, voluntary associations—do not just feed and house the body but reach in and touch the soul. They have the power to transform individuals and the power to renew our society. There is no other alternative that offers and holds out such promise.

So I believe we ought to ask one question of every social policy passed to every level of government, and that question is: Does it work through these mediating, traditional, historical institutions, does it work through families, neighborhoods, or religious or community organizations, or does it simply replace them?

Our primary objective should not be to substitute bureaucrats from Washington with bureaucrats from Columbus or Sacramento or Bismarck. It should be to encourage and support private and religious, neighborhood-based, nonreligious efforts without corrupting them with intrusive governmental rules. Our goal should not only be to redistribute power within government but to spread power beyond government.

This I believe, Mr. President, is the next step in the welfare debate, the next stage of reform, the next frontier of compassion in America. Accepting this priority would focus our attention on possibly three areas: Emphasizing the role of family and particularly the role of fathers and mentors where fathers are not present in the lives of children; rebuilding community institutions; and promoting private charities and religious institutions in the work of compassion.

The next stage of welfare reform has to start with the family. The abandonment of children mainly by fathers is not a lifestyle choice. It is a form of adult behavior with disastrous consequences for children, for communities, for society as a whole. When young boys are deprived of a model of responsible male behavior, they become prone to violence and sexual aggression. Sociologists will prove to you over and over again these are irrefutable facts. When young girls are placed in the same situation, they are far more likely to have children out of wedlock. There is a growing consensus that families are not expendable and fathers are not optional.

The next step in welfare reform will reestablish a preference for marriage at the center of social policy in America. Wilson again observes that:

> Of all the institutions through which people may pass—schools, employers, the military—marriage has the largest effect. For every race and at every age, married men live longer than unmarried men and have lower rates of homicide, suicide, accidents and mental illness. Crime rates are lower for married men and incomes are higher. Infant mortality rates are higher for unmarried than for married women, whether black or white, and these differences cannot be explained by differences in income or availability of medical care. So substantial is this difference that an unmarried woman with a college education is more likely to have her infant die than is a married woman with less than a high school diploma.

An astounding statement.

Now, for those of us who have been married for a long time—and I just celebrated my 30th wedding anniversary—there are probably moments and days when that does not quite ring true.

Mr. MOYNIHAN. Will the Senator yield for a question?

Mr. COATS. I will be happy to yield.

Mr. MOYNIHAN. I heard him say he just celebrated his 30th wedding anniversary. Can I not assume that Mrs. Coats is also celebrating?

Mr. COATS. Mrs. Coats would be delighted and will be delighted when I explain what the Senator from New York has said about her. She was a child bride, and I was privileged to marry her. And she has retained the vibrancy of her youth. I claim no credit for that. She has done that in spite of her husband.

As Wilson has said, there are some great advantages to the institution of marriage; and I think that has been proven out over time, actually from the beginning of time.

As I said, while there may be moments that each of us can point to where we might question that fact, it is undeniable in terms of the statistics that are now in relative to life expectancy, rates of homicide, suicide, accidents, and mental illness. And as a nation, it ought to be our policy to promote that and not have policies in place, although maybe well intended, that often serve as a disincentive.

I also think that the next stage of welfare reform should find new ways of rebuilding economic and educational infrastructure, spreading ownership, housing, assets, educational opportunities. Successful businesses, active churches, effective schools, and strong neighborhoods have always been the backbone of community. To the extent that we can once again, through policy, where appropriate—in many places it is not appropriate and not effective—to the extent that we can emphasize and nurture this rebuilding, this renewal, we should do so.

We should also, I believe, focus our attention and resources on private charities and religious institutions, and that is the reason Senator ASHCROFT and I rise today to offer this amendment. We offer it primarily for discussion purposes, but we believe that a debate should, if it has not already, begin relative to the role of these institutions in dealing with some of our social problems.

We suggest that a charity tax credit, which we introduced last Friday, can answer some very important questions, the most important of which is how can we get resources into the hands of these private and religious institutions

where individuals are actually being transformed, renewed, and provided both external as well as internal help, and how can we do this without either undermining their work with our Federal and State and governmental restrictions or offending the first amendment.

We think this amendment accomplishes that purpose. We respond by offering a $500-per-person tax credit for charitable contributions to poverty alleviating, poverty preventing, poverty relief organizations. We also require that individuals volunteer their time as well as donate their money to qualify for the credit, because we think it is necessary to do more than simply write a check.

We think there are a couple very important things that can be accomplished by personal involvement: First, the obvious connection that comes with bringing together those that are seeking to provide assistance with those that need the assistance and the benefits that flow both ways from that effort. But, second, it is an accountability factor, a factor that allows individuals to see how their money is being used and to ensure that the agency, the church, the association, the group that is utilizing the dollars that are contributed, that they are utilized in the most effective and most efficient way.

We would like to take a small portion of welfare spending in America—estimates are that roughly about 8 percent of what total welfare spending is in terms of what the reduction in revenue to the Federal Treasury would be through the charity tax credit—and give it through the Tax Code to private institutions that provide individuals with hope, with dignity, help and independence.

We do not eliminate the public safety net, but we want to focus attention on resources where we think they will make a substantial difference.

Second, we would like to utilize this in a way of promoting an ethic of giving in America. Because when individuals make these contributions to effective charities, it is a form of involvement beyond writing a check to the Federal Government. It encourages a new definition of citizenship and responsibility, one in which men and women examine and support the programs in their own communities.

Marvin Olasky has written about all this. He comments:

> Within a few miles of Capitol Hill there are several places that we could visit today which solve social problems more effectively and efficiently than any measure we will pass in this welfare debate.

I took him up on that challenge, and one of the organizations I visited was a shelter operated by the Gospel Mission, just within the shadow of the Capitol, about 5 blocks from here, that takes homeless, hopelessly drug-addicted men off the streets and literally has transformed them into responsible, productive citizens. Their rehabilitation rate is 66 percent over a 1-year period of time.

The same program, or something similar to that program, is run by the Federal Government, called the John Young Center. I drive by it every evening on my way home from work. That center has been in and out of the newspapers. Drugs are regularly dealt. And it has been a place of despair, not a place of hope. They claim a rehabilitation rate of 10 percent. They spend 20 times the amount of the Gospel Mission.

Now, we ought to be visiting these institutions and asking ourselves the question, what are they doing at the Gospel Mission that they are not doing at the Federal center? Or, conversely, what are they doing at the Federal center that is not being done—that we ought to avoid doing elsewhere?

This is just one example, one example of examples that exist in almost every community in America, where because of frustration with a government-run program, with a government attempt, citizens have undertaken, either through religious charities, faith-based or not, religious-based, Big Sisters, Salvation Army, the medical volunteers, the local Matthew 25 clinic that exists in Fort Wayne, IN, where medical doctors volunteer their time to the poor—they exist everywhere, but not to the degree to which it is making a substantial difference in the macrosense in our Nation.

So Senator ASHCROFT and I are trying to highlight these organizations, show how they provide a measure of hope, how they can renew lives, renew communities and, hopefully, nurture them through acquainting our citizens with their work and giving them the means with which to contribute to them.

Robert Woodson said, for virtually every social program we face today, somewhere a community group has found the solution that works.

I believe, Mr. President, this is the greatest source of hope in this welfare debate. And the primary reason why I am not pessimistic is—because it is easy to be pessimistic—that many of these groups, as Woodson points out, are faith-based, not a particular faith, not a particular denomination. In some, the faith is contrary to my own faith, but they gain their authority and their success by serving their neighbors as a form of service to their God. And their ministry includes an element of spiritual challenge and moral transformation.

Government should not view this as a problem to be overcome, but as a resource that we ought to welcome with open arms because, in serving the poor, we ought to look at religious efforts as allies and not rejected as rivals to our program. That power of religious values and social change can no longer be ignored. It is one of the common denominators of a successful compass.

Let me wrap up here by quoting from Robert Woodson again. Bill Raspberry wrote a fascinating article on this some time ago in the Washington Post.

Woodson said:

> People, including me, would check out the successful social programs—I'm talking about the neighborhood-based healers who manage to turn people around—and we would report on such things as size, funding, leadership, technique.

He said:

> Only recently has it crystallized for me that the one thing virtually all these programs had in common was a leader with a strong element of spirituality. . . .

He said:

> We don't yet have the scales to weight the ability some people have to supply meaning [in other people's lives]—to provide the spiritual element I'm talking about.

He said:

> I don't know how the details might work themselves out, but I know it makes as much sense to empower those who have the spiritual wherewithal to turn lives around as to empower those whose only qualification is credentials.

Mr. President, the failure of our current approach has resulted among Americans in "compassion fatigue." That is understandable, but that is not healthy for our society. Compassion for the poor is a valuable part of the American tradition, and it is also a central part of our moral tradition. At the very deepest level, we show compassion for others because we are all equally dependent upon the compassion of our Maker.

But a renewal of compassion will ultimately be frustrated if we act on a definition of that virtue which has failed. The problem we face is not only that welfare is too expensive, which it is; the problem is that it is too stingy with the things that matter the most—responsibility, moral values, human dignity and the warmth of community.

This Nation, I suggest, Mr. President, requires a new definition of compassion, a definition which mobilizes the resources of civil society to reach our deepest needs. This is going to be a challenge to our creativity. Our response, I suggest, will determine much more about the American experiment and the limits that we place on its promise.

So the amendment that Senator ASHCROFT and I are offering is simply a step, a suggestion, a step toward providing a way to expand that compassion in America, to enlist our citizens in the act of citizenship, and to go beyond government to return to those institutions which historically, traditionally, and effectively have mediated some of our deepest social concerns—the family, the neighborhood, the schools, charitable organizations, religious and nonreligous voluntary associations.

I hope that we can move beyond the details of the welfare debate. Much of this will be discussions for future days. But I hope that this amendment we are offering at least offers a start and this debate in which we are engaging will take us to the place where we can step back and take a broader view of the problems we face and a more creative view of the solutions to address those problems.

Mr. President, with that I yield the floor.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, I am going to have to be away from the floor for awhile now, but I want to say that the remarks of the Senator from Indiana are the most compelling and thoughtful and, in a certain sense, I hope, perfecting of any I have heard in 19 years on this floor debating this subject. I can scarce summon the language to express my admiration.

I acknowledge the persuasion that comes from citing dear friends of 40 years and more, such as Nathan Glazer and James Q. Wilson, with whom I have been associated. But the growing perception of the nature of our problem—I could have wished this debate had never taken place in the Senate.

The proposal to disengage the Federal Government from the care of dependent children is not something I can welcome. The address of the Senator from Indiana almost makes it worthwhile.

The other evening, Monday evening, at the American Enterprise Institute, Robert Fogel of the University of Chicago presented a superb historical perspective on the cycles of moral and religious awakening that have taken place in the United States since the 1740's, such as during the American Revolution, when we came to judge that the British Government was not sufficient ethically and morally as an institution. Abolition, slavery, temperance—we have had this experience before, and it may be we are beginning it again, because what the Senator says is so very clear that in the end, these are issues of community, issues of relationships, issues of moral understandings and persuasion.

I have said that however much we may be taking a retrograde measure with respect to a Government program, for the first time ever, we are beginning to talk about the problems of family structure. President Bush began this in an address at Notre Dame in 1992. President Clinton brought it up in a State of the Union Message when he rather casually cited projections which had been made in our office about where we may be heading. This week's issue of the the Economist discusses it as a worldwide phenomenon but uses the United States as the most advanced and desperate case.

I just will make one final caveat if you like, caution if you will. We are finally asking the right questions. I do not think we have answers. None will assert this more with greater conviction than such as Nathan Glazer or James Q. Wilson. Wilson gave the Walter Wriston lecture at the Manhattan Institute in New York City last November entitled "From Welfare Reform to Character Development." His new book is on character.

He has this passage. He says:

> Moreover, it is fathers whose behavior we most want to change, and nobody has explained how cutting off welfare to mothers will make biological fathers act like real fathers. We are told that ending AFDC will reduce illegitimacy, but we don't know that. It is, at best, an informed guess. Some people produced illegitimate children in large numbers long before welfare existed and others in similar circumstances now produce none, even though welfare has become quite generous.

We have to accept that. We will not get the right answers until we ask the right questions, but we are not there yet.

Without going into detail, we do have some early returns on a program of counseling and education with respect to teenage births, and we find no effect; a very intensive effort now 4 years in place with nothing to show. But that is all right, the effort has begun. Eight years ago, it would not have come.

So I just want to express my admiration and my thanks to the eloquent, persuasive Senator from Indiana.

Mr. President, I see the Senator from Missouri has risen. I yield the floor.

Mr. ASHCROFT addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. ASHCROFT. Mr. President, I want to join the senior Senator from New York in commending the Senator from Indiana for an outstanding, insightful, and dispassionate analysis of a very, very difficult problem. Too often in this Chamber, we view this problem as a financial problem or a governmental problem or a bureaucratic problem. But I think the Senator from Indiana has clearly alerted us to the fact that this is a problem for individuals, and it is a problem for families, and it is a problem for our culture.

I believe the measure which he and I are proposing is a measure which takes into account our understanding that we do not believe that government is the complete answer to the challenges we face. As a matter of fact, the Senator from Indiana has noted with clarity that there are many, many efforts by government which have been attended by only modest success, if it can be described as success at all.

When those enterprises are compared with the efforts that have been made by a number of private groups, including faith-based organizations, it is clear that the success rate, sort of the change rate, the therapy rate, the healing rate in those organizations is dramatically higher.

I was pleased to have the opportunity to cooperate with him to try to think of ways we could address our problems that go, as he puts it, ingeniously beyond government.

So often, it is in the role and nature of government to establish the minimums: If you do not follow these rules or these regulations, you end up in jail. You have to pay this much or you have to do this much in order to remain free. Government does not really call us to our highest and best, frequently. That job is the job of other institutions.

In order for us to solve this very substantial challenge, the critical challenge and a crisis in terms of our human resources, we are going to have to do more than minimums, the kind of thing government frequently deals with. We are going to have to get into the arena of maximums, and we have to find ways of calling on people to be at their highest and their best, rather than just participating in the fundamental threshold of what it takes to be a member of the club we call our society.

So beyond government, to expect to do more than government would do, to try to elicit responses from individuals who literally accept responsibility for helping in this circumstance, we have come up with this idea to provide incentives for individuals to invest their resources and themselves in private charitable enterprises which have a track record of doing what we have failed to do so miserably in our welfare program.

None of us have to recount the failure of the welfare program. We know that there are more people in poverty now than there were when we started the war on poverty. We know that the number of children in poverty is a higher percentage than it was when we started this assault on poverty by government. We can only conclude that the prisoners of the war, the POW's of the war on poverty, have been the children of America, the future of this great country.

What can we do to try to break this cycle of dependency, to slow the problem instead of grow the problem, because it occurs to me that as we have sought to remedy this situation, to bring therapy to this wound through government, we have exacerbated the problem; the hemorrhage has increased rather than been stemmed.

Perhaps it is instructive for us to look into our past to find out what might be helpful to us in the future.

Our current crisis in the cities is not singular, not unique, not something that never happened before. We have had crises in our cities before. Scholars have studied them, and they can point to ways in which we might remediate

them. And Professor Marvin Olasky, from Texas, has written eloquently, and Gertrude Himmelfarb has written, as well, about the same crisis that, 100 years ago, gripped American cities. One of the interesting things about those crises is that they were attended by a social outpouring, a civic commitment to deal with the problem.

The distinguished junior Senator from Illinois, yesterday, had a picture on the floor of the Senate. It showed youths huddled against a building, semi-clothed, barefooted, sleeping one upon the other, in Chicago 100 years ago. It was a tragedy then, and what is happening to our young people is a tragedy now. She had several suggestions that we could remedy the tragedy with governmental guarantees today. It is interesting to me that the tragedy was not remedied 100 years ago with governmental guarantees—and I am not against Government and against having the right kind of safety net and the right kind of transitional welfare; but when welfare moves from being transitional to vocational, and the Government becomes the keeper of the poor, and as the keeper of the poor, the Government keeps people poor, we have missed part of the equation.

One hundred years ago, a substantial component of the equation was simply that citizens cared, and they volunteered and worked with one another compassionately to meet the needs. We need to signal, state, and we need to, as the Government, develop an understanding in this culture, in our communities, in our cities across this country that we cannot get this job done and expect and want people to participate as volunteers.

There are interesting data that in the crisis of 100 years ago in New York, there were two volunteers for every needy person. We have substituted Government for volunteers, and now we have 200 needy people for every social worker. That is just not a problem with the numerics, because 200-to-1 is an incredible load. It is also a problem with the character, not just the quantity. I am not impugning the character of social workers. They are wonderful people that are devoting their lives. But it is different to be administered to by a paid social worker than by an individual who says, "I love you and this community enough to accept responsibility, and I want to be part of improving your lot. I want to help you move from where you are to a place that is closer to where I am. I want to help you elevate yourself from dependency to industry, from despair to hope."

We need to do what can be done to send a strong signal that we want the desperate and needy of America to be a part of the devoted aspiration and contribution of our communities and cities and citizens. This modest proposal says to people that if you will give to charitable organizations that meet the needs of the needy, you will get your normal tax break. But if, in addition to giving your money, you will also get involved—and the Senator from Indiana said it very clearly, that we want the extra impact of citizen involvement, but we want the extra accountability of citizen involvement, citizens who do not just write a check as a means of shedding the consciousness and excusing themselves from the challenge, but we want citizens who want the check as a way of propelling themselves into the challenge, to meet the challenge.

So if you will contribute to these charitable organizations and you will match your contribution with an hour a week, on the average, through the year—50 hours—we will say as a Government that we honor this, that we respect it, and we want to encourage this, we want to teach this as a value and virtue in American life, and we care for each other to the extent—to use the phrase of the Senator from Indiana—that we go beyond Government and that we get into the involvement, one with another, and we have an interface between those in need and those who can meet the need. That would carry us forward.

It is with that in mind that we have raised this proposal for debate in the U.S. Senate. I believe that I could stand here and go through a litany of these kinds of nongovernmental organizations, and I have pages of them and their examples and success rates and their success stories. The Senator from Indiana has appropriately indicated that they operated about one-twentieth of the cost that normally attends the governmental function.

I could talk about the experience of certain Governors, like Governor Engler, who has a program that is successful. He says the reason is that because he has been able to get the Lutheran Services to be a party to it, because they care at a different level. There is a different character about the helping hand of a volunteer than there is about the heavy hand of Government. He says that the reason the program works is that this caring, loving, helping hand is available 24 hours a day, 7 days a week. He says that in order to get certain of the Government programs to work, he has to ask people to have their problems between 9 in the morning and 5 in the afternoon, Monday through Friday. The truth of the matter is that needs arise in ways that require caring and help and healing, rather than bureaucracy.

So it is with this in mind that we have suggested to this U.S. Senate for its consideration, as it ponders what we do to meet the challenges of lives that are in despair, that we would consider making a statement that we want to revalue the work of volunteers. We want to say to individuals: Do not just write a check, but make a contribution with your life. And that could help us on the track to the solution that helped when, 100 years ago, volunteers overwhelmed the problems and began to move us on a track toward recovery.

While we are continuing in a mode of intensifying the problem, we need to be switching to a mode of mitigating the challenge. I think we can do that by encouraging the citizens to be the caring hand of the community and doing it in a way that expresses the care that healthy communities must have in order to be surviving communities.

I commend the Senator from Indiana for his outstanding statement of the opportunity for us to move beyond Government. I think we should take the small steps that are available to us and ultimately take larger steps to make sure that we move beyond Government so that we get into the category of success and remediation and we avoid what we have experienced to date, which is despair and aggravation of the problem.

I am grateful to the Senator and I thank him.

Mr. COATS. Will the Senator yield?

Mr. ASHCROFT. Yes.

Mr. COATS. Mr. President, I ask whether or not the Senator from Connecticut is here to offer an amendment. Senator Ashcroft and I intend to withdraw our amendment. But if there are others who want to speak on it, we obviously would encourage that. I have gotten some indication that the Senator from Pennsylvania wishes to speak on it. At the appropriate time, we will withdraw that.

Before I yield, let me commend my colleague for his articulate, passionate statement on behalf of a concept that I believe is critical to the future of this country, something that we must embody, embrace, and something that we must advance if we are to address this crisis that exists in our society.

He brings his experience as a Governor. He has had the opportunity that many of us have not had in dealing with this on a day-to-day basis from an executive position and as someone who was charged with the responsibility of carrying out policy instead of just making policy. He brings the experience of someone with a deep heritage of service to others, and his commitment to this concept is commendable.

I want to thank him not just for his support but for his initiation and his leadership on this effort. We have been going along parallel tracks and discovered that we were attempting to advance the same ideas, so we merged our efforts.

His thoughts about involving individuals as volunteers, as well as just the writing of a check for the tax credit, was instrumental to this package. His work and efforts and writings and speaking about it have been very, very important to this.

I thank him and I want to tell him what a privilege it is to go forward together and hopefully have others join us as we attempt to address this next stage in the welfare debate.

I thank the Senator from Missouri.

Mr. ASHCROFT. I thank the Senator from Indiana. I yield the floor.

Mr. SANTORUM. I thank the Senator from Connecticut for his patience. I know the Senator has an amendment to follow this. My understanding is this is an amendment we can accept on this side of the aisle. I will not make him wait unduly.

I wanted to speak on this issue because, like the Senator from Missouri and the Senator from Indiana, I, too, had a piece of legislation I introduced that provided a tax credit for charities that do work for the poor. It is a tax credit for people who give to charities, who do work for the poor.

I, too, like the Senator from Indiana, see this as the next logical step in the devolution of welfare. We had an experiment in the 1960's that tried welfare as a grand social scheme that, in fact, should be a national problem solved on a national level by national bureaucrats and national policy. I think what we have seen is that has been a dangerous and, in fact, a very destructive way of approaching this problem.

What is being offered here on the floor is, in my opinion, sort of a stepping-stone to what the final solution should be to solving the welfare problem. What we are doing here is a block grant back to the States, saying we need States to have more flexibility. We need to get it back down to the local level.

What Senator COATS, Senator ASHCROFT, and I have put forward is really this next logical step, which is why do we have the Government directly involved in setting policy on poverty at all? Why do we not enable, empower the people who are most concerned about the people who are poor, and that is people in their community, family members, neighbors, and people living down the street?

Those we have found over time are the most effective poverty-fighting tools that we have in our society—people who actually care about their neighbors and their friends and their family members.

What we need to do is take all this money that gets channeled through Washington and instead of having it channeled through here, take that money and directly send it to the nonprofit churches, in many cases, or community organizations that are directly involved on the front line of solving the issue of poverty in the communities.

I know the Senator from Indiana represents large cities like Indianapolis that have communities in them in those cities where there are no jobs, there is no nothing, there is no institution left. The only thing left is a church that holds the whole community together.

Why would it not be proper for those people who are paying taxes in that community to be able to take a tax credit to help that church which has dedicated their mission to helping people in poverty, instead of sending their tax dollars here so we can pay a bunch of people to tell them how to run their lives?

Get people who actually care about that next-door neighbor, who know the young girl who got pregnant and has to raise that child in a destructive home environment who lives next door. Get people who know their names, who care about them not because they are a number in the computer but because they are the next-door neighbor they have known for years.

That is what this is all about. This is not a devolution in the sense we are throwing away a responsibility and giving it to somebody else. What we are suggesting is there are logical people to handle these problems and it is not us. It is people who truly care.

What the Coats amendment, the Ashcroft, and my amendment would have done is just to take a small portion of the money that we spend on welfare and have that money be used to directly support communities.

The question here is not whether or not we should address the issue of poverty. It is who is best able to deal with the issue of poverty. Go home and ask folks as I have, and talk to people who are in the welfare system or who are poor, who are working poor, and ask them where they have gotten the most help. Is it from the person who sits behind the computer who has a caseload of hundreds, who processes paper and checks, or is it the minister or the person at the local soup kitchen, or whatever the case, or neighborhood food banks? Are those the people who actually care, who actually work to make it work for the people who are poor? That is really the fundamental issue here.

I was not on the floor at the time the Senator from Indiana gave his remarks, but I am looking forward to reading them in the RECORD because of the very high praise from the Senator from New York on his comments.

I can only imagine the passion that I know the Senator from Indiana has on this issue, the care and concern he has for making sure that we develop a system here in Washington that truly is caring, not caretaking; that is truly people oriented, humane in the very sense of human involvement with other human beings whose problems are not just something that we pay to maintain, but work to solve.

That is the fundamental, I think, logical next step and I am confident, when we address this welfare issue again, that we will see an increased support for this kind of amendment and for this approach to deal with the problem.

I am hopeful, whether we do it in the tax bill this time or whether its day is a little into the future, we are laying the groundwork now for something that I think will be—I believe this amendment is the most significant amendment that has been offered on the floor. I know it will be withdrawn because it is a tax matter and subject to points of order and all the problems, but I think this amendment is the most significant amendment about getting people involved in the communities to help their neighbors.

One of the great things about America is our relationships with our neighbors and our sense of community. The Federal Government has systematically, through welfare programs, said it is not our responsibility to care for our neighbor anymore; you pay taxes, you have Federal benefits, they will take care of them.

Well, folks, that may be nice and compassionate on the surface, but what it does is separate you from the people you live next to, and you no longer feel you are responsible for your neighbor. You feel that it is not a community anymore, that we are a set of separate kingdoms who pay our tributes to the lords and the lords will take care of everybody. That does not work. That is not America.

What we need to get back to is the whole concept that we are in this together, that we should be a community, that we do have a responsibility for our neighbors, and that we want you to be actively involved in participating, in making sure that your neighbors, as well as the other people in your communities are not in poverty and are living in dignity.

That is what this amendment does. I congratulate the Senator from Indiana for his stewardship on this issue. I only wish I could be here to vote for it, but I understand the need to withdraw the amendment.

Mr. LIEBERMAN. I thank the Chair. I do want to introduce an amendment following Senator COATS, but I have listened to the debate and I do want to say a few words of support because I think my colleagues are onto something here.

The human want, the human despair, the human suffering that is the welfare crisis that we are attempting to address in this debate was not caused by government.

There are many ways, I think we feel, in which government has facilitated or enabled the problem to become worse. The problem begins with people who have problems. And it will not end until those people are helped by their neighbors, by their communities, by a wide array of institutions.

What I am saying is, and I think this amendment gets to this, is that government has not, itself, created the

problem, although it may have exacerbated it. In the same sense, government alone will not solve the problem. We are going to need community groups, charitable groups, people finding strength within themselves. This amendment recognizes that and tries to create, in the way that we do this in America, tries to create a motivation through the tax system for people to get personally involved, once again, in greater numbers—many are now, obviously, but to be involved in greater numbers—helping their neighbors, their poor neighbors, work themselves out of poverty. So I think there is something here.

There is something here, also, in the fact that this well-intentioned program that started in the 1930's, Aid to Families With Dependent Children—in that sense, the contemplation of Congress was to help the children of widows—has become so large that in some measure it has sent a message to a lot of very well-intentioned, good-natured Americans that the poverty of their neighbors is not their concern.

In some ways we have become so good at governmentalizing our community responsibility that we have sent a message that individuals have less need to be responsible for those among us who are poor. This amendment cuts, also, at that conclusion and says to all of us we all have a part to play as we used to before government became so big and communities became so big.

I believe that these problems of babies born to mothers who are teenagers, unmarried—a cycle, generation after generation of welfare dependency—are so deep that it will take both government and private philanthropic, charitable, and religious institutions to make it ultimately better. But the very important point that this amendment makes is that Government cannot do it alone. And I congratulate my friends for introducing the amendment and making that point.

Finally, I say this. I also think they have made an important statement here in making it clear that religious organizations, faith-based organizations, should be eligible for this credit for participation in poverty assistance programs because those organizations, as I have seen in cities and poor areas throughout Connecticut, often have the greatest motivation, the greatest success rate in dealing with problems of poverty. When we bring it down to the individuals who are the beneficiaries of this program, I have yet to find a government program that could do a better job than a religious organization at instilling in the individual that necessary sense of self-worth which is the precondition to any genuine and hopeful effort to make that person's life better—based, of course, on the insight that my friend and colleague from Indiana referred to generally, which is that if you begin to see yourself as a child of God, and in that sense appreciate your value, then you are going to be better able to go ahead and remake your life in a way that testifies to that insight.

I know this amendment is going to be withdrawn. I do think the Senator from Indiana, the Senator from Missouri, and the Senator from Pennsylvania made a very important point here. I hope we can come back to it. I hope we will have the opportunity to come back to it, to try to truly not only make government more efficient in dealing with poverty, but to tap the truly powerful good nature of the American people that is out there and, I think, ready to be tapped to help those of their neighbors who are poorer in money and in hope and in opportunity than they are.

I thank the Chair and yield the floor.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SANTORUM. Mr. President, I congratulate the Senator from Connecticut for his excellent comments and apologize to him for jumping ahead of him. I did not realize he was rising to speak on the Coats amendment. Had I known that, I would have let him go forward. I thought he was just standing for his amendment. So I apologize for that, and I appreciate very much his comments and his support of this concept. The Senator hit the nail on the head very, very well, and I appreciate his support.

I congratulate, again, the Senator from Indiana for offering this amendment.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. COATS. Mr. President, I offer my sincere thanks to both the Senator from Pennsylvania and the Senator from Connecticut for their warm words of support for a concept that I think we all endorse and believe in. I, like the Senator from Connecticut, hope that we have initiated what will be, in the end, a historic debate about how we can effectively reach out and help those Americans who, in many instances through no fault of their own, find themselves in desperate circumstances, but do it in a way that is effective. There is compassion beyond government, and I think we are beginning to discuss and tap into what that is.

Because the amendment the Senator from Missouri and I have offered is subject to points of order, because it is a tax matter not directly relevant to this bill, because there needs to be more discussion and more foundation laid, in a moment I am going to ask unanimous consent to withdraw the amendment.

I think this has been a substantive discussion of an extremely important item that I hope will be brought back up for further debate and will become a integral part of the next tax debate on how we allocate resources of citizens of this Nation, how we allocate those in a way that makes a difference in people's lives and gives us the sense that our work is not in vain and that the check we write is truly making a difference, not only in our neighbors' lives but in society.

We look forward to that extended debate, and we look forward to the day when we can leave the amendment on the floor and bring it to a vote before the Senate. This is not the appropriate time to do that.

Therefore, I ask unanimous consent the amendment that is currently pending be withdrawn.

The PRESIDING OFFICER (Mr. GRAMS). Without objection, it is so ordered.

The amendment (No. 2539) was withdrawn.

The PRESIDING OFFICER. The Senator from Connecticut.

AMENDMENT NO. 2514, AS MODIFIED

Mr. LIEBERMAN. Mr. President, I ask the amendment I filed at the desk, amendment No. 2514, be called up.

The PRESIDING OFFICER. Without objection, the amendment is now pending.

Mr. LIEBERMAN. Mr. President, I ask unanimous consent a modification of the amendment that I send to the desk at this time be accepted.

The PRESIDING OFFICER. Is there objection to the modification?

Without objection, the amendment is so modified.

The amendment (No. 2514), as modified is as follows:

On page 17, line 8, insert ", for each of fiscal years 1998 and 1999, the amount of the State's job placement performance bonus determined under subsection (f)(1) for the fiscal year," after "State family assistance grant for the fiscal year".

On page 17, line 22, insert ", the applicable percent specified under subsection (f)(2)(B)(ii) for such fiscal year," after "subparagraph (B)".

On page 29, between lines 15 and 16, insert:

"(f) JOB PLACEMENT PERFORMANCE BONUS.—

"(1) IN GENERAL.—The job placement performance bonus determined with respect to a State and a fiscal year is an amount equal to the amount of the State's allocation of the job placement performance fund determined in accordance with the formula developed under paragraph (2).

"(2) ALLOCATION FORMULA; BONUS FUND.—

"(A) ALLOCATION FORMULA.—

"(i) IN GENERAL.—Not later than September 30, 1996, the Secretary of Health and Human Services shall develop and publish in the Federal Register a formula for allocating amounts in the job placement performance bonus fund to States based on the number of families that received assistance under a State program funded under this part in the preceding fiscal year that became ineligible for assistance under the State program as a result of unsubsidized employment during such year.

"(ii) FACTORS TO CONSIDER.—In developing the allocation formula under clause (i), the Secretary shall—

"(I) provide a greater financial bonus for individuals in families described in clause (i)

who remain employed for greater periods of time or are at greater risk of long-term welfare dependency; and

"(II) take into account the unemployment conditions of each State or geographic area.

"(B) JOB PLACEMENT PERFORMANCE BONUS FUND.—

"(i) IN GENERAL.—The amount in the job placement performance bonus fund for a fiscal year shall be an amount equal to the applicable percentage of the amount appropriated under section 403(a)(2)(A) for such fiscal year.

"(ii) APPLICABLE PERCENTAGE.—For purposes of clause (i)(I), the applicable percentage shall be determined in accordance with the following table:

"For fiscal year:	*The applicable percentage is:*
1998	3
1999	4

On page 29, line 16, strike "(f)" and insert "(g)".

On page 66, line 13, insert "and a preliminary assessment of the job placement performance bonus established under section 403(f)" before the end period.

On page 77, in the matter inserted between lines 21 and 22 (as inserted on page 19 of the modification of September 8, 1995), strike "(C) An increase in the percentage of families receiving assistance under this part that earn an income." and insert "(C) An increase in the number of families that received assistance under a State program funded under this part in the preceding fiscal year that became ineligible for assistance under the State program as a result of unsubsidized employment during such year.".

Mr. LIEBERMAN. As indicated, I submitted the amendment on behalf of my colleague from Connecticut, Senator DODD, and the Senator from Georgia, Mr. NUNN.

PRIVILEGE OF THE FLOOR

Mr. LIEBERMAN. Mr. President, I ask unanimous consent that Cindy Baldwin, who is a presidential management intern fellow in my office this year, be granted the privilege of the floor for the remainder of the debate on welfare reform.

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

Mr. LIEBERMAN. Mr. President, there is a happy story to be told in this amendment. I appreciate the fact we have come to a bipartisan agreement here on going forward with this amendment. This amendment, I think, goes to the heart of both bills, which is work, which is taking the welfare program and changing it from a kind of income maintenance program to a work opportunity, work creation, work realization program, hopefully, and definitely in the context of the private sector.

Mr. President, there are a lot of different ways, as I have spoken before on this floor, in this debate that the current welfare system is not working and does not reflect the best values of our country. Obviously, the extent to which it has helped to enable the breakdown of families, the birth of babies to teenaged young women without fathers in the house, and despair and hopelessness for the kids is profoundly troubling and has catastrophic implications for our society. But I believe that at the heart of the American people's hopes in this welfare reform debate is the question of work. In fact, a recent Wall Street Journal-NBC poll found that 62 percent of the respondents believe that work is the most important goal of welfare reform compared to 19 percent who considered reducing out-of-wedlock births as most critical. I do not mean to diminish the importance of the second goal because I think in terms of the long-term impact on the welfare rolls it is critical.

But just to suggest that the most profound way in which this system has digressed from the commonly held values and beliefs of the American people is the extent to which welfare does not encourage work, the extent to which it has discouraged work, the extent to which it frustrates and infuriates so many of the American people who feel that they are out there working hard every day paying taxes, and they fear and believe that too many of their tax dollars are going to support a system, this welfare system, that does not adequately encourage, force the people on it to get up, to go out and go to work.

Maybe that is why, as we look at the two basic underlying proposals that have been made here on each side of the aisle, that the word "work" appears in the titles that their sponsors have given them. Senator DOLE's proposal is, as I understand it, entitled "The Work Opportunity Act." Senator DASCHLE's proposal, which was heard as a substitute earlier and defeated, is called the Work First Act, and that is for the reasons that I have stated. The goal here is to cut the welfare rolls, to get people to work, and to create opportunity.

As these two proposals have come along, I think we have seen some ways in which they are quite similar and ways in which they digress that have caused some concern among some of us. It is interesting and important to note similarities because sometimes in this kind of debate, they get missed. Both proposals, Senator DOLE's and Senator DASCHLE's, set essentially the same goal when it comes to work—maybe some slight difference in wording—but that 50 percent of the people on welfare, the families, the potential income earners, be in jobs by the year 2000. It is a goal that is common to both bills. But the way we get there is different, and that is what has concerned some of us as we have watched the debate go forward.

In Senator DOLE's bill there is a 5-percent penalty at the end if you do not achieve the 50-percent placement of people in jobs. In Senator DASCHLE's bill, a different approach is taken. You might call it the carrot as opposed to the stick. And the carrot here is to say that we have to focus in and hold the States to a standard, and an important standard, which is the placement of welfare recipients in unsubsidized jobs, which is to say private sector jobs. We have some ideas looking at the experience about how to do that and where to do it, and our experience suggests building onto some of the cases and grants and programs that have been carried out under the Family Support Act of 1988, that the best thing to do is to not spend too much time at this business of training, although training is often necessary, but to focus on getting welfare recipients out there into a job, and then working with them and training them to make sure that they carry out that job well and that they do so in the context of the work that they are actually performing.

Senator DASCHLE's proposal, as I said, used the carrot, and it said that what we are going to measure every year is what percentage of people on welfare in a given State have been placed into private sector jobs. It is not enough to gauge how many are in training programs, because we have done this before. And people can spend a lot of time in training programs with nowhere to go, all dressed up and no job to take, or no job that they are willing to take.

This proposal, creating the personal empowerment contract, is somewhat like Senator DOLE's bill, which basically says when people sign up for welfare they have to sign a contract, and it has mutual responsibility—no more blank check. You get a welfare check. It is not even called a welfare check anymore; it is a temporary employment assistance check, and one of the things you have to continue to do to get that check is to go out and work, accept any job that is offered, understanding that that is better than being on welfare, and that it is putting you on the first step of a ladder in the private sector job market that can take you up and up to self-sufficiency.

So in Senator DASCHLE's proposal, a bonus was given to the States, an incentive beginning in 1998, creating a pool of 3 percent of the overall block grant authorized under Senator DOLE's underlying legislation; $16.8 billion a year in that block grant; 3 percent of that money in 1998, 4 percent in 1999, 5 percent in 2000, put into an incentive pool to be distributed to the States based on their success in getting people off the welfare, not into training programs, not into public works programs or those subsidized jobs, although those can be good sometimes, too, but into private sector jobs.

We think that would be not only an important incentive to change the orientation in terms of the beneficiaries of welfare, the welfare recipients, but we think it would be a very healthy way to shake up the welfare bureaucracy back home in the States, to create incentives that are different from today's.

Too often in today's welfare system the incentives encourage States and administrators and caseworkers alike to make income maintenance—not job placement—their primary mission—income maintenance, write out the check, process the application, get the check to the recipient. That becomes the focus of the system, not stopping the writing of the checks, getting the recipient off of welfare and getting them out into an income earning job.

The State administrators and caseworkers too often now are sent the message that it really does not matter whether or not they go the extra mile and spend the extra money to remove a recipient from welfare and into a private sector job. That is what this job placement bonus is all about. It sends a message to the States that, if they, their administrators, their case workers, go the extra mile to put somebody from welfare into a private sector job, that it will pay, that the State will receive more money, a job placement bonus, a simple yet critical tool to change the incentives in the welfare office back home from income maintenance to job placement. A bonus can, and I believe will, turn the welfare office into an employment office, which is what it ought to be.

Mr. President, so we had these two different visions, and I was prepared to offer a separate amendment to incorporate the job bonus provisions of Senator DASCHLE's proposal into the underlying bill. We have had the opportunity to reason together. We have had some very good conversations with Senator ROTH, whose modifications to Senator DOLE's underlying bill I will describe in a minute, and I think we have come up with a superb compromise which I hope people on both sides of the aisle can support.

Senator ROTH amended the underlying proposal consistent with the work that I have been privileged to be involved in with him, in his time as chairman of the Governmental Affairs Committee and ranking minority member before, to try to not only create programs but to create standards by which we can judge those programs as any business would do and to reward those who perform better under the programs we have created.

So in Senator ROTH's amendment, and provisions included in the underlying Dole bill, a 5-percent bonus pool is created in the year 2000 which would reward the States, for instance, in proportion to the reductions that they had achieved in the length of time families were receiving welfare payments, or the increases in the number of welfare families receiving child support. In other words, how many deadbeat dads had been shaken and awakened and finally were carrying out their responsibilities.

So here is the agreement I believe we have, and I am very grateful for it. It is carried out in the modification to my amendment, Mr. President, which I have sent to the desk.

Under this modification, in 1998, pursuant to the Work First proposal, there would be created a pool equal to 3 percent of the national block grant of $16.8 billion which would be contributed to the States based on their success in getting people off welfare and into a private, a real private sector job.

In 1998, that would begin with 3 percent. In 1999, the pool would go to 4 percent. And in the year 2000, Senator ROTH's provisions remain to create a 5-percent pool that would be distributed to the States based on five factors, four of which were in Senator ROTH's initial proposal, and the fifth would be the one that I have referred to which would be a measure of the extent to which the States have placed welfare recipients in private sector jobs.

I think this is a superb agreement. It makes both approaches better. I think it strengthens the underlying proposal by Senator DOLE. And more than the question of which side of the aisle it may have come from, or which proposal it strengthens, it puts teeth into the aim that I think all of us have, which is to get people off welfare and back to work, to save the taxpayers' money that we are now spending on a program that has created such dependency and despair, and to raise up the hopes and sense of opportunity for those who have been condemned to that life of despair on welfare.

So I thank Senator ROTH and his staff particularly, Senator DOLE and the leadership on the Republican side, and all those who have worked with us on this side. This proposal, I take some pride in noting, for a job-placement bonus emerges from work that has been done by the Democratic Leadership Council Progressive Policy Institute aimed at creating the right incentives in this system to get people off welfare and to work. I am privileged to be the chair of that group, now having succeeded my friend and colleague, the Senator from Louisiana, who I also see in the Chamber and who I am privileged to say has been a cosponsor of this amendment with me and Senator CONRAD, Senator NUNN, and Senator DODD.

Mr. President, I thank the Chair and my colleagues for their interest in this amendment and for what I hope will be unanimous support. I yield the floor.

Mr. BREAUX. Will the Senator yield?

I commend the Senator for structuring and offering remarks on this amendment.

I think it is important that when we do real welfare reform we do it not just to penalize States that fail to meet certain targets and goals but actually have an incentive to do something positive instead of something negative. Instead of from Washington punishing States, if you will, that do not meet the goals, we try to get them to accomplish and meet those targets by incentives and bonuses and extra awards if, in fact, they are able to meet the targets that we set.

Frankly, I think that is a far more efficient and far more appropriate method of trying to get States to meet the goals than to try to penalize them. I think this is in keeping with the partnership concept. This is not Big Brother demanding the States do something all of the time but to really say we hope they can meet these goals and, if they do, they are going to be rewarded and not just operate with a heavy hand by penalizing States that for various reasons cannot meet the goals we set.

So I commend the Senator for recognizing this very important fact in offering what I think is a major contribution to improving the welfare reform bill.

Mr. LIEBERMAN. I thank my friend and colleague from Louisiana. I thank him for all his work on this amendment. He gets right to the point, which I do want to just stress again, which is that our concern was the underlying bill by providing a 5-percent penalty at the end, at 2000, if States did not achieve the 50-percent reduction in welfare recipients to work, would be creating a situation where there might be an incentive not to comply.

In other words, complying will cost some money, getting 50 percent of the welfare recipients to work will cost some money and if there is no incentive, no provision, no way that the States by good behavior can get that money, they were going to be left with a series of choices which were not going to be very good. They would either have to raise State and local taxes, deny assistance to needy families to get money, or create a situation where kids would be left at home because there was not adequate funds for child care for people to try to get off welfare and go to work.

So we were worried that the alternative would be that they would start out making, unfortunately, the rational conclusion that maybe it was better not to try to reach the goal of 50-percent welfare to work, give up the 5 percent as part of the penalty because that would actually cost them less than what they needed to meet the goal.

We think that putting these proposals together in this amendment now creates a positive incentive along the way—1998, 1999, 2000—among States to have them compete, if you will, to have a greater part of that pool we are creating to see which State can place more people into private sector jobs and therefore receive more money. Again, I thank my friend from Louisiana, and I yield the floor.

Mr. President, if there is no further debate, it had been my understanding that this was acceptable on both sides.

As I said before, I really want to stress, with some sense of gratitude, the support that Senator ROTH has given in putting this together, I gather, agreed to by leadership on the Republican side, and I sure hope this is part of a sense of compromise but also honing our purposes and coming together in ways that will allow us to achieve a strong bipartisan majority in favor of true welfare reform.

I urge adoption of the amendment.

Mr. CONRAD. Mr. President, I am pleased to rise as a cosponsor of the Lieberman-Breaux-Conrad amendment. I am also pleased that we have been able to reach a compromise with Senator ROTH on this issue.

Mr. President, the funding for work in the Republican bill is woefully insufficient. When the Finance Committee considered welfare reform, the Congressional Budget Office told me that funding in the Republican bill was so insufficient, that only 6 States would have a work program. CBO said States were more likely to take the 5 percent penalty in the bill than put welfare recipients to work.

Now, after the Dole bill has undergone several modifications, CBO says that only 10 to 15 States will have resources sufficient to meet the work requirements under the bill. Seventy to eighty percent of the States will simply not operate the kind of work program advocated by the bill.

The risk that most States will not even have a work program makes the Lieberman-Breaux-Conrad amendment extremely important.

Our amendment establishes a bonus fund under the block grant for States that move people into unsubsidized, private sector jobs. Our compromise with Senator ROTH dramatically improves the incentives for States to operate meaningful work programs, even in the face of woefully insufficient resources.

It is important to remember that many welfare recipients are difficult to employ and require more significant assistance in order to become employable. Sixty-three percent of long-term welfare recipients—those on the rolls more than 5 years—lack a high school diploma. Fifty percent of long-term welfare recipients had no work experience in the year before the entered the welfare system.

Mr. President, I do not want to leave anyone with the impression that our amendment is a panacea. It is not. Nor does our amendment fix the significant problems in the Republican bill. Even with our amendment, States will not have the resources to move long-term welfare dependents into the private sector work force. However, the amendment I offering with Senators LIEBERMAN, BREAUX, NUNN, and DODD does provide a critical incentive for States to get people into real jobs and off the welfare rolls. It is a small, but important step toward improving the bill before us.

I urge my colleagues to support the amendment, and again thank Senator ROTH for his willingness to work with us in reaching a bipartisan compromise.

Mr. ROTH. Mr. President, I am pleased Senator LIEBERMAN proposed his performance standards amendment and that we have been able to collaborate on this important initiative. I also want to thank Senator HATFIELD for his interest in this issue and for his support.

Mr. President, the last time Congress passed major welfare legislation was in 1988 to create the job opportunities and basic skills training [JOBS] program. The intent of this legislation was to move families from welfare to work. Since then, Federal and State governments have spent almost $8 billion on this program alone. This does not include JTPA or a variety of other employment and training programs.

GAO has issued a number of reports on the JOBS Program. One need not read past the title of a recent statement by GAO before the Committee on Labor and Human Resources which states, "AFDC Training Program Spends Billions, But Not Well Focused on Employment." GAO testified, "Today, more than 5 years after JOBS was implemented, we do not know what progress has been made in helping poor families become employed and avoid long-term welfare dependence."

After spending $8 billion on this program, what has the program achieved for the taxpayers or the welfare recipients? GAO does not know. The Department of Health and Human Services does not know. The existing AFDC quality control system cannot tell us. We simply do not know.

Over the years, Congress has created a confused and confusing system which rewards idleness and punishes work. The goal of employment has been lost in an excessive bureaucracy. Education and training have been separated from employment when a job is the real education and training program people need. That is a system which makes sense only in a Lewis Carroll story.

Mr. President, by now, it is generally well known that the Republican welfare reform bill eliminates the JOBS Program and gives the power to the States to design their own work solutions. However, we have also taken an additional step to ensure that we will know whether the States are effective in moving toward the goal of reducing dependency by incorporating performance standards into the legislation. Senator LIEBERMAN's ideas and support strengthen this proposal.

These performance standards are consistent with the quality assurance system already being discussed among the States. The National Association of Human Services Quality Control Directors has stated that, "with the numerous welfare reform waivers being implemented across the Nation, one essential component is the provision of performance outcome measurements."

The idea of establishing performance standards is not new. In the Family Support Act of 1988, Congress required the Secretary of Health and Human Services to develop and transmit to Congress a proposal for measuring State progress. Those recommendations are nearly 4 years overdue. Much of the testimony during the welfare hearings held since March supported the idea of outcome-based performance standards. I do not believe we need to wait any longer to implement that which we called for 7 years ago. Earlier this year, the quality control directors helped develop eight specific outcome-based measurements. These measurements were developed by State officials from Delaware, Illinois, California, Oregon, Kentucky, Georgia, Massachusetts, Minnesota, Virginia, and West Virginia. The measurements included in the Republican bill are consistent with those recommended standards.

Let me also point out there are inherent benefits to be realized in whatever progress the States make toward these performance measurements.

Block grants should not mean simply giving money to the States and turning our backs on what they do with it. The purpose of public assistance is to help families temporarily in need to return to financial independence. Establishing performance standards will help us hold the States accountable for this $16 billion program.

Properly understood, welfare reform is about reforming how Government works. Under the present system, no one is accountable for results. In 1993, Congress took an important step toward outcome-based performance through the Government Performance and Results Act. For the welfare system and for other governmental programs as well, block grants to the States are another important step in reform.

This next step in welfare reform may well become a giant leap in reinventing Government. In the future, Government funds will no longer be simply distributed to provide a good or service. By instituting a quality assurance system based on performance standards, the American people will know whether their hard-earned dollars worked as intended. Over the past 30 years, we have spent $5.4 trillion on our longest war, the war on poverty. Now is the time, before another 30 years go by, to establish a system which will tell us whether the goals we have set are being achieved. Performance standards will enable us to do exactly that and we will not need the miles of regulations and thousands of bureaucrats which now drive the system.

Again, I want to recognize and thank Senator LIEBERMAN and Senator HATFIELD for their efforts on this legislation. I want to also express my deep appreciation to Senator DOLE for including my amendment in the Republican substitute. We have taken a bold and important step in changing the way Government works.

Mr. HARKIN. Mr. President, the only way to permanently reduce the welfare rolls is to put welfare recipients to work in unsubsidized, private sector jobs with the skills to remain self-sufficient. It is impossible for a welfare recipient to become economically self-sufficient if that individual is not earning a paycheck.

Throughout this debate I have urged my colleagues to use common sense in finding a solution to the perplexing problem of welfare dependency. The Lieberman Work Bonus amendment makes good sense.

The amendment sets aside a small portion of the block grant to provide bonuses to States that have been successful in placing recipients in unsubsidized, private sector jobs. But getting a job is not enough; welfare recipients must keep those jobs. So this amendment provides an additional bonus for job retention.

I urge my colleagues to support this amendment which will enable more welfare recipients get the jobs they need to get off of welfare and become self-sufficient.

Mr. President, an analysis by the Congressional Budget Office estimates that 30 to 35 States will not meet the work rates established in the Dole amendment. Given that reality, States may be tempted to cut corners and find a quick fix rather than seek long-term solutions. What may work in the short term will not achieve the lasting change we seek.

Last December, Iowa's Governor, Terry Branstad, told me at a hearing that we need to make "up front investments" to achieve "long-term results." Iowa has been making these investments and is achieving success. We have much more to do, but it is clear that the trends are moving in the right direction. The welfare rolls are declining, more welfare recipients are working, and costs for AFDC are down.

I believe that part of the reason Iowa is achieving such good results is that welfare recipients have incentives to take jobs. They are able to keep more of what they earn and are encouraged to save part of the paychecks to deal with future emergencies.

Other States have also secured waivers to increase work incentives and are having similar results. I believe we should encourage Iowa and these other States to stay the course that is showing such promising results.

The title of the Dole bill is the "Work Opportunity Act." We need to make it clear that the opportunity to work is not in some dead-end, make-work Government job, but in a job that provides a paycheck.

The set-aside is a modest amount, but provides a powerful incentive for States to duplicate successful job placement programs like that in Riverside, CA. Or, of course, follow Iowa's lead on welfare reform.

I know I sound like a broken record but once again I am going to talk briefly about the Iowa Family Investment Program. One of the greatest successes of this new program is that more welfare recipients are working.

The welfare reform program took effect on October 1, 1993. At the time 18 percent of welfare recipients were working and earning income. The number of people has been increasing and is now 32.6 percent.

This is just the number of people who are working and earning income. It does not include the welfare recipients who are attending education and training programs or who are performing community service or are engaged in other worthwhile activities—32.6 percent of Iowa welfare recipients are working and earning the paycheck that is critical to moving them off the welfare rolls and keeping them off.

This amendment rewards States for doing that very thing. As I said earlier, it just makes sense. Without such an incentive, I am concerned that States may take the short course.

This amendment does not penalize any State, but merely provides an incentive for putting people to work in real jobs that earn real paychecks.

In closing, I ask unanimous consent that a recent editorial from the Des Moines Register be printed in the RECORD.

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

[From the Des Moines Register, Sept. 2, 1995]

WORKING WHILE ON WELFARE

Iowa's innovative welfare-reform program continues to look good.

Just under two years ago, Iowa's Aid to Families with Dependent Children program was converted to a new Family Investment Program with the intent of moving more people off welfare and into jobs. That for years has been the intent of the AFDC welfare plan, which has had some success. But the Iowa plan changed the ground rules, allowing welfare families to keep more of their assets and their earnings to increase incentives to get a job.

In July 1993, 18 percent of Iowa AFDC family heads held jobs. The reform plan began three months later. By July 1994, 31 percent had jobs. By July of this year, the proportion had risen to 32.6 percent—nearly twice the level of two years earlier.

That 32.6 percent gives Iowa the highest ratio of working welfare recipients in the nation.

The reform plan contains a carrot-and-stick approach. Under both the old and new plans, workers' welfare benefits decreased as earned income increased, but under the new plan it decreases at a slower rate, meaning total income is higher. Also, under the new plan, recipients can have higher assets and still receive help—which encourages saving.

The stick: Recipients can lose benefits if they don't sign a contract to get a job or job training, or if they sign but don't live up to the contract's provisions. That has happened to more than 1,000 former recipients. They still get food stamps and medical care, and public health officials check on the children. But no more cash grants.

Iowa is setting an example the nation would be wise to follow.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. We do accept the amendment on this side of the aisle.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question then is on agreeing to the amendment.

So the amendment (No. 2514), as modified, was agreed to.

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

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 2603

Mr. FAIRCLOTH addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. FAIRCLOTH. I call up my amendment 2603.

The PRESIDING OFFICER. The amendment 2603 is now pending.

The Senator from North Carolina may proceed.

Mr. FAIRCLOTH. I ask unanimous consent that reading of the amendment be dispensed with.

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

(The text of the amendment is printed in the Friday, September 8, 1995, edition of the RECORD.)

Mr. FAIRCLOTH. Mr. President, I ask unanimous consent that Senator HELMS be added as a cosponsor on this amendment.

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

Mr. FAIRCLOTH. Mr. President, before coming to the Senate I spent 45 years in the private sector meeting a payroll as a businessman and a farmer. Every year I watched as the Congress went into session and adjourned, leaving it more difficult for working taxpayers to make ends meet because of the out-of-control Government spending programs that have put our country on the path of fiscal disaster.

Of all the spending programs implemented by the Federal Government, none has been a bigger failure than those programs collectively known as welfare. President Johnson's war on poverty was launched with good intentions, but it has been a miserable failure—a disaster. And in many ways it has made the plight of the poor worse instead of better. The current welfare system has become a national disaster.

A simple commonsense principle—that we have failed to heed—has gotten our Nation and the poor into the present fix: You get more of what you pay for. And for the past 30 years the Federal Government has subsidized and thus promoted self-destructive behavior like illegitimacy and family disintegration. Almost one in three American children is born out-of-wedlock. In some communities the out-of-wedlock birth rate is almost 80 percent.

What is needed is a dramatic change—a reversal of the trends and programs of the last 30 years, and not another failed Federal Government program, like the Family Support Act of 1988, which perpetuates the problem of welfare dependency and increased them.

I know from first-hand experience that if you have a problem with your business you have to do something about it immediately.

If you tinker around the edges and do not address the problem you will be out of business. Unfortunately, far too few of my colleagues have had the benefit of that sort of business experience. For many here in the Senate, there is no problem that can not be fixed with another Federal spending program and another appropriation of tax dollars.

Mr. President, these people may mean well and they may think that they're being humane, but the way to solve a problem is to address the root cause. And the root cause of the tragedy of welfare dependency is illegitimacy, the rise in out-of-wedlock births. Only by seeking to curb the rise in out-of-wedlock births can we possibly hope to reform welfare.

The findings of the Dole bill state clearly:

> The increase in the number of children receiving public assistance is closely related to the increase in births to unmarried women.

It goes on to say:

> Children born out-of-wedlock are 3 times more likely to be on welfare when they grow up.
>
> Among single-parent families, nearly half of the mothers who never married received AFDC while only one-fifth of divorced mothers received AFDC.

This is all from the Dole bill.

> Young women 17 and under who give birth outside marriage are more likely to go on welfare and to spend more years on welfare once enrolled.

That is why I have consistently urged the leadership to include provisions like those in the House-passed bill which take away the current cash incentives for teenage mothers to have children out-of-wedlock.

And that is simply what it is—a cash incentive to encourage teenage women to have children out of wedlock.

Currently, 40 percent of AFDC recipients are never-married women, and never-married women are most likely to remain on welfare for 10 years or more. Only by taking away the perverse cash incentive to have children out-of-wedlock can we hope to slow the increase in out-of-wedlock births, and ultimately end welfare dependency. We must take away the cash incentive.

Middle-class American families who want to have children have to plan, prepare, and save money because they understand the serious responsibility involved in bringing children into the world. It is unfair to ask these same people to send their hard-earned tax dollars to support the reckless irresponsible behavior of a woman who has children out of wedlock and continues to have them, expecting the American taxpayers to pay for them, as we have done for the last 35 years.

I do not believe that the Federal Government should ever have been in the business of saying to a 15- or 16-year-old girl, "If and only if you have a child out of wedlock we will send you a check in the mail every month to arrive on the third day of the month." This is what we say to them. "If you have a child out of wedlock, we will send you a check every month."

The Federal Government should not be in the business of subsidizing illegitimacy.

I believe that there should be a clear restriction on the use of Federal funds to provide cash to unmarried teenage mothers. We should provide in-kind aid or aid through supervised group homes. The mother as well as the baby she is having need supervision. But we should not use Federal tax dollars to send checks in the mail to unmarried teen mothers. Any State government that believes in its heart that the best way to assist teenage mothers in the State is to send that mother a check in the mail should use State funds and not Federal funds.

The House-passed legislation contained a clear restriction on the use of Federal funds to give cash welfare to unmarried teen mothers. States are perfectly free to use their own money for that purpose. But not Federal tax dollars.

I believe the House provision is correct. However, there has been a lot of concern expressed that this policy is overly directive. Therefore, in the amendment I have introduced, I have attempted to strike an even greater balance between the need to combat illegitimacy and the need for State flexibility.

My amendment takes the restriction on the use of Federal funds to give cash to unmarried teen mothers and adds what has become known as an "opt-out."

Under this amendment, Federal funds cannot be used to give to minor mothers. But the State legislature wants to come into session and overturn Federal policy, it is free to do so.

Under this amendment, if the State legislature wants to come into session and overturn the Federal policy, they are free to do so.

States cannot continue the failed policies of the past by doing nothing. They cannot just ignore the issue of teen illegitimacy and hope it will float away. Any State which wishes to use Federal tax dollars to give cash welfare to unwed mothers must go into session and enact a law to do so. Therefore they will be responsible to the voters in that State that sent them to the State legislature.

Thus, the amendment does not mandate a specific solution. But it will generate careful State consideration of the issue. This amendment does not prohibit State governments from using Federal funds for cash aid to unmarried teenagers. But it forces them to consider very carefully what they are doing before they continue to do so. It forces States to think cautiously and deliberately before they choose to continue a policy which has caused so much damage in the past.

If enacted, my amendment will generate the needed debate at the State level on teenage pregnancy.

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

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. FAIRCLOTH. I yield the floor.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, the simple answer to the issue that is before us, very well stated by the Senator from North Carolina, is that the morals around us will change when the morals within us change. That is going to be a slow process. That does not make any less important the issue that is before us.

The Senator from North Carolina has very well stated a proposition, and he probably feels he has a very good solution, a legislative solution, to the ills that he has adequately stated.

So I do not disagree with the pronouncements and description of the problem. I do disagree with the legislative solution. So I have to take exception to the approach by the Senator from North Carolina, because it is a very difficult issue.

I have given it a great deal of thought, and I believe it is important that it is being discussed. A lot of people would just as soon not discuss it. Even a lot of people within this body would just as soon not discuss it.

Last year, we heard it very eloquently stated by Bill Bennett, our former Secretary of Education, in his raising the concern that the cost to the society of moral decline since the 1960's has been very devastating. He published, as you recall, what he referred to as the "index of leading cultural indicators," a compilation which attempted to demonstrate a data base

analysis of cultural issues. It was a statistical portrait from 1960 to the present of the moral social behavior conditions of our modern American society.

It was in the Wall Street Journal that he wrote about quantifying America's decline. He cited some of the statistics from the index. While social spending in the United States since 1960 increased dramatically, the social indicators during the same period showed overwhelming declines. For example, Dr. Bennett says that in the last 30 years, while there has been more than a fivefold increase in social spending at all levels of government, there has been a 650-percent increase in violent crime, a 419-percent increase in illegitimate births, a quadrupling of divorce rates, a tripling of the percentage of children living in single-parent homes, more than a 200-percent increase in the teenage suicide rate, and a drop of almost 80 points in the SAT scores.

He said that perhaps more than anything else, America's cultural decline is evidence of a shift in the public's attitude and beliefs. Our society now places less value than before on what we owe to others as a matter of moral obligation, less value on sacrifice as a moral good, less value on social conformity and respectability, and less value on correctness and restraint in matters of physical pleasure and sexuality.

He also stated the good news is that what has been self-inflicted can be self-corrected. So I think Bill Bennett, in stating a crisis situation in American society, has not stated that there is no hope. In fact, very correctly he believes that it is within us as a society and individuals within our society to correct this situation.

The Senator from North Carolina has described a situation within the welfare system that contributes somewhat to this that needs to be dealt with. The only question is, should it be dealt with at the State level through the State legislatures, or should it be dealt with by those of us in Congress?

I say that the States have proven in many areas of welfare reform that they are better equipped to deal with those issues than we are.

So in the devaluation of traditional views, we have seen a reciprocal increase in self-destructive behavior. This self-destructive behavior in turn manifests itself in our communities, in our families, and it leads to an increase in destructive forces for our entire Nation. And it has costs with it.

We are talking about societal costs of illicit sexual relations. You know them better than I do: The sexually transmitted diseases; teen pregnancies that cut short bright futures; abortion; broken hearts; broken homes, not to mention the financial costs to individuals, families, communities and, again, our entire Nation.

William Raspberry addressed this concern in a Washington Post article. He remarked that:

> To a striking degree, the problems we worry most about—teenage pregnancy, fatherless households, AIDS and other sexually transmitted diseases, dropping out of school, infant mortality, even aspects of poverty—are the consequences of inappropriate sexual behavior.

He goes on to say:

> The hip response is to redouble AIDS research, establish birth control clinics in nurseries and schools, distribute condoms and clean needles, in general to teach kids what to do in the back seat of a car.

He also goes on to say:

> It is all very well to try to save people from disastrous consequences of their behavior, but,

he emphasizes,

> doesn't it make sense to try to discourage some of the behavior in the first place? A part of the message must be directed not just at the awful consequences but at the deadly behavior itself.

I sense what the Senator from North Carolina is saying is that at the very least, we should not give financial incentive to this sort of behavior through the welfare system which comes from the taxpayers of America. The fact is, the sexual liberation movement of the sixties demonstrated itself to be a socially and morally bankrupt one. The once-accepted practices are perceived by the mainstream as an abject failure.

We would not have this welfare reform issue before us if that was not true. It is time that our social institutions and our Nation as a whole return to the teachings of the moral obligations: Self-sacrifice, social conformity, and abstinence. They are truly virtues to be upheld, and society appreciates them.

Those who teach otherwise will have an increasingly hard sell to a growingly skeptical mainstream, and that is true or we would not even have this welfare issue before us.

Here is some of the specific research on the consequences of being born out of wedlock or living in a single-parent home. These children have specific health risks, substantially higher risks of being born at very low or moderately low birth rates. There are specific educational risks as well. They are more likely to experience low verbal cognitive attainment. They are three times more likely to fail and repeat a year in grade school than are children from intact, two-parent homes. They are almost four times more likely to be expelled or suspended from school. Children of teenage single parents have lower educational aspirations and a greater likelihood of becoming teenage parents themselves.

As I read this research, as we point to what is wrong—and you have all heard it—it is very obvious why welfare reform is an issue. Not only are there health risks and educational risks, but there are also social risks. And welfare reform is seen as a way of reducing those social risks. Being born out of wedlock significantly reduces the chances of a child growing up to have an intact marriage. These same children are three times more likely to be on welfare when they grow up.

They are also more likely to be poor. While only 9 percent of the married-couple families with children under 18 have income below the poverty level, 46 percent of the female-headed households with children under 18 have income below the national poverty level. That is the feminization of poverty. In single-parent families, where they have had a divorce, the woman is most apt to immediately be into poverty. The husband is not as likely to be. And then these risks are out there for the children as well. But there is as much risk for the young mother as well. The younger the mother, the less likely she is to finish high school. If she has children before finishing high school, she is more likely to receive welfare assistance for a longer period of time.

In fact, the Centers for Disease Control has estimated that between 1985 and 1990, the public cost of births to teenage mothers under the Aid to Families with Dependent Children Program, the Food Stamp Program, and the Medicaid Program was $120 billion.

Apart from the obvious consequences on the children, who have greater health problems and lower educational aspirations, and the cost to the young mother, who is less likely to gain independence, we have to look at the consequences for society as well. That is what I believe the Senator from North Carolina is looking at.

We have seen a dramatic rise in crime. Apart from reforming welfare, dealing with crime seems to be the highest thing on the priority list of our constituents.

According to the Bureau of Census, of those youth held for criminal offenses within the State juvenile justice system, only 29.8 percent lived primarily in a home with both parents. In contrast to these incarcerated youth, 73.9 percent of the 62.8 million children in the Nation's resident population were living with both parents.

So, Mr. President, in the face of all this evidence, is it not ridiculous to deny the need to return to sanity? The breakdown of the family and its results for our society are indeed overwhelming. The only issue becomes answering the question: Who should call for the return to sanity? The Senator from North Carolina says it should be the Congress of the United States and the Federal Government. I say it should be the State's responsibility—not in isolation and not without a track record of their success, because we have seen the Federal Government fail at welfare reform, as we have seen the number of people on welfare go up 3.1 million since the last welfare reform bill was passed 7 years ago.

In the meantime, we have seen State after State—albeit having to suffer some sort of waiver from the Federal Government to get what they want—still succeed at moving people from welfare to work, and save the taxpayers' money. I guess that gives me the confidence that I would expect my State of Iowa and I would also expect the State of North Carolina to solve the teenage pregnancy problem, the problem of illegitimacy. And if one of the ways they want to do that is discouraging it by denying additional cash benefits to mothers under age 18, then they ought to have the right to do it. If they see some other way of doing it, then that other approach ought to be tolerated by those of us in Washington, DC, who ought to readily admit a track record that proves we do not have an answer to every social problem by an enactment of Congress and an appropriation of the Congress of the United States.

So I agree that out-of-wedlock births, and all of its consequences, are destroying our society. Where we disagree is that I believe we should allow States to address the crisis. Personally, I believe the States should try many creative approaches to try to address this crisis in our Nation. I think States should look at the reform in the no-fault divorce laws that passed in the fifties and sixties. Unfortunately, I have to admit to my colleagues, as well as to my constituents in Iowa, that I made a great big mistake back in the late sixties when I supported no-fault divorce as a member of the State legislature. I hope the State legislatures will look at changing those laws to make the decision to marry a more serious one and the decision to divorce a more circumspect one.

I also think the States should look at changes in their approach to dealing with the problems of out-of-wedlock births. They need to experiment with new ideas to see how to discourage people from having children before they are ready to care for them, and they need to see what works with teenagers, what works with those who are older. The illegitimacy problem is not just one for teenage mothers. We hear a lot about discouraging young people from getting pregnant. But States also need to experiment with how to discourage young men from fathering children before they are ready to provide for them.

Changing laws alone will not change behavior, but it is a first step. In order to address these kinds of social problems, every institution in society must take this problem as a very personal problem. That means every church, every synagogue, every mosque, must work together with their congregations to bring their message of morality and purity to the people in their area. Every community group needs to urge abstinence as the only sure way to avoid disease and pregnancy. This is truly a crisis requiring immediate action at every level.

So I join my colleagues in raising the banner of awareness. However, I cannot join my colleague from North Carolina in mandating a specific requirement. I believe the States will address this issue and will address it as successfully in this area as they have on a lot of other welfare reform issues that are before us.

I yield the floor.

Mr. MOYNIHAN. Mr. President, I rise to speak to the amendment of my friend from North Carolina and speak in opposition to a well-intended but, it seems to me, very badly conceived approach to a problem which we all acknowledge.

Earlier today, I had the occasion to congratulate the Senators from Indiana and Missouri for their hugely insightful and able remarks. I refer particularly to those of the Senator from Indiana on the precedent of what do we do about civil society and about the breakup in those primal relationships that seem to be so essential to any society, and have always been assumed to be, but which seem to be disappearing in ours.

And not only in ours, Mr. President. I remark that in the current issue of the Economist, the subject is "The Disappearing Family." But simply to read a passage, it says:

> A father is not just a cash cow. Daniel Patrick Moynihan, a Democratic Senator who has taken these problems seriously for 30 years, says that a community without fathers asks for and gets chaos. As an American, he has been able to see that chaos for some time, but it is now visible elsewhere. There are neighborhoods in Britain where more than two-thirds of homes with children lack fathers. Some of Paris' wilder banlieues are not that different.

The Economist article contains a bar chart which is entitled "Fewer Golden Rings, Births to Unmarried Mothers as a Percentage of Total," which shows the extraordinary growth from 1960 in Iceland, Sweden, Denmark, France, Britain, the United States, Canada, Australia, Germany, Holland, Spain, and Switzerland. There was no growth at all in Japan.

There is a descending order of the present ratios, from Iceland, at about 55 percent. Iceland, Sweden, Denmark, France, Britain, the United States—with Britain and France ahead of the United States—and Canada, just after the United States. Australia, Germany, Holland—smaller ratios in those areas.

We are not alone in this, nor have we ignored the subject. It was perhaps not widely noticed, but a year ago in Public Law 103-322, signed by the President on September 13, 1994, an anticrime measure, the now majority leader Senator DOLE and I sponsored a sense-of-the-Senate regarding a study of out-of-wedlock births.

It said simply:

> It is the sense of the Senate that—(1) the Secretary of Health and Human Services, in consultation with the National Center for Health Statistics, should prepare an analysis of the causes of the increase in out-of-wedlock births, and determine whether there is any historical precedent for such increase, as well as any equivalent among foreign nations, and (2) the Secretary of Health and Human Services should report to Congress within 12 months after the date of the enactment of this Act on the Secretary's analysis of the out-of-wedlock problem and its causes, as well as possible remedial measures that could be taken.

I can report, sir, that report is ready now and will be released shortly. It is a first effort, and I hope it will not be the last.

At length, the U.S. Government—the U.S. Congress, this Senate, the Presidency—is finally beginning to acknowledge this problem. I have mentioned before President Bush's commencement address at Notre Dame in 1992, and President Clinton's 1994 State of the Union address, where the subject is raised. But it cannot be too emphatically stated that we know very little of the ideology, origins, the modes by which it takes place.

I have here a draft of the new report by the Department of Health and Human Services. You can see, Mr. President, and I hope the Secretary of Health and Human Services might be listening, "The sense of the Senate asks for a study of out-of-wedlock births."

The report does, indeed, say "out of wedlock." But when it gets into the text, it refers to "nonmarital," thus defining down the problem; from the term "illegitimacy" to "out of wedlock" to "nonmarital," to—I do not know what the next euphemism will be.

But they do make the simple point that changes in behavior, some of these changes in reproductive biology, have led to an extraordinary number of out-of-wedlock births. In 1992, about 1,250,000—1¼ million illegitimate births. About 1 in 10 unmarried women age 15 to 44 become pregnant each year—about 1 in 10.

I have just offered to the Senate a datum which should shock anyone. One in ten unmarried women become pregnant each year. The vast majority of these pregnancies are unintended and, in 1991, nearly half ended in induced abortion—obviously a condition we should not ever desire nor should we allow to continue if we can change it.

But again, I have to say that there does not now exist any understanding of how we might do this. I welcome the onset of inquiry. This is not beyond the reach of social science, anthropology, biology. But it is only just beginning to be recognized in our country as in other countries. The Economist reports the neighborhoods in Britain are not unlike those in, say Washington, DC, and in Paris. It is a new social condition, a new social issue.

But earlier I cited James Q. Wilson, in a splendid essay, a lecture which he gave, the Walter Wriston Lecture, at the Manhattan Institute in New York City, November 17, 1994, entitled, "From Welfare Reform To Character Development." I think that is what the Senator from North Carolina is talking about, from welfare reform to character development. And he should be. He is to be congratulated for doing it.

But Wilson says, about the subject—how do you break the cycle of dependency?

Nobody knows how to do this on a large scale. The debate that has begun about welfare reform is in large measure based on untested assumptions, ideological posturing, and perverse priorities. We are told by some that worker training and job placement will reduce the welfare rolls, but we know that worker training and job placement have so far had at best very modest effects on welfare rolls.

I say that standing here with a button from the JOBS program in Riverside, CA, that says, "Life Works If You Work." But we know the effects of these programs are modest.

Wilson goes on:

And few advocates of worker training tell us what happens to children of mothers who are induced or compelled to work other than to assure us that somebody will supply day care. We are told by others that a mandatory work requirement, whether or not it leads to more mothers working, will end the cycle of dependency. We don't know that it will.

That is James Q. Wilson. "We don't know that." I continue:

Moreover, it is fathers whose behavior we most want to change, and nobody has explained how cutting off welfare to mothers will make biological fathers act like real fathers. We are told that ending AFDC will reduce illegitimacy, but we don't know that; * * *

I repeat James Q. Wilson, "We are told that ending AFDC will reduce illegitimacy but we don't know that."

* * * it is, at best, an informed guess. Some people produced illegitimate children in large numbers long before welfare existed and others in similar circumstances now produce none even though welfare has become quite generous.

I plead to the Senate, first, do no harm.

Catholic Charities addressed this plea to us earlier this day, asking that there not be a family cap.

The first principle in welfare reform must be do no harm, the ancient adage of Hippocrates in his essay "Epidemics." It is not the Hippocratic oath, and we are dealing with an epidemic here. We must heed that ancient Greek: First, do no harm.

I can say that there is one major research project in operation right now—has been for more than 4 years—it involves very intensive counseling and education offered to teens to prevent teen pregnancy.

I would prefer not to give the actual name of the operation because you do not want to interfere with it by stating ahead of time what its findings are, what is happening. But I can tell you that after 4 years the control group, there is no difference in outcome between the experimental group which was given the intensive counseling and training and the control group which received no such special services.

This still baffles us. It is still beyond our reach. Not beyond our grasp. I will use that image. It is beyond our reach, not beyond our grasp. We are trying. We are beginning to learn. But at this point, to deny benefits to children who have no means of controlling the way they come into the world or the circumstances in which they find themselves, would be an act of—irresponsible policy? I hesitate to use that word. It would be an act of—cruelty? I hesitate to use that word as well. Not intended; the unintended consequences of social policy are almost invariably the larger and more important ones.

So I hope, with expression of great appreciation to the Senator who has raised the subject, thanking him for raising it, I hope we will not take this radical step into the unknown at just the moment when we are beginning to engage the Nation's analytic and social capacities with the issue.

I yield the floor.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, let me begin by responding to our dear and learned colleague from New York, who undoubtedly has spent more time and energy studying this problem than any other Member of the U.S. Senate. I would like to begin with his application of the Hippocratic oath to welfare reform.

Mr. MOYNIHAN. Hippocrates on "Epidemics."

Mr. GRAMM. Let me say this. I think we are preaching the oath too late. We now have a system where 40 million Americans are receiving some means-tested program broadly defined as welfare. We have a program that does a great deal of harm and that, if left in place, in my opinion will do far greater harm than it has done.

In the mid-1960's, when the current approach to this problem really took hold with the Great Society, we were looking at something less than 10 percent of all babies born in America being born out of wedlock. Today, one out of every three babies born in America is born out of wedlock. So I think, quite frankly, that while the advice "first do no harm" is good advice when you do not know what you are doing, the point is we have in place a program that does a great deal of harm. And probably no part of that program is more destructive than the part of the program that provides cash bonuses to people who have children on welfare or children who qualify for welfare.

Our dear colleague, Senator DOMENICI, in the closing remarks he made in debate on an earlier amendment, said if you believe that denying people more and more money to have more and more children on welfare is going to reduce the birth rate of people on welfare, you believe in the tooth fairy.

Mr. President, let me say that no human behavior in the history of this planet is better documented than the principle that if you pay people to do something they are going to do it, and they are going to do more of it than if you did not pay them. If we know anything about the behavior of the human being, it is that human behavior is clearly affected by the environment in which the human operates, by the set of rewards and penalties that exist. And clearly, the rewards in the current welfare system are all bad from the point of view of producing behavior that we do not want. Let me just give you a few of them.

Any 16-year-old girl in our bigger cities can escape from her mother, can get cash and voucher benefits equal to $14,000 of earnings a year, can get housing subsidies, food stamps, and AFDC by doing one thing—by getting pregnant.

Does anybody believe that giving that child $14,000 worth of free benefits in return for getting pregnant is not creating behavior that would not exist in the absence of that money? Does anybody really believe that, if we did not give people more and more money to have more and more children on welfare, that people would be having the number of children that they are having? I do not believe it.

I was having a discussion with my mother the other day on this subject, which I think is always good advice to someone who is engaged in public policy today. My mother's thesis on this subject was basically that the problem with welfare is that people today, young people, are not as proud as people were in her generation. I responded by trying to explain to my mother that I am not positive that is the case. I think the world faced by young people today is very different than the world my 82-year-old mother faced when she was growing up. I tried to explain to my mother that if we had the kind of welfare benefits we have today when she had two little children and was working in a cotton mill that she would have taken welfare. My mother said, "I would not have taken it. I would starve to death before I would take it."

I said, "Well, mother. Everybody you would have known would have been taking it. There would have been no stigma in taking it. People would have made fun of you for not taking it."

To which my mother responded, "I would not take it, and if you ever say I would take it, I will go on television and denounce it."

My mother is tough. Maybe she would not have taken it. But the point

is that no logical person can doubt that the availability of these cash incentives to have babies, to have babies out of wedlock, is not impacting behavior. Am I claiming that it is the only incentive that is there? Am I claiming that by eliminating these cash payments that we would eliminate illegitimacy? No. But I do not think any rational person can argue that we would not have less of it if we did stop paying people for acting irresponsible.

We had an earlier amendment that was adopted which killed the provision in this bill that I thought was very important. We had spent months working out a compromise that said we are not going to give people on welfare more and more money to have more and more children. I thought it was an important provision. Senator DOMENICI earlier offered an amendment which killed that provision, and basically preserved the status quo, a status quo where now one-third of all the children born in the country are born out of wedlock.

I do not have any doubt based on that vote that Senator FAIRCLOTH's amendment is not going to be adopted. But I believe that this is a very important amendment.

So my purpose in the remaining moments is twofold: First of all, I want to say to our dear colleague from North Carolina that no Member of the Senate has had a more profound impact on welfare reform than the junior Senator from North Carolina, LAUCH FAIRCLOTH. Had it not been for his persistence and his leadership there would be no pay for performance provision in this bill and we would not have a mandatory work requirement where people who refuse to work and are able-bodied lose their check. Had it not been for his persistent leadership, we would still be, even under this bill, inviting people to come to America with their hand out to go on welfare rather than their sleeves being rolled up to go to work.

Thanks to his leadership and his commitment, we did have a provision in the bill until today that denied additional cash payments to people who have more and more children on welfare.

So I want to first thank him for his leadership. And I am convinced that ultimately we are going to reform welfare, and I share with Senator FAIRCLOTH the commitment that I do not want to just reform welfare because it costs $384 billion a year when you add up all the State and the Federal payments. I want to reform welfare because we are hurting the very people we are trying to help.

The great paradox is that people who really oppose welfare reform, as the President does—and, despite all of his rhetoric, one thing is very, very clear; that is, Bill Clinton wants to preserve welfare as we know it. But one of the things that it is clear to me is that we have to redo this system because we are hurting the very people that we are trying to help. Our programs have driven fathers out of the household. They have made mothers dependent. They have denied people access to the American dream. They have changed people's behavior. Our social safety net has turned into a hammock. And it has changed the way people behave. As they have turned more and more toward government to take care of them, they have turned less and less to develop self-reliance. They have turned less and less to their family and to their faith, and I have no doubt that their life has been diminished.

Those who are for dramatic reform in welfare stand on the high ground morally in this debate. Those who defend the status quo, in my opinion, are defending a system that may serve some political interest. But it does not serve the interest of the people in this country who are poor because it is a system that keeps them poor, it is a system that expands their numbers, it is a system that diminishes their lives, and it is a system that diminishes our great country. And I want to change it.

The final point I want to make is this is a modest amendment that the Senator from North Carolina has proposed. What his amendment says is simply this: No Federal funds for cash welfare aid to unmarried mothers under the age of 18 with a State opt-out provision. What does that mean?

What Senator FAIRCLOTH is saying is that, if his amendment is adopted, if a child 16 years old is having a baby or has had a baby, nothing in his amendment would prevent the State from giving her assistance through her own mother, nothing in this amendment would prohibit giving her assistance under adult supervision, and nothing in this amendment would prevent giving her food or shelter or clothing. But what the amendment would not do is to create a cash incentive for people to have babies on welfare.

That is what the amendment does. In addition, if a State does not want to abide by the Faircloth amendment, and it wants to provide cash, the State legislature must pass a bill and the Governor of the State must sign it taking themselves out of the program.

A lot of people oppose this because they know there are a lot of States where politicians might want to get out of the program but people do not want to vote to get out of the program.

So this preserves State option. It simply requires that affirmative action by the State to be exempt.

I want to repeat in closing that I am alarmed about a country, our country, where one out of every three babies in America is born out of wedlock. No great civilization has ever risen that was not built on strong families. No great civilization has ever survived the destruction of its families, and I fear we are not going to be the first. So I fully understand that this is an area where you could study it endlessly. And I generally agree with the Hippocratic principle: First, do not harm. But the point is we have already done harm. We have put in place a program that unless we change it is ultimately going to kill our Nation, and I wish to undo it. Given the harm that is being done by the current welfare system, it is time to venture some change.

Finally, I totally and absolutely reject the thesis that there is no demonstration that people do more of something if you give them money to do it. All of recorded history makes it very clear that if you pay somebody to do something, they are going to do more of it than if you do not pay them.

I just remind my colleagues that the first welfare reform measure in America was in Jamestown, and what happened is that Capt. John Smith had seen the colony break down as they had adopted a system, basically a socialistic system where people were given the fruits of society's labor based on an allocation rather than based on their effort. As far as I am aware, the first welfare reform principle in the history of America was when Capt. John Smith said those who do not work shall not eat.

I believe those kinds of reforms have an effect, and the incredible point that seems to be missed by so many is that these kinds of reforms are humane reforms. People cannot be happy when they are kept dependent. There is something wrong in a free society when people are not providing their own way. The only real happiness that comes, the only real fulfillment that comes is from individual achievement. And if we want to unleash the energy and the ability which is hidden in so many millions of Americans who are trapped on this welfare system and unleash that talent and ability to serve them and to serve the country, we have got to reform this welfare system, and I feel very strongly that this is a very important amendment.

A concluding point. I am very disappointed about the adoption of the Domenici amendment. It undoes a delicate bill that we had put together. I want to say to my colleagues, assuming that we do not mandate some new benefit which would be totally unacceptable and induce me to vote against this bill, I plan to vote for this bill on final passage. I intend to vote to take it to conference with the House.

However, when we come back to the Senate with a bill, I am not going to vote for a welfare reform bill that does not deal with illegitimacy. We cannot deal with the welfare problem we face, we cannot change this destructive system unless we deal with illegitimacy. And so I am committed to the principle that when this bill comes back from conference, we have provisions which

end cash incentives to people to have more and more children on welfare. I think that is essential.

I wish to congratulate our colleague from North Carolina for his leadership on this amendment and on this bill. I am very proud to support it. I do not have any doubt about the fact that we are probably going to get about 25 votes, but I believe this is the right thing to do. And I am also confident that this century will not end before the Faircloth amendment will be the law of the land. I have no doubt about the fact that while Congress is perfectly content to let a rotten welfare system fester, the American people are not content. They are going to continue to demand that we make these changes. They are going to give us a Congress and a President who are committed to them, and when they do we are going to make these changes and some of us will remember Senator FAIRCLOTH's leadership. Hopefully he will be here providing it when the day comes that this amendment will be successful, and I am confident that it will.

I congratulate him on his leadership.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. I thank the Chair.

Mr. President, I actually came to the floor to introduce an amendment that I will get to later on that I think will be important to colleagues on both sides of the aisle to make sure that in situations where you have violence within a home we give States the room to give single parents, usually women, an exemption from some of the requirements if that is the only alternative to make sure that they are safe. We do not want to force women back into very dangerous homes.

Mr. President, I was listening to my colleague from Texas, and I just have to respond. Let me come back to some unpleasant facts which I think are important because we ought to be making policy on as solid a basis of information as possible.

First, actually, I kind of did my own survey in Minnesota, which, I say to my colleagues, was really startling.

I try to go to a school about every 2½ weeks during the school year, and I was in an inner-city high school, South High in Minneapolis. And actually a young woman about age 16 asked me—I guess she heard about action in the House—she said to me, "Are you in favor of denying welfare benefits to a young woman or girl under 18 years of age if she has a child?"

I said, "Well, I will answer that question but first let me ask you and let me ask all of you who are here in this assembly"—there were about 300 or 400 students. I did not editorialize. In fact, I tried to actually stack it in the other direction. I said that many Representatives in the House of Representatives have said, look, when a youngster, a young woman knows that she can get on welfare and have welfare assistance, this is what encourages out-of-wedlock births. And people are very serious about dealing with this problem, as I think all of us are in this Chamber.

Then I said, "How many of you would agree?" No one.

Mr. President, we are talking all about these young people. Has anybody asked them about what the causes are?

The question is, why do children have children? But has anybody asked any of these young people? I do not think this amendment is connected to that reality at all.

Then I went to a suburban high school in White Bear Lake, and I asked the students the same question, expecting a very different response. Then I went to two other suburban communities. Then I went to about three other schools in small towns. Cross my heart and hope to die on the floor of the Senate, never more than about 5 percent of the student bodies, the assemblies, agreed. In fact, I found these students were kind of yelling at me, not out of anger but they were saying, "Are you people crazy? This is why you think young people are having children? This is why you think there are births out of wedlock? These are our friends. We know what goes on. Nobody is thinking about welfare. Nobody knows what it is. Nobody is thinking, 'Well, if I get pregnant, then I do not have to worry because I get AFDC and I can move out of my home'."

I heard all sorts of other reasons given that you might agree or disagree with. But I want to tell you, talk about a disconnect. The very people that we say we are concerned about, the very people in whose name we pass this legislation, allegedly for whose benefit we pass this legislation, say, "Are you crazy? This has nothing to do with this problem," which is a serious problem. That is my first point.

Please remember that. Now, maybe other Senators in here in the Chamber have gone out and met with lots of young people and have asked them. And if you have received a very different response, please tell me. But I have made it my business to spend a lot of time with a lot of young people, inner city, suburban, small town, rural, and that is not what they say. It does not make any sense to them at all.

Maybe we ought to listen to them. Maybe we ought to ask them. Maybe we ought to know more. That is my first point.

My second point—and I will do this briefly, I say to my colleague from New York—I am sorry the Senator from Texas has left the Chamber. I always feel uncomfortable, because you try to have debates—people give a speech and then they are gone, and you feel like you are attacking someone behind their back. I am not making an attack. I put it more in the form of questions.

The problem with the analysis about this—about all of these mothers who are having all of these children—and this is a terrible crisis in our country—is again—and I have heard the Senator from New York say this over and over again, the typical family is one woman, two children. Seventy-five percent of the AFDC families have two children, one parent. That is what it is. What are we doing perpetuating the same stereotype? In the last 20 years it has not gone up. We do not have larger families.

As to this economic rationality argument that it is the money that causes young people to have children, there is no evidence of that at all. As for this argument, I think—and I would have to defer to my learned colleague from New York—but I think that if you look around the country, State by State, I do not think there is any direct correlation between level of benefits and number of children. Is there? I mean in some States——

Mr. MOYNIHAN. If the Senator would yield for a question. I think he would find in the main the correlation is inverse. The lower the benefit, the higher the ratio.

Mr. WELLSTONE. Well, that is what I thought my colleague would say.

Mr. MOYNIHAN. Not absolute.

Mr. WELLSTONE. Right. Let us just say—let us just understand this, there is somewhat of an inverse relationship around the country between level of benefits and number of children per family. Those States which have the lower level of benefits tend to have the families with the larger number of children. Now, what does that do to the argument of my colleague from Texas about how it is the dollars that cause all of this? Well, he is not here. But you know, for the record, as we say.

Finally, Mr. President, as to this whole argument that—as I listened to my colleague conclude—that really what this debate is about is a difference between those who take the moral high ground and push through these changes, versus those who, I guess the flip side of the coin is those who do not take the moral high ground.

On that note, I just would like to suggest two final points. One, I said it once before on the floor, as I listen to some of my colleagues talk about welfare, I get the impression that they are trying to make the argument that welfare causes poverty, that food stamps cause people to not have enough money to purchase food. It is like they mix up the independent and dependent variables. It is like arguing Social Security causes people to get old.

People become eligible for welfare because they are poor. Or quite often you have two parents, and then there is a divorce and then the woman is on her

own with children, and she looks for some support for herself and her children. And 9 million or so of the 15 million are children.

So, frankly, this argument that this is the high moral ground—I think when all is said and done, ultimately what it amounts to is taking food out of the mouths of children. That is no high moral ground position.

I am sorry my colleague from Texas is not here. Maybe he will come back. This whole business of somehow the welfare programs cause the poverty is ridiculous—we expanded food stamps and we did not expand hunger. I said this before on the floor of the Senate, but let us be clear about our history. Richard Nixon, a Republican, established Federal standards for food stamps because in the mid and late 1960's there were the Hunger USA, CBS and Field Foundation studies and pictures of children with distended bellies and malnutrition and hunger in America.

And so we expanded the Food Stamp Program. And now we do not have the scurvy and now we do not have the rickets and now we do not have all the hunger and malnutrition. But somehow, according to my colleague from Texas, these programs have brought about all this damage to low-income people, to poor people, mainly, I am sorry to say, women and children.

It is really quite a preposterous argument.

Mr. President, there is a difference between reform and reverse reform. And it is absolutely a great idea to enable a mother or a father to be able to move from welfare to workfare, a good job, decent wage, affordable child care. That is not what this has been about. So I would not want to let my colleague get away with his argument about a high moral ground. I see no high moral ground in punishing children. I see no high moral ground in taking food out of the mouths of hungry children. I see no high moral ground in essentially targeting those people who are the most vulnerable, with the least amount of political clout and making them the scapegoats.

And you know what, by way of conclusion? The sad thing is that I sometimes think that part of this agenda is to essentially say to those people in our country who feel all the squeeze, middle-income people, working people, if we just bash the welfare mothers and do this and do that and make these cuts and those cuts, then the middle class will do well economically. There is no connection whatsoever.

My colleague from Texas—and I promise my other colleagues on the floor, this is my last point—keeps putting apples and oranges together. And I heard $170 billion or some figure like that being quoted as money spent on welfare. I do not know exactly what he is talking about. Is he talking about aid to families with dependent children? That is what we are debating. I guess he added food stamps. He probably had to add Medicaid to get there.

If he is talking about Medicaid, everybody understands that well over 60 percent of Medicaid is not welfare mothers, it is elderly people. Some are our parents and grandparents who at the end of their lives, because of catastrophic expenses, lost all their resources and now, because they are poor, they are eligible for Medicaid and nursing homes.

And God knows what else he lumped into this figure. So let us be accurate about this as we make these decisions.

I yield the floor.

Mr. BREAUX addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. BREAUX. Mr. President, I listened to the argument for the amendment's adoption by the Senator from North Carolina.

I am sorry he is not here because I really did want to ask him questions on the amendment.

And at the risk of being a policy nerd, which I think I would hate to be called—I never want to have anyone use that term and apply it to me—however, I do have some questions in reading the amendment that I do not know how I am going to get an answer to unless the author is here or somebody who could respond to the author's intent.

As I read the amendment that was published in the RECORD by the Senator from North Carolina, it said, "A State may not use any part of the grant that they get to provide cash benefits for a child born out of wedlock to an individual who has not attained 18 years of age."

There is an exception to that prohibition, which is my question, "except that prohibition shall not apply to vouchers which are provided in lieu of cash benefits and which may be used only to pay for particular goods and services specified by the State and suitable for the care of the child that is involved."

I happen to think vouchers may be a good idea. But I do not know whether the author of the amendment is requiring vouchers or not requiring vouchers.

The bigger point that I would want to make in this argument is that, No. 1, the Senate has already spoken to this question. By a vote of, I think, 66-34, we adopted the Domenici amendment which addressed this question. And the Domenici amendment essentially said that a State may deny additional cash benefits for an additional child for a mother who has that additional child regardless of her age, whether she is 18 years old or 22 years old or what have you; that it would be a State decision to affirmatively deny additional assistance to that mother.

My whole concern about this attack on the question of illegitimacy is that they are missing the target. They are, in fact, using a sledgehammer approach, but they are using a sledgehammer to hit the wrong person.

You do not solve the problem of illegitimacy by penalizing the child. The child did not make a decision to be born. The child did not ask to be a child that is born into this world. Therefore, when you penalize the child, you are not penalizing the right person.

The reason why I think that the Work First proposal that we had put together made so much sense is that we said that the teen mother, or any mother who has a child, is going to have to be responsible for having that child. They are going to have to live in a family environment with their parent, if there is one, or they are going to have to live in an adult-supervised home to get adult supervision in carrying out their responsibilities. They are going to have to sign a contract to go to work. They are going to have to start looking for a job. They are going to have to start receiving training.

I suggest that is a far better way to address the question of illegitimacy, which is a rampant problem in this country. My State has the second-highest illegitimacy rate in the United States. Forty-some percent of the children born in Louisiana are illegitimate. That is something I think is a disaster already. It is not something waiting to happen.

The question is, How do we solve that problem? Do we penalize the child? Do we say to the mother, "There are not going to be any more funds to take care of the child"? Who does that hurt? It does not help the mother, it does not educate the mother, it does not train the mother, it does not teach the mother responsibility. It gives her less money, and less money for what? The child that did not ask to be born.

There are potential mothers, women who are pregnant, when faced with that decision take the easy way out and decide to have an abortion. That is why all the Catholic Conferences, which feel so strongly about this, have said very eloquently they oppose this type of sledgehammer approach, because many pregnant ladies faced with that choice will decide to have an abortion because they know there will not be enough money to take care of the child when it is born.

That is a very cruel proposition to a young potential mother faced with a pregnancy, many times in uncertain conditions, even if that child is wanted in the first place.

Therefore, I am very strongly opposed to any efforts in trying to attack the question of illegitimacy that goes after the child. Go after the mother. Find the father, because for every child that is born, there is a father somewhere, in many cases shirking their responsibility and running away from their responsibility.

So put provisions in the bill to go after the deadbeat father who is not recognizing his responsibility. Say to the mother having that child that "You are going to have to do something different. You are going to have to live in an adult-supervised home," or "You are going to have to live in your parents' home," or "You are going to have to sign a contract to go to work; you are going to have to enter into an agreement in order to get the training that you are going to be able to be employable."

Do everything you possibly can to the mother and the father who are responsible for the child, but heaven's sake, do not penalize the child who did not ask to be born. That is why I am so very concerned that we say there is going to be no more money for an additional child.

My goodness, we are hurting the child, not the mother, not the father who we may not even know where he is. We should be exercising greater authority to try and find the people responsible for the child and do things to them, for them, with them that educate them to be better parents.

I come from a State, as I said, that has the second-highest illegitimacy rate in the United States of America. I am not proud of that. I want to find a solution to that. I dare suggest this is not a solution. It is a sledgehammer approach, and we are using the sledgehammer to beat the child, and that is not right.

I am glad the Senator from North Carolina is here, because I kind of like the idea of vouchers, and we talked about vouchers. I guarantee you, there are some teenage mothers who, when they do get extra cash assistance, may not use that cash assistance for the benefit of the child. They may use that cash assistance in the most despicable way. They may use it to buy things which are not necessary. They may use it to feed an alcohol abuse problem or a drug problem, because we are giving them cash for that extra child. I recognize that, and I am a little concerned about that, but I want to make sure we protect the child.

The Senator in part of his amendment says that as an exception for vouchers to those mothers who have an additional child, that the vouchers would not be prohibited.

The question is, I guess, there is no requirement that a voucher be issued. In other words, if that mother has an additional child, maybe the extra amount that they would normally be entitled to would be $50. Would there be a requirement in the Senator's mind that the extra money be then given to the mother in a voucher that could only be used to buy things for that child? Or does his exception in the bill have nothing to do with the requirement of a voucher?

Given the choice—I want the Senator to respond if he can—but given the choice of saying to a mother that there is going to be no additional cash assistance and there is going to be no voucher either, I would prefer giving her the cash assistance in the hopes that because of the training and the requirements to live in an adult-supervised home or live with her parent or live with greater supervision, the money will, in fact, be used for the child. But if there is a requirement that they get a voucher to be used only for that child, I think that has some potential possibilities here.

So if anybody can respond to my question, my specific question is, does the Senator's amendment require that an additional child would receive at least a voucher in order to pay for the cost of having that additional child or not? Will the Senator comment on that?

Mr. FAIRCLOTH. Mr. President, in response to the Senator from Louisiana, yes, the State has the option to give a voucher, and it says very clearly here that in lieu of cash benefits, which may be used only to pay for particular goods and services specified by the State, suitable for the care of the child involved. So the State has the option to supply these vouchers for things that would be used especially for the needs of the child, not cutting those off.

Mr. BREAUX. I thank the Senator for that response. That is one of the questions I was trying to have answered. The problem I have is, under the Senator's amendment, a State—I certainly hope no State would ever do it—but under this amendment, it certainly could be possible, the State could say to that mother—more importantly, in my mind, to that child—that we are not going to give any additional assistance for your benefits, for your needs, nor are we going to give any vouchers for your needs to survive.

I think that is something we, as officials who are responsible for raising the money for welfare reform, asking taxpaying citizens throughout this country to pay their taxes to try and solve this problem, that we have a responsibility to see that those funds are used properly and appropriately.

One thing that I think is proper, appropriate and necessary is that we guarantee that the child is taken care of. I am concerned, in fact, I think now very clearly that under the Senator's amendment, that that is not guaranteed. The needs of the child will not be guaranteed either by a cash payment, which is very clear would be prohibited, or by the guarantee of a voucher for that child. I find that to be unacceptable.

I want to do—and I will say it again—everything we can to ensure that the parent who had that child is made to be responsible, is made to find a job, enter job training, sign a contract to go to work, live in an adult-supervised home, live with a parent, find the father somewhere, no matter where he may be or what he may be doing, and say, "You have a responsibility, and that is to the child."

It is unacceptable to me to say that we, as Federal officials, are going to use tax dollars to try and reform this system and yet not guarantee that the child will be taken care of. That is a major defect.

The Domenici amendment scares me in the sense that it clearly says that a State may deny any additional cash assistance to the child if a State so chooses to do so. I think that is less onerous than the amendment of the Senator from North Carolina.

So I hope that this amendment will be rejected.

I think that is a proper course.

AMENDMENT NO. 2592, AS MODIFIED

Mrs. BOXER. I have a number of unanimous-consent requests that I think would clear up the proceedings. First, I am going to ask unanimous consent that we return to the consideration of the Boxer amendment.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mrs. BOXER. Second, I ask that the Senate proceed to my modified amendment, which I cleared with the majority leader and Members on the other side, which is already at the desk.

I ask that my amendment be so modified.

The PRESIDING OFFICER. The Senator has that right.

The amendment is so modified.

The amendment (No. 2592), as modified, is as follows:

On page 302, line 4, strike "and".

On page 302, line 5, strike the end period and insert "; and".

On page 302, between lines 5 and 6, insert:

(3) payments for foster care and adoption assistance under part E of title IV of the Social Security Act for a child who would, in the absence of this section, be eligible to have such payments made on the child's behalf under such part, but only if the foster or adoptive parent or parents of such child are not noncitizens described in subsection (a).

Mrs. BOXER. I ask that I may speak for not to exceed 3 minutes on my amendment and that, after that, that will conclude all debate and that a vote on the Boxer amendment would occur immediately following a vote on Senator FAIRCLOTH's amendment without any intervening action or debate between the two.

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

Mrs. BOXER. Mr. President, it has been a long time coming, this amendment, because we have had to work together on both sides of the aisle to make sure that everyone was comfortable with the amendment. I want to explain that modified amendment.

My colleagues, in the Dole bill there is a restriction on benefits to new legal immigrants for the first 5 years they

are in this country. In other words, they are completely legal, but the Dole bill says they can get no Federal means-tested benefits.

However, there are exemptions from these restrictions in the Dole bill on certain benefits, such as emergency medical care and immunizations.

The one exemption that is not in the Dole bill is an exemption for foster care and adoption assistance programs. What that really means, in plain English, Mr. President, is that if a legal immigrant child, a child who is here completely legally, is abused or neglected, and the court says that child must be protected, unless we do this fix that I have in this amendment, that child would not be eligible for the title IV-E foster care or adoption assistance program.

What we did on both sides of the aisle is work with the language to ensure that those children would be treated exactly like citizen children if they are in a situation where they are abused or neglected in that 5-year period.

It is important to note that Federal funding goes to the adopting families and the foster families under rules that govern that program and certification requirements that are set by the State.

But the fact is, if we do not pass the Boxer amendment, then kids who are brutalized in families may well continue to be brutalized because there is really not enough funds to help them get adopted or go into foster homes, or the burden could fall entirely on the State or the locality.

So I am very pleased that Senators from the other side worked with me on this, that their staffs worked with me on it most diligently, and that we have reached an agreement. I am sure that none of us would want to abandon a child who was brutalized because we made an oversight.

Mr. President, I am finished with my remarks. I hope we will pass this amendment with a strong bipartisan vote. I want to thank Senator MOYNIHAN of New York for helping me with this amendment and, again, the Senators on the other side, Senator NICKLES, and Senator SANTORUM, who helped me work out the details of this amendment.

I yield the time back and look forward to a very positive vote on this amendment immediately following the vote on the Faircloth amendment.

I yield the floor.

The PRESIDING OFFICER (Mr. GREGG). Under the previous order, the vote will be delayed.

VOTE ON AMENDMENT NO. 2603

The PRESIDING OFFICER. Is there further debate on the Faircloth amendment? If not, the question is on agreeing to the amendment.

The yeas and nays have been ordered.

The clerk will call the roll.

The assistant legislative clerk called the roll.

The PRESIDING OFFICER (Mr. THOMAS). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 24, nays 76, as follows:

[Rollcall Vote No. 419 Leg.]

YEAS—24

Abraham	Gramm	McCain
Ashcroft	Grams	McConnell
Brown	Helms	Nickles
Byrd	Hutchison	Santorum
Cochran	Inhofe	Shelby
Craig	Kempthorne	Smith
Faircloth	Kyl	Thompson
Frist	Lott	Thurmond

NAYS—76

Akaka	Feingold	Mack
Baucus	Feinstein	Mikulski
Bennett	Ford	Moseley-Braun
Biden	Glenn	Moynihan
Bingaman	Gorton	Murkowski
Bond	Graham	Murray
Boxer	Grassley	Nunn
Bradley	Gregg	Packwood
Breaux	Harkin	Pell
Bryan	Hatch	Pressler
Bumpers	Hatfield	Pryor
Burns	Heflin	Reid
Campbell	Hollings	Robb
Chafee	Inouye	Rockefeller
Coats	Jeffords	Roth
Cohen	Johnston	Sarbanes
Conrad	Kassebaum	Simon
Coverdell	Kennedy	Simpson
D'Amato	Kerrey	Snowe
Daschle	Kerry	Specter
DeWine	Kohl	Stevens
Dodd	Lautenberg	Thomas
Dole	Leahy	Warner
Domenici	Levin	Wellstone
Dorgan	Lieberman	
Exon	Lugar	

So the amendment (No. 2603) was rejected.

VOTE ON AMENDMENT NO. 2592, AS MODIFIED

The PRESIDING OFFICER. Under the previous order, the question occurs on amendment No. 2592, as modified.

Mr. FORD. May we have order, Mr. President?

The PRESIDING OFFICER. The Senate will come to order. The Senate will come to order.

The question is on agreeing to the Boxer amendment, as modified. The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

The result was announced, yeas 100, nays 0, as follows:

[Rollcall Vote No. 420 Leg.]

YEAS—100

Abraham	Craig	Hatfield
Akaka	D'Amato	Heflin
Ashcroft	Daschle	Helms
Baucus	DeWine	Hollings
Bennett	Dodd	Hutchison
Biden	Dole	Inhofe
Bingaman	Domenici	Inouye
Bond	Dorgan	Jeffords
Boxer	Exon	Johnston
Bradley	Faircloth	Kassebaum
Breaux	Feingold	Kempthorne
Brown	Feinstein	Kennedy
Bryan	Ford	Kerrey
Bumpers	Frist	Kerry
Burns	Glenn	Kohl
Byrd	Gorton	Kyl
Campbell	Graham	Lautenberg
Chafee	Gramm	Leahy
Coats	Grams	Levin
Cochran	Grassley	Lieberman
Cohen	Gregg	Lott
Conrad	Harkin	Lugar
Coverdell	Hatch	Mack
McCain	Pressler	Smith
McConnell	Pryor	Snowe
Mikulski	Reid	Specter
Moseley-Braun	Robb	Stevens
Moynihan	Rockefeller	Thomas
Murkowski	Roth	Thompson
Murray	Santorum	Thurmond
Nickles	Sarbanes	Warner
Nunn	Shelby	Wellstone
Packwood	Simon	
Pell	Simpson	

So, the amendment (No. 2592), as modified, was agreed to.

Mr. GRASSLEY. I move to reconsider the vote.

Mrs. BOXER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER (Mr. THOMPSON). The Senator from Iowa.

Mr. GRASSLEY. I take the floor to ask unanimous consent for our majority leader.

I ask unanimous consent that the cloture vote scheduled to occur this evening be postponed to occur at any time to be determined by the majority leader after consultation with the Democratic leader.

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

Mr. GRASSLEY. Mr. President, under our order of doing business here—we just finished a Democratic amendment; the Boxer amendment—it would now be our desire to go to the amendment by the Senator from Maine.

Mr. COHEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine.

AMENDMENT NO. 2586

Mr. COHEN. Mr. President, I ask unanimous consent to proceed to amendment No. 2586.

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

Mr. ASHCROFT. Mr. President, reserving the right to object. A point of order. The amendment of the Senator from Maine seeks to strike the proposal in two separate places, and, as a result, I believe it is out of order.

The PRESIDING OFFICER. The amendment has yet to be called up. The point of order would not lie until the amendment is called up.

The clerk will report.

The legislative clerk read as follows:

The Senator from Maine [Mr. COHEN] proposes an amendment numbered 2586. In section 102(c) of the amendment, insert "so long as the programs are implemented consistent with the Establishment Clause of the United States Constitution" after "subsection (a)(2)."

In section 102(d)(2) of the amendment, strike subparagraph (B), and redesignate subparagraph (C) as subparagraph (B).

Mr. COHEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine.

Mr. COHEN. Mr. President, as was just read by the clerk, there are two portions to this amendment.

The first part of the amendment would provide that religious organizations may participate in our welfare

program, which we want them to do, so long as they comply with the establishment clause of the Constitution. We want to encourage churches and other religious organizations to become actively involved in our welfare process. We want them to do so, however, consistent with the first amendment.

That amendment requires the Government to navigate a very narrow channel when it provides funding to religious organizations. On the one hand, we have the free exercise clause, which prohibits a government from being overtly hostile to religious institutions or organizations. Then on the other hand we have the establishment clause, which limits the extent to which the Government can actually sponsor religious activities.

The intersection of these two separate constitutional commands, I think, is implicated by section 102 of the welfare reform bill, which allows the States to contract with religious organizations to provide welfare services. This provision protects religious organizations from religious-based discrimination. And I think the authors ought to be commended. We, as I said before, want to encourage religious organizations to participate in welfare programs.

But, in my judgment, the bill in its current form does too little to restrain religious organizations from using Federal funds to promote a religious message. My amendment would, I believe, remedy this defect. It would ensure that States have the flexibility to implement welfare programs in a manner consistent with the religion clauses of the first amendment so we neither prohibit nor promote. And that is the balance that has to be struck.

The first part of this amendment simply says that we want to encourage the States to contract with religious institutions or organizations to provide welfare services, but we want to do so consistent with the establishment clause. Now, I think there would be very little debate, indeed any division, with respect to this particular language.

The second part of the amendment—and Mr. President, I will ask for a division of the amendment before the point of order is raised. I ask my amendment be divided into two parts.

The PRESIDING OFFICER. The Senator has a right to have the amendment divided. It is divided.

Mr. COHEN. Mr. President, the second part of the amendment is intended to make it easier for the States to comply with its constitutional duties. The bill currently prohibits the States from requiring religious organizations to establish separate corporate entities to administer welfare programs. My amendment would strike the Federal mandate.

Mr. President, under the bill as drafted, there is a prohibition under part 102(d)(2). It says that neither the Federal Government nor a State shall require a religious organization (A) to alter its internal government—we certainly do not want that—or (B) to form a separate nonprofit corporation to receive and administer the assistance funded under a program described in this subsection solely on the basis that it is a religious organization.

Essentially what is done by the bill language is to impose a Federal mandate upon the States saying neither the Federal Government nor any State can, in fact, require a religious organization to form a separate nonprofit corporation in order to receive funds under this act.

Now, Mr. President, over the years the Supreme Court has had to pass upon a variety of cases and they must be examined on an individual basis. In some circumstances, the courts have ruled that the religious organization administering Federal funds is so—the words they use are—"permeated with a sectarian influence" that their receipt of Government funding violates the first amendment.

What I want to do is to encourage religious organizations to become involved in our welfare system. But if we leave the language in the bill, it is going to actually have the reverse effect. It is going to discourage churches from getting contracts to help in our welfare system because the State is going to be precluded from asking the religious organizations to set up a separate, nonprofit corporation to receive the money and administer the programs outside an atmosphere that is permeated with religious overtones.

If the bill stands as currently written, it is going to have just the opposite effect its authors desire. States are not going to want to walk into a lawsuit by the ACLU or any other group that will challenge the program as being violative of the first amendment. So the whole purpose in our trying to encourage religious organizations to participate in welfare programs is going to be defeated. The threat of a lawsuit will discourage States from including religious organizations in their welfare programs.

So the purpose that I have in mind is to strike part (B), which would prohibit the Federal Government or the State from requiring a religious organization to set up a separate nonprofit corporation.

It may not be necessary for a religious organization to set up a separate entity in each and every occasion. The State might decide that this particular religious organization is structured in such a way that it is not permeated with sectarian overtones, as such. A State may decide "we do not have to require a nonprofit corporation here." But the bill says, under no circumstances can the Federal Government or any State require that one be set up.

So I suggest to my colleagues that we are, in fact, engaged in a self-defeating process. We are going to encourage churches and other religious organizations to become involved in the welfare system, but we are going to use language which will, in fact, serve as a disincentive for States to contract with them.

Mr. President, I hope, following the debate, that we will have an opportunity to vote seriatim; first on part 1, on which I think there should be no disagreement, and then on part 2 of the amendment, which would strike the Federal mandate that prohibits any State from choosing to require a religious organization in receipt of Federal funds to form a separate nonprofit corporation.

I think that it is in the best interest of those who want to encourage religious institutions and organizations to become involved to agree to the amendment. Obviously, there is some disagreement on that issue.

I yield the floor at this time.

Mr. CHAFEE. I wonder if the Senator will yield for a question.

Mr. COHEN. I yield.

Mr. CHAFEE. Under the proposal of the distinguished Senator from Maine, if in our State we were nervous about the constitutionality of dealing with the church directly without this religious corporation, then under the Senator's amendment, the State could ensure itself it was on safe ground by requiring that there be such a corporation, and then when the State dealt with it, they would know that they were absolutely safe from lawsuits and all the problems that possibly could arise.

Mr. COHEN. The Senator is correct. What my amendment would do would be to allow the State to decide, in looking at a particular organization—they look at the circumstances, they look at the environment, they look at the entire structure—to say, "We are satisfied that there is no need to set up a separate nonprofit corporation to administer these funds and, therefore, we are not making that requirement for this particular organization."

On the other hand, they may see an organization is so structured that it is, in fact, permeated with sectarianism, as such, and the language of the Supreme Court rulings require that a separate nonprofit corporation be established before the organization can receive Federal funds.

If we do not strike this particular section, it seems to me what the State is going to do is to protect itself, to not deal with that particular organization and, therefore, we will not achieve the very goal we are trying to do: to get more churches and religious institutions involved in our welfare system.

I suggest to my colleague that if we leave that language as it is currently written, it will be very self-defeating

and the State will be reluctant to engage in contracting out with religious organizations.

Mr. CHAFEE. Just one more question of the Senator. It seems to me what the Senator is proposing is giving the States flexibility; the State does not have to require it but could.

Mr. COHEN. It could.

Mr. CHAFEE. So, therefore, if the whole goal of this bill, often reiterated, is greater flexibility to the States, that this is what the Senator's amendment does. And if the State does not choose to require a nonprofit corporation, then that is the State's business.

Mr. COHEN. The Senator is entirely correct. Let me quote briefly from the case Bowen versus Kendrick, decided in 1988. We have Chief Justice Rehnquist, and Justices Kennedy, Scalia, White and O'Connor in a 5 to 4 decision. The language is:

> We have always been careful to ensure that direct Government aid to religiously affiliated institutions does not have the primary effect of advancing religion. One way in which direct Government aid might have that effect is if aid flows to institutions that are "pervasively sectarian."
>
> We have invalidated an aid program on the grounds that there was a "substantial" risk that the aid to these religious institutions would, knowingly or unknowingly, result in religious indoctrination.

The Court also noted that whether an organization has "explicit corporate ties to a particular religious faith and by-laws or policies that prohibit any deviation from religious doctrine" is a "factor relevant to the determination of whether an institution is 'pervasively sectarian.'"

So the Court is saying that it is going to look at the circumstances individually and make a determination. If you bar a State from requiring a separate corporate entity to be formed, what you are doing is sending forth a very chilling message: "If you undertake to contract out with a church or religious organization under these circumstances, you are going to invite a constitutional challenge." Therefore, I would imagine the Governor of a State would say, "Let's just not contract out with this particular religious organization. We'll avoid the problem. We don't need any more lawsuits. We don't need to be in the Supreme Court."

I say to my friend, the best way we ensure to get the churches and religious organizations into our welfare system is to strike the language that would mandate that no State could ever require, under any circumstances, the formation of a separate nonprofit corporation.

Mr. CHAFEE. I was interested in that Supreme Court case the Senator quoted. Was that Judge Scalia who joined in that opinion?

Mr. COHEN. Judge Scalia did join in the opinion. It was written by Chief Justice Rehnquist and joined by Justice Kennedy, Justice Scalia, Justice White and Justice O'Connor.

Mr. CHAFEE. I do not think Justice Scalia is looked upon as a dangerous liberal on that Court.

Mr. COHEN. If I could add one other factor. We have Rosenberger versus University of Virginia, a case decided just last spring. Justice O'Connor, who cast the fifth and deciding vote, wrote a separate concurrence. Here is some straightforward language from her opinion:

> There exists an axiom in the history and precedent of the Establishment Clause, public funds may not be used to endorse a religious message.

That is what the Court is looking for, whether public funds are being used to endorse a religious message. If a State finds that a religious organization is not structured in such a fashion, that it is not, in fact, promoting religion either directly or indirectly, then there is not a problem. But if a State is persuaded that an organization is so permeated with a sectarian influence, then it is going to require that a separate corporation handle the funds. It seems to me that we ought to give the States that flexibility, and if you do not give them that flexibility, it means they are not going to contract out with religious organizations.

Mr. CHAFEE. I could well see the situation where in our State, for example, the attorney general might advise the Governor, "Don't get into these kind of contracts."

As it exists now, you have no option but to deal with the church because the bill, as I understand it is written, forbids these nonprofit corporations from being set up.

Mr. COHEN. It prohibits either the Federal Government or the State from requiring a religious organization to form a separate nonprofit corporation to receive and administer the funds.

Mr. CHAFEE. So you could get a situation where the attorney general advises the Governor, "Don't make that kind of a deal because we are going to end up in court, so just forget it."

Mr. COHEN. That is right.

Mr. CHAFEE. The Senator's point is a good one. If we are trying to encourage the churches to come into this, use their facilities which they have available for day care and other forms of assistance, I think the Senator's amendment makes a lot of sense.

Mr. COHEN. I thank the Senator.

Mr. ASHCROFT. Will the Senator yield?

Mr. MOYNIHAN addressed the Chair.

Mr. MOYNIHAN. I am sorry. I wanted to speak. The Senator was on the floor.

Mr. COHEN. I yield the floor.

The PRESIDING OFFICER (Ms. SNOWE). The Senator from Missouri.

Mr. ASHCROFT. Madam President, I ask if the Senator from Maine will yield for a question?

Mr. COHEN. Yes.

Mr. ASHCROFT. I heard the Senator from Rhode Island ask him if a State were allowed to require the formation of a separate corporate entity, that would guarantee the State immunity from suit based on grounds of the infraction of the first amendment. Is that the Senator's position?

Mr. COHEN. I think what the Senator from Rhode Island was saying is, if the State, in looking at the situation, comes to the conclusion that requiring a separate nonprofit corporation will insulate the State against a lawsuit for violating the first amendment, that the State would be willing to contract with the religious organization to provide welfare services. My amendment gives the State flexibility to make that judgment rather than issuing a mandate. I know that the Senator from Missouri is concerned, and I appreciate his concern.

Mr. ASHCROFT. I want to know if the position of the Senator from Maine is that by virtue of requiring the formation of one or another, that you have a determination about whether or not something violates the first amendment.

Mr. COHEN. No. The answer to that directly is no.

Mr. ASHCROFT. So the Senator from Maine does not allege that this provision would provide any guarantee. I thought I misunderstood. I thought I heard the Senator from Maine tell the Senator from Rhode Island that such a guarantee would be in effect.

Mr. COHEN. If I said that, I misspoke, because there is no guarantee under any of these cases. You can always end up in court. I think what the Senator from Rhode Island was saying is that the likelihood of a challenge on the basis of the Establishment Clause is less likely by virtue of setting up such a corporation.

You minimize the challenge by creating a separate corporate entity that is not going to be so heavily influenced or permeated with sectarianism that the court is going to prohibit it from receiving government funding. But each case is decided on an individual basis. As we have discussed, it is not the language of the bill, but it is the structure of the organization, that is scrutinized on an individual basis to determine whether or not that organization is permeated with religious overtones.

Mr. ASHCROFT. Who makes that decision?

Mr. COHEN. Ultimately, only the court.

Mr. ASHCROFT. So it is up to the court to decide——

Mr. COHEN. Yes.

Mr. ASHCROFT. Whether an organization is so permeated with sectarian purpose as to be ineligible to participate in a governmental purpose.

Mr. COHEN. That is right.

Mr. ASHCROFT. It is the position of the Senator from Maine that that was decided in Bowen versus Kendrick, and a long line of cases?

Mr. COHEN. Exactly right.

Mr. ASHCROFT. I thank the Senator.

Mr. MOYNIHAN. Madam President, I rise in fervent support of the proposal by the Senator from Maine. It seems to me to anticipate difficulties which can be readily resolved if they are in fact anticipated. It is clear that the Senate understood what it was doing and indeed provided additional language to resolve issues that might arise.

I do not want, in any way, to complicate matters, but I would like to state that it is a matter of record—or so I believe—that the establishment clause has come into play in areas such as the ones we are dealing with only quite recently—only in the 20th century. I believe it was not until the 20th century that the Court held that public aid to religious schools was unconstitutional. Indeed, I think it may only be in the second half of the 20th century.

I note for the first—the longest—century of the Constitution, it was assumed otherwise. President Grant, contemplating running for a third term, addressed a meeting or a gathering—or an encampment of the Army, I think they would have said, of the Tennessee, which was held out in Iowa, and proposed a constitutional amendment that would prohibit aid to Catholic schools. It would not have said Catholic per se.

Mr. COHEN. I would have to check with Senator THURMOND to verify that.

Mr. MOYNIHAN. Yes, Senator THURMOND would know. But it was assumed that it was constitutional. He thought it would be an issue to make it unconstitutional. It took another 80 years for the Court to find that it was in there all along. I think you can read that clause. It says simply: "Congress shall make no law respecting the establishment of religion."

The Church of England is an established church. There were established churches in most of the colonies. I may be mistaken and probably am. I think several colonies had several established churches. That means public moneys go to the maintenance of the clergy and of the houses of worship. It was never, in any way, thought that you could not have parochial schools receive public moneys. They did in New York, until the 1920's when, under an informal arrangement whereby State-owned lands in the western part of the State—and I suspect Maine has the same arrangement—were sold for different purposes and used. It was a decentralized situation, and I regret to say—meaning no discredit and hoping not, in any way, to offend anybody—the Baptists were found to be padding their payrolls. So reform had to take place. Albany took over the disbursement of these funds. They were called public schools.

The issue arose as to what Bible would be used, and, of course, the majority wanted a King James Bible and the Catholics wanted a Bible of their own, and so the Catholic schools commenced their independent existence to this day. But the term "public school," or "PS" in the way of usage in Manhattan, comes from that point.

I just hope these comments—I cannot expect them to carry great weight across the lawn to our former neighbors in the Court, but it is a fact that the establishment clause contemplated a form of Government-supported religious institutions. That was normal in most of the world then and had nothing to do with day care centers, or halfway houses, or orphanages, or schools the way it may today.

So I think the Senator has a powerful point, a useful measure, and I thank him for being patient with my not necessarily precisely accurate recollection.

Mr. ASHCROFT. Madam President, I rise in support of the Dole amendment and in opposition to the amendment proposed by the Senator from Maine. The Senator from Maine suggests that States should make determinations about whether there should be another hurdle over which nongovernmental, private institutions, religious in character, have to crawl in order to be participants in helping solve this major challenge to our society and culture. In doing so, it would place a hurdle in their path that is placed in the path of no other organization, in terms of their eligibility to help solve this problem.

Strangely enough, this hurdle is placed in the path of some of the institutions that have the very best record at helping solve the problem. It is suggested that placement of this hurdle in the path is necessary to protect States and localities from lawsuits. But the truth of the matter is that nothing can protect anyone from a lawsuit relating to the constitutionality or lack of constitutionality of a statute or a public program, other than a constitutional amendment, which is explicit in its authorization. But still you run the risk of litigation.

It would be interesting, or perhaps maybe easier to understand this if what we were asking for here was unprecedented or had not been already enacted in other parts of the law. But I hold in my hand a report to the Congress for fiscal year 1994 of the Refugee Resettlement Program, which provides four grants directly to religious organizations for dispensing cash benefits. I could read a list of many, many such organizations that are involved in doing it.

As a matter of fact, many of those who are in this Senate today voted in favor of this program in 1980 when the Refugee Resettlement Program was enacted and asked that there be no special safeguard against the ability of religious, nongovernmental, not-for-profit organizations to assist with refugees. We would not want to end up with the anomalous situation of requiring churches to go over special barriers when providing services to welfare recipients in the United States, while not requiring them to go over the same barriers when helping refugees and others.

Similarly, the Adolescent Family Life Act, which was tested in the case of Bowen versus Kendrick, provides funds to public and private counseling agencies that counsel teenagers on matters of premarital sexual relations and pregnancy.

The act expressly provided that religious not-for-profit organizations were to be considered as eligible. In that case the Court held that the act did not on its face violate the establishment clause.

As a matter of fact, the Dole bill as it is currently constituted here and is before the Senate, has special protections in it—protections against proselytization, protections for individuals so if they are offended by having to go to a religious organization to receive a benefit, that the benefit can be provided in another setting rather than in the setting of the religious organization.

It also provides protections for the churches so that the churches can know they do not lose their ability to hire of like faith, and be associated with employees whose belief and character is consistent with the values for which the institution stands.

What we have here is an amendment which seeks to carve out a special category for welfare reform which does not exist in other parts of the laws.

The report to the Congress of the refugee resettlement program provides a list of dozens of organizations which receive help including churches, help that they pass on to the refugees without this kind of problem. There has not been a great problem in any respect, as a matter of fact, with the alleged unconstitutionality.

So we have a situation where we have those institutions in our culture and society with the very best track record of solving the problems of the welfare puzzle. We will say to them, you have to go to the added expense, you have to form a separate organization, you will have to lose some of the protections you have as a church, your ability to hire people that have values consistent with yours, that have a belief structure that is consistent with yours, you will have to forfeit all that in order to have this opportunity to participate in solving this problem which you have probably been working pretty aggressively to solve on your own. We would be well served as a Nation if these institutions would help us in the solution of this problem.

I think that is the challenge which is before the Senate. The question is whether or not we will continue to throw barriers in the path of the organizations which can help us substantially in solving this problem.

Now, we have tried the singular Washington one-size-fits-all remedy for a long time in welfare. We have seen what happens. We have watched the roles of those in poverty swell. We have watched the percentage of children in poverty in our country grow.

So when it comes time to try and extend ourselves to find a real solution to this problem and to borrow some of the solutions that the refugee resettlement program has used and to borrow some of the solutions to the problem that have been found in other recent legislation like the Adolescent Family Life Act, all of a sudden we hear the old bugaboos about needing to have special requirements for the religious organizations. Requirements that will make them second-class citizens, that will force them to go through the burden of setting up separate organizations.

Those who proposed the amendment and support it indicate there will be a tremendous fear on the part of agencies who might otherwise contract with the separate organizations.

Nothing in this bill would stop a religious organization from setting up a separate organization. Nothing would prohibit it. Nothing would change its option.

The only real mandate that we have in the Dole bill is that churches would be placed on a level playing field with other non-governmental institutions, that we would stop tossing barriers and prejudicial conditions in the paths of the religious institutions that wanted to help.

I need to try and make it as clear as I possibly can that I cannot endow the churches with rights to do things that they do not have a right to do under the Constitution, and neither can this body. I would not want to.

I believe that the States should not support the church, that the church should be separate from the State. But I believe that when organizations including religious organizations have the track record of helping move people from welfare to work, from indolence to industry, from a situation where they are kept in poverty to a situation where they have independence, I think for us to place undue burdens in their pathway is unfair, and not only is it unfair but it is inappropriate.

Why we should single out the community of faith in the United States of America and say that for that community there are special requirements that do not inure to other individuals in other parts of our culture and say they are second-class citizens and they are ineligible, is beyond me.

The courts have not said so. Previous enactments of the Senate have not said so, whether you are talking about the refugee resettlement program or whether you are talking about the Adolescent Family Life Act.

In previous efforts to deal with problems like this, the Congress in the Stewart P. McKinney Homeless Assistance Act sought to provide emergency shelter grant programs that would allow those programs to go to religious nonprofit organizations.

What we really ask for is that there be a level playing field here, not for the benefit of the organizations but for the benefit of a country that desperately needs help in breaking the cycle of dependence, breaking the cycle of poverty, and helping people move out of that welfare setting into a setting of work and industry.

I think it is inappropriate to place between those organizations and the opportunity to participate barriers which will slow their ability rather than grow their ability to be a part of the solution.

I think we need to emulate programs that can be found in virtually every city in America, programs which now are totally distinct and separate. Obviously, many of them fear involvement with governmental entities. We need to invite them to the table, not to proselytize, but to say we are interested in having their help.

The Dole bill guarantees that no one is to be proselytized. It guarantees that no one can be forced to confess or otherwise subscribe to a faith to get a benefit. It says that no money can be used for purposes of propagating the faith. It says churches, however, do not have to become sterile institutions that are nameless and faithless. The Salvation Army would not have to take the word "salvation" out of its title in order to participate in the program. It would not have to hire people whose beliefs and whose value structure are a threat to the character and the doctrine of the Salvation Army itself.

I believe that the bill as it stands is an invitation for help. It is an invitation which does not threaten the religious liberties of individuals. It does not prohibit churches or other nongovernmental religious organizations that are nonprofit from setting up separate organizations. But it simply would not allow the Government to impose upon them a requirement which is imposed upon no other organization, no other set of institutions in this country.

It does not label religious organizations who come to the table as participants for reconciliation and resolution of the welfare problem as second-class citizens, but it does say there are limits to what they can do.

It requires that they keep an accounting of the funds they receive from the Government. It requires that they follow and observe rules of how the funding must be spent. But it protects them from an invasive Government which might otherwise improperly seek to influence their belief structure or the way in which they conduct worship or engage in their activities.

The Dole bill on this matter is a balanced bill. To require or to promote the requiring of an additional hurdle over which these religious organizations would have to go when that is not required for anyone else would be manifestly unfair, and in my judgment it would be counterproductive.

I want to indicate that I do not have any objection to the first amendment proposed by the Senator from Maine to add to the bill the language that we will operate in a way that is consistent with the establishment clause of the Constitution of the United States. That is fine with me. When I took my oath, in every job that I have had for quite some time, I have sworn to uphold the Constitution, and I think that is part and parcel of what we do here. And I have no objection to that. I would be happy to agree to that. Since this item has been separated, we might avoid a vote on that.

But on the second item, I urge my colleagues not to place in the path of well-meaning religious, nonprofit organizations the requirement that there be the opportunity for States to have them go over major hurdles and expenses and forfeit opportunities to protect the organization from improper intrusion by Government by accepting this amendment. So I oppose this amendment and urge my colleagues to oppose the amendment.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. COATS. Madam President, I rise to support the statements made by the Senator from Missouri with some reluctance, because I understand the Senator from Maine is essentially attempting to accomplish the same end as the Senator from Missouri, coming at it from different sides of the equation.

He spoke earlier about the extraordinary importance and effectiveness of the role of religious organizations and faith-based organizations in dealing with questions of welfare, poverty alleviation, poverty prevention and some of the social dislocations that exist in our country. Clearly, an examination, or even a cursory analysis of the effectiveness of those programs vis-a-vis Government programs, shows an extraordinary gap between the two. The religious organizations' programs have elements of care, elements of lower cost, elements of effectiveness that Government programs simply have not been able to match. So I think all of us recognize that and want to encourage their role in dealing with some of these seemingly intractable social problems.

I, like the Senator from Missouri, certainly have no problem with the first half of the amendment of the Senator from Maine regarding the establishment clause. I think that is proper.

But, as to the provision which removes the prohibition against States requiring the establishment of separate, nonsectarian operations by religious organizations, I think clearly—

while the intent of the Senator from Maine is not to have unwanted State discrimination against those institutions, that very likely could be the result. The practical effect of all of that is, I believe, going to discourage, if not eliminate, most of the organizations from participating in these programs.

It is the ability to bring some semblance of their sectarian nature to addressing the problem that results in the effectiveness of dealing with the problem. To remove that and subject them to what may be a discriminatory—at least a test of absolute separation from the very basis underlying their program, I think defeats the program.

For that reason I urge my colleagues to support the amendment of the Senator from Missouri and oppose the amendment of the Senator from Maine.

The PRESIDING OFFICER. The Senator from Maine.

Mr. COHEN. Madam President, let me offer a few more comments. I do not know that any other Members are coming to the floor to debate this issue or whether we should move to a vote relatively soon. I have not had any requests for further debate on this side.

Mr. MOYNIHAN. Madam President, if I may, I do not see any Senators seeking recognition, nor have I been told of any.

We have no requests for speakers on this side.

Mr. COHEN. Let me, then, just conclude if I could. Then perhaps my colleague might have some other comments to offer.

We are seeking essentially the same goal. That is, namely, to involve our religious organizations in helping out in the distribution of funds in our welfare program. My concern has been that the first amendment may very well be violated if, in fact, we have religious organizations—using the words, once again, of the Supreme Court—that are so permeated with sectarianism that the Court would find that providing them with government funding violates the Establishment Clause.

I by no means have suggested that churches or any other religious organizations are second-class citizens. Quite to the contrary, they are first-class citizens and they do first-class work. They are great humanitarians and we need them desperately in the entire effort in our welfare system.

Second, they are well-meaning people. We do not want to punish well-meaning people. I come back to the Supreme Court's language in Rosenberger versus University of Virginia:

> There exists an axiom in the history and precedent of the Establishment Clause, public funds may not be used to endorse a religious message.

So the question then becomes, would the atmosphere in that particular religious organization be so permeated with sectarianism that it seeks to promote and endorse a religious message which would then be subject to attack by a lawsuit? Let me just suggest some of the arguments that could be raised if this language remains in the bill.

First of all, under the bill, religious organizations are permitted to discriminate when hiring persons to provide welfare services with Federal funds. Right now we allow religious organizations to discriminate on the basis of religious affiliation when they hire people. We accept that. We may have a Catholic Church that wishes to hire only those of the Catholic faith. We may have a Jewish synagogue that wants only those of the Jewish faith; or Mormons, that want employees of the Mormon faith.

Here, however, we go one step further and permit religious organizations to discriminate when employing persons to provide welfare services with Federal funds. Is that going to be a dispositive factor? I do not know. It may be one factor a court would take into account. We have no way of gauging that now.

Under the bill, however, we go one step further and say we prohibit States from requiring religious organizations from establishing separate nonprofit public entities, another factor that would be argued in all likelihood.

We require that organizations providing welfare services be allowed to have religious symbols on their walls and that they not be required to remove religious icons, scriptures, or symbols.

Whether the totality of that atmosphere would amount to a permeation of a sectarian message, I do not know. Only the court will decide.

What seems clear to me, however, is that a State might very well decide not to contract out with such a religious organization in order to avoid a lawsuit. No State can avoid a lawsuit—I think the Senator from Missouri is quite correct— we can do nothing short of a constitutional amendment, and even then it will be subject to a lawsuit for interpretation. But a State might very well be reluctant to draw in religious organizations under these circumstances.

So I suggest to my colleagues, one way to avoid the very thing that we are professing we want most—that is, to draw more people in, to draw the organizations in—is to push them away by virtue of the language contained in the Dole bill. So we have the same objective.

I simply point out, in the Bowen versus Kendrick, which both of us have cited, the Court noted that even when the statute appears to be neutral on its face:

> We have always been careful to ensure that direct government aid to religiously affiliated institutions does not have a primary effect of advancing religion. One way in which direct government aid might have that effect is if the aid flows to institutions that are "pervasively sectarian."

I might point out that the court, in ruling in this case, upheld the facial validity of the statute. The Justices then sent it back down to the trial court to see if in application the funds were distributed in an unconstitutional manner.

So we had the very situation which we are likely to see replicated time and time again in the future. One way to avoid that situation is to strike section 102(d)(2)(B).

So I want to commend my colleague from Missouri. I think that he and I have the same objective. He believes that by leaving that language in, it will certainly not discriminate against the institutions, and that is correct. My view is it will, in fact, cause the State to discriminate in an adverse way, and that is not to contract with those various institutions which we want to be part of the system.

Mr. MOYNIHAN. Mr. President, as we prepare to vote, may I just hold the Senate for just a moment to read a passage from the message to the legislature by Gov. William H. Seward in New York State in 1840. Governor Seward went on to a distinguished career here in Washington, and we have Alaska, among other things, to thank him for.

He said:

> The children of foreigners, found in great numbers in our populous cities and towns, and in the vicinity of our public works, are too often deprived of the advantages of our system of public education, in consequence of prejudices arising from difference of language or religion. It ought never to be forgotten that the public welfare is as deeply concerned in their education as in that of our own children. I do not hesitate, therefore, to recommend the establishment of schools in which they may be instructed by teachers speaking the same language with themselves and professing the same faith.

Governor Seward was from Auburn, NY, far away from those foreigners, and, as a matter of fact, if you would like to know the fact, those were Irish. And they did not speak English. They spoke Gaelic. But the idea that they had a right to public school was very clear to people, and very close to the Constitution.

Just for purposes of innocent merriment and the possible instruction of the Honorable Justices of the Court, I would like to ask unanimous consent that, and a few succeeding paragraphs, be printed in the RECORD.

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

> This situation prompted the Whig Governor William H. Seward to make this proposal to the legislature in his message for 1840:
>
> "The children of foreigners, found in great numbers in our populous cities and towns, and in the vicinity of our public works, are too often deprived of the advantages of our system of public education, in consequence of prejudices arising from difference of language or religion. It ought never to be forgotten that the public welfare is as deeply

concerned in their education as in that of our own children. I do not hesitate, therefore, to recommend the establishment of schools in which they may be instructed by teachers speaking the same language with themselves and professing the same faith."

Instead of waiting for the rural, upstate legislature to ponder and act upon this proposal of an upstate Whig governor, the Catholics in the city immediately began clamoring for a share of public education funds.[44] The Common Council declined on grounds that this would be unconstitutional. In October, 1840, the Bishop himself appeared before the Council, even offering to place the parochial schools under the supervision of the Public School Society in return for public aid. When he was turned down, tempers began to rise.

In April, 1841, Seward's Secretary of State John C. Spencer, *ex officio* superintendent of public schools, submitted a report on the issue to the State Senate. This was a state paper of the first quality, drafted by an authority on the laws of New York State (who was also de Tocqueville's American editor). Spencer began by assuming the essential justice of the Catholic request for aid to their schools:

"It can scarcely be necessary to say that the founders of these schools, and those who wish to establish others, have absolute rights to the benefits of a common burthen; and that any system which deprives them of their just share in the application of a common and public fund, must be justified, if at all, by a necessity which demands the sacrifice of individual rights, for the accomplishment of a social benefit of paramount importance. It is presumed no such necessity can be urged in the present instance."

To those who feared use of public funds for sectarian purposes, Spencer replied that all instruction is in some ways sectarian: "No books can be found, no reading lessons can be selected, which do not contain more or less of some principles of religious faith, either directly avowed, or indirectly assumed." The activities of the Public School Society were no exception to this rule: "Even the moderate degree of religious instruction which the Public School Society imparts, must therefore be sectarian; that is, it must favor one set of opinions in opposition to another, or others; and it is believed that this always will be the result, in any course of education that the wit of man can devise." As for avoiding sectarianism by abolishing religious instruction altogether, "On the contrary, it would be in itself sectarian; because it would be consonant to the views of a peculiar class, and opposed to the opinions of other classes."

Spencer proposed to take advantage of the diversity of opinion by a form of local option. He suggested that the direction of the New York City school system be turned over to a board of elected school commissioners which would establish and maintain general standards, while leaving religious matters to the trustees of the individual schools, the assumption being that those sectarians who so wished would proceed to establish their own schools.

"A rivalry may, and probably will, be produced between them, to increase the number of pupils. As an essential means to such an object, there will be a constant effort to improve the schools, in the mode and degree of instruction, and in the qualification of the teachers. Thus, not only will the number of children brought into the schools be incalculably augmented, but the competition anticipated will produce its usual effect of proving the very best material to satisfy the public demand. These advantages will more than compensate for any possible evils that may be apprehended from having schools adapted to the feelings and views of the different denominations."

The legislature put off immediate action on Spencer's report. But Catholics grew impatient. When neither party endorsed the proposal in the political campaign that fall, Bishop Hughes made the calamitous mistake—four days before the election—of entering a slate of his own candidates for the legislature. Protestants were horrified. James G. Bennett in the New York Herald declared the Bishop was trying "to organize the Irish Catholics of New York as a district party, that could be given to the Whigs or Locofocos at the wave of his crozier." The Carroll Hall candidates, as they were known, polled just enough votes to put an end to further discussion of using public funds to help Catholics become more active citizens.

Mr. MOYNIHAN. I thank the Chair.

Mr. ASHCROFT. Mr. President, if I might for a moment say a few words to close to state my support for the Dole bill as it exists rather than as it has been proposed to be amended, I thank the Senator from Maine for endorsing the concept of widening and broadening the groups of individuals in the culture who will help us solve the welfare problem. But to elevate the States to the place of a judicial entity which seeks to determine whether or not there has to be a separate structure in place in order to avoid first amendment problems I think is a compound misunderstanding.

First of all, it is a misunderstanding to think that the States could make a difference. The truth of the matter is whether or not you violate the first amendment cannot be determined by the State. The State can cause additional expense, or can place barriers in the roadway for religious institutions, but it cannot provide any kind of guarantee that there will not be a lawsuit.

Second, it is well settled law. I am talking about the modern law, and I thank the senior Senator from New York for his comments about the relationship between our States and funding for social services, and other types of services. But it is well settled modern law that the test of whether or not there is an infringement of the establishment clause is not a test of structure. The test is the test of activity, and a test of administration.

If you had a totally sectarian organization which was using government funds to meet public purposes, it is clear that religious institutions, according to the case of Bowen versus Kendrick—that is the 1988 case of the U.S. Supreme Court—religious institutions are not disabled by the establishment clause from participating in publicly sponsored social welfare programs. You could have a totally secular organization, a private, even business, corporation endowed by funds from the Federal Government, and, if its activities were to somehow impose religion using those funds, it would be an affront to the Constitution.

Recognizing that it was the activities that could potentially offend the Constitution, and not the structure that could potentially offend the Constitution, the Dole bill was carefully drawn so as to prohibit offensive activities and to allow the religious organizations to maintain their structure. We do not want religious organizations to have to change their character. We do not want them to have to belie what they are. We do not want them to have to participate in hiring practices and other difficult situations which are inconsistent with their belief structure. We want their help but we do not want them to use public funds in achieving religious purposes.

So the Dole bill has clear language which goes to the heart of the relevant facts of activity, not of structure, and it makes it clear that, since structure is not really important, this barrier of expense and intimidation which would stop some from participating and coming to the table to participate in a full range of these activities should not be mandated or allowed to be required by the States.

It is with that in mind that we seek to enlarge the community of care in America, and we seek to enlarge it in a way which will bring in individuals who can really make a difference.

I pointed out earlier that we had the refugee resettlement program which has specific authority to deal with religious organizations—and, as a matter of fact, has been operating that way—so that we have a test. We already have organizations. As a matter of fact, I believe most of the Members who are in this Chamber now who were in this Chamber in 1980 voted for this program without these special provisions.

It is interesting to me that in the closing days of the Bush administration they made a proposal, as a part of their service to this country, which recommended exactly what we have asked be done; that is, that we enlarge the group of individuals who are capable of assisting by inviting religious organizations, not to proselytize, not to promote their religion but to participate when their activities are characterized by the public purpose. And the Supreme Court of the U.S. has explicitly indicated that it is not structure but it is, in fact, purpose, and it is, in fact, activity which determines.

I just add that the Bowen case in that matter indicated that when the activities were specific and public purpose in nature—and they were defined clearly enough so that there could be an assessment of those activities and an evaluation of them by the State—that was the real test which decided whether or not there was an improper intermixing of church and state that would be in violation of the first amendment.

Mr. COHEN. Will the Senator yield?

Mr. ASHCROFT. Indeed, I am happy to yield.

Mr. COHEN. The Senator has on at least two occasions indicated the Dole legislation as currently written prohibits proselytizing. I have been looking at the language. I could not find it. Perhaps the Senator could direct it to my attention, the specific prohibition.

Mr. ASHCROFT. I refer to line 7, section 103—no funds used for programs established or modified under this act shall be expended for sectarian worship or instruction.

Mr. COHEN. The word proselytizing, I was looking for the word. I have not found it.

Mr. ASHCROFT. If I spoke to use proselytization, the word to my understanding does not actually appear—the provision just prohibits using funds for purposes of sectarian worship or instruction. I do not think that it would obviously allow proselytizing.

Mr. COHEN. I thank the Senator.

Mr. ASHCROFT. It is with this in mind that I urge the defeat of the Cohen amendment.

Mr. COHEN. Madam President, I believe we can dispose of part one of the amendment simply by voice vote, and then ask for the yeas and nays on the second part.

Mr. MOYNIHAN. That is quite agreeable, Madam President.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 2586, division I.

So division I of the amendment (No. 2586) was agreed to.

Mr. COHEN. Madam President, I ask for the yeas and nays on part 2 of the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 2586, division II. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

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

The result was announced—yeas 59, nays 41, as follows:

[Rollcall Vote No. 421 Leg.]

YEAS—59

Akaka	Conrad	Inouye
Baucus	Daschle	Jeffords
Biden	Dodd	Johnston
Bingaman	Domenici	Kassebaum
Boxer	Dorgan	Kennedy
Bradley	Exon	Kerrey
Breaux	Feingold	Kerry
Brown	Feinstein	Kohl
Bryan	Ford	Lautenberg
Bumpers	Glenn	Leahy
Byrd	Graham	Levin
Campbell	Harkin	Lugar
Chafee	Heflin	Mikulski
Cohen	Hollings	Moseley-Braun
Moynihan	Reid	Snowe
Murray	Robb	Specter
Nunn	Rockefeller	Stevens
Packwood	Sarbanes	Thomas
Pell	Simon	Wellstone
Pryor	Simpson	

NAYS—41

Abraham	Gorton	Mack
Ashcroft	Gramm	McCain
Bennett	Grams	McConnell
Bond	Grassley	Murkowski
Burns	Gregg	Nickles
Coats	Hatch	Pressler
Cochran	Hatfield	Roth
Coverdell	Helms	Santorum
Craig	Hutchison	Shelby
D'Amato	Inhofe	Smith
DeWine	Kempthorne	Thompson
Dole	Kyl	Thurmond
Faircloth	Lieberman	Warner
Frist	Lott	

So the amendment (No. 2586), division II, was agreed to.

Mr. COHEN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

Mr. SIMON addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. SIMON. Mr. President, I have an amendment that simply contains some technical corrections to an earlier amendment that I had tossed in. I would like to offer this amendment at this point. There is a pending amendment, however, is that correct, or is that not correct?

The PRESIDING OFFICER. Technically, all of the amendments are now pending.

Mr. SIMON. Mr. President, I ask unanimous consent that the pending amendments be set aside so that I may offer this amendment.

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

AMENDMENT NO. 2681 TO AMENDMENT NO. 2280

(Purpose: To provide grants for the establishment of community works progress programs)

Mr. SIMON. Mr. President, I send the amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Illinois [Mr. SIMON], for himself and Mr. REID, proposes an amendment numbered 2681 to amendment No. 2280.

Mr. SIMON. 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 text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. CHAFEE. Mr. President, I see the distinguished majority leader here. I wonder if we can get a little progress report or an expectation report.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, it is my understanding that we are making progress.

[Laughter.]

Mr. DOLE. I have been talking to the distinguished Democratic leader throughout the day. We believe there are about four or five areas if we can reach some agreement on we might wrap this bill up fairly quickly. I think they are discussing it. Staff is in my office now. I have not had a chance to get back to the Democratic leader.

Hopefully, what we might be able to do tonight, if Senators WELLSTONE, FAIRCLOTH, CONRAD, a Republican amendment and then Senator DORGAN can offer their amendments tonight.

Mr. MOYNIHAN. And Senator EXON.

Mr. DOLE. We could stack those votes starting at 10 o'clock tomorrow morning. Debate the amendments tonight, have the vote starting at 10 tomorrow morning, if we can work it out. If not, we will just have to stay here tonight and vote.

Mr. MOYNIHAN. I would like to add Senator EXON.

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

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

AMENDMENT NO. 2680

Mr. HARKIN. Mr. President, I ask unanimous consent to call up amendment 2680 and ask for its immediate consideration.

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

The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Iowa [Mr. HARKIN] proposes an amendment numbered 2680.

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

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

(The text of the amendment is printed in the Friday, September 8, 1995 edition of the RECORD.)

Mr. HARKIN. Mr. President, I understand the managers of the bill will accept this amendment. I will just take a very few minutes to describe it.

Mr. President, this amendment clearly expresses the sense of the Senate that any legislation we enact—whatever the final outcome of the welfare reform bill may be—should not eliminate or weaken the present competitive bidding requirements in any program using Federal funds to purchase infant formula.

This amendment does not impose any new requirements, but it says that whatever the outcome on this legislation, whenever Federal dollars are involved in purchasing infant formula, competitive bidding should be required in the same manner that it is now.

The reason I am concerned is that the House of Representatives has passed legislation that would create a new block grant encompassing the current WIC Program. But that bill does not require the States to use competitive bidding or equivalent cost containment, which is presently required for purchasing infant formula in the WIC Program.

WIC competitive bidding benefits two classes of people. It allows more people to be helped by WIC with the limited amount of money available. WIC still does not reach all eligible people, so savings allow more pregnant women, infants, and children to be served. And competitive bidding saves taxpayers' money because less spending is needed to achieve the objectives of WIC.

I must say at the outset, Mr. President, for the record, I personally do not favor converting WIC into a block grant or drastically changing it. WIC has been one of our most successful efforts to improve the nutrition and health of children.

Numerous studies have demonstrated the benefits and cost effectiveness of WIC. It saves money because it heads off a lot of problems that could be very costly. That is my own personal view.

Whatever may happen with respect to the WIC program, I strongly believe that we in Congress have a responsibility to prevent outright waste and squandering of Federal dollars. That is likely to result if we abandon the competitive bidding requirement.

The case for competitive bidding is too clear to ignore. Rebates obtained through competitive bidding for infant formula have reduced the cost of infant formula for WIC participants by approximately $4.1 billion through the end of fiscal year 1994, allowing millions of additional pregnant women, infants, and children to achieve better nutrition and health through the limited WIC funds available.

The Department of Agriculture has estimated that in fiscal year 1995, rebates obtained through competitive bidding for infant formula will total over $1 billion, which will enable WIC to serve approximately 1.6 million additional women, infants and children. For my State of Iowa, the fiscal year 1995 rebate savings will be about $7.8 million, allowing an estimated 12,734 more people to be served without one additional dime of cost to the taxpayers.

Mr. President, I worked very hard to include the provision in the 1987 Commodity Distribution Reform Act that allowed States to keep a portion of the savings they achieved through competitive bidding.

Without that provision, they could not have used those savings to serve more people. The money would have come back to Washington, DC. The chairman of the Agriculture Committee, Chairman LEAHY and I, worked closely together to get that legislation passed. In 1989, I introduced the Child Nutrition and WIC Reauthorization Act, which included a requirement to use competitive bidding or equally effective cost containment measures for purchasing WIC infant formula, and again worked closely with Chairman LEAHY in gaining its enactment.

All of the studies and the experience we have had since that time show that we have indeed saved a lot of money through competitive bidding, and we have served a lot more people. It has been one of our most successful programs, as I said.

Mr. President, earlier this year, on February 28, 1995, there was an article in the Wall Street Journal. The headline says "Four Drug Firms Could Gain $1 Billion Under GOP Nutrition-Program Revision." What the headline referred to was doing away with the competitive bidding requirement in legislation before the House of Representatives.

I ask unanimous consent this article appear at the end of my statement.

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

(See exhibit No. 1)

Mr. HARKIN. Just to repeat, this amendment is a sense-of-the-Senate resolution stating that whatever we do here we will continue to have competitive bidding in the purchase of infant formula using Federal funds.

I thank the managers of the bill. I thank Senator DOLE for his support and his willingness to accept this amendment.

EXHIBIT

[From the Wall Street Journal, February 28, 1995]

FOUR DRUG FIRMS COULD GAIN $1 BILLION UNDER GOP NUTRITION-PROGRAM REVISION

(By Hilary Stout)

WASHINGTON.—Four pharmaceutical companies stand to gain as much as a billion dollars under a Republican bill that overhauls federal nutrition programs for children and pregnant women.

The companies sell infant formula to the Women, Infants and Children (WIC) program, a federal initiative that provides formula as well as milk, beans, rice and other nutritious foods to poor children and to pregnant and breast-feeding women. Since 1989 the companies have been required by law to enter into a competitive bidding process in order to sell formula to WIC, resulting in rebates to the government that are expected to reach $1.1 billion this year.

A bill that cleared the House Economic and Educational Opportunities Committee on a party-line vote last week would turn the WIC program over to states in the form of a "block grant," and with it repeal the cost-containment competitive-bidding measure. An amendment to restore it was defeated by the committee. The legislation now moves to the House floor for consideration.

The four companies, the only domestic makers of infant formula—Ross Laboratories, a unit of Abbott Laboratories; Mead Johnson, a unit of Bristol-Myers Squibb Co.; Wyeth-Ayerst, a unit of American Home Products Corp.; and Carnation Co., a U.S. subsidiary of the Swiss conglomerate Nestle SA—fought the competitive-bidding measure fiercely when it came before Congress in the late 1980s. Until then, they were collecting retail prices for the infant formula they sold to WIC.

Sen. Patrick Leahy of Vermont, the senior Democrat on the Senate Agriculture Committee and the lawmaker who led the effort to enact the cost-containment measures, threatened to filibuster the bill yesterday if it reaches the Senate. "It is really obscene," Sen. Leahy said. "The most conservative of people should, if being truthful, like the competitive bidding. . . . It's just rank hypocrisy."

If the bill reaches the Senate floor, Sen. Leahy continued, "I've spent 20 years building bipartisan coalitions and working on nutrition programs. If it's necessary to discuss my whole 20 years' worth of experience in real time, I'll do it."

In 1993, the latest year for which figures are available, the WIC program spent $1.46 billion in infant formula but received $935 million in rebates. That cut the overall cost of providing formula to $525 million, nearly a two-thirds reduction. Moreover, the states, which administer the program, were allowed to use the rebates to add more people to the WIC program.

The action on WIC comes as a liberal-leaning research group, the Center on Budget and Policy Priorities, released a study questioning the continuing effectiveness of some of the infant-formula rebates. The center's analysis found that in the last year, despite the cost-containment requirements, the cost of infant formula purchased through WIC has almost doubled in many states.

Since last March, the study said, 17 state WIC programs have signed rebate contracts with at least one of the major formula manufacturers. Under those agreements, the average net cost of a 13-ounce can of concentrated infant formula was 60 cents compared with a 32-cent average price under rebate contracts signed during the previous 15 months, the study said.

The Federal Trade Commission has been investigating the infant formula makers' rebate and pricing practices, and at least one state, Florida, has filed suit against the manufacturers.

Mr. DOLE. We are prepared to accept the amendment.

Mr. MOYNIHAN. We are prepared to accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2680) was agreed to.

Mr. MOYNIHAN. 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.

AMENDMENT NO. 2545

Mr. DOLE. Mr. President, I will get a unanimous-consent agreement now that it has been cleared on each side.

In the meantime, what is the status of amendment 2545 offered by the Senator from Iowa—the other amendment, numbered 2545?

The PRESIDING OFFICER. The yeas and nays have been ordered.

Mr. DOLE. I would be prepared to accept that amendment No. 2545 if we vitiate the yeas and nays and have no discussions.

Mr. HARKIN. If the leader will yield, that is very acceptable. I appreciate that very much.

Mr. DOLE. I ask the yeas and nays be vitiated.

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

Mr. HARKIN. I thank the Chair.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 2545) was agreed to.

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

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

The motion to lay on the table was agreed to.

UNANIMOUS CONSENT AGREEMENT

Mr. DOLE. Mr. President, I ask unanimous consent the following amendments be in order tonight, in the following sequence, and that following the conclusion of all debate, the Senate proceed to votes on or in relation to each amendment at 10 a.m., in the order in which they were debated, that there be 10 minutes of debate equally divided in the usual form before the first vote and the debate between the remaining stacked votes be limited to 10 minutes equally divided in the usual form, and all votes in the voting sequence after the first vote be limited to the 10 minutes: Wellstone, 2584; Faircloth, 2609; Conrad, 2528; Jeffords, 2581; Dorgan 2535; McCain 2589; Exon 2525; Nickles 2556.

Mr. DASCHLE. Reserving the right to object, I ask the majority leader if we could add as the next amendment an amendment by Senator DODD, which may or may not be offered? But he would like to be added to the list. Obviously, it will be subject to our ongoing negotiation. But if we could add Senator DODD?

Mr. MOYNIHAN. To the list for tonight?

Mr. DASCHLE. To the list for tonight.

Mr. DOLE. I have no objection to that. That would follow disposition of the Nickles amendment, which is the last one on this list, if we do not have some agreement by then. But I would not be able to enter into a time agreement.

Mr. DASCHLE. That is right, and I do not know that Senator DODD will even be interested in offering the amendment, but it was at his request that we add his name. I think that would satisfy the needs on our side.

The PRESIDING OFFICER. Does the majority leader modify the request?

Mr. DOLE. Yes, I modify my request, if in fact the Senator from Connecticut, Senator DODD, wishes to offer an amendment, he be recognized following the disposition of the Nickles amendment No. 2556.

The PRESIDING OFFICER. Is there objection to the modified request? Without objection, it is so ordered.

Mr. DOLE. Mr. President, my view is we are trying to reach an agreement on about four major issues. Hopefully, we will have that determined by the time we complete voting on these tomorrow. If, in fact, we can reach an agreement, I hope all the other amendments would go away, at least nearly every other amendment go away. If we cannot reach agreement, then we would have a cloture vote sometime tomorrow after consultation with the Democratic leader.

It is still my hope to dispose of this bill tomorrow night because we have six appropriations bills to do. We would like to start appropriations bills on Friday and then complete action on the appropriations bills on the 30th of September. If we can do that, there may be an opportunity for us to have a week's recess.

So I hope all of our colleagues would help us on the appropriations bills. To get to the appropriations bills, we have to finish welfare reform, and we are only going to have one cloture vote. If we do not get cloture, that is it. It will go in the reconciliation and all these amendments that are pending will be pending forever, I guess.

In any event, there will be no more votes tonight and the votes will start at 10 o'clock tomorrow morning.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, I call up my amendment No. 2584 on behalf of myself and Senator MURRAY.

AMENDMENT NO. 2584

The PRESIDING OFFICER. The Senator has called up amendment No. 2584, which is the pending question.

The Senator from Minnesota is recognized.

If the Senator will suspend a moment? If those Members who are having discussions in the aisle could please retire to the cloakroom?

The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, I thank the Chair for gaining order in the Chamber.

Mr. President, I will speak for a while and then I really would like to defer to my colleague from Washington, Senator MURRAY. Then I will complete my remarks.

Mr. President, could I have order in the Chamber, please?

The PRESIDING OFFICER. Those Members who are still in the aisle, please retire to the cloakroom so the Senator may be heard.

The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, last year the Congress made a commitment to fight the epidemic of violence against women and children when we passed the historic Violence Against Women Act. This commitment must not be forgotten as we debate welfare reform. Yet, the bill that we have before us does not contemplate even for 1 minute that many women are on welfare because they have escaped violence in their homes. Some of the studies that have been done show that as many as 60 percent of welfare mothers are women who were battered, women who have left a very dangerous home.

The last thing we want to do is force those women back into those homes. For many of these women, welfare is the only alternative, for some support it is the only alternative, for some public financial support for themselves and their children is the only alternative to a very dangerous home.

Domestic violence is one of the most serious issues our country faces. I wish I did not have to say that on the floor of the Senate, but it is the case. It knows no borders, neither race, gender, geography nor economic status shields someone from domestic violence.

Every 15 seconds a woman is beaten by a husband or a boyfriend every 15 seconds. Over 4,000 women are killed every year by their abuser. Every 6 minutes a woman is forcibly raped. The majority of men who batter women also batter their children. A survey conducted in 1992, Mr. President, found that more than half of battered women stayed with their batterer because they did not feel they could support themselves or their children. We do not want to put women in a situation where they have to stay in an unsafe home where their lives are in jeopardy, where their children's lives are in jeopardy because of a piece of legislation we passed.

Mr. President, this amendment allows an exemption for women who come out of these kinds of homes who have had to deal with this kind of physical violence, and it allows States to exempt people who have been battered—it could be a man; usually it is a woman—or subjected to extreme cruelty from the strict new rules that we have within the welfare system without being penalized for meeting the participation rate.

Mr. President, this amendment allows States to modify or to exempt women from some of the requirements in this bill. Monica Seles, the tennis player who was stabbed took 2 years before she could get back to playing tennis. Just imagine what it would be like for a woman who had been beaten over and over and over and over again and finally left that home with her children. How long does it take her to mend? Do we want to say she has to work or she is out? Two years and she is out? It may take a longer period of time.

This amendment says we ought to establish at the national level some overall standards so that States will exempt from some of the provisions of

this piece of legislation women and children who come out of these circumstances.

Mr. President, the term "battered" or subjected to "extreme cruelty" includes physical acts, sexual abuse, neglect or deprivation of medical care, and extreme mental abuse. But we leave it up to the States to define those terms. But what we are saying is this is an epidemic. We made a commitment last year. We do not want to force a woman and her children because of their economic circumstances back into a brutal situation, back into a home which is not a safe home, but a very dangerous home. We have to provide some protection. That is the reason for this general guideline that we establish at the national level and then allow States to go forward. And it is extremely important that States be allowed to do so. Otherwise, they will be penalized for not reaching their employment goal.

Right now a State has no incentive to exempt a mother who is faced with these kinds of conditions because that State is trying to meet that work participation rate.

This amendment says States ought to be allowed that exemption or modifying it. For example, maybe a mother can meet the 2-year requirement. Maybe she cannot.

It is shocking, I say to my colleagues, because they go into a job training program they have trouble with their abuser. So maybe she cannot do that or maybe she can. Maybe the 5-year requirement does not work. We are talking about women and children who have lived through, if they are lucky enough, to have lived through nightmare circumstances.

So I certainly hope the Senate will have the compassion, and the Senate will have the commitment to women and children to allow this very, very important amendment to pass with this very important exemption.

I yield the floor.

Mrs. MURRAY addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Mr. President, I am very proud to join my colleague from Minnesota, Senator WELLSTONE, in offering this extremely important amendment. And I commend him on his very eloquent statement and appreciate his work on this very difficult and very important issue of battered individuals. He has committed a lot of time and energy to that. I want him to know how much I appreciate that.

We all know that America's poor face many obstacles as they try to get back on their feet and become productive, contributing members of our society. However, the women who have been victims of abuse and the children, frankly, who have witnessed this abuse, or were abused victims themselves, have even more barriers which impede their ability to move on and move up.

I would hope that this Senate steps back from the rhetoric of the past few days and the technical terms that we are using, and think for a few minutes about some of the people that this welfare reform bill is going to very directly affect as we pass it, in particular battered women and children.

These abused women and children have lasting scars that will take many years to heal, and they are often forced to live in fear that their abuser will find them and hurt them once again.

This amendment is important because we must recognize that women on public assistance who were battered confront unique obstacles and circumstances as they make the very difficult move from dependency to self-sufficiency. As we attempt to fix our troubled welfare system and help rebuild America's families, let us not make it harder for these women and their kids to get ahead and put there troubled past behind them.

Domestic violence and the impact that it makes on those who suffer this abuse is a very real and a very serious problem. In my State, a survey of women on public assistance found that over half reported being physically abused by a spouse or a boyfriend.

Throughout this debate on welfare, I have come to the floor several times to talk about June, who is a welfare recipient in my State, and who is my partner in the Walk-a-Mile Program. That is a program that began in the State of Washington. It has gone across the country. That matches a welfare recipient with an elected legislator. We have talked on the phone. We have shared experiences. I shared mine with her. She has shared hers with me. So that we have gotten to know what it is like to live in each other's shoes. And I will tell you that hearing her story has really enabled me to better understand the everyday challenges of a young mother trying to make it on her own and to take care of two young kids. It has been difficult for June to share some of her stories with me because she was in a very abusive relationship. Her children witnessed their mother being beaten and verbally abused. In fact, June told me her most vivid memory of that time was hearing her frightened 3-year old daughter's pleading voice saying, "Daddy, are you going to kill my mommy? Please do not kill my mommy."

That is what this woman came from. And I can tell you as a mother, and as a former preschool teacher, memories like that have an everlasting and dramatic effect on the lives of children who experienced such pain and torment in addition to the emotional trauma that confronts both the woman who suffered abuse and the children who are exposed to it. There are many practical problems which prevent these women from succeeding that we have to consider as we look at this welfare debate.

First, these women who are abused survivors often have problems holding a job.

Second, women who have lived with a batterer often lack skills because their abuser did not allow them to go to work or to attend school.

And third, a woman who has left her abuser often faces the extreme danger of being stalked. And she may not be able to leave her house to go to job training classes or to work. And the same woman who has finally decided that enough is enough may live in fear that her abuser will come after her and to get their children and to take them away. Do we think that this woman is going to be a productive worker? Do we think she is going to leave her kids out of her sight? I can tell you the answer is no. These are difficult problems that these women have to overcome.

This amendment takes those factors into account and offers the flexibility States need to help women who have been abused to successfully improve their lives and that of their children.

We cannot ignore these problems that these women will face, and we have to make some exceptions for them. Believe me, and frankly believe June, my Walk-a-Mile partner. It will be hard enough for these families to make it. But let us not make it impossible.

As Senator WELLSTONE has so eloquently stated, we do not want to force these women back into the home of their abuser because welfare is not available for them.

I urge my colleagues to send the women and children of our Nation the right message: We care about you. We respect you. We want you to succeed.

Please cast your vote in favor of this amendment.

I thank the Chair. I yield the floor.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. I have much more to say, but I believe my colleague from North Carolina wants to speak now and I will wait and follow or respond to him.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. FAIRCLOTH. I thank the Chair.

I call up my amendment No. 2609, and I ask for its immediate——

Mr. WELLSTONE. Mr. President, I thought my colleague was here to debate my amendment.

Mr. FAIRCLOTH. I am sorry. I had an amendment. I thought the Senator was through.

Mr. WELLSTONE. No. I am sorry.

The PRESIDING OFFICER (Mr. BROWN). The Senator from Minnesota is recognized.

Mr. WELLSTONE. I thank the Chair.

I apologize to my colleague from North Carolina. I thought he was here

to debate my amendment, and I did not want to keep him waiting.

Mr. President, let me just read a few examples that I think tell the story. Linda Duane from Edison, NJ.

Linda is a 38-year-old mother of five. Her ex-husband was a police officer. He was abusive toward her. In 1982, the abuse led her and her husband to separate. "At that time," she says, "domestic violence laws were not set up to protect women; they protected him." She was forced to move into her mother's home and she started to receive welfare. She had married right out of high school and never worked outside her home. When her divorce came through she paid back all the welfare payments.

For five years she was alone and on her own, but she did not get any counseling for her previous abuse. She became involved in an even more abusive relationship. She later separated from him but he continued to stalk her. He came to her place of employment and she was subsequently suspended from her job for a week. He hung himself the next week on her porch while her children were inside the house. She lost her job the next day because she was told she needed to receive mental help before she could return to work. She lost her home and ended up in a battered women's shelter and again began to receive benefits. She is currently in transitional housing where she is trying to put her life together. She just finished some college classes and hopes to return to school this fall.

Mr. President, another woman from St. Paul, MN, Fran Stark.

Fran, who I must say is quite a success story, is currently the office manager for TRIO and tutor coordinator for Student Support Services at the University of Minnesota. She married the year after she graduated from high school. But after 16 years of an abusive relationship she divorced her husband. That left her with two children and very few job skills. She went on welfare. She enrolled her son in Head Start and became involved with parent training courses there. She has since enrolled at the University of Minnesota and is almost done with her course work to get her bachelor's degree.

Lisa Yost from Wilmington, DE.

Lisa is a single mother. She has been on welfare since her daughter was born. The father of her child was unemployed and very abusive. After 3 years she could not take it any more. She had him arrested in 1993 and went to a shelter. She went on welfare and started to take her life back. She started school to get her GED. She testified that,

> Without welfare I would not be able to maintain my apartment or provide day care for my child. Food stamps help feed my family and we relied on Medicare while I am attending school. The abuse I suffered lowered my self-esteem which kept me from achieving any goals for myself and my child. Healing took time, counseling and a lot of effort from myself . . . Without the financial assistance of AFDC I would not have been able to get my life back on track.

Mr. President, what this amendment says one more time is let us not have a one size fits all welfare system. Let us at least make some commitment that there will be some compassion built into this piece of legislation.

Again, I say to my colleagues, all you have to do is spend some time with families that have been through this violence.

Monica Seles took 2 years to go back to the tennis court because of what she had to deal with. Imagine what it would be like to be beaten over and over again. How long does it take to heal? What we are saying is that this piece of legislation does not take into account any of these circumstances for women and their children.

What we are saying is that we set at the national level an exemption to the rules. Then we let States decide how to implement this and we make sure that no State, loses sight of this kind of an epidemic that we are faced with in this country and, no State is penalized for making sure that we do not take women who have been receiving some assistance and force them back into violent homes.

If this amendment does not pass, that is precisely what we are doing with this piece of legislation.

Again—and my colleague from Washington did a very fine job of really stating the case—it just takes time. If you go to visit shelters, many of the women and men that work in the shelters will tell you that over 60 percent of the women who try to find shelters have to be turned away.

You are now on your own. You have been beaten. You suffer from the equivalent of post-traumatic stress syndrome. You are frightened. You are scared. Almost all of your confidence has been beaten out of you or you feel like a failure.

And I again remind my colleagues, every 15 seconds a woman is beaten by a husband or a boyfriend. Over 4,000 women are killed every year by their abuser. Every 6 minutes a woman is forcibly raped and over 60 percent of welfare mothers come from these kinds of abusive situations.

We have to have some exemption. So my amendment specifically says,

> Notwithstanding any other provision of this bill, the applicable administering authority of any specified provision shall exempt from (or modify) the application of such provision to any individual who was battered or subjected to extreme cruelty if the physical, mental, or emotional well-being of the individual would be endangered by the application of such provision.

That is legalese. What we are saying is that a State can establish the criteria of what is abuse or extreme cruelty. But States must not be penalized when they make exceptions for the victims of domestic violence. They do not have to count these victims in their calculation of participation rates.

Mr. President, there was a study of a training program in Chicago that found that 58 percent of its participants were current victims of domestic violence, and an additional 26 percent were past victims.

So what happens, to give an example, when a mother now tries to go into a job training program to move into the work force, but the confidentiality she needs to be safe from her husband is breached, or for her boyfriend who is fiercely possessive and angry because she is now in a job training program. And many women get beaten up because they go into these job training programs. We are going to have to take some kind of an allowance. There has to be some sort of an allowance for these kinds of special circumstances.

Mr. President, do we want to say after 5 years no more assistance and you have got to go back into this kind of home regardless of the circumstances? What happens if a woman cannot find a home? What happens if she cannot go into a job training program, no fault of her own? What happens if her children who were also beaten or who saw their mother beaten over and over and over again and are emotionally scarred and she needs to spend more time at home with those children? What happens, Mr. President, if she has to leave the State to get away from her batterer because she is not safe in that State, which means she has to essentially uproot herself, go to another State, start her life all over again, which makes it much more difficult, we all know, to find a home, to find a job, to get back on your own two feet?

Mr. President, if we were going to say that a young mother under 18 years of age should not automatically assume that she can set up a separate household and receive full support. She should stay with her family. Fine.

But what if she is in an abusive home? What if she herself has been battered? Do we want to force her back into that home? Do we want to say that is the only place she can be?

Mr. President, there are many other examples that I could give. But as we search for solutions that will help women and children escape poverty, we must understand the violence that exists in the lives of many economically vulnerable women and their children. And this whole debate on welfare reform that we have had is just one more glaring example of the lack of awareness, I think on our part, unfortunately, and understanding of domestic violence. The whole community has to be there to support these women and their children. Otherwise, they are not going to have the opportunity to become safe, and then to become strong and independent and healthy families. But the burden cannot just be put on the mother.

It seems to me that this debate is the same old "it's not my business" excuse. But it is our business. We must all be involved. Domestic violence is a root cause of violence in our communities, and we must do everything we can to end the cycle of violence. And I will tell you right now, this will not be real welfare reform if it is one-size-fits-all, if we do not at least set some sort of national standard, giving States maximum flexibility to make sure that there is an exemption for women and children who come from such families, or at least some modification.

I say to my colleagues, do not put women and children in a situation where they have no other choice but to go back into a home where their very lives are at risk.

Unfortunately, that is not melodramatic. I know this. I know it from the work that Sheila, my wife, and I do in Minnesota with so many women and children who have been victims of domestic violence. We just lost sight of this.

Last year we passed the Violence Against Women Act. In one short year, has so much changed that we are no longer willing to look at these special concerns and circumstances of the lives of these women and these children?

Mr. President, this is an amendment that deals with the protection of battered individuals. Usually they are women and children; sometimes men. This is an amendment that I think builds into this piece of legislation an extremely important exemption. It is an amendment, if passed, which will be nationally significant because the U.S. Senate will be saying that we understand the magnitude of the problem of domestic violence, of family violence in our Nation, that we understand that in this welfare reform bill there ought to be some sort of allowance set at the national level with States having maximum flexibility so that we do not lose sight of the fact that all too many of these welfare mothers having come from violent homes, having been battered, they may not be able to adhere to all these requirements. And we need to allow for that. We need to have either an exemption or some kind of modification, letting States administer it.

And, Mr. President, if we do not pass this, we are unwittingly going to put many women in a situation where they are going to have to return to that violent home, to that dangerous home, because they have no other alternative. We are cutting them off the welfare. And the welfare was the only alternative they had to that abusive relationship. We cannot go backward in that way.

Mr. President, I do not see anybody here on the floor that seems interested in debating me on this. For tonight, I will take that as a sign of unanimous support. But I leave the floor full of optimism that I will get good bipartisan support for this amendment.

I would yield the floor to my colleague from North Carolina.

Mr. FAIRCLOTH addressed the Chair.

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

AMENDMENT NO. 2609

Mr. FAIRCLOTH. Mr. President, I call up my amendment No. 2609 and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, amendment No. 2609 now becomes the pending question before the Senate.

The Senator from North Carolina is recognized.

Mr. FAIRCLOTH. Mr. President, I have heard a number of my colleagues remark today that there is no evidence which connects welfare with illegitimacy. And I would say first that not even President Clinton agrees with this. President Clinton believes there is a link between welfare and the collapse of the family.

I ask unanimous consent a list prepared by the Heritage Foundation of 19 recent academic studies on the link between welfare benefits and out-of-wedlock births be printed in the RECORD.

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

STUDIES OF WELFARE AND ILLEGITIMACY

The following is a list of nineteen studies conducted since 1980 on the relationship of welfare to illegitimacy. Fourteen of these studies found a relationship between higher welfare benefits and increased illegitimacy.

1. Bernstam, Mikhail S., "Malthus and Evolution of the Welfare State: An Essay on the Second Invisible Hand, Parts I and II", working papers E-88-41, 42, Palo Alto, CA, Hoover Institution, 1988

Research by Mikhail Bernstam of the Hoover Institution at Stanford University shows that childbearing by young unmarried women may increase by 6 percent in response to a 10 percent increase in monthly welfare benefits; among blacks the increase may be as high as 10 percent.

2. Hill, M. Anne, and O'Neill, June, "Underclass Behaviors in the United States: Measurement and Analysis of Determinants", Center for the Study of Business and Government, Baruch College, February 1992

Dr. June O'Neill's research has found that, holding constant a wide range of other variables such as income, parental education, and urban and neighborhood setting, a 50 percent increase in the monthly value of AFDC and Food Stamp benefits led to a 43 percent increase in the number of out-of-wedlock births.

3. Fossett, Mark A., and Kiecolt, K. Jill, "Mate Availability and Family Structure Among African Americans in U.S. Metropolitan Areas", Journal of Marriage and Family, Vol. 55, May 1993, pp. 288-302.

This study of black Americans finds that higher welfare benefits lead to lower rates of marriage and higher numbers of children living in single parent homes. In general, an increase in roughly $100 in the average monthly AFDC benefit per recipient child was found to lead to a drop of over 15 percent in births within wedlock among black women aged 20 to 24.

4. Winegarden, C.R., "AFDC and Illegitimacy Ratios: A Vector-Autoregressive Model", Applied Economics 20 (1988), pp. 1589-1601.

Research by Dr. C.R. Winegarden of the University of Toledo found that half of the increases in black illegitimacy in recent decades could be attributed to the effects of welfare.

5. Lundberg, Shelly, and Plotnick, Robert D., "Adolescent Premarital Child Bearing: Do Opportunity Costs Matter?", discussion paper no. 90-23, Seattle: University of Washington, Institute for Economic Research, 1990.

Research by Shelley Lundberg and Robert D. Plotnick of the University of Washington shows that an increase of roughly $200 per month in welfare benefits per family causes the teenage illegitimate birth rate in a state to increase by 150 percent.

6. Ozawa, Martha N., "Welfare Policies and Illegitimate Birth Rates Among Adolescents: Analysis of State-by-State Data", Social Work Research and Abstracts, 14 (1989), pp. 5-11.

Research by Dr. Martha Ozawa of Washington University in St. Louis has found that an increase in AFDC benefit levels of $100 per child per month leads to roughly a 30 percent increase in out-of-wedlock births to women age 19 and under.

7. O'Neill, June, "Report of Dr. June O'Neill" (affidavit in lawsuit concerning the New Jersey family cap policy.)

This study using data from a controlled scientific experiment show that the New Jersey "family cap" limit on AFDC benefit significantly reduced out-of-wedlock births among mothers on AFDC. The cap was shown to reduce the monthly value of aggregate welfare benefits for an AFDC family by 4 percent and to result in a 19 to 29 percent reduction in the number of illegitimate births to AFDC recipients.

8. An, Chong-Bum, and Haveman, Robert, and Wolfe, Barbara, "Teen Out-of-Wedlock Births and Welfare Receipt: the Role of Childhood Events and Economic Circumstance", The Review of Economics and Statistics, May 1993.

This study finds large effects of welfare on illegitimacy. A 20 percent increase in welfare benefit levels across all states would increase the probability of teen out-of-wedlock births by as much as 16 percent. (However, the authors state that these findings should be treated cautiously because they were not proven to be statistically significant.)

9. Murray, Charles, "Welfare and the Family: The U.S. Experience", Journal of Labor Economics, Vol. 11, pt. 2, 1993, pp. 224-262.

This study finds positive effect of welfare on illegitimacy.

10. Plotnick, Robert D., "Welfare and Out-of-Wedlock Childbearing: Evidence from the 1980's", Journal of Marriage and the Family (August 1990), pp. 735-46.

This study finds positive effect of welfare on illegitimacy.

11. Schultz, Paul T., "Marital Status and Fertility in the United States", The Journal of Human Resources, Spring 1994, pp. 637-659.

This study finds higher welfare benefits significantly reduce marriage rates.

12. South, Scott J., and Lloyd Kim M., "Marriage Markets and Nonmarital Fertility in the United States" Demography, May 1992, pp. 247-264.

This study finds a positive relationship between welfare and the percentage of births which are out-of-wedlock.

13. Robins, Phillip K and Fronstin, Paul, "Welfare Benefits and Family Size Decisions

of Never-Married Women", Institute for Research on Poverty: Discussion Paper, DP #1022-93, September 1993.

This study finds that higher welfare benefits lead to more births among never-married women.

14. Jackson, Catherine A. and Klerman, Jacob Alex, "Welfare, Abortion and Tennage Fertility", RAND research paper, August 1994.

This study finds higher welfare benefits increase illegitimate births.

STUDIES WHICH FIND NO RELATIONSHIP BETWEEN WELFARE AND ILLEGITIMACY

1. Acs, Gregory, "The Impact of AFDC on Young Women's Childbearing Decisions", Institute for Research on Poverty, Discussion Paper #1011-93.

This study finds a small relationship between higher welfare benefits and total births to white women, but no significant relationship between welfare and illegitimate births. The study does, however, show that being raised in a single parent home doubles the probability that a young woman will have a child out-of-wedlock.

2. Duncan, Greg J. and Hoffman, Saul D., "Welfare Benefits Economic Opportunities and Out-of-Wedlock Births Among Black Tennage Girls", Demography 27 (1990), pp. 519-35.

This study finds no effect on welfare on illegitimacy.

3. Ellwood, David and Bane, Mary Jo, "The Impact of AFDC on Family Structure and Living Arrangements", Harvard University, March, 1984.

This study finds no effect on welfare on illegitimacy.

4. Keefe, David E., "Governor Reagan, Welfare Reform, and AFDC Fertility", Social Service Review, June 1983, pp. 235-253.

This study found no link between welfare and illegitimacy.

5. Moffitt, Robert, "Welfare Effects on Female Headship with Area Effects" The Journal of Human Resources, Spring 1994, pp. 621-636.

This study does not find that higher welfare benefits lead to higher illegitimacy.

Mr. FAIRCLOTH. Fourteen of these studies found the relationship between higher welfare benefits and increased illegitimacy. Five studies do not. The most interesting of these is the study by Dr. June O'Neill, Director of the Congressional Budget Office.

This study shows that a 50-percent increase in the monthly value of AFDC and food stamp benefits leads to a 43 percent increase in the number of out-of-wedlock births.

A 50-percent increase in monthly benefits leads to a 43 percent increase in out-of-wedlock births. My pending amendment modifies the provision in the Dole bill which allows welfare funds to be used for cash aid to unmarried teenage mothers. The amendment is designed to disrupt the pattern of out-of-wedlock childbearing that is passing from one generation to the next.

My amendment seeks to stop giving cash aid that rewards multigenerational welfare dependency. I believe the Federal Government should never have been in the business of saying to a 16-year-old girl, "Have a child out of wedlock and we will mail you a check each month."

Earlier I offered an amendment which would have prohibited Federal funds to be used for cash aid to unmarried teenage mothers unless a State legislature specifically voted to use Federal funds in that manner.

Under my previous amendment, Federal funds could be used for in-kind benefits or vouchers and State funds could be used for cash. But Federal funds could not be used for cash to teenage mothers unless the legislature of that State so voted to do so.

I think that is a fine amendment. But some people feel that even this is too great a restriction on State flexibility. So I present another amendment which allows Federal cash aid to teenage mothers but only under certain circumstances.

The amendment I am now offering is a modification of the provisions in the Dole bill on giving Federal cash aid to minor mothers.

Let us be clear about what the Dole bill currently does. The bill says you can use Federal funds to give vouchers and in-kind benefits to an unmarried teenage mother, or you can use funds to put the mother in a supervised group home. That is fine, and we all agree. But the Dole bill goes on to say, however, that you can use Federal funds to give cash benefits to unmarried teenage mothers if that teenage mother resides with her parent. If she resides with her parent, she can receive Federal cash benefits.

Let us be very clear what type of household we are putting cash into. In this household, there will be three people: First, the newborn child; second, the unmarried teenage mother of that child; and third, the mother of the teenager, the adult who is the grandmother of the newborn child.

The problem with this scenario is that the adult woman, the mother of the teenager and the grandmother of the new child, the woman upon whom we are counting for adult supervision of the unmarried teenage mother, is very likely to have been or be an unmarried welfare mother herself. It is very likely that this adult mother gave birth to the teenager out of wedlock some 15 years ago and raised her, at least in part, on welfare. This is the grandmother.

The young teenager, in giving birth out of wedlock, is simply repeating the pattern and model which her mother gave her.

Let me provide the Senate and the public with a few statistics:

A girl who is raised in a single-parent home on welfare is five times more likely to have a child out of wedlock herself than is a girl raised with two parents and receiving no welfare—a girl raised in a single-parent home on welfare is five times more likely than a girl raised in a two-parent family.

Roughly two-thirds of all unwed teenage mothers were raised in broken or single-parent homes—two-thirds of all unwed teenage mothers.

What we have here is a pattern of illegitimacy and a pattern of welfare dependency which passed from one generation to the next. The amendment I am now offering is intended to break up this lethal and growing pattern of multigenerational illegitimacy and multigenerational welfare dependency.

The current amendment follows the same basic rule on teenage mothers as the Dole bill, which says you cannot use Federal funds to give cash aid, a check in the mail, to a teenage mother unless that teenage mother resides with her parents or another adult relative.

My amendment maintains that same basic rule, but adds one limitation. The limitation states that an unmarried teenage mother cannot receive Federal cash aid, a check in the mail, if the parent or adult relative the teenager is living with herself had a child out of wedlock and has recently received aid to families with dependent children. The whole approach here is to break the cycle of children born out of wedlock.

The teenage mother cannot get cash aid, cannot get a check in the mail if she is residing with a parent who herself has had a child out of wedlock and was a welfare mother. The teenager in these circumstances could receive vouchers or federally funded in-kind aid, but she could not get a federally funded check in the mail if she is living with an adult who has had a child out of wedlock and then been a welfare mother herself.

This restriction applies only to Federal funds. A State can use its money to send a check in the mail to anyone it wants. But what we are doing is trying to break the cycle. American communities are being torn apart by multigenerational illegitimacy and multigenerational welfare dependency. In some communities, the out-of-wedlock birth rate is now reaching 80 percent. We need to disrupt this pattern of out-of-wedlock births from one generation to the next.

But instead of disrupting the pattern, the Dole bill reinforces it, even sanctifies it. It pretends the answer to teenage illegitimacy is to have the teenager reside with her mother who, in many cases, was the source of her problem in the first place.

If you vote against this amendment, you are voting to give cash aid to multigenerational welfare households. If you vote against this amendment, you are voting to subsidize and promote multigenerational illegitimacy. If you vote against this amendment, you are voting to continue the very policies that are destroying and ruining lives of young women and children and condoning and promoting multigenerational dependency, illegitimacy, not welfare reform. And what we are here for is to reform welfare.

No society has ever survived the collapse of the family within that society. No nation can survive the death and destruction of its families. Families in America are on the brink of collapse. Let us not push the American family into its grave with this type of welfare program.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who seeks recognition? The Senator from Connecticut is recognized.

Mr. LIEBERMAN. Mr. President, I am going to withhold for a moment. I see my friend and colleague from North Dakota with whom I am cosponsoring the next amendment coming onto the floor. It is appropriate that he call up the amendment and begin the debate.

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

AMENDMENT NO. 2528

Mr. CONRAD. Mr. President, I thank my colleague from Connecticut. I call up the Conrad-Lieberman amendment No. 2528.

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

The PRESIDING OFFICER. The pending question is now the Conrad amendment.

Mr. CONRAD. Mr. President, this amendment promotes a comprehensive strategy to prevent teen pregnancy. If there is one problem I think Senators on both sides of the aisle recognize is right at the center of the problems of this Nation, it is the dramatic increase in teen pregnancy. I have talked to my colleagues before and shown a chart that shows that in 1992 there were more than a half million births to teen mothers, and 71 percent of those births were to unmarried parents. I have also shown my colleagues, in the past, a chart that demonstrates that our Nation's teen birth rate is now more than twice as high as in any other industrialized country.

The Federal Government, we believe, has a responsibility to assist States in developing effective teenage pregnancy prevention strategies, and that will help prevent the cycle of poverty that results.

The Conrad-Lieberman amendment does the following: It provides $300 million, over 7 years, for States to develop adult supervised living arrangements. I call them "second chance homes." They are places where young, unmarried mothers can get the structure and supervision that they need to turn their lives around.

Second, the Conrad-Lieberman amendment retains the requirement added to the Dole bill that teen parents live with their parents or another responsible adult and that they stay in school. There are a lot of things we do not know. But we do know that for a teenage parent to have a chance, it is critically important that they be in an adult-supervised setting and that they stay in school. If there is one thing that is clear, it is that.

Mr. President, the Conrad-Lieberman amendment also establishes a national goal to reduce out-of-wedlock pregnancies to teens by 2 percent a year. It encourages communities to establish their own teenage pregnancy prevention goals. It establishes a national clearinghouse to share what we learned about what works to prevent teenage pregnancy. It establishes a 5 percent set-aside for teen pregnancy prevention strategies to be developed by the States.

Finally, the Conrad-Lieberman amendment calls for the aggressive prosecution of men who have sex with girls under the age of 18.

Mr. President, there is compelling evidence that two things have an enormous impact on long-term welfare dependency: teenage pregnancy and lack of a high school education.

According to the General Accounting Office, in 1992, teen mothers comprised 42 percent of the welfare caseload. We also know that 63 percent of those on welfare for more than 5 years have less than a high school degree.

Mr. President, if you start analyzing the problem of welfare dependency, you have these two factors, and they are very, very clear: teenage pregnancy and lack of a high school education.

If we are really going to reform welfare, we absolutely must confront both of these issues. We must reduce teen pregnancy, and we must require that those teen parents get an education to equip them to care for their children. The Conrad-Lieberman amendment does both.

Mr. President, I want to highlight our provision related to second-chance homes. The second-chance home provision is supported by a significant sector of the religious community, including the U.S. Catholic Conference. Second-chance homes are commonsense responses to the teen pregnancy crisis.

I want to acknowledge the tremendous work of the Progressive Policy Institute, and specifically Kathleen Sylvester, in developing this recommendation. Second-chance houses are innovative, adult-supervised living arrangements that should be available to teens who are unable to live with a parent or other responsible adult. Communities can use second-chance homes to create a structured living environment that provides education and training, early childhood intervention and development, case management, and family counseling.

We have a bipartisan agreement that States should provide adult-supervised living arrangements. The requirement in this bill, however, could unintentionally place teen parents at risk of being forced to live in abusive households.

Mr. President, if we are not going to force young girls with infants of their own to live in households with abusive parents, then we must provide appropriate alternatives to be available.

As currently written, the Republican bill acts as a disincentive to States serving these young girls at all. Why? First, when the authors of the Republican bill added the adult-supervision requirement, they failed to add any funding to make it work. Second, because it costs money to develop structured environments like second-chance homes, States are much more likely to use the very limited funds in the bill for other purposes.

Therefore, the most vulnerable teenage girls with their own children will simply not be served by most States. This is why the U.S. Catholic Conference, Catholic Charities, and the National Council of Churches support my proposal. In fact, last Friday, Catholic Charities sent a letter to every Member of the Senate supporting my approach. Their letter said:

> The first principle in welfare reform must be: "Do no harm."

The letter went on to say:

> We support Senator CONRAD's amendment, which not only would require teen mothers to live under adult supervision and continue their education, but it would also provide the resources for second chance homes to make that requirement a reality.

The majority of teenage mothers will live with their parents, with legal guardians, with relatives, or foster parents. In some cases, however, there will be no place for the teen mother and her child to go. That is the reason and that is the purpose for second-chance homes.

Teen mothers are extremely difficult to place in foster care. Most foster families simply do not want them. Go to any foster-care agency and ask them what is the most difficult placement they have. Other than the severely disabled, there is nothing more difficult to place in a foster-care home than a young mother with her own child.

Certainly, none of us want to deny needed aid to a teen mother and her child when no suitable adult is available to look after them. We must provide the means for States and local communities to create structured living environments for these teens. It takes money to develop the kinds of structured settings that will be needed.

The Conrad-Lieberman amendment provides funding for States to develop such settings—these second-chance homes—where teenage mothers can have the attention, the discipline, supervision, and structure that they need in order to have a second chance.

Our Nation simply cannot sustain a system that locks millions of children into a lifetime of poverty because their parents were teenagers when the children were born. Confronting teenage parenthood requires a comprehensive approach, with maximum flexibility for States. That means providing the resources to enable States to prevent teenage pregnancies, including the development of second-chance homes.

During the debate on the Coats amendment earlier today, there was much discussion of the need to capitalize on community resources. Many local institutions and individuals do a remarkable job of instilling positive values in teen mothers and others in need. One of the best examples that I have seen is Covenant House. Covenant House is a Catholic-based charity that provides an excellent model of what second-chance houses can be. When Covenant House takes young mothers under their wing, those mothers seldom experience a second pregnancy until they are ready to provide for that child.

The strategies in the Conrad-Lieberman amendment can provide a significant boost to our national attempt to combat teen pregnancy. I hope our colleagues will support it.

In closing, Mr. President, let me just say that among the most compelling testimony before the Finance Committee was the testimony of Sister Mary Rose McGeady. The sister came before the Finance Committee, and she described to us what they have experienced at Covenant House, taking in hundreds and hundreds of young mothers, unmarried, and their children.

She said over and over, our experience has been if you provide structure, if you provide supervision, if you give these people a vision, that they can lift themselves beyond their current circumstances and have a chance to succeed in life.

If they can make the best of the opportunities that they have, if they see a path through education to make something of their lives, they will not have a second child until they are ready to care for that child.

I wish my colleagues could meet this sister who runs Covenant House, see the sparkle in her eye and see the spring in her step and see the vision that she has of what we can do to really achieve results in combating teen pregnancy.

She has been there. She has been in the trenches. She has fought the fight. She has done it successfully.

We ought to make certain that model is available in every State in this Nation. That would do something serious about combating a problem that I think all of us understand to be one of the critical problems facing this Nation.

I thank the Chair. I yield the floor.

Mr. LIEBERMAN. Mr. President, I thank my friend and colleague from North Dakota for his outstanding statement and for the work that we have done together to fashion this amendment. I am proud to be his cosponsor of it.

Mr. President, there has been considerable talk in this debate about the problem of babies born out of wedlock, particularly babies born out of wedlock to teenage mothers, as well there should be. It has a direct and powerful effect on the welfare caseload.

The fact is that although teenage mothers themselves make up only a small percentage of the welfare caseload today, only 8 percent in 1994, the fact is over half of the mothers on welfare today had their first children when they were teenagers.

The problem of teenage pregnancy is central to the problem of welfare. To state the obvious, but sometimes it is important to do so, this has been constructed as a program of aid for dependent children. More than half of the mothers on welfare have dependent children because they had babies when they were teenagers and there is no father around.

Obviously, we are focusing on this problem of babies being born out of wedlock and babies being born to teenagers out of wedlock because it is a more broadly threatening social catastrophe that is affecting our country.

Take a look at the statistics with regard to prisoners in our jails today and you will find a startling number of them were born to mothers out of wedlock and grew up with no fathers in the house.

In trying in this bill to do something about teenage pregnancy and babies born out of wedlock generally, I think we are trying to do something not only to reform the welfare system but to make ours a safer society, and in the process to save some of these children born to poor teenage mothers, born to a life which in most ways is without hope for the mother and for the child.

Senator CONRAD and I are thinking of fashioning the broadest approach to this problem of teenage pregnancy that will be part of this debate. I hope our colleagues on both sides will look at the details of this proposal and join in trying to create, really, a national crusade against teenage pregnancy.

A national crusade which can be directed by a Federal official which will feature a national clearinghouse so that States and private and philanthropic charitable institutions can share ideas about programs that have to cut the rate of teenage pregnancy. A national campaign which will set national goals and give each State the goal of reducing their teenage pregnancy rate by 2 percent a year. It does not sound like a lot, but today it is skyrocketing in the other direction.

Create a goal of involving 25 percent of the communities in America in teenage pregnancy prevention programs. Then to put some money behind all this to take the existing title 20 program which covers a host of social programs for the poor, and mandate that each State use 5 percent of the money they receive under title 20 for teen pregnancy prevention activities.

It is that critical a problem facing our country. Mr. President, the birth rate for single teenage parents has tripled since 1960 from 15 to 45 births per 1,000 unmarried girls age 15 to 19.

More than a third of the babies born in America today are born out of wedlock. It is a startling change in sociology in the family and reflects a startling change in values.

We spend a lot of time talking about why it has happened. I will come back to this in a while. Some of it has to do with the messages that the media are sending our kids as they grow up. Some of it clearly has to do with an increasing sense of sexual permissiveness which we see by these stunning numbers is not without its consequences and its victims. Its victims are the poor babies born to poverty with a teenage mother without a father in the House.

What kind of hope can that poor child have to make something decent of his or her life. I think the change in values has had its consequences here.

I fear that the welfare system has all been part of the problem. I do not say it has created the problem. It is much more complicated than that. There is no question in my mind based on reading I have done, based on conversations I have had with young women who have had babies out of wedlock when they were teenagers, that the existence of the welfare system has in some measure facilitated, enabled, made more likely, the birth of babies out of wedlock to teenage girls.

We all pay the price for that consequence. That is why dealing with the problem of teenage pregnancy, dealing with the problem of babies born out of wedlock, has to be a central part of our effort at welfare reform.

Each year about 1 million teenage girls become pregnant and confront the consequence of that pregnancy. About half of those girls have their babies. Half a million babies, roughly 40 percent have abortions, and another 10 percent of those teen mothers miscarry.

Well over 60 percent of the teenage mothers are single. They are not married. For those single mothers who raise their babies, the consequences are obviously grim, particularly if the mother does not have at least a high school education. Of course, many who are below the age of 17 or 18, who have their babies, do not have a high school education.

As William Raspberry, columnist, noted in the Washington Post, children born to parents who had their child born out of wedlock before they finished high school and reached the age of 20 are almost guaranteed a life of poverty. Bearing a child in your teens as a single mother is simply wrong, and our society must give that message to men and women who are responsible for the birth of those babies to single teenage mothers. It is contrary to our values. It is contrary to our interests. It is contrary to the interests of those

young women and the children they bear.

Unfortunately, our current welfare policies too often send the opposite message, and that is why they need to be changed. We need to require teenage parents who receive welfare to live at home with their own families or, if that is not appropriate, in adult supervised group homes, some of the Second Chance Homes that Senator CONRAD has described so well, that will be enabled by the amendment that we offer tonight.

In my conversations with young women who gave birth to babies out of wedlock when they were teenagers, and I asked them, "Why did you do it," I must say, first, I was impressed by the overwhelming percentage of these young women I spoke to who said, "Senator, I love my baby, but I wish I had not had the baby when I was so young."

I would say, Why did you do it, as you look back at it?

Some said the obvious: "I did not protect myself when having sex."

Others said, "I did it in part because I knew if I had a baby I would be able to go on welfare, and that welfare check would enable me to move out of my house and to become independent."

Any of us who have raised teenage kids know that they all want to be independent. The idea that these young women would have incorporated a value system, or lack of such, that would lead them to want to have a baby to get the welfare check to move out of their houses, that is a sad commentary on where we are. And that is why it is so critical to require, and send a message, that that is not going to be the way out of the house anymore. If you are a teenage mother and you want welfare, you have to live at home or you have to live in a supervised group home setting, such as the superior Second Chance Homes that Senator CONRAD has described. We ought to require them to stay in school and to take parenting classes. It is no excuse, and it ought not to be an excuse, for young women who have babies to drop out of school.

The amendment that we have proposed tonight builds on this foundation by establishing the national goals that I have talked about and the clearinghouse. Let me briefly discuss these provisions.

I think if we want to make significant progress on this issue, we have to set national goals. That is what Senator CONRAD and I have done in this amendment. We have to be able to measure our progress toward those goals. This amendment establishes that goal, reducing out-of-wedlock teen pregnancy rates by 2 percent a year.

The purpose of the national goal is to galvanize the efforts of the public and private sector to address this problem. As President Clinton said on August 9 when he visited North Carolina, "Teenage pregnancy is not a problem that we in Government alone can fix." How right he was. President Clinton said he is working to get all the leaders of all sectors of our society involved in this fight. I think we, in this welfare reform legislation, can add momentum and support to his effort by establishing clear national goals that both private and public sector organizations can aim at and rally around. We have to put our energy where it is most likely to make a difference in children's lives.

In shaping policies to achieve the goals we are setting out here, I think we have to keep in mind some of the terrible facts about pregnant teenage girls. As Kathleen Sylvester of the Progressive Policy Institute said in a recent Washington Post op-ed, "Most teenage mothers come from poor, dysfunctional families. Many have been neglected or abused." This is the cycle of poverty and dysfunction that continues from generation to generation. Ms. Sylvester reported that as many as two-thirds were victims of rape or sexual abuse at an early age. And, sadly, the abuser was often a member of their household. That is why we are talking about Second Chance Homes tonight. As a consequence, teenage mothers start out extremely vulnerable to the sexual advances of older men.

Mr. President, there was a recent study done by the Alan Guttmacher Institute that produced results that we have discussed here on the floor before, but I found them startling. Bringing together a number of studies, they reported that half of the babies, at least half of the babies born to teenage mothers, were fathered by an adult man. I must say that my vision of this problem was that these children being born to teenage mothers were the result of casual, irresponsible sex with two teenagers. Not so, according to this study—in most cases, in more than half the cases. The younger the mother, according to the study, the greater the age difference between her and the father of the baby.

Among California mothers, in one study of mothers aged 11 to 15—between the ages of 11 to 15—women, young girls, who would carry the baby to birth, 51 percent of them said that the fathers of those babies were adults, were over 18.

There are studies we could go on and on with. But the point is that these are appalling findings, and they cry out to us to try to do something to protect these young women.

When we talked about these statistics a few days ago on the floor, the senior Senator from New York, Senator MOYNIHAN, stood and made a point that I found very provocative and also, I think, insightful, which is that, tragically, too often we are dealing here with girls growing up in poor families without a father in the house, and part of what that means is that there is not an older man in the house to protect his daughter from the unwanted advances of another older man, one of the roles—a role so primal that we tend not even to think about it—that the father in an intact family normally will play.

So part of this amendment that Senator CONRAD and I have introduced tries to begin to get at this problem by expressing the sense of the Senate that the States, which are the main enforcers of criminal law in our society, have to look again at laws that we barely ever mention these days that used to be very much a part of our lives and the life of the courts, which is to say laws against statutory rape, to say it is a crime for an adult man to have sex with a woman who is a minor.

Perhaps, again, as part of the sense that consenting people should do whatever they want sexually, the general tone of sexual permissiveness in our society, these laws have either been amended down or out of existence, or if they are in existence, they are rarely enforced today.

I suggest to my colleagues that Senator CONRAD and I include in this appeal to the States raising the question of whether it might not just be one deterrent to an adult man—who, in this case, could well be a sexual predator, an aggressor with a younger woman—to think twice if that man knows that the statutory rape laws are going to be enforced once again in that State.

In trying to put some money behind the general program that we have outlined, I mentioned the use of title XX funds. The amendment would require that 5 percent of the title XX social services block grant be committed by the States to teenage pregnancy prevention programs, and that is not a small sum. That equals $140 million a year to begin to help the States try a multitude of responses to this social disaster that is occurring in our society and that is affecting every one of us, whether we see it or feel it immediately—certainly affecting us in the increasing rate of violent crime among young people.

Mr. President, a second and final word about the idea of a clearinghouse which the amendment would establish at the Department of Health and Human Services.

We are dealing here with a profound, complicated, difficult social problem. There are a lot of ways to go at it—law enforcement, and statutory rape is one. But we need to encourage the widest array of experiments with dealing with this problem at the State level. And the aim there is to then share that program with programs that work with other States and philanthropic and private charitable groups around the country.

The fact is that we are beginning to know something about what works.

The Henry Kaiser Foundation several months ago published a monograph that reviewed the effectiveness of 123 sex education curricula programs and their policy implications. Their work was supported by a diverse group of organizations, including the American Enterprise Institute, the Alan Guttmacher Institute, the Centers for Disease Control and Prevention, and the Population Council. And the study's key findings include the following:

Sex education in school-based health centers do not increase frequency of sexual activity among high school students or reduce the age when they first become sexually active. Some school-based clinics, but not all, actually delayed the age of first sexual activity, and increased contraceptive use resulting in fewer pregnancies.

Programs that are effective focus on three behaviors: One is to protect oneself sexually. The second is abstinence. And the third is how to resist the pressure—peer pressure, or pressure from an individual, a man—to have sex.

To be effective, the school-based sex education programs have to be tailored to the populations they serve.

That was the message of those studies.

Finally, and very critically, the studies concluded that sex education programs should not be value neutral. Those that gave students sexual information and told them to make their own judgments were not effective in changing behavior.

In other words, we have to stop our sense of neutrality, a sense that anything goes in this society, because there are consequences when anything goes, and they are terrible for our society. We have to preach and teach a very clear message. Sexual activity at an early age, activity that results in teenage pregnancy, is simply wrong. It ought not to happen. It is unacceptable. It is a disaster for the mother involved, for the baby involved, and for our society.

That is the kind of information that I believe can be shared through the clearinghouse that would be set up under this amendment.

Mr. President, let me say a final related word, and that is about the role of the media. I think the media has had generally a negative effect on values in our society. And I think they could have an extremely positive effect because their impact on our kids is so powerful.

A growing body of evidence, in my opinion, supports the conclusion that the pervasiveness of sexual messages on television, in the movies, and in music has contributed to the dramatic rise in the number of teenagers having sex, and in turn the rise in teen pregnancies.

Mr. President, I need not belabor this point. But I saw a recent study about the number of sex acts that one can see on an average day watching soap operas, the number of sexual references that one can hear and see in prime time on television, and the number of sexual topics that are discussed, usually not normal behavior, on TV talk shows. I think the cumulative effect of all of that, as Senator MOYNIHAN has said so well, is to define deviancy down to the behavior that was not only not done much in earlier time but certainly not talked about, and hold it up as a kind of standard of normalcy; at worst, something to giggle about. We are paying the price for that. I think it is time that those who put shows on television and who run the networks appreciate it.

The most compelling evidence in this connection is a poll that was taken of children themselves by a group that I believe was called Children Now, a survey of children aged 10 to 16. And when asked the question 62 percent of them said that they believe that what they saw on television encouraged them to have sex earlier than they should have. I hope that those who put those shows on television will begin to think more seriously about the consequences of what they are putting on. It is exactly these concerns that were part of what led Senator CONRAD and I to introduce the amendment on the telecommunications bill that passed with a strong bipartisan support that would call on TV set manufacturers to put in what we call the "choice chip," to let parents choose what their kids will see and that requires TV networks to rate the programs that they put on.

Mr. President, the electronic media have enormous influence, and they could use it for good, and in many cases they have used it for good. One of the best known examples I think is the way the entertainment industry embraced the campaign against drunk drivers through a conscious effort to weave portrayals of designated drivers into a number of TV shows in addition to the outright commercial messages against drunk driving. The entertainment industry and television particularly played a critically important role in helping to reduce the number of alcohol-related fatalities.

There is simply no reason that they could not make a similar commitment on behalf of the campaign against teen pregnancy.

I think another way we can encourage the media to become allies is in the use of direct advertising such as was done in the campaign against drunk driving. And the Maryland State government provides us with an excellent example of the potential that lies in this approach. In 1988 it embarked on what might be called a media blitzkrieg to combat teen pregnancies. The State was saturated with advertisements on television, radio, billboards, buses, as well as videos, brochures, and special lessons that were distributed in schools. More than $7 million was spent on the TV and radio spots alone. In the first 3 years of the campaign, birth rates and abortions dropped. And by 1991 the State reported a 13-percent decrease in teen pregnancies, which in this field is startling, and in this case very encouraging.

The media campaign could not singlehandedly account for those changes. But it is clear to me—and I think most who have looked at this study—that it played a very significant role in that reduction.

Perhaps the best indication of its effectiveness was the fact that in a followup study 94 percent of the students and teachers at five middle schools in Maryland knew about the campaign, and could repeat the campaign slogans verbatim.

So we have a real problem on our hands here, and we are all suffering the consequences of it.

This amendment that Senator CONRAD and I have put forward tonight is a an attempt to put our Nation on the course of an urgent, intense, and comprehensive campaign to cut down the rate of teenage pregnancies.

I thank my colleague from North Dakota for the partnership that we have once again established. It is always a pleasure and an honor to work with Senator CONRAD, particularly, as is normally the case with us, in a good cause.

I thank the Chair and I yield the floor.

Mr. CONRAD. Mr. President, I thank my colleague from Vermont, Senator LIEBERMAN, who has been a real leader in the whole challenge of dealing with what is happening with respect to teenage pregnancies.

I, first of all, want to apologize to him. I moved him from Connecticut to Vermont. I was just in Vermont. It is a beautiful place, a wonderful setting, and I am quick to identify Senator LIEBERMAN with places that are pleasant. But in fairness, he belongs in Connecticut. And Connecticut is lucky to have him.

I have enjoyed our partnership on this challenge because I think of teenage pregnancy as really a tragedy for America. It is a tragedy for the children, it is a tragedy for the young women and girls, and it is a tragedy for the entire country.

Mr. President, one in three children being born in America today are born out of wedlock. In some cities in America, two out of three children are being born out of wedlock. Tonight, we are in the Capital City of the United States. In this city, two out of three children born this year are being born out of wedlock.

What chance do they have? What chance do their mothers have? We know, according to the GAO, that 42 percent of the welfare caseload in this

country is teenage mothers or girls or women who had babies when they were teenagers. It is central to the problem we face.

I wish to share a couple of vignettes from an example of a second-chance home before I end because I think these vignettes are important. They are real life experiences. This is what is happening to the people about whom we are talking. This is a story about Sherice.

Sherice, now 20, has a 2-year-old daughter and no one to help out. She, too, was trapped early in the cycle of welfare dependency.

Sherice grew up on welfare, and was made responsible for caring for her 10 younger siblings by her alcoholic mother. At 17, she dropped out of high school when she became pregnant with her daughter Jamila. She was forced to take her daughter out of the family's overcrowded apartment to live with reluctant relatives. Sherice's options ran out when this living situation also proved inhospitable, and she found herself with no one to turn to and became homeless.

Sherice and Jamila were referred to an American Family Inn in Queens, NY. After obtaining her GED through the on-site high school and completing a 4-month job training apprenticeship in food services, Sherice found a place to live and set out to find a job. With the help of the American Family Inn's employment specialist, Sherice entered the New York Restaurant School with a partial scholarship in order to follow her dream of becoming a chef.

She recently completed her demanding cooking classes and soon will begin an externship in a local catering company. She plans to use the skills she learned to form her own catering company after she graduates in October 1995.

Mr. President, this is someone who, because of a second-chance home, has her life together, who is a productive member of society because of the structured, supervised setting she was able to experience in a home.

A final vignette.

Elena. Elena is an 18-year-old single mother with a 2-year-old son, Andrew. She has never been married, has never lived independently, and she receives public assistance. She represents a typical mother residing at American Family Inn.

Elena has a fractured and unstable past. She shuffled between her mother and father until age 5, when she was placed in the first of three foster homes due to physical abuse from her mother. At age 14, Elena moved in with her boyfriend and his parents and at age 16, dropped out of high school to give birth to her son. Her relationship with her baby's father deteriorated as he continued and increased his drug use. She left with her son and moved back in with her mother until her stepfather forced her to leave.

Elena had no other choice but to enter the shelter system. Prior to arriving at an American Family Inn in Manhattan, Elena had lived in an emergency assistance center, a short-term shelter and a welfare hotel. The day after she enrolled in the on-site programs, including the alternative high school where she is working toward completing her GED, the licensed day care center where her child is being socialized to the norms of education and the independent living skills workshops where she is learning topics such as parenting, budgeting, nutrition, and family violence prevention.

Elena has also begun intensive job readiness and job training. Each afternoon she fulfills her internship requirement as a teacher's aide in the on-site day care center. She is expected to complete the program in the next several months, move into her own apartment and either find full-time employment or a enroll in a community college to pursue higher education.

This is Elena's statement, and I quote:

> I feel this is a place where I can get my life together. I'm getting my education and learning to work. My mother never cared if I went to school and she never told me about having babies or being a parent. The people here and the programs here are helping me. I'm learning to be a teacher's assistant so that I can go to college and start my own business and get off of public assistance. I needed this chance.

Mr. President, I do not think there is a Member in this Chamber whose heart is so cold that they are not moved by a story like that one—somebody who grew up in an abusive home, had a child at much too early an age, forced into homelessness, and who now, because of a second-chance home, is getting an education, wants to start her own business, wants to get off public assistance and make something of her life.

That is the promise of what we can accomplish by focusing on this critical challenge to America's future. We can make a difference. We can do something that will lead to a different result than a life of poverty and dependence, and we can do it by action tomorrow. That is when the vote will be held.

I urge my colleagues to support the Conrad-Lieberman amendment.

I thank the Chair and yield the floor.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

AMENDMENT NO. 2581

Mr. JEFFORDS. I ask to call up amendment 2581 for immediate consideration.

The PRESIDING OFFICER. That amendment is now the pending question. The Senator from Vermont is recognized.

Mr. JEFFORDS. I thank the Chair.

Mr. President, I am here to try and undo what I think is a very unfortunate area of the bill which attempts to do something which we would all agree with, and that is to reduce the number of illegitimate child births in this country and to hopefully reduce the number of abortions. I think it was one certainly sponsored with all the hopes and dreams of being able to do that. However, I oppose it because I find that it would be most counterproductive and would result in an entitlement being created which would in effect not establish any policy that will really accomplish the goals for which it was conceived. Thus, I have sponsored an amendment to strike the so-called illegitimacy ratio from the welfare bill.

Last night, we heard from Senator DOMENICI and others about how conservative social engineering is no better than liberal social engineering. We all know that Federal strings often do not produce the desired behavior modification and can even produce unintended negative results. I hope my colleagues will join me in my opposition on those grounds.

Throughout this debate, we have discussed frequently the importance of ending entitlements. It may surprise some of my colleagues to learn that this provision creates a new entitlement and will be funded by the terms "such sums as necessary."

Now, CBO has scored the costs at $75 million over the 7 years. I think their estimate may well be very, very conservative. Because of the way I read the provision, I calculate this new entitlement could cost as much as $1.6 billion per year by the year 2000, if all our States reduce their out-of-wedlock birth rates without reporting higher abortion rates.

This gives me pause, especially for reasons I will outline about unreliable statistics.

But let me point out also just to verify that figure, which may seem to be outlandish to start with, the reason for that is that all you have to do is one time go below the 1995 base, and for the rest of the period, providing you do not go back up, you will get this bonus which is in it. And if each State does that, we will have the figure I gave you of about $1.6 billion per year.

The provision entitles States whose proportion of in-State—I emphasize "in-State"—out-of-wedlock birth rates have decreased without an increase in their State abortion rates to either an additional 5 percent of their block grant if the birth rate has decreased by 1 percent or 10 percent if the birth rate decreases by 2 percent or more. And it only has to do it once providing it stays below the baseline. So if a State's out-of-wedlock births decrease as a proportion of their total births, they can receive as much as 10 percent more than their base cash assistance and child care block grant.

I do not understand why we want to create a new entitlement, especially for States that need the dollars less. In other words, if you have decreased your problem, you end up with more money for perhaps as much as the term of the whole bill, of our period which we are covering here on the budget. We all know that out-of-wedlock birth rates show a strong acceleration with the rate of welfare dependency. If there are more children born to single parents, there will be more need for State and Federal assistance. And that is part of why we are so concerned.

But rather than try to construct, actively work toward, lower out-of-wedlock birthrates, this ratio seems completely backward since it sends more money to States that need it less. And States that for whatever reason experience higher out-of-wedlock birthrates and need it more, they cannot tap into the newly created entitlement.

Mr. President, I have here a letter from Catholic Charities USA in opposition to this illegitimacy ratio. There are some who tried to get this into the pro-life, pro-choice area here. I would just point out—and I will read this letter now into the RECORD because I think it is so helpful in letting everyone know that this is a group which obviously is a pro-life group. This is addressed to Senator DOLE.

Dear Senator DOLE:

Catholic Charities USA is deeply concerned about the proposed illegitimacy ratio bonus being put forward as part of welfare reform legislation in the current Congress. The proposal is another speculative venture being imposed upon the entire country and its poorest families without test, trial, or experiment.

Our fear is that State governments, in a time of drastic funding cuts and escalating human need, will resort to the family cap, teenage mother exclusions, and other drastic measures, all in the illusive hope of garnering additional millions of dollars of funding. (The funding itself will have to be cut from other needed programs or services in our zero-sum budget situation.)

I would emphasize that. There is no provision for the funding in this bill. It will have to come from existing sources otherwise, and it is an entitlement, meaning that it must come. I will continue with the letter.

Those measures, while as yet unproven to cut birth rates, are far more likely to produce increased abortions, as the failed New Jersey family cap experiment already has shown, and to hurt poor children and families. And the proposed illegitimacy ratio bonus contains no penalty for increasing abortion rates in States which experiment with the lives and well-being of their poorest families.

No church community has been as vigorous as our own in support of human life or of sexual abstinence outside of marriage. And no community has as broad experience as our own in Catholic Charities in working with women who are pregnant and unmarried and with their children. We urge you to remove the proposed illegitimacy ratio from the pending legislation in the interest of sound family policy.

Signed by Father Fred Kammer, president of Catholic Charities USA.

I ask unanimous consent that letter be printed in the RECORD.

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

CATHOLIC CHARITIES USA,
Alexandria, VA, September 12, 1995.

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

DEAR SENATOR DOLE: Catholic Charities USA is deeply concerned about the proposed illegitimacy ratio bonus being put forward as part of welfare reform legislation in the current Congress. The proposal is another speculative venture being imposed upon the entire country and its poorest families without test, trial, or experiment.

Our fear is that state governments, in a time of drastic funding cuts and escalating human need, will resort to the family cap, teenage mother exclusions, and other drastic measures, all in the illusive hope of garnering additional millions of dollars of funding. (The funding itself will have to be cut from other needed programs or services in our zero-sum budget situation.) Those measures, while as yet unproven to cut birth rates, are far more likely to produce increased abortions, as the failed New Jersey family cap experiment already has shown, and to hurt poor children and families. And the proposed illegitimacy ratio bonus contains no penalty for increasing abortion rates in states which experiment with the lives and well-being of their poorest families.

No church community has been as vigorous as our own in support of human life or of sexual abstinence outside of marriage. And no community has as broad experience as our own in Catholic Charities in working with women who are pregnant and unmarried and with their children. We urge you to remove the proposed illegitimacy ratio from the pending legislation in the interest of sound family policy.

Sincerely yours,

FR. FRED KAMMER, SJ,
President.

Mr. JEFFORDS. We all know that out-of-wedlock birth rates show a strong correlation with the rate of welfare dependency. If there are more children born to single parents, there will be more need for State and Federal assistance. That is part of why we are so concerned. But rather than try to constructively work toward lower out-of-wedlock birth rates, this ratio seems completely backward.

Mr. President, I also understand, as well as reading the letter from the Catholic Charities, that the Catholic bishops oppose a similar provision in the House. They are concerned, as I am, that rather than effecting positive behavior change by decreasing out-of-wedlock pregnancies, this new entitlement would encourage out-of-wedlock and out-of-State—I emphasize that for your memory later on when we talk about how these things are worked—out-of-State abortions. And I would also add that this may well mean back-room abortions or some of those that we will not be able in any way to take note of in the requirement for statistics here.

Because States do not qualify for the funds by showing an increase in their in-State abortion rates, there are a few ways to influence those numbers. The most obvious is underreporting. According to the Centers for Disease Control, several States currently have inaccurate, incomplete, or even completely estimated abortion rates. I think California is one of those.

So here we are going to establish a baseline which will be used for the length of the bill that will allow States to collect on figures that are totally or may be totally inaccurate. As we might expect, it is difficult to encourage, particularly without a mandate to report, complete reporting of abortions. We will be looking at situations which will already be in being which have had no reporting requirements. That is, that we use a base year of the year 1995, which is almost over with and will be by the time all of this gets into being. So we are setting up a base year here for which we have no reliable statistics whatsoever and using that to determine an entitlement program. Women who receive abortions want to maintain their confidentiality, and abortion providers, particularly in the face of recent violence, may want to maintain their anonymity. So the current numbers are not accurate. We have no adequate baseline to compare to, and we have no uniform reporting system in place.

If we mandate reporting without providing significant funds for the States to do this, we will be sending an unfunded mandate to the States.

Another way to influence these statistics would be to toughen State requirements for obtaining an abortion. In some States—this is important to remember—in some States as many as 40 percent or more of their in-State abortion rates are from people who reside outside the State. So if you know you are going to maybe get millions or hundreds of millions of dollars here by getting abortions performed across the borders, there is going to be tremendous incentive to accomplish that. Making abortions more difficult to obtain could obviously help to lower the abortion rate. This provision would offer a cash incentive to States for tougher abortion laws possibly resulting in unreported abortions or more abortions out of State or more abortions under improper conditions.

All in all, accurate abortion statistics will be extraordinarily difficult, if not impossible, to obtain. We must struggle with what constitutes an abortion or an induced pregnancy termination. Does the so-called morning-after pill count? What about a routine D & C that may or may not have involved a pregnancy? How will we know if women take a large enough dose of oral contraceptives to induce menstruation? It is an off-label use but expels any pregnancy that may be there

and induces menstruation. How are we going to count those? Are we going to require women to report that?

There is currently no standard definition, nor accurate or agreed-upon reporting procedure, especially for what we will have to use as the baseline year.

Currently, States define their terms and define how they report. Some States only report hospital procedures, and public health officials extrapolate the other numbers. In the case of at least one State, the most recent figures available are completely estimated and are not based upon any report. States that currently report high numbers or broadly drawn definitions stand to gain, while States that have been underreporting will have no alternatives but to continue.

We are setting up something here which was well-intentioned I am sure, but is so open to manipulation or intrusion into the personal lives of people that I cannot believe it can be supported by anyone that has examined it, notwithstanding the wonderful intentions.

Mr. President, I believe this new entitlement is illogical and unwieldy. It could potentially cost quite a bit of money, but the criteria for qualification are unclear and difficult to quantify accurately. In this provision, we are attempting the very kind of social engineering that we have railed against and tried to prevent. I hope my colleagues will join me in voting to strike this illegitimacy ratio.

As I said earlier, I know it was well-intentioned, and I would be willing to work with those who are behind it to see if there are other ways that we could reduce teenage pregnancies in particular. I know that from studies that show there are many things that we could do and also enhance our educational system by increasing the school days and more child care, all the kinds of things that can try to bring about the kind of society that does not seem to promote or to enhance the ability for young people to have pregnancies out of wedlock.

Mr. President, I am ready to yield the floor. I do not see anyone present at this time. 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. ABRAHAM. 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. ABRAHAM. Mr. President, I rise tonight in support of an important element of the Dole welfare reform package. This provision—known as the illegitimacy ratio bonus—will help, I believe, the fight against the chronic problem of illegitimacy without increasing the tragedy of abortion. I urge my colleagues to vote against striking it from the reform package.

We now know, Mr. President, that the dramatic increase in out of wedlock births is a chief cause of welfare dependency and a chief cause of a number of other social pathologies.

Children brought up without the benefit of two parents are six times as likely to be poor and to be poor longer than other children. They are two to three times as likely to have emotional and behavioral problems, more likely to dropout of school, become pregnant as teenagers, abuse drugs, commit crimes, and even commit suicide.

This makes illegitimacy a driving force behind welfare dependency and that is doubly tragic because our welfare system is a significant cause of illegitimacy.

Welfare, as currently constituted, creates a vicious cycle of dependency. Children have babies and turn to the welfare system in a failed attempt to become "independent." Then their babies, in turn, too often end up on welfare.

And illegitimacy has reached epidemic proportions in America. By the end of this decade, 40 percent of all American births will take place without the benefit of marriage.

Mr. President, I believe we must stop the spread of this epidemic. It is destroying our cities and more importantly, it is destroying far too many lives.

One problem we face in fighting out of wedlock births is that no one here in Washington really knows what constitutes the total solution to the problem. Circumstances in our various States and localities vary too widely for any single one size fits all Washington strategy to succeed in lowering illegitimacy.

Thus, I believe our best course is to encourage the States to implement their own strategies to lower out of wedlock births. This provision, by giving bonuses to States that lower illegitimacy ratios, would do just that.

Mr. President, reducing illegitimacy is just not a function of the welfare system. The States must look beyond welfare reforms; they should pursue educational reforms, tax reforms, such things as enterprise zones and others to create jobs and economic opportunity, things of that sort. They should explore ways to set up counseling centers to encourage, among other things, responsible behavior and discourage out of wedlock births. All of these need to be part of the solution, not just changes in the welfare system. And that is why we think this bonus provision is the right approach, because it will encourage creativity on the part of the States in pursuit of reforms in all of these areas.

Some have expressed concern about the abortion language in this bonus provision. But I just point out the following:

One, this provision does not affect any abortion laws.

Two, it does not take a position, pro or con, on the issue of abortion.

Three, it does not penalize or punish any State in terms of their Federal funding.

Four, it brings about no changes in the requirements as to the reporting of names of individuals having abortions, or anything along that line.

Now, as I have talked to Members of the Senate, both those who are pro-life and pro-choice advocates, I have not found anyone who wants to see the rate of abortions go up. Indeed, pro-choice advocates tell me they want abortions to be safe, legal, and rare. And I believe them. To me, "rare" means as many, or fewer, abortions than we have today—not more. Therefore, no one should find this bonus provision objectionable. It is designed to encourage States to experiment with various new strategies to reduce illegitimacy, except the strategy of encouraging more abortions.

I know some think that somehow that would produce new restrictions at the State level and, in some way or another, on abortion. All I can say is this, Mr. President. In this country, the abortion debates have been raised in the State Houses for 20-plus years. If there were going to be restrictions, they would be imposed on the basis of the debates we have already had. I do not believe the potential availability of these bonus dollars—only available if somehow this remarkable increase in illegitimacy were reduced—would be the final factor in causing a State to take action to change, in any way, or make their abortion laws more restrictive.

In my judgment, this provision gives us a constructive means by which to attack a serious problem. By giving goals to the States, and rewards for meeting those goals, we will encourage them to develop strategies for fighting out of wedlock births. By leaving to the States the formulation of particular rules and programs, we will encourage experimentation in a variety of strategies aimed at addressing a variety of circumstances.

Without increasing abortions, this provision will reduce illegitimacy, and thereby reduce the welfare rolls and increase opportunity for everyone.

I urge my colleagues to vote against striking it from the bill.

I yield the floor.

Mr. JEFFORDS. Mr. President, I commend the Senator from Michigan for his excellent statement, and there is little that I disagree with in what he said.

However, I point out that he has not, in any way, answered any of the questions I raised about how this would work and that the figures I gave were

inaccurate. That is, very simply, that if a State, one time, reduces its rates in order to comply with the bill and never does anything more, but holds them where they are, they would be able to get the full 10 percent bonus for the full term of the bill, which could mean as much as—totally, if all the States did it, $1.6 billion a year; and that there is no provision in the bill for that money, other than it is entitlement and therefore it would be taken from other areas in order to fund it. I think that is one area that ought to be remembered.

Secondly, also, the base year—there was no correction in the facts I gave about the fact that there is no accurate data available for the 1995 base year, which would be used for that. Nor was there any contradiction to my statement that by shifting out of wedlock births to other States, or Canada, or wherever else, it would not be possible to reach that ratio with no real decrease in out of wedlock births; nor the fact that there is no definition here for abortion, so that the results of what would happen for a State could well be determined entirely upon abortion definitions, which are nowhere included, and vary from jurisdiction to jurisdiction.

I would like to join my good friend from Michigan in trying to find ways that we could provide workable and appropriate incentives to be able to reduce the out of wedlock births, especially among our young people. But I just urge my colleagues to realize that this one has some serious problems, and I hope they will remove it from the bill with my amendment.

I yield the floor.

Mr. ABRAHAM. Mr. President, the Senator from Vermont and I are good friends and are in large agreement on most of this I see, but obviously there are certain things that we do not have full agreement on.

Let me comment on a couple of the points that were made. First and foremost is that before any benefits or bonuses are going to be realized, we really do have to produce something that has not been produced in this country in a long time. That is a decrease in the number of out-of-wedlock births.

Now I think I am probably one of the Members of this Chamber who has voted time after time to make sure we do not spend the taxpayers' money unwisely and have tried very hard here to establish what I think are priorities for spending.

I, too, am concerned whenever we spend money here, even if it is $75 or $80 million here and in a budget of $1.5 trillion.

The reason that I am supporting this so strongly is because I can think of very few spending priorities that we could possibly establish that would be more important to the future of our Nation and would more directly address the problems we confront than the priority of encouraging a nationwide effort to reduce illegitimate births.

I think in the long run there will be more savings than spending because to the extent that we end this problem, we reduce this problem, there will be benefits for many.

Separately, when we set priorities here I do not disagree with the Senator from Vermont when we talk about job training and education and so on. I think this priority is one that Americans across the board agree on ought to be at the top of our list. These dollars only get spent if we succeed in addressing the problem. They do not get spent if we fail.

I think at least in my State most people would say that establishing this type of incentive system is the step in the right direction of trying to bring attention to this problem and trying to give States the kind of encouragement I think they need to change and to adopt a broad set of policies—not just welfare policies but education policies. As I said in my remarks, perhaps changes in tax codes, perhaps inviting private entities to play a greater role in helping teens at risk and so on.

I think this will be the outcome. I hope that our colleagues who have talked, and many, many have talked about the out-of-wedlock birth problem will come to see this.

I do not think anybody has the perfect solution. The reason I so strongly support this one is that it does not dictate to any State what it can or cannot do. If a State does not want to collect the data, if a State does not want to try to deal with the problem, it is not under any mandate to do it. It will not be punished.

If States take up the call, if States join the effort, if States make positive progress, if States actually reduce the rate of illegitimate births, I think a reward of the sort suggested here is a step in a positive way in terms of setting our priorities.

I yield the floor.

Mr. JEFFORDS. Mr. President, I end by saying that I agree what we should do is have help in the States on ways to change behavior such that we no longer have out-of-wedlock births.

I am afraid what this will do which States are good at, that is, in fact, very innovative in the ability to fiddle with statistics and records and gain billions of dollars. That, the States have always been very, very good at.

AMENDMENT NO. 2625

Mr. ROBB. Mr. President, I rise today in support of the Children's Fair Share Amendment, which has been offered by my friend and colleague from Florida, Senator GRAHAM.

As we debate ways to reform our welfare system, we should constantly remind ourselves that what we have before us is more than just words and rhetoric, more than just political points to score, more than just sound bites for the next town meeting. What we have before us in reality, Mr. President, is the quality of life of the children who live in poverty in United States of America.

These children did not make any mistakes, Mr. President. They did not lose a job or miss a house payment or have their marriage crumble around them. By and large, they do not have the capacity to fix the economic problems their families struggle with each day—even if they wanted to and tried.

They were just born poor—or their families became poor. And they are our future, Mr. President.

This amendment is a valuable addition to this debate because it is based on a simple premise which I believe is fair and unassailable. It takes the money we have decided as a nation to spend on poverty programs and it allocates that money to our fifty states based on where poor children actually live.

The only variations from this premise is the inclusion of a small state minimum allocation, and the inclusion of a 50-percent annual transition period.

Otherwise, our Federal dollars go to where poor children live. Funding allocations are updated annually and based on census data reflecting the 3 previous years numbers of children living in poverty.

Mr. President, without this amendment, block grants are frozen in the underlying bill at fiscal year 1994 funding levels. While this advantages high benefit, low growth States, it severely disadvantages low-benefit, high-growth States, like Virginia. I am extremely concerned that the supplemental funding included in the bill, while helpful, will simply not be enough to enable my fast-growing State to responsibly meet the needs of our most vulnerable children.

I served as Governor of Virginia, between January, 1982 and January 1986. During that time, the Commonwealth increased its AFDC benefit twice—once in 1984 and once in 1985—and it has not increased its AFDC benefit since. Between 1970 and 1994, Virginia's AFDC benefit lost 58 percent in value when adjusted for inflation.

To me, locking in enormous funding disparities between States is bad public policy. It disadvantages poor children in many States, Mr. President, children who deserve a better quality of life, children who should expect to receive one from this Congress.

Mr. President, we can argue welfare reform on ideological grounds. We can argue over how much money we should spend. But Mr. President, when we argue about where that money should go, that is an easy one. It should go to the children.

I urge my colleagues to support this important amendment.

Ms. MIKULSKI. Mr. President, I rise today to speak in opposition to the proposed fair share amendment to change the amount of Federal funds States receive for welfare reform.

I cannot stand here today and vote for a formula that will penalize my State of Maryland in order to reward other States that have been unwilling to help themselves over the past decades.

Our current welfare system says to States that if you are a poor state, we will give you more Federal dollars. We do this through a Federal match. Some States are told that for every dollar you spend, we will give you a dollar. That is what Maryland is told. Other poorer States are told that for every dollar you spend, we will give you two. That may seem unfair, but we have done that because we know some States are less well off. Even under this system, States must still decide just how much they want to spend. Some States, including Maryland, I am proud to say, have placed a high priority on ending poverty.

The amendment before us will take all the Federal dollars we currently spend and give more to States that have a history of little commitment to welfare reform. We do that by taking from States that have made a great effort at ending poverty. This is not an approach that will create welfare reform. Instead we will force States to fight each other for limited resources.

Mr. President, changing the funding formula in a bad bill is a lot like moving around the furniture on the deck of the *Titanic*. We need to do more then that. We need real welfare reform. One step in that direction is to vote this amendment down.

COMMUNITY COLLEGE PARTICIPATION UNDER WORKFORCE DEVELOPMENT ACT

Mr. LEVIN. Mr. President, the original Workforce Development Act provisions contained in the bill before us made dramatic changes to the Federal role in job training and vocational education. Initially, I had some serious concerns about the insufficient attention that the bill paid to the importance that community colleges play in the delivery of those services. I had two major concerns. First, that representatives from community colleges should actively participate in the development of the work force education plan. Second, I submitted that the head of the State's community college system should be included as a member of the collaborative process that the Governor must work with while writing the State strategic plan.

Mr. President, today I am pleased to say that due to the cooperation and collaborative efforts of my colleagues on the Committee on Labor and Human Resources, those concerns have been addressed.

Mr. President, I would like to enter into a colloquy with Senator KASSEBAUM to clarify the modifications to the work force training provisions of the bill.

Mr. President, community colleges are one of the major providers of adult job training and postsecondary vocational education in this country. These institutions have close and positive relationships with secondary schools, elected officials, and local business and industry leaders. There are over 1,200 of these institutions, located in every corner of each of our States including over 30 from my home State of Michigan. As you know, these institutions are extremely concerned about their ability to continue to provide high quality education and training services that will be beneficial to the community, in light of the consolidated work force system created by the bill reported out of the Committee on Labor and Human Resources.

With this in mind, I would like to get a clarification of the role that community colleges will play in the new job training system. I would like to ask my distinguished colleague from Kansas, the chair of the Labor and Human Resources Committee, Senator KASSEBAUM, what role do you envision for these institutions in the new job training system?

Mrs. KASSEBAUM. This legislation is clearly intended to provide Federal financial support for the education and training of all segments of the work force in each State. The bill provides States the flexibility to set up structures that best serve their citizens and I expect that States will continue to use the community college as a primary resource, due to their past successes.

Mr. LEVIN. I believe that postsecondary vocational education is a very important aspect for economic growth in our society. Postsecondary vocational programs allow an individual to build on the education he or she received in high school, provide higher level skills, and equip the individual with a foundation for promoting a more constructive future. Because of the advancements of technology, community colleges are a necessary force for training and retraining individuals who could become displaced workers. In Michigan, community colleges are the major educators for high-skilled, high-waged workers. The average annual earnings for an individual with an associate degree is over $5,000 a year higher than that for someone with only a high school diploma.

Because of the importance of postsecondary vocational education, I must ask if this bill will alter the course of postsecondary education? And, if so, how will this bill affect postsecondary vocation education?

Mrs. KASSEBAUM. This legislation consolidates programs that have provided support for both secondary and post secondary educational programs. The legislation is designed to expand, improve, and modernize quality vocational education at both the secondary and postsecondary levels. As in current law, however, States will remain free to choose the percentage of funds they will allocate to secondary and postsecondary vocational education.

Mr. LEVIN. The State planning process for the overall strategic plan and the State education plan will guide the State's work force development policy. The major stakeholders should have input into this process. Because of the strong involvement that community colleges have had across the country in providing education and training, community colleges should play a pivotal role in the development of the State work force plan. Is there a role for the community college system in this regard?

Mrs. KASSEBAUM. The State work force education plan is to be developed by the elementary and secondary agency of the State. That agency must collaborate with the postsecondary agency of the State, including community colleges. I expect this to be meaningful collaboration, leading to appropriate support for secondary and postsecondary education programs in the State. In addition, State officials responsible for postsecondary education and community colleges are members of the collaborative process the Governor must work with on the State strategic plan.

Mr. LEVIN. I thank my colleague from Kansas for her support and attention to this matter.

WELFARE REFORM, LET US TREAD CAREFULLY

Mr. HATFIELD. Mr. President, today, as I stand here in the U.S. Senate, the winds of change swirl around the dome of the Capitol, and surround the body of the House and the Senate. Do not let the winds of change, however, cloud our judgment and prevent us from carrying out our duty to protect life and liberty.

The Republican call to harness these winds of change is refreshing. I agree that there are many issues which need to be addressed. There is a vicious cycle of impoverished parents who raise children in poverty. Those children who do not have adequate access to quality education, which would break the cycle of dependency, continue to spin a wheel of poverty, and languishing there for the remainder of their lives.

In fiscal year 1994, there were over 5 million families on aid to families with dependent children (AFDC), over 14 million individuals. I ask you how many of those do you surmise were children; 9.5 million children were on AFDC in fiscal year 1994. Two-thirds, two-thirds were children, a truly disturbing number. You will hear these numbers again and again as we debate welfare reform. I reference these figures to impress upon your conscience

that we are dealing with individual people and not numbers. We must understand the links of poverty in order to understand and break the chains of poverty. According to the U.S. Census Bureau, you are below the poverty line when income falls below three times the cost of an inexpensive, yet nutritionally adequate food budget for a nonfarm family. For a family of three in 1994 the figure was $12,320. How many of us could provide decent clothing, food and shelter for ourself and two children for $12,320?

We need welfare reform, but we first need to address the root problems of poverty; lack of education, lack of affordable and adequate child care, and access to upward social and economic mobility and stability. A successful society allows its citizens the opportunity to educate themselves, to increase their opportunities and knowledge. It is of no benefit to society to remove welfare recipients and place them into jobs with no upward mobility. Without the prospects of advancement they can only maintain the status quo at best and as history has taught us the cycle possesses a powerful habituation to welfare.

We need to find good jobs for able bodied people in our society. Yes, the United States can assist its poor and offer them a helping hand, but we cannot continue our present pace of entitlement spending. To become competitive with the world market we must educate all in our society. There needs to be interaction between the States and the Federal Government to work in a complementary partnership to solve these problems. Packaging our problems in a nice box and ribbon and passing them onto the States with no accountability and no direction will not make them disappear.

Over these past years in Oregon, the Governor's office, county commissioners, and the Oregon Workforce Quality Council are just a few of the many people who have worked together to enact job training legislation in Oregon, which has been one of the most successful States in the Nation in moving people from welfare dependency to work. Oregon has chosen to link public assistance functions with welfare-to-work services, providing a seamless link amongst the differing human resource agencies. Oregon has made landmark progress with the integration of education, employment and training programs, but the Federal Government also must be a part of restructuring the system. That is why I am pleased to see that my Workflex Partnership Demonstration project has been included in the underlying Dole amendment. This demonstration project allows the Secretaries of Education and Labor to designate up to 6 States in which Federal authority will actually be transferred to the State so that the States may make waivers of Federal law in the job training and education arena. Given the decline in discretionary dollars in the budget, State and local flexibility which promotes performance over paperwork is an integral ingredient for success. Mr. President, we are making progress in Oregon and I do not wish to be set back in our efforts.

What about the States which are not as progressive as Oregon? How do we ensure they care for their poor? I agree with the underlying performance measures in the Dole amendment which sets Federal standards in the form of performance-based outcomes and provides States guidance not mandates. This will provide an incentive to States to be innovative in their State programs by rewarding them with a performance bonus. There are those who argue that it is perverse to reward those States which reduce the number of people on their welfare roles, but I think it just as perverse to reward those States who do nothing to reduce their welfare roles. In all areas, our Federal system penalizes States that are progressive and reduces them to the standards of the lowest common denominator. Our citizens expect better, they deserve better.

Mr. President, I want to make it clear that I am committed to working with all interested parties in reforming our welfare system. I believe those that can work should work. As chairman of the Appropriations Committee I have directly experienced the struggle we face to allocate funds for our complex array of domestic programs. This discretionary funding pays for the operation of all three branches of the Government. It pays for the roads and bridges of our transportation infrastructure, the loans that go to provide public housing, student loan assistance and small business assistance, our national parks, and many more purposes which have nearly universal support. These funds have been drastically diminishing over the years, while the entitlement programs have grown. These entitlement programs put further pressure on the Appropriations Committee to make difficult funding decisions. While entitlement programs continue to grow, less and less will be available for discretionary programs.

Our commitment to bettering the standard of living for those in poverty must not waiver. The Federal Government should encourage not impede innovation and creativity in the States and private sector. I look forward to working with my colleagues to fashion a bipartisan solution that addresses these goals.

AMENDMENT NO. 2488

Mr. ROCKEFELLER. Mr. President, unfortunately, because of a lack of time yesterday, I was unable to give my entire statement regarding Senator BREAUX's partnership amendment. I feel strongly on this issue and would like to have my entire statement on the importance of maintenance of effort submitted for the record. I know that earlier today, a modification was accepted on this issue. While I strongly preferred adoption of the Breaux amendment, I am glad to see some, meaningful progress on this key point.

Anyone who argues for welfare reform talks a lot about responsibility. This Senator does, too. Welfare should not be a hand-out for people in search of a free lunch and a way to avoid work. Welfare reform should change the rules to turn government help into something that steps in for just as long as it takes to get a job or back into the workforce.

But welfare is also about the responsibility of states and the Federal Government to be honest partners. States and the Federal Government have always shared the responsibility for the poorest families and children who exist everywhere in America. Unfortunately, the bill before the Senate is an invitation to States to back out of their end of that responsibility. When that happens, when States are released from their financial role in welfare, some tragic results may be in sight.

One reason debating welfare reform is so frustrating is that we find ourselves immersed in terms and language that do not exactly roll off the tongue. It is also a topic where it is far too tempting to simplify life, and attempt to divide the country between good people and bad people. But we all know that is not how life works. And we should know and acknowledge on this Senate floor that a welfare reform bill should deal honestly with the realities of America—not just the stereotypes or the examples that do offend all of us.

I say that because this amendment raises an issue that does not leap into a sound-bite. It tries to preserve a concept called "maintenance of effort" that is clumsy in wording but very clear when it comes to responsibility for welfare's future. The purpose of this amendment is to continue a genuine division of labor among the states and the Federal Government for poor families and children. It tries to prevent an abdication by State governments from their role in keeping a safety net under children and deserving parents.

A welfare reform bill should free up states from needless bureaucracy and micro managing, no question about it. But welfare reform should not egg on states to back out of their commitment to their poor families and children. This amendment is the answer. It very clearly says to states, "you keep your end of the bargain, and the Federal Government will keep its end."

As a former Governor, I sincerely doubt that the Governors who might like the welfare bill before us just the way it is— which frees them from the obligation they have always had—would ever propose the same deal when

they help communities in their States. Matching requirements, cost-sharing, burden-sharing, whatever you want to call it—this is a basic part of making sure that responsibility is spread around for government's functions.

The majority leader introduced some modifications to the Republican welfare package just before the recess, and one involves the claim that he added a "maintenance-of-effort" provision. It is very weak, too weak—we can and we must do better.

The majority leader's so-called compromise lasts for exactly 3 years, and asks States to put 75 percent of a portion of their AFDC spending in 1994 back into their future welfare reform system.

In fact, the Dole provision adds up to asking all states to invest $10 billion a year for just the first 3 years, with no basic matching requirements whatsoever for the last 2 years on this bill. This leaves a gaping hole in the state's share if compared to the current arrangement across the country. The result could be that $30 billion disappears from the safety net for families and children.

What is worse is the cleverness attempted in how a state's share is calculated. The Dole bill would allow states to "count" State spending on a whole bunch of programs simply mentioned in this bill—states would be able to get credit essentially for their spending on food stamps, SSI, and other programs that help low-income people toward meeting the requirement; that means that money for programs not specifically directed to financing basic welfare for children could easily count towards the so-called "maintenance of effort." Again, this is an invitation to States to back out of keeping up their basic, historical responsibility for children.

Remember, it is the children who are two out of every three people who get basic welfare. It will be the children who will be hurt when states back out of their spending on welfare because Congress passed a bill that invites them to do just that.

Our amendment does not ask States to raise a penny more for welfare. Federal-state partnerships and matching arrangements are common sense—they promote accountability, and they are used to finance Medicaid, highways, clean water efforts, and education programs. And on this topic of welfare, here is a bill that now says Uncle Sam will write the billion dollar checks, but Governors can write all rules. If that means backing out of the States' responsibility for poor families and children, be our guest.

Right now, State revenues represent about 45 percent of the resources spent in America on welfare. If the Federal Government is about to send almost $17 billion a year to States in a block grant with tremendous flexibility, we should ask States to contribute their fair share. This is the way to promote fiscal accountability and responsibility.

Mr. President, we should simply correct this part of the bill with the BREAUX amendment—an amendment that requires States to maintain their historical responsibility for millions of children and families.

The stakes are high and serious. We know that when children are abandoned, the future of the rest of America is dimmed.

In other words, there are real consequences to rejecting this amendment. Without States maintaining this investment, there will not be enough money—not nearly enough—for child care for parents to move to work or for the job placement and training that some parents need to get into real jobs. A few years from now, we will be on this floor wondering how a bill packaged with such bold promises of change and reform resulted in so little—and perhaps we will be here trying to repair the damage of backing the country out of an honest, direct commitment to children.

The Breaux amendment calls for the preservation of a solid, honest Federal-State partnership for the long-term. We must change the welfare system and the rules. We are all ready to be tougher about who gets welfare. That means giving States much greater flexibility. But it is irresponsible to send checks to states accompanied with an invitation to back out of their own commitment to families and children.

Personally, I believe that taxpayers are willing to help feed and shelter the children who are not the ones to blame for their parents' unemployment or poverty. Surveys even show that 71 percent of Americans believe needy families should get benefits as long as they work. Time and time again, it is clear that work and responsibility are what the public cares about. They are not asking us to solve problems with slogans and gimmicks.

Real reform is what we should deliver. Let us be serious about welfare reform, let us be honest, and let us deal in the real world of America. We should make some necessary changes to the Dole bill to ensure that every parent who can work, does. We should keep needy children in our hearts, and keep compassion for them in this bill. And we should preserve the basic idea that states must do their part.

This should be a bipartisan amendment, and it deserves support. This is exactly when and where the political rhetoric should be put aside, and where the bill should be changed to continue into the future a true partnership between states and the Federal Government that will help determine what kind of country we will be.

MORNING BUSINESS

Mr. JEFFORDS. Mr. President, since there are no further Senators planning to offer their amendments tonight, I ask unanimous consent that there be a period for the transaction of routine morning business.

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

THE BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, the skyrocketing Federal debt, now soaring toward $5 trillion, has been fueled for a generation now by bureaucratic hot air—and it is sort of like the weather—everybody talks about it but almost nobody did much about it until immediately after the elections in November 1994.

But when the new 104th Congress convened this past January, the U.S. House of Representatives quickly approved a balanced budget amendment to the U.S. Constitution. On the Senate side, all but one of the 54 Republicans supported the balanced budget amendment—that was the good news.

The bad news was that only 13 Democrats supported it—which killed hopes for a balanced budget amendment for the time being. Since a two-thirds vote—67 Senators, if all Senator's are present—is necessary to approve a constitutional amendment, the proposed Senate amendment failed by one vote. There will be another vote either this year or in 1996.

Here is today's bad debt boxscore:

As of the close of business Tuesday, September 12, the federal debt—down to the penny—stood at exactly $4,964,465,905,748.40 or $18,845.20 for every man, woman, and child on a per capita basis.

CONGRESSIONAL ACCOUNTABILITY ACT

Mr. GRASSLEY. Mr. President, earlier this year, Congress overwhelmingly passed the Congressional Accountability Act which was signed into law by the President. The purpose of the act was to clarify that we cannot pass laws applying to the private sector that do not apply to us as well.

After many years of pursuing this legislative initiative, I was pleased with the final outcome of the act.

A concern has been raised that the welfare bill before us today is not clear on the issue of congressional coverage.

If the leader would indulge me, I would like to enter into a colloquy addressing this concern.

Mr. Leader, is it the intent of the legislation in section 453(a) of title 9, the child support enforcement title of the bill, to include Senators and Congressmen in the definition of "any governmental entity"?

Mr. DOLE. That is correct.

Mr. GRASSLEY. Are committees of the House of Representatives, the Senate, and joint committees included in the definition of "any governmental entity"?

Mr. DOLE. Yes, that is the intent.

Mr. GRASSLEY. Are any other offices headed by a person with final authority to appoint, hire, discharge, and set the terms, conditions, or privileges of employment of an employee of the House of Representatives or the Senate covered by the definition of "any governmental entity"?

Mr. DOLE. Yes, that is correct.

Mr. GRASSLEY. Finally, are the Capitol Guide Board, the Capitol Police Board, the Congressional Budget Office, the Office of the Architect of the Capitol, and the Office of the Attending Physician also included in the definition of "any governmental entity"?

Mr. DOLE. Yes. The intent of the term "any governmental entity" is to cover every level of government—in effect, Federal State, or local government; and, to cover every branch of government—in effect, executive, legislative, judicial, or administrative.

Mr. GRASSLEY. I thank the leader for this clarification.

I would not want Congress to pass a law with such far-reaching effects without the requirements applying equally to Members as well.

MESSAGE FROM THE HOUSE

At 12:39 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House had passed the bill (S. 895) to amend the Small Business Act to reduce the level of participation by the Small Business Administration in certain loans guaranteed by the Administration, and for other purposes, with amendments; that it insists upon its amendments and asks a conference with the Senate on the disagreeing votes of the two Houses thereon; and appoints Mrs. MEYERS of Kansas, Mr. TORKILDSEN, Mr. LONGLEY, Mr. LAFALCE, and Mr. POSHARD as the managers of the conference on the part of the House.

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-1412. A communication from the Secretary of Transportation, transmitting, pursuant to law, the report under the Imported Vehicle Safety Compliance Act for calendar year 1994; to the Committee on Commerce, Science, and Transportation.

EC-1413. A communication from the Secretary of the Interior, transmitting, pursuant to law, the report under the Marine Mammal Protection Act of 1972 for calendar year 1992; to the Committee on Commerce, Science, and Transportation.

EC-1414. A communication from the Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of the implementation of the Waste Isolation Pilot Plant Land Withdrawal Act for fiscal year 1994; to the Committee on Energy and Natural Resources.

EC-1415. A communication from the Assistant Secretary of the Interior (Land and Minerals Management), transmitting, pursuant to law, the report of royalty management and delinquent account collection activities during fiscal year 1994; to the Committee on Energy and Natural Resources.

EC-1416. A communication from the Administrator of the Energy Information Administration, Department of Energy, transmitting, pursuant to law, the report of the annual energy review for calendar year 1994; to the Committee on Energy and Natural Resources.

EC-1417. A communication from the Assistant Comptroller General of the Resources, Community, and Economic Development Division, General Accounting Office, transmitting, a report entitled "The Department of Energy: A Framework for Restructing DOE and Its Missions", to the Committee on Energy and Natural Resources.

EC-1418. A communication from the Secretary of Energy, transmitting, pursuant to law, a report on voluntary supply commitment efforts; to the Committee on Energy and Natural Resources.

EC-1419. A communication from the Secretary of Energy, transmitting, pursuant to law, a report on the Energy Efficiency Commercialization Ventures Program Plan; to the Committee on Energy and Natural Resources.

EC-1420. A communication from the Secretary of Energy, transmitting, pursuant to law, a report on the status of technologies for combining coal with other materials; to the Committee on Energy and Natural Resources.

EC-1421. A communication from the Secretary of Energy, transmitting, pursuant to law, the report on the Strategic Petroleum Reserve for the period April 1 through June 30, 1995; to the Committee on Energy and Natural Resources.

EC-1422. A communication from the Secretary of Energy, transmitting, pursuant to law, the report for the Demonstration and Commercial Application of Renewable Energy and Energy Efficiency Technologies Program; to the Committee on Energy and Natural Resources.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BOND, from the Committee on Appropriations, with amendments:

H.R. 2099. A bill making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for fiscal year ending September 30, 1996, and for other purposes (Rept. No. 104-140).

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. COCHRAN:

S. 1235. A bill to amend the Federal Crop Insurance Act to authorize the Secretary of Agriculture to provide supplemental crop disaster assistance under certain circumstances, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. HOLLINGS (for himself, Mr. JEFFORDS, Mr. KOHL, Mr. BRYAN, Mr. SANTORUM, Mr. KYL, Mr. BUMPERS, Mrs. BOXER, Mr. LUGAR, Mr. SIMPSON, and Mr. KERRY):

S. 1236. A bill to establish a commission to advise the President on proposals for national commemorate events; to the Committee on the Judiciary.

By Mr. HATCH (for himself, Mr. ABRAHAM, Mr. GRASSLEY, and Mr. THURMOND):

S. 1237. A bill to amend certain provisions of law relating to child pornography, and for other purposes; to the Committee on the Judiciary.

By Mr. GREGG:

S. 1238. A bill to amend title XVIII of the Social Security Act to provide greater flexibility and choice under the Medicare Program; to the Committee on Finance.

By Mr. MCCAIN (for himself, Mr. FORD, and Mr. HOLLINGS):

S. 1239. A bill to amend title 49, United States Code, with respect to the regulation of interstate transportation by common carriers engaged in civil aviation, and for other purposes; to the Committee on Commerce, Science, and Transportation.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mrs. FEINSTEIN (for herself, Mr. BROWN, Mr. LIEBERMAN, and Mr. PELL):

S. Res. 171. A resolution expressing the sense of the Senate with respect to the second anniversary of the signing of the Israeli-Palestinian Declaration of Principles; to the Committee on Foreign Relations.

STATEMENTS OF INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. COCHRAN:

S. 1235. A bill to amend the Federal Crop Insurance Act to authorize the Secretary of Agriculture to provide supplemental crop disaster assistance under certain circumstances, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

THE FEDERAL CROP INSURANCE ACT AMENDMENT ACT OF 1995

• Mr. COCHRAN. Mr. President, over the last 2 months cotton crops in many counties in Mississippi have suffered severe damage due to unusually high insect infestations. It is estimated that over 160,000 acres of cotton have been damaged amounting to a loss of over $100 million. This devastation has not only struck Mississippi, but Texas, Alabama, Tennessee, Arkansas, and Georgia as well. Early estimates provided by the National Cotton Council, State extension services, and State departments of agriculture show approximately 1.6 million acres affected all together with over $700 million losses to farmers.

Cotton farmers have spent large amounts of money trying to control these infestations. Many in my State will not even harvest their crops because of the extensive damage. Many will have crop yields so low that they will not even be able to recover their production costs.

Farmers have catastrophic crop insurance coverage which was mandated in the Federal Crop Insurance Act of 1994 as a requirement for participation in the cotton program. However, the damages from this disaster will far exceed this coverage.

I am introducing legislation which authorizes the Secretary of Agriculture to provide supplemental crop disaster assistance in addition to benefits provided in the Crop Insurance Reform Act of 1994, if the Secretary determines that an extraordinary disaster situation exists.

The Government's Catastrophic Crop Insurance program is not sufficient to help the farmers in the situation they are to recover and stay in business. More must be done.

I encourage my colleagues to support this bill.●

By Mr. HOLLINGS (for himself, Mr. JEFFORDS, Mr. KOHL, Mr. BRYAN, Mr. SANTORUM, Mr. KYL, Mr. BUMPERS, Mrs. BOXER, Mr. LUGAR, Mr. SIMPSON, and Mr. KERRY):

S. 1236. A bill to establish a commission to advise the President on proposals for national commemorate events; to the Committee on the Judiciary.

THE NATIONAL COMMEMORATIVE EVENTS ACT

Mr. HOLLINGS. Mr. President, I rise to introduce the National Commemorative Events Advisory Act, the purpose of which is to create a Presidential advisory commission tasked with reviewing the merit of proposed commemorative observances.

Mr. President, we simply must find an alternative way to review and limit the hundreds of congressionally sponsored commemorative resolutions. These resolutions are intended to honor worthy causes by setting aside a particular day, week, month, or year as a time of special recognition. In principle, this is a noble idea. But, regrettably, in recent years our zeal for commemoratives has gotten entirely out of hand.

During the 95th Congress, we had 57 commemoratives. In the 99th Congress, a high-water mark was reached when 275 commemoratives were passed. In the 100th, 101st, 102d, and 103d Congresses, the totals fell slightly. However, it is shocking to note that during each of these four Congresses, commemoratives accounted for over 30 percent of all public laws passed by Congress.

There is a very tangible cost to this excess, beginning with the fact that the laborious process of enlisting cosponsors and passing commemorative bills have become a major drain on our time as well as on the time of our staffs. There is also a cost in trivializing the whole idea of commemorative observances. We have all noticed a kind of Gresham's law at work, with the proliferation of bad commemoratives driving out of circulation the truly worthy commemoratives.

To put it bluntly, Mr. President, this bill is designed to save us from ourselves—to save us from good intentions run amok. The bill would create a President's Advisory Commission on National Commemorative Events, which would have the task of conducting an independent merit review of commemorative proposals. Congress would no longer pass commemorative resolutions. Instead, the proposed advisory commission would be charged with the sole function of reviewing proposals for national commemorative events making positive or negative recommendations to the President.

This Presidential advisory commission is an idea whose time has come. It would streamline the process of considering proposals, while saving the Congress considerable time and resources. In addition, it would provide for a fair and impartial review of the hundreds of commemorative proposals submitted by a large and growing number of constituent groups.

There are a number of differing projections comparing the relative costs of passing commemorative through Congress and through an independent commission. To be accurate, these calculations need to take full account of the staff time now devoted to handling commemoratives in Congress.

Mr. President, I am well aware that commemoratives are both a curse and a blessing for Members of Congress. They are enormously time consuming. However, they are also perceived as an important vehicle for winning the favor of worthy causes and special interests.

I myself sponsored an amendment to the 1994 crime bill to designate May 1, 1995, as Law Day, U.S.A., to honor our Nation's law enforcement professionals. However, I am confident of the merit of this Law Day commemorative and would be happy to subject it to independent review by the proposed advisory commission.

Mr. President, I urge my fellow Senators to join me in supporting this bill. We can best honor all our constituents not by passing commemorative after commemorative, but by applying ourselves to substantive legislation that will make a real difference in our constituent's lives.

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. 1236

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 Commemorative Events Advisory Act".

SEC. 2. FINDINGS.

The Congress finds that—

(1) the preparation and consideration of the multitude of bills proposing particular days, weeks, months, or years for recognition through Presidential proclamation unduly burdens the Congress and consumes an inordinate amount of time;

(2) such proposals could be more efficiently considered by a commission whose sole function would be to review proposals for national commemorative events and to make positive or negative recommendations thereon to the President;

(3) such a commission would streamline the process by which such proposals are currently considered and save the Congress considerable time and resources which could be devoted to matters of more pressing national concern; and

(4) such a commission would better ensure the impartial review of proposals for national commemorative events generated by a wide variety of constituent groups.

SEC. 3. ESTABLISHMENT AND MEMBERSHIP.

(a) IN GENERAL.—There shall be established a commission to be known as the "President's Advisory Commission on National Commemorative Events" (hereafter in this Act referred to as the "Commission").

(b) MEMBERS.—The Commission shall be composed of 11 members of whom—

(1) 2 members shall be appointed by the Speaker of the House of Representatives, after consultation with the majority and minority leaders of the House of Representatives;

(2) 2 members shall be appointed by the President pro tempore of the Senate, after consultation with the majority and minority leaders of the Senate; and

(3) 7 members shall be appointed by the President.

(c) QUALIFICATIONS.—(1) All members of the Commission shall be citizens of the United States.

(2) Members appointed under subsection (b)(3)—

(A) to the greatest extent possible, shall represent a wide range of educational, geographical, and professional backgrounds; and

(B) may not be Members of Congress.

(d) TERMS.—(1) Except as provided in paragraph (2), each member shall be appointed for a term of 2 years.

(2) Of the members first appointed under subsection (b)(3) the President shall designate—

(A) 3 who shall be appointed for 1 year; and

(B) 4 who shall be appointed for 2 years.

(3) If a member was appointed to the Commission as a Member of Congress and the member ceases to be a Member of Congress, that member may continue as a member for not longer than the 30-day period beginning on the date that member ceases to be a Member of Congress.

(e) VACANCIES.—A vacancy shall be filled in the manner in which the original appointment was made. A vacancy in the Commission shall not affect its powers. Any member appointed to fill a vacancy occurring before the expiration of the term for which the member's predecessor was appointed shall be appointed only for the remainder of such term.

(f) CHAIRMAN.—The Chairman of the Commission shall be designated by the President from among the members under subsection (b)(3). The term of office of the Chairman shall be 2 years.

(g) QUORUM.—6 members of the Commission shall constitute a quorum. Action by a quorum shall be necessary for the Commission to issue a recommendation under section 6(d).

(h) MEETINGS.—The Commission shall meet on at least a quarterly basis. Meetings shall be held in the District of Columbia.

(i) PAY.—(1) Except as provided in paragraph (2), each member of the Commission shall be paid the daily equivalent of the maximum rate of basic pay payable for grade GS-15 of the General Schedule for each day, including traveltime, during which such member is performing duties of the Commission.

(2) Members of the Commission who are full-time officers or employees of the United States or Members of Congress may not receive additional pay for service on the Commission.

(j) TRAVEL EXPENSES.—While away from their homes or regular places of business in the performance of services for the Commission, members of the Commission shall be allowed travel expenses, including a per diem allowance in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed travel expenses under section 5703 of title 5 of the United States Code.

SEC. 4. STAFF.

(a) LIMITATION ON STAFF.—The Commission may not employ staff personnel.

(b) DETAIL OF STAFF FROM FEDERAL AGENCIES.—Any Federal employee may be detailed to the Commission without reimbursement, and such detail shall be without interruption or loss of civil service status or privilege.

SEC. 5. POWERS OF THE COMMISSION.

(a) HEARINGS.—The Commission may, for the purpose of carrying out this Act, hold such hearings, take such testimony, and receive such evidence, as it considers appropriate.

(b) GIFTS.—The Commission may accept, use, and dispose of gifts or donations of services or property, but not from a source having a direct interest in any matter before the Commission.

(c) MAILS.—The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

(d) ADMINISTRATIVE SUPPORT SERVICES.—The Administrator of General Services shall provide to the Commission, on a reimbursable basis, such administrative support services as the Commission may request.

SEC. 6. DUTIES OF THE COMMISSION.

(a) CRITERIA.—The Commission shall establish criteria for recommending to the President that a proposed commemorative event be approved or disapproved.

(b) SUBMISSION OF PROPOSALS.—The Commission shall establish and publish in the Federal Register procedures for submitting proposals for national commemorative events to the Commission.

(c) REVIEW OF PROPOSALS.—The Commission shall review all proposals submitted to it in accordance with subsection (b).

(d) RECOMMENDATION TO THE PRESIDENT.—The Commission shall issue a recommendation to the President for approval or disapproval of each proposal submitted to it in accordance with subsection (b). Each recommendation shall be accompanied by a brief explanation of such recommendation.

(e) LIMITATION ON DESIGNATION OF EVENTS.—The Commission shall not issue a recommendation to the President for approval of an event which commemorates—

(1) a commercial enterprise, industry, specific product, or fraternal, political, business, labor, or sectarian organization;

(2) a particular State or any political subdivision thereof, city, town, county, school, or institution of higher learning; or

(3) a living person.

(f) NONPERMANENT DESIGNATIONS.—(1) Any day, week, month, year, or other specified period of time designated by the Commission for commemoration of an event may not be designated for a date or time period which begins more than 1 year after the date such designation is made.

(2) No event which is commemorated by a day, week, month, year, or other specified period of time designated by the Commission may be commemorated by another designation within a single calendar year.

SEC. 7. EFFECTIVE DATE; COMMENCEMENT AND TERMINATION PROVISIONS.

(a) EFFECTIVE DATE.—This Act shall take effect on January 1, 1996.

(b) COMMENCEMENT; TERMINATION.—(1) Members of the Commission shall be appointed, and the Commission shall first meet, within 90 days after the effective date of this Act.

(2) The Commission shall terminate 5 years after the date on which it first meets.

By Mr. HATCH (for himself, Mr. ABRAHAM, and Mr. GRASSLEY):

S. 1237. A bill to amend certain provisions of law relating to child pornography, and for other purposes; to the Committee on the Judiciary.

THE CHILD PORNOGRAPHY PREVENTION ACT OF 1995

Mr. HATCH. Mr. President, it is impossible for any decent American not to be outraged by child pornography and the sexual exploitation of children. Such material is a plague upon our people and the moral fabric of this great Nation.

And, as a great Nation, I believe that we have both the constitutional right and moral obligation to protect our children from those who, motivated by profit or perversion or both, would abuse, exploit, and degrade the weakest and most vulnerable members of our society.

Current Federal law dealing with child pornography reflects the overwhelming bipartisan consensus which has always existed, both in Congress and in the country, that there is no place for such filth even in a free society and that those who produce or peddle this reprehensible material must be made to feel the full weight of the law and suffer a punishment reflective of the seriousness of their offense.

As with many of our criminal statutes, however, effective enforcement of our laws against child pornography today faces a new obstacle: The criminal use, or misuse, of new technology which is outside the scope of existing statutes. In order to close this computer-generated loophole and to give our law enforcement authorities the tools they need to stem the increasing flow of high-tech child pornography, I am today introducing the Child Pornography Prevention Act of 1995.

The necessity for prompt legislative action amending our existing Federal child pornography statutes to cover the use of computer technology in the production of such material was vividly illustrated by a recent story in the Washington Times. This story, dated July 23, 1995, reported the conviction in Canada of a child pornographer who copied innocuous pictures of children from books and catalogs onto a computer, altered the images to remove the childrens' clothing, and then arranged the children into sexual positions. According to Canadian police, these sexual scenes involved not only adults and children, but also animals.

Even more shocking than the occurrence of this type of repulsive conduct is the fact that, under current Federal law, those pictures, depicting naked children involved in sex with other children, adults, and even animals, would not be prosecutable as child pornography. That is because current Federal child pornography and sexual exploitation of children laws, United States Code title 18, sections 2251, 2251A, and 2252, cover only visual depictions of children engaging in sexually explicit conduct whose production involved the use of a minor engaging in such conduct; materials such as photographs, films, and videotapes.

Today, however, visual depictions of children engaging in any imaginable forms of sexual conduct can be produced entirely by computer, without using children, thereby placing such depictions outside the scope of Federal law. Computers can also be used to alter sexually explicit photographs, films, and videos in such a way as to make it virtually impossible for prosecutors to identify individuals, or to prove that the offending material was produced using children.

The problem is simple: While Federal law has failed to keep pace with technology, the purveyors of child pornography have been right on line with it. This bill will help to correct that problem.

The Child Pornography Prevention Act of 1995, which includes a statement of congressional findings as to harm, both to children and adults, resulting from child pornography, has three major provisions. First, it would amend United States Code title 18, section 2256, to establish, for the first time, a specific, comprehensive, Federal statutory definition of child pornography. Under this bill, any visual depiction, such as a photograph, film, videotape or computer image, which is produced by any means, including electronically by computer, of sexually explicit conduct will be classified as child pornography if: (a) its production involved the use of a minor engaging in

sexually explicit conduct; or (b) it depicts, or appears to depict, a minor engaging in sexually explicit conduct; or (c) it is promoted or advertised as depicting a minor engaging in sexually explicit conduct.

Second, this bill amends the existing statutory definition of sexually explicit conduct contained at section 2256 to include the lascivious exhibition of the buttocks of any minor or the breast of any female minor.

Finally, this bill would protect the Federal Government, State and local governments, and State and local law enforcement officials, from the threat of civil lawsuits and the awarding of damages as the result of searches and seizures made in connection with child pornography investigations or prosecutions.

Current Federal law, United States Code title 42, section 2000aa, includes exceptions to the Privacy Protection Act allowing certain searches and seizures, where the offense consists of the receipt, possession, or communication of information pertaining to the national defense, classified information or restricted data.

This bill would extend that exception to offenses involving the production, possession, sale or distribution of child pornography, the sexual exploitation of children, or the sale or purchase of children, activities which enjoy absolutely no first amendment protection.

Because there have already been several bills or amendments introduced during this session of Congress pertaining to computer telecommunications and the transmission on the Internet of obscene or indecent material, which have been the subject of extensive and on-going comment and debate both here in the Senate and in the country at large, let me emphasize that the bill I am introducing today is not a telecommunications bill and does not propose new or expanded restrictions or regulations with respect to the Information Superhighway.

Child pornography is a particularly pernicious evil, something that no civilized society can or should tolerate. It poisons the minds and spirits of our youth. It permanently records the victim's degradation and abuse, and can haunt those children for years to come. It fuels the growth of organized crime. It encourages the activities of pedophiles and can be used to seduce even more young victims. Congress can and should act, promptly and decisively, to close any loophole in statutes designed to protect our children from the kind of threat and harm posed by child pornography.

I strongly urge the Senate to promptly pass the Child Pornography Prevention Act of 1995.

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. 1237

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 "Child Pornography Prevention Act of 1995".

SEC. 2. FINDINGS.

Congress finds that—

(1) the use of children in the production of sexually explicit material, including photographs, films, videos, computer images, and other visual depictions, is a form of sexual abuse which can result in physical or psychological harm, or both, to the children involved;

(2) child pornography permanently records the victim's abuse, and its continued existence causes the child victims of sexual abuse continuing harm by haunting those children in future years;

(3) child pornography is often used as part of a method of seducing other children into sexual activity; a child who is reluctant to engage in sexual activity with an adult, or to pose for sexually explicit photographs, can sometimes be convinced by viewing depictions of other children "having fun" participating in such activity;

(4) prohibiting the possession and viewing of child pornography encourages the possessors of such material to destroy them, thereby helping to protect the victims of child pornography and to eliminate the market for the sexually exploitative use of children; and

(5) the elimination of child pornography and the protection of children from sexual exploitation provide a compelling governmental interest for prohibiting the production, distribution, possession, or viewing of child pornography.

SEC. 3. DEFINITIONS.

Section 2256 of title 18, United States Code, is amended—

(1) in paragraph (2)(E), by inserting before the semicolon the following: ", or the buttocks of any minor, or the breast of any female minor";

(2) in paragraph (5), by inserting before the semicolon the following: ", and data stored on computer disk or by electronic means which is capable of conversion into a visual image";

(3) in paragraph (6), by striking "and";

(4) in paragraph (7), by striking the period and inserting "; and"; and

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

"(8) 'child pornography' means any visual depiction, including any photograph, film, video, picture, drawing, or computer or computer-generated image or picture, whether made or produced by electronic, mechanical, or other means, of sexually explicit conduct, where—

"(A) the production of such visual depiction involves the use of a minor engaging in sexually explicit conduct;

"(B) such visual depiction is, or appears to be, of a minor engaging in sexually explicit conduct; or

"(C) such visual depiction is advertised, promoted, presented, described, or distributed in such a manner that conveys the impression that the material is or contains a visual depiction of a minor engaging in sexually explicit conduct.".

SEC. 4. PROHIBITED ACTIVITIES RELATING TO MATERIAL CONSTITUTING OR CONTAINING CHILD PORNOGRAPHY.

(a) IN GENERAL.—Section 2252 of title 18, United States Code, is amended to read as follows:

"§ 2252. Certain activities relating to material constituting or containing child pornography

"(a) Any person who—

"(1) knowingly mails, transports, or ships in interstate or foreign commerce by any means, including by computer, any child pornography;

"(2) knowingly receives or distributes—

"(A) any child pornography that has been mailed, shipped, or transported in interstate or foreign commerce by any means, including by computer; or

"(B) any material that contains child pornography that has been mailed, shipped, or transported in interstate or foreign commerce by any means, including by computer;

"(3) knowingly reproduces any child pornography for distribution through the mails, or in interstate or foreign commerce by any means, including by computer;

"(4) either—

"(A) in the maritime and territorial jurisdiction of the United States, or on any land or building owned by, leased to, or otherwise used by or under the control of the United States Government, or in the Indian country (as defined in section 1151), knowingly sells or possesses with the intent to sell any child pornography; or

"(B) knowingly sells or possesses with the intent to sell any child pornography that has been mailed, shipped, or transported in interstate or foreign commerce by any means, including by computer, or that was produced using materials that have been mailed, shipped, or transported in interstate or foreign commerce by any means, including by computer; or

"(5) either—

"(A) in the maritime and territorial jurisdiction of the United States, or on any land or building owned by, leased to, or otherwise used by or under the control of the United States Government, or in the Indian country (as defined in section 1151), knowingly possesses 3 or more books, magazines, periodicals, films, videotapes, computer disks, or any other material that contains any child pornography; or

"(B) knowingly possesses 3 or more books, magazines, periodicals, films, videotapes, computer disks, or any other material that contains any child pornography that has been mailed, shipped, or transported in interstate or foreign commerce by any means, including by computer,

shall be punished as provided in subsection (b).

"(b)(1) Whoever violates, or attempts or conspires to violate, paragraphs (1), (2), (3), or (4) of subsection (a) shall be fined under this title or imprisoned not more than 10 years, or both, but, if such person has a prior conviction under this chapter or chapter 109A, such person shall be fined under this title and imprisoned for not less than 5 years nor more than 15 years.

"(2) Whoever violates paragraph (5) of subsection (a) shall be fined under this title or imprisoned for not more than 5 years, or both.".

(b) TECHNICAL AMENDMENT.—The table of sections for chapter 110 of title 18, United States Code, is amended by amending the item relating to section 2252 to read as follows:

"2252. Certain activities relating to material constituting or containing child pornography.".

SEC. 5. PRIVACY PROTECTION ACT AMENDMENTS.

Section 101 of the Privacy Protection Act of 1980 (42 U.S.C. 2000aa) is amended—

(1) in subsection (a)(1), by inserting before the semicolon at the end the following: ", or if the offense involves the production, possession, receipt, mailing, sale, distribution, shipment, or transportation of child pornography, the sexual exploitation of children, or the sale or purchase of children under section 2251, 2251A, or 2252 of title 18, United States Code"; and

(2) in subsection (b)(1), by inserting before the semicolon at the end the following: ", or if the offense involves the production, possession, receipt, mailing, sale, distribution, shipment, or transportation of child pornography, the sexual exploitation of children, or the sale or purchase of children under section 2251, 2251A, or 2252 of title 18, United States Code".

SEC. 6. SEVERABILITY.

If any provision of this Act, an amendment made by this Act, or the application of such provision or amendment to any person or circumstance is held to be unconstitutional, the remainder of this Act, the amendments made by this Act, and the application of such to any other person or circumstance shall not be affected thereby.

By Mr. McCAIN (for himself, Mr. FORD, Mr. HOLLINGS)

S. 1239. A bill to amend title 49, United States Code, with respect to the regulation of interstate transportation by common carriers engaged in civil aviation, and for other purposes; to the Committee on Commerce, Science, and Transportation.

THE AIR TRAFFIC MANAGEMENT SYSTEM PERFORMANCE IMPROVEMENT ACT OF 1995

Mr. McCAIN. Mr. President, I rise today with my colleague Senator FORD, to introduce legislation that will streamline the Federal Aviation Administration in a comprehensive and responsible manner. This bill was developed to ensure that in this era of fiscal accountability, the FAA can continue to operate the safest air traffic control system in the world. Our work on this bill began with the premise that aviation safety was no place for partisan conflict or for gamesmanship between the legislative and executive branches. We worked to craft a bipartisan solution that brings together the views and experience of all the parties engaged in aviation safety. We also sought a partnership with the administration to get the job done.

Currently, one of the most challenging tasks for those of us in Congress who want to balance the budget is to find innovative and workable solutions to ensure that essential Government services not only continue, but are performed even better. Federal regulation of airline safety is one such service that virtually everyone agrees must continue and, in fact, should undergo major modernization. Indeed, after several major air traffic computer systems failed this summer, the traveling public is right to be concerned about what the Government intends to do about the problem. Traditionally, the Government's response would have been to pour more tax money into the FAA's budget. Under the new budget resolution, however, that will not be possible. More importantly, the truth is that simply spending money does not guarantee improvements anyway.

For those of responsible for the oversight of aviation safety, the focus in the FAA reform debate is now how we can actually improve airline safety at the same time that the amount of tax dollars spent on the FAA is cut back. We believe that the legislation being introduced today, by making major reforms at the FAA and changing the way the agency is financed, can accomplish this goal. In addition, this bill enables us and the agency to create incentives to reduce or eliminate current operational inefficiencies that cost airlines and their passengers billions each year.

Specifically, our proposed legislation will take the FAA as far as possible out of the political environment and provide it with a clear direction and stable source of funding. It will free this essential agency from many restrictive regulations and requirements, particularly in the areas of procurement and personnel. Most significantly, however, it will compel the FAA to become an organization that is far more responsive to the needs of those who use the air traffic control system—air carriers, general aviation, and the traveling public. It is designed to provide the kind of direction and incentives that will result in a safer and far more efficient air transportation system.

As the FAA reform debate has intensified this year, the role of the FAA has come under intense scrutiny. Without question, the FAA has provided the United States with the finest aviation safety system in the world. However, this is an agency that has major flaws. It has spent over $20 billion in the last decade for a modernization program that is way over budget and has never lived up to its promise. Moreover, the operational inefficiencies resulting from the failure of the modernization program are measured in billions of dollars annually.

Some have suggested that the FAA's problems could be solved simply by procurement reform—in other words, by giving the agency the ability to cut redtape in buying equipment. Although we acknowledge that procurement reform is important, even essential, that alone does not do enough. Without changing the basic mission and structure of the organization, procurement reform would merely be a way of allowing an agency to make bad purchasing decisions even faster. Our proposed legislation reflects an understanding that we had to do more than procurement and personnel reform to resolve the FAA's problems. Our bill recognizes that the legislative and budget constraints under which the FAA works are simply too restrictive to make the fundamental changes necessary.

It has been particularly distressing to see that because of these constraints, the FAA has been unable to keep up with the dynamic technical and economic changes taking place in the airline industry. That, in turn, highlights the fact that there is a disconnect between those who fund the system and those who operate it. Over 70 percent of the FAA budget comes from the industry using the system, mostly through a 10-percent tax on airline tickets. In the future, the only way to save tax dollars will be to require that users pay an even greater percentage. Yet, under the current system, there is little incentive for the FAA to develop systems that will result in operational efficiencies. That is because there is no relationship between the way the money comes in and the way it is being spent. Our legislation is the only bill that attempts to remedy this fundamental deficiency.

Under our bill, the FAA would be required to design a new fee system based upon the use of the system by airlines and others, instead of the price of an airline ticket. In this way, system users would have a greater stake in a safe and efficient air traffic control system, and the FAA, in turn, would have a greater stake in making sure that it understands the industry it regulates. Those who use the FAA's services will pay more user fees to support the FAA in the future. That is a fact of life under the budget resolution. But, if our legislation is enacted, we are convinced that the operational efficiencies realized by the users will more than offest the additional expenses. And, for the first time, the fees will be directly applied to the services provided.

In no case will safety be given a lower priority. In fact, there will be an explicit link between safety and productivity. Since nothing in this legislation will change the current FAA goal of zero accidents, the only way that productivity and capacity will increase under the new system is if safety margins improve even more than they are today. We want the users of the system to have as great a stake in assuring the highest Federal safety standards as possible. That is precisely what this bill will do. It will create a public/private partnership that will link safety and productivity to ensure that both improve.

This bill comes at a critical time for the FAA. We are confident that we are on the right track by having de-politicized the issue and having sought the most impartial and skilled advice in putting it together. It is our intent to see this bill enacted into law, and then commit ourselves to intense oversight to be sure that it is implemented in a

way that places safety at the forefront, turns the FAA into a more modern and responsive agency, improves the performance of the air traffic control system, and saves money for American taxpayers.

Mr. FORD. Mr. President, today the Senate begins the debate on meaningful reform of the Federal Aviation Administration. With the introduction of the Air Traffic Management System Performance Improvement Act of 1995, we have fashioned a bipartisan approach with the administration on how to achieve the long term goal of maintaining the world's safest air transportation system. We could use a lot more bipartisan approaches to problems. The aviation industry is no different than the general public—they want rational solutions to difficult problems—not political cat fights.

I began to search for ways to reform the FAA many years ago and in 1987, introduced S. 1600, a bill that would have made the FAA an independent agency. However, the problems today are different than those that prompted S. 1600. Today's problems are not about micro-management and internal disputes. The issue today has two parts—money and efficiency.

The bill today addresses those issues in many ways. First it sets in motion a series of new systems to fund the agency, new systems for its people and programs. My goal is not to merely cover a funding problem, but to use money to derive a better agency. As a result, the fee systems that are to be set up will be difficult to design. No one wants to create discincentives. For example, in authorizing the FAA to collect fees for certification work, I want to make sure the FAA focuses its resources on what is needed. If the FAA chooses to merely use the certification fees as a means to raise revenue, they may choose to function like lawyers and charge by the hour, not by the product or value of the service. No one wants to encourage the FAA to run up bills for the sake of raising money. There is much work that needs to be done to assign fees. The industry, the FAA, the Department and the Committee need to continue to work out the best way to accomplish our goal.

However, all parties must bear in mind that under the current set of assumptions, the FAA will need approximately $59 billion through 2002. However, under the budget resolution calls for only $47 billion. Somehow, we have got to recognize what this $12 billion gap means. To put it in perspective, it could mean the closure or elimination of many services that are now provided. Like many situations, when we begin to downsize, the smallest communities tend to bear the brunt of cuts. Air traffic control towers at small airports, which are critical to the economic development of our small communities, could be the first to go. Flight service stations that handle general aviation traffic also could be on the first list of closures. In addition, do any of us really want to think of an air traffic control system with fewer controllers than we have today?

If current trends are correct, by the year 2002, we will have a 35-percent increase in passenger traffic, and an 18-percent increase in operations. Absent financial reform, the FAA will experience a 14-percent decline in funding. These statistics will mean only one thing—an FAA without an ability to meet its safety mission and without adequate funding to meet air traffic control demands.

Today, the Chicago center in Aurora experienced its second outage in recent months. I know the National Transportation Safety Board is looking into ATC problems now, but we must recognize that without the ability to modernize, and quickly, problems like Chicago may reoccur.

With respect to the bill, it does not create a corporation, nor does it make the agency independent. Instead, the bill strikes a balance. Regulatory and budget issues will be coordinated between the Secretary and the Administrator. In other areas such as personnel and procurement, the Administrator will have authority. These changes are important and will change how FAA manages its business. The goal, and one we all share, is an FAA with the ability to act quickly, and be able to count on funding.

The bill today asks many segments of the industry for help in supporting the FAA's mission. I do not ask airlines, manufacturers, and others for their financial support lightly and I know that bill be controversial. But something has got to change.

I have a choice—I can look at the FAA, and the budget assumptions and do nothing, or I can work to make sure that the safety of the traveling public is protected. After 21 years in Congress, having spent many years as Aviation Subcommittee chairman and now ranking Democrat, I can tell you that we have got to act. The bottom line, unfortunately, is that the travelling public simply can not count on funding for the FAA under the drive to balance the budget.

To those that will object, we will continue to work with you on FAA reform. There is much we agree on, and a lot of work to be done. I also want to point out that while the House bill differs from the bill we are introducing today, we share a common goal—a better FAA.

ADDITIONAL COSPONSORS

S. 743

At the request of Mrs. HUTCHISON, the name of the Senator from Tennessee [Mr. FRIST] was added as a cosponsor of S. 743, a bill to amend the Internal Revenue Code of 1986 to provide a tax credit for investment necessary to revitalize communities within the United States, and for other purposes.

S. 794

At the request of Mr. LUGAR, the name of the Senator from North Carolina [Mr. FAIRCLOTH] was added as a cosponsor of S. 794, a bill to amend the Federal Insecticide, Fungicide, and Rodenticide Act to facilitate the minor use of a pesticide, and for other purposes.

S. 959

At the request of Mr. HATCH, the name of the Senator from Oklahoma [Mr. INHOFE] was added as a cosponsor of S. 959, a bill to amend the Internal Revenue Code of 1986 to encourage capital formation through reductions in taxes on capital gains, and for other purposes.

S. 969

At the request of Mr. BRADLEY, the names of the Senator from Maryland [Mr. SARBANES], the Senator from Illinois [Mr. SIMON], and the Senator from Minnesota [Mr. WELLSTONE] were added as cosponsors of S. 969, a bill to require that health plans provide coverage for a minimum hospital stay for a mother and child following the birth of the child, and for other purposes.

S. 978

At the request of Mrs. HUTCHISON, the name of the Senator from Indiana [Mr. LUGAR] was added as a cosponsor of S. 978, a bill to facilitate contributions to charitable organizations by codifying certain exemptions from the Federal securities laws, to clarify the inapplicability of antitrust laws to charitable gift annuities, and for other purposes.

S. 1113

At the request of Mr. LAUTENBERG, the name of the Senator from Massachusetts [Mr. KENNEDY] was added as a cosponsor of S. 1113, a bill to reduce gun trafficking by prohibiting bulk purchases of hand guns.

S. 1161

At the request of Mr. BAUCUS, the name of the Senator from Wyoming [Mr. SIMPSON] was added as a cosponsor of S. 1161, a bill to amend the Internal Revenue Code of 1986 to exempt small manufacturers, producers and importers from the firearms excise tax.

AMENDMENT NO. 2514

At the request of Mr. LIEBERMAN, the names of the Senator from Georgia [Mr. NUNN] and the Senator from Connecticut [Mr. DODD] were added as cosponsors of amendment No. 2514 proposed to H.R. 4, a bill to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

AMENDMENT NO. 2565

At the request of Mr. ROBB, his name was added as a cosponsor of amendment No. 2565 proposed to H.R. 4, a bill to restore the American family, reduce

illegitimacy, control welfare spending, and reduce welfare dependence.

AMENDMENT NO. 2575

At the request of Mr. DOMENICI, the name of the Senator from Pennsylvania [Mr. SPECTER] was added as a cosponsor of amendment No. 2575 proposed to H.R. 4, a bill to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

AMENDMENT NO. 2589

At the request of Mr. MCCAIN, the names of the Senator from Hawaii [Mr. INOUYE], the Senator from Minnesota [Mr. WELLSTONE], and the Senator from New Mexico [Mr. DOMENICI] were added as cosponsors of amendment No. 2589 proposed to H.R. 4, a bill to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

AMENDMENT NO. 2603

At the request of Mr. FAIRCLOTH, the name of the Senator from North Carolina [Mr. HELMS] was added as a cosponsor of amendment No. 2603 proposed to H.R. 4, a bill to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

At the request of Mr. GRAMM, his name was added as a cosponsor of amendment No. 2603 proposed to H.R. 4, supra.

AMENDMENT NO. 2668

At the request of Ms. MIKULSKI, the name of the Senator from Minnesota [Mr. WELLSTONE] was added as a cosponsor of amendment No. 2668 proposed to H.R. 4, a bill to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

SENATE RESOLUTION 171—RELATIVE TO THE ISRAELI-PALESTINIAN DECLARATION OF PRINCIPLES

Mrs. FEINSTEIN (for herself, Mr. BROWN, Mr. LIEBERMAN, and Mr. PELL) submitted the following resolutions; which was referred to the Committee on Foreign Relations:

S. RES. 171

Whereas the Bush Administration and the Clinton Administration have both worked relentlessly to build on the Middle East peace process that began in Madrid in October 1991, with the goal of achieving a comprehensive, lasting peace between Israel and all its neighbors;

Whereas on September 13, 1993, the first major breakthrough of the Madrid peace process was achieved when Israel and the Palestinians signed the Declaration of Principles on Interim Self-Government Arrangements on the White House lawn;

Whereas September 13, 1995 marks the second anniversary of this important breakthrough;

Whereas the United States has pledged to support the Israel-Palestinian Declaration of Principles through diplomatic and political efforts, the provision of assistance, and other means;

Whereas the May 4, 1994 Cairo Agreement between Israel and the Palestinians resulted in the withdrawal of the Israeli army from the Gaza Strip and the Jericho Area and the establishment of a Palestinian Authority with responsibility for those areas;

Whereas Israel and the Palestinian Authority are continuing negotiations on the redeployment of Israeli troops our of Arab population centers in the West Bank, the expansion of the Palestinian Authority's jurisdiction into the areas vacated by the Israeli army, and the convening of elections for a Palestinian council;

Whereas the Israeli-Palestinian Declaration of Principles helped pave the way for the October 25, 1994 signing of a full peace treaty between Israel and Jordan, which established full diplomatic relations and pledged to resolve all future disputes by peaceful means;

Whereas the Israeli-Jordanian peace treaty has resulted in rapid normalization and unprecedented cooperation between the two nations in security, economic development, the environment, and other areas;

Whereas the Israeli-Palestinian Declaration of Principles helped pave the way for Israel to establish low-level diplomatic relations with Morocco and Tunisia, and to initiate official contacts with Qatar, Oman, and Bahrain;

Whereas the six nations of the Gulf Cooperation Council have announced their decision to end all enforcement of the secondary and tertiary boycotts of Israel;

Whereas extremists opposed to the Middle East peace process continue to use terrorism to undermine the chances of achieving a comprehensive peace, including on August 21, 1995, when a suicide bomber blew up a bus in Jerusalem, killing one American and four Israeli civilians;

Whereas the issue of security and preventing acts of terrorism is and must remain of paramount importance in the Israeli-Palestinian negotiations; and

Whereas compliance by the Palestine Liberation Organization and the Palestinian Authority with all of their solemn commitments is essential to the success of the peace process: Now, therefore, be it

Resolved, That the Senate—

(1) expresses its support for the Israeli-Palestinian Declaration of Principles on the second anniversary of its historic signing;

(2) supports the efforts of Israel and the Palestinians to conclude an agreement on implementation of the second phase of the Declaration of Principles;

(3) condemns, in the strongest possible terms, all acts of terrorism aimed at undermining the Israeli-Palestinian peace negotiations and other tracks of the Middle East peace process, and calls upon all parties to take all necessary steps to prevent such acts;

(4) calls upon the Palestine Liberation Organization and the Palestinian Authority to comply with all of their commitments;

(5) welcomes the progress made toward peace between Israel and its neighbors;

(6) commends those Middle Eastern leaders who have committed to resolve their differences through only peaceful means;

(7) reiterates its belief that a comprehensive, lasting peace between Israel and its neighbors is in the national interest of the United States;

(8) encourages all participants in the Middle East peace process to continue working to achieve lasting peace agreements while adhering fully to all commitments made and agreements reached thus far;

(9) calls upon the Arab states to demonstrate their commitment to peace by completely dismantling the Arab boycott of Israel in its primary, secondary, and tertiary aspects; and

(10) strongly supports the Middle East peace process and seeks to effect policies that will help the peace process reach a successful conclusion.

Mrs. FEINSTEIN. Mr. President, 2 years ago today, my colleagues and I were privileged to witness a historic moment on the White House lawn: the signing of the Israeli-Palestinian Declaration of Principles.

Today, on behalf of myself, Senator BROWN, Senator LIEBERMAN, and Senator PELL I am submitting a resolution expressing the sense of the Senate on this important anniversary.

This resolution very simply expresses the Senate's support for the declaration of principles, its recognition of the progress that has been achieved in the Middle East peace process, and its commitment to help the process reach a successful conclusion.

The Middle East has changed so much in the last 4 years that we often take the changes for granted. But it sometimes bears reviewing how much has been achieved in such a short time.

Think of it:

Four years ago, before the Madrid conference in October 1991, Israel had never sat face-to-face in peace talks with most of its Arab neighbors. Today, meetings between Israeli and Arab officials—from Israel's immediate neighbors, from the Persian Gulf States, and from North Africa—are so routine and so numerous that they scarcely receive mention in the news media.

Just over 2 years ago, Israeli and Palestinian negotiators remained locked in a fruitless stalemate, and direct talks between Israel and the PLO were deemed impossible. Today, there is Palestinian self-rule in Gaza and Jericho, Israeli and Palestinian Authority are on the verge of reaching an agreement on Palestinian elections and further Israeli troop redeployments in the West Bank, and handshakes between Israeli and PLO leaders are commonplace.

Just over 1 year ago, Israel and Jordan remained officially in a state of war. Today, thanks to the courage and leadership of King Hussein and Prime Minister Rabin, Israel and Jordan have signed a full peace treaty, enjoy full diplomatic relations, and are continually expanding their cooperation in security, economic development, tourism, the environment, and many other areas.

Mr. President, no one would deny that peace has not yet been secured in the Middle East. Much, much work remains to be done. Although the Israeli-Syrian negotiations have at times showed promise, with senior Israeli and Syrian military officers holding substantive talks on the security arrangements that must accompany an agreement, these talks currently seem

caught in a stalemate. Clearly, many hard rounds of negotiations remain.

Israel's talks with Lebanon are essentially on hold until there is an Israeli—Syrian deal. Israel and the Palestinians must continue to overcome obstacles to the implementation of their agreements, and their negotiations will get no easier once final status talks begin next year.

In addition, the peacemakers of the Middle East face continual opposition from those who would use terrorism to upset the peace process. We were reminded of this once on August 21 when a suicide bomber blew up a bus in Jerusalem, killing one American and four Israeli civilians. Like the suicide bombings that preceded it, this was a heinous and unforgivable act of terrorism.

All who are committed to peace must do everything in their power to prevent acts of terrorism. Nowhere is this more true than in the areas controlled by the Palestinian Authority. While the performance of Chairman Arafat's authority in security matters has improved with time, it must do even more to prevent and punish all terrorist acts. Suicide bombers and other extremists must not be allowed to succeed in their goal of preventing the arrival of peace.

But, the obstacles and the hard work ahead do not change the fact that real peace in the Middle East is today genuinely within reach, as it never has been before. The long-held dream of Israelis to live in peace with all their neighbors, in secure borders, is not a real possibility.

To bring this process to a successful conclusion, the parties themselves must make all the difficult decisions. But the support of the United States has always been essential to Middle East peacemaking, and it remains so today.

Presidents Bush and Clinton, and Secretaries of State Baker and Christopher, deserve enormous credit for their unyielding commitment to pursuing a comprehensive peace in the Middle East, and their efforts have earned them the respect and gratitude of parties throughout the region.

The Congress has also been consistent in its strong support of all efforts to advance the peace process, and expressions of that support help bolster the parties in their efforts. One recent expression of that support was the introduction of S. 1064, the Middle East Peace Facilitation Act of 1995, which I was proud to cosponsor along with Senators HELMS, PELL, DOLE, DASCHLE, MACK, LIEBERMAN, MCCONNELL, LEAHY, and LAUTENBERG. This bill would allow the President to continue to provide assistance to the Palestinians and to conduct relations with the PLO, but it includes strict new language mandating compliance by the PLO and the Palestinian Authority with all of their commitments.

The resolution I am submitting today presents an opportunity for the Senate to mark an important milestone on the long road to peace between Israel and the Palestinians. As we take note of this day, let us also reiterate once again that the successful conclusion of a comprehensive peace in the Middle East is in the United States national interest, and that we in the U.S. Senate stand firmly behind all those who are committed to achieving that peace.

AMENDMENT SUBMITTED

THE WORK OPPORTUNITY ACT OF 1995

SIMON (AND REID) AMENDMENT NO. 2681

Mr. SIMON (for himself and Mr. REID) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill (H.R. 4) to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence; as follows:

At the appropriate place, insert the following new title:

TITLE ___—COMMUNITY WORKS PROGRESS ACT

SEC. ___00. SHORT TITLE.

This title may be cited as the "Community Works Progress Act".

SEC. ___01. FUNDING FOR COMMUNITY WORKS PROGRESS PROGRAMS.

(a) SET-ASIDE OF AMOUNTS FROM BLOCK GRANTS FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES.—

(1) REDUCTION IN STATE FAMILY ASSISTANCE GRANT AMOUNT.—Notwithstanding section 403(a)(1)(A) of the Social Security Act, as added by section 101(b) of this Act, no eligible State shall receive a grant in an amount equal to the amount otherwise determined under such section unless such amount is reduced by the amount determined under paragraph (2).

(2) AMOUNT DETERMINED.—The amount determined under this paragraph is the amount which bears the same ratio to $240,000,000 (or, $240,000,000 reduced by the amount, if any, available for such fiscal year in accordance with subsection (c), whichever is lesser) as the amount otherwise determined for such State under section 403(a)(2)(A) of the Social Security Act, as added by section 101(b) of this Act, (without regard to the reduction determined under this paragraph) bears to $16,795,323,000.

(3) USE OF AMOUNTS APPROPRIATED FOR BLOCK GRANT.—Notwithstanding section 403(a)(4)(A) of the Social Security Act, as added by section 101(b) of this Act, $240,000,000 of the amounts appropriated under such section shall be used for the purpose of paying grants beginning with fiscal years after fiscal year 1996 to States for the operation of community works progress programs. Such amounts shall be paid to States in accordance with the requirements of this title and shall not be subject to any requirements of part A of title IV of the Social Security Act.

(b) LIMITATIONS ON COSTS.—

(1) ADMINISTRATIVE EXPENSES.—Not more than 10 percent of the amount of each grant awarded to a State may be used for administrative expenses.

(2) COMPENSATION AND SUPPORTIVE SERVICES.—Not less than 70 percent of the amount of each grant awarded to a State may be used to provide compensation and supportive services to project participants.

(3) WAIVER OF COST LIMITATIONS.—The limitations under paragraphs (1) and (2) may be waived for good cause, as determined appropriate by the Secretary.

(c) AMOUNTS REMAINING AVAILABLE FOR STATE FAMILY ASSISTANCE GRANTS.—Any amounts appropriated for making grants under this title for a fiscal year under section 403(a)(4)(A)(i) of the Social Security Act (42 U.S.C. 603(a)(2)(A)(4)(A)(i)) that are not paid as grants to States in accordance with this title in such fiscal year shall be available for making State family assistance grants for such fiscal year in accordance with subsection (a)(1) of such section.

SEC. ___01A. ESTABLISHMENT.

In the case of any fiscal year after fiscal year 1996, the Secretary of Labor (hereafter referred to in this title as the "Secretary") shall award grants to 4 States for the establishment of community works progress programs.

SEC. ___02. DEFINITIONS.

For purposes of this title:

(1) COMMUNITY WORKS PROGRESS PROGRAM.—The terms "community works progress program" and "program" mean a program designated by a State under which the State will select governmental and nonprofit entities to conduct community works progress projects which serve a significant public purpose in fields such as health, social service, environmental protection, education, urban and rural development and redevelopment, welfare, recreation, public facilities, public safety, and child care.

(2) COMMUNITY WORKS PROGRESS PROJECT.—The terms "community works progress project" and "project" mean an activity conducted by a governmental or nonprofit entity that results in a specific, identifiable service or product that, but for this title, would not otherwise be done with existing funds and that supplements but does not supplant existing services.

(3) NONPROFIT ENTITY.—The term "nonprofit entity" means an organization—

(A) described in section 501(c) of the Internal Revenue Code of 1986; and

(B) exempt from taxation under section 501(a) of such Code.

SEC. ___03. APPLICATIONS BY STATES.

(a) IN GENERAL.—Each State desiring to conduct, or to continue to conduct, a community works progress program under this title shall submit an annual application to the Secretary at such time and in such manner as the Secretary shall require. Such application shall include—

(1) identification of the State agency or agencies that will administer the program and be the grant recipient of funds for the State, and

(2) a detailed description of the geographic area in which the project is to be carried out, including such demographic and economic data as are necessary to enable the Secretary to consider the factors required by subsection (b).

(b) CONSIDERATION OF APPLICATIONS.—

(1) IN GENERAL.—In reviewing all applications received from States desiring to conduct or continue to conduct a community works progress program under this title, the Secretary shall consider—

(A) the unemployment rate for the area in which each project will be conducted,

(B) the proportion of the population receiving public assistance in each area in which a project will be conducted,

(C) the per capita income for each area in which a project will be conducted,

(D) the degree of involvement and commitment demonstrated by public officials in each area in which projects will be conducted,

(E) the likelihood that projects will be successful,

(F) the contribution that projects are likely to make toward improving the quality of life of residents of the area in which projects will be conducted,

(G) geographic distribution,

(H) the extent to which projects will encourage team approaches to work on real, identifiable needs,

(I) the extent to which private and community agencies will be involved in projects, and

(J) such other criteria as the Secretary deems appropriate.

(2) INDIAN TRIBES AND URBANIZED AREAS.—

(A) IN GENERAL.—The Secretary shall ensure that—

(i) one grant under this title shall be awarded to a State that will conduct a community works progress project that will serve one or more Indian tribes; and

(ii) one grant under this title shall be awarded to a State that will implement a community works progress project in a city that is within an Urbanized Area (as defined by the Bureau of the Census).

(B) INDIAN TRIBE.—For purposes of this paragraph, the term "Indian tribe" means any Indian tribe, band, nation, or other organized group or community, including any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act (43 U.S.C.A. 1601 et seq.), which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

(c) MODIFICATION TO APPLICATIONS.—If changes in labor market conditions, costs, or other factors require substantial deviation from the terms of an application approved by the Secretary, the State shall submit a modification of such application to the Secretary.

SEC. ___04. PROJECT SELECTION BOARD.

(a) ESTABLISHMENT.—Each State that receives a grant under this title shall establish a Project Selection Board (hereafter referred to as the "Board") in the geographic area or areas identified by the State under section ___03(b)(2).

(b) MEMBERSHIP.—

(1) IN GENERAL.—Each Board shall be composed of 13 members who shall reside in the geographic area identified by the State under section ___03(b)(2). Subject to paragraph (2), the members of the Board shall be appointed by the Governor of the State in consultation with local elected officials in the geographic area.

(2) REPRESENTATIVES OF BUSINESS AND LABOR ORGANIZATIONS.—The Board—

(A) shall have at least one member who is an officer of a recognized labor organization; and

(B) shall have at least one member who is a representative of the business community.

(c) DUTIES OF THE BOARD.—The Board shall—

(1) recommend appropriate projects to the Governor;

(2) select a manager to coordinate and supervise all approved projects; and

(3) periodically report to the Governor on the project activities in a manner to be determined by the Governor.

(d) VETO OF A PROJECT.—One member of the Board who is described in subparagraph (A) of subsection (b)(2) and one member of the Board who is described in subparagraph (B) of such subsection shall have the authority to veto any proposed project. The Governor shall determine which Board members shall have the veto authority described under this subsection.

(e) TERMS AND COMPENSATION OF MEMBERS.—The Governor shall establish the terms for Board members and specify procedures for the filling vacancies and the removal of such members. Any compensation or reimbursement for expenses paid to Board members shall be paid by the State, as determined by the Governor.

SEC. ___05. PARTICIPATION IN PROJECTS.

(a) IN GENERAL.—To be eligible to participate in projects under this title, an individual shall be—

(1) receiving, eligible to receive, or have exhausted unemployment compensation under an unemployment compensation law of a State or of the United States,

(2) receiving, eligible to receive, or at risk of becoming eligible to receive, assistance under a State program funded under part A of title IV of the Social Security Act,

(3) a noncustodial parent of a child who is receiving assistance under a State program funded under part A of title IV of the Social Security Act,

(4) a noncustodial parent who is not employed, or

(5) an individual who—

(A) is not receiving unemployment compensation under an unemployment compensation law of a State or of the United States;

(B) if under the age of 20 years, has graduated from high school or is continuing studies toward a high school equivalency degree;

(C) has resided in the geographic area in which the project is located for a period of at least 60 consecutive days prior to the awarding of the project grant by the Secretary; and

(D) is a citizen of the United States.

(b) WORK ACTIVITY UNDER BLOCK GRANTS FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES.—For purposes of section 404(c)(3) of the Social Security act, as added by section 101(b) of this Act, the term 'work activity' includes participation in a community works progress program.

SEC. ___06. MANDATORY PARTICIPATION.

Able-bodied individuals who reside in a project area and who have received assistance under a State program funded under part A of title IV of the Social Security Act for more than 5 weeks shall be required to participate in a project unless—

(1) the project has no available placements; or

(2) the individual is a single custodial parent caring for a child age 5 or under and has a demonstrated inability to obtain needed child care, for 1 or more of the following reasons:

(A) Unavailability of appropriate child care within a reasonable distance of the individual's home or work site.

(B) Unavailability or unsuitability of informal child care by a relative or under other arrangements.

(C) Unavailability of appropriate and affordable formal child care arrangements.

SEC. ___07. HOURS AND COMPENSATION.

(a) DETERMINATION OF COMPENSATION.—

(1) IN GENERAL.—Except as provided in paragraph (2) project participants in a community works progress project shall be paid the applicable Federal or State minimum wage, whichever is greater.

(2) EXCEPTIONS.—If a participant in a community works progress project is—

(A) eligible for benefits under a State program funded under part A of title IV of the Social Security Act and such benefits exceed the amount described in paragraph (1), such participant shall be paid an amount that exceeds by 10 percent of the amount of such benefits; or

(B) eligible for benefits under an unemployment compensation law of a State or the United States such benefits exceed the amount described in paragraph (1), such participant shall be paid an amount that exceeds by 10 percent the amount of such benefits.

(b) WORK REQUIREMENTS RELATED TO PARTICIPATION.—

(1) IN GENERAL.—

(A) MAXIMUM HOURS.—In order to assure that each individual participating in a project will have time to seek alternative employment or to participate in an alternative employability enhancement activity, no individual may work as a participant in a project under this title for more than 32 hours per week.

(B) REQUIRED JOB SEARCH ACTIVITY.—Individuals participating in a project who are not receiving assistance under a State program funded under part A of title IV of the Social Security Act or unemployment compensation under an unemployment compensation law of a State or of the United States shall be required to participate in job search activities on a weekly basis.

(c) COMPENSATION FOR PARTICIPANTS.—

(1) PAYMENTS OF ASSISTANCE UNDER A STATE PROGRAM FUNDED UNDER PART A OF TITLE IV AND UNEMPLOYMENT COMPENSATION.—Any State agency responsible for making a payment of benefits to a participant in a project under a State program funded under part A of title IV of the Social Security Act or under an unemployment compensation law of a State or of the United States may transfer such payment to the governmental or nonprofit entity conducting such project and such payment shall be made by such entity to such participant in conjunction with any payment of compensation made under subsection (a).

(2) TREATMENT OF COMPENSATION OR BENEFITS UNDER OTHER PROGRAMS.—

(A) HIGHER EDUCATION ACT OF 1965.—In determining any grant, loan, or other form of assistance for an individual under any program under the Higher Education Act of 1965, the Secretary of Education shall not take into consideration the compensation and benefits received by such individual under this section for participation in a project.

(B) RELATIONSHIP TO OTHER FEDERAL BENEFITS.—Notwithstanding any other provision of law, any compensation or benefits received by an individual under this section for participation in a community works progress project shall be excluded from any determination of income for the purposes of determining eligibility for benefits under a State program funded under part A of title IV, title XVI, and title XIX of the Social Security Act, or any other Federal or federally assisted program which is based on need.

(3) SUPPORTIVE SERVICES.—Each participant in a project conducted under this title shall be eligible to receive, out of grant funds awarded to the State agency administering such project, assistance to meet necessary costs of transportation, child care, vision testing, eyeglasses, uniforms and other work materials.

SEC. ___08. ADDITIONAL PROGRAM REQUIREMENTS.

(a) NONDUPLICATION AND NONDISPLACEMENT.—

(1) NONDUPLICATION.—

(A) IN GENERAL.—Amounts from a grant provided under this title shall be used only for a project that does not duplicate, and is in addition to, an activity otherwise available in the State or unit of general local government in which the project is carried out.

(B) NONPROFIT ENTITY.—Amounts from a grant provided to a State under this title shall not be provided to a nonprofit entity to conduct activities that are the same or substantially equivalent to activities provided by a State or local government agency in which such entity resides, unless the requirements of paragraph (2) are met.

(2) NONDISPLACEMENT.—

(A) IN GENERAL.—A governmental or nonprofit entity shall not displace any employee or position, including partial displacement such as reduction in hours, wages, or employment benefits, as a result of the use by such entity of a participant in a project funded by a grant under this title.

(B) LIMITATION ON SERVICES.—

(i) DUPLICATION OF SERVICES.—A participant in a project funded by a grant under this title shall not perform any services or duties or engage in activities that would otherwise be performed by any employee as part of the assigned duties of such employee.

(ii) SUPPLANTATION OF HIRING.—A participant in a project funded by a grant under this title shall not perform any services or duties or engage in activities that will supplant the hiring of other workers.

(iii) DUTIES FORMERLY PERFORMED BY ANOTHER EMPLOYEE.—A participant in a project funded by a grant under this title shall not perform services or duties that have been performed by or were assigned to any presently employed worker, employee who recently resigned or was discharged, employee who is subject to a reduction in force, employee who is on leave (terminal, temporary, vacation, emergency, or sick), or employee who is on strike or who is being locked out.

(b) FAILURE TO MEET REQUIREMENTS.—The Secretary may suspend or terminate payments under this title for a project if the Secretary determines that the governmental or nonprofit entity conducting such project has materially failed to comply with this title, the application submitted under this title, or any other terms and conditions of a grant under this title agreed to by the State agency administering the project and the Secretary.

(c) GRIEVANCE PROCEDURE.—

(1) IN GENERAL.—Each State conducting a community works progress program or programs under this title shall establish and maintain a procedure for the filing and adjudication of grievances from participants in any project conducted under such program, labor organizations, and other interested individuals concerning such program, including grievances regarding proposed placements of such participants in projects conducted under such program.

(2) DEADLINE FOR GRIEVANCES.—Except for a grievance that alleges fraud or criminal activity, a grievance under this paragraph shall be filed not later than 6 months after the date of the alleged occurrence of the event that is the subject of the grievance.

(d) TESTING AND EDUCATION REQUIREMENTS.—

(1) TESTING.—Each participant in a project shall be tested for basic reading and writing competence prior to employment under such project.

(2) EDUCATION REQUIREMENT.—

(A) FAILURE TO SATISFACTORILY COMPLETE TEST.—Participants who fail to complete satisfactorily the basic competency test required in paragraph (1) shall be furnished counseling and instruction. Those participants who lack a marketable skill must attend a technical school or community college to acquire such a skill.

(B) LIMITED ENGLISH.—Participants with limited English speaking ability may be furnished such instruction as the governmental or nonprofit entity conducting the project deems appropriate.

(e) COMPLETION OF PROJECTS.—

(1) IN GENERAL.—A governmental or nonprofit entity conducting a project or projects under this title shall complete such project or projects within the 2-year period beginning on a date determined appropriate by such entity, the State agency administering the project, and the Secretary.

(2) MODIFICATION.—The period referred to in paragraph (1) may be modified in the discretion of the Secretary upon application by the State in which a project is being conducted.

SEC. ___09. EVALUATIONS AND REPORTS.

(a) BY THE STATE.—Each State conducting a community works progress program or programs under this title shall conduct ongoing evaluations of the effectiveness of such program (including the effectiveness of such program in meeting the goals and objectives described in the application approved by the Secretary) and, for each year in which such program is conducted, shall submit an annual report to the Secretary concerning the results of such evaluations at such time, and in such manner, as the Secretary shall require. The report shall incorporate information from annual reports submitted to the State by governmental and nonprofit entities conducting projects under the program. The report shall include an analysis of the effect of such projects on the economic condition of the area, including their effect on welfare dependency, the local crime rate, general business activity (including business revenues and tax receipts), and business and community leaders' evaluation of the projects' success. Up to 2 percent of the amount granted to a State may be used to conduct the evaluations required under this subsection.

(b) BY THE SECRETARY.—The Secretary shall submit an annual report to the Congress concerning the effectiveness of the community works progress programs conducted under this title. Such report shall analyze the reports received by the Secretary under subsection (a).

SEC. ___10. EVALUATION.

Not later than October 1, 2000, the Secretary shall submit to the Congress a comprehensive evaluation of the effectiveness of community works progress programs in reducing welfare dependency, crime, and teenage pregnancy in the geographic areas in which such programs are conducted.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. SANTORUM. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Wednesday, September 13, 1995, to conduct a hearing on the status and effectiveness of the sanctions on Iran.

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

COMMITTEE ON INDIAN AFFAIRS

Mr. SANTORUM. Mr. President, I ask unanimous consent that the Committee on Indian Affairs be authorized to meet on Wednesday, September 13, 1995, beginning at 9 a.m., in room 485 of the Russell Senate Office Building on the nomination of Paul M. Homan to be special trustee for the Office of Special Trustee for American Indians in the Department of the Interior.

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

COMMITEE ON THE JUDICIARY

Mr. SANTORUM. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on September 13, 1995, at 10 a.m. to hold a hearing on "Ninth Circuit Split."

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

SELECT COMMITTEE ON INTELLIGENCE

Mr. SANTORUM. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Wednesday, September 13, 1995, at 10 a .m. to hold an open hearing on Intelligence matters.

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

SUBCOMMITTEE ON IMMIGRATION

Mr. SANTORUM. Mr. President, I ask unanimous consent that the Immigration Subcommittee of the Committee on the Judiciary be authorized to meet during the session of the Senate on September 13, 1995, at 2 p.m. to hold a hearing on "Legal Immigration Reform."

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

ADDITIONAL COMMENTS

TIME TO FACE THE TRUTH ON PRISONS

• Mr. SIMON. Mr. President, the recent news that we now have over a million people in our State and Federal prisons, and over half a million in our local and county jails, is unprecedented in this country and perhaps unprecedented in any country.

We have to be looking for other answers than more and more prisons. And there are much better answers, both from the viewpoint of the dollar and from the viewpoint of humanity.

States are compounding the problem with passage of various legislation, such as "three strikes and you are out" in California.

A Chicago Tribune editorial commented recently on the State picture in Illinois. What it is really commenting on is about an attitude that exists, not only in Illinois, but in the Nation.

And what the editorial says makes a good deal of sense.

I ask that it be printed in the RECORD at this point.

The editorial follows:

[From the Chicago Tribune, Aug. 28, 1995]

TIME TO FACE THE TRUTH ON PRISONS

Now that Gov. Jim Edgar has signed the state's new truth-in-sentencing legislation, someone is going to have to figure out how to make it work before there is a disaster in the prison system. The governor is willing, but the responsibility belongs squarely with the General Assembly that created this time bomb.

When the legislature passed the law, it is a pity that it wasn't accompanied by truth-in-legislation legislation to give the public an honest portrayal of the costs. Instead, it pandered to the popular appeal of getting tougher on serious crime without regard to the consequences and without providing the resources to handle the added burden on the prisons.

Among other things, the law requires that convicted murderers must serve their entire sentences and those convicted of other serious crimes—attempted murder, rape, kidnapping, armed robbery—must serve at least 85 percent. That certainly resonates strongly with a public continually outraged by stories of violent offenders who serve half their time and commit other heinous acts when released. And certainly prison space and stern punishment ought to be reserved primarily for the worst offenders.

Truth in sentencing, however, focuses on getting felons into prison and keeping them there longer; it ignores the impact and fosters a myth that there will be no effect on the general prison population.

There will be a dramatic effect. According to the state Department of Corrections, it will add the equivalent of some 3,800 inmates at a cost of $320 million over the next 10 years—an impact that will escalate in succeeding years. And these will be the hardest cases, stuffed into a prison system that already is seriously overcrowded and may be out of space next year.

Anticipating this, Edgar proposed adding some 4,800 cells to the system, but the legislature—primarily because of Democratic opposition—cynically rebuffed his request for bonding authority. In short, the legislature was eager to flood the prisons with new inmates but not to pay the bill.

Now Edgar is proposing a different strategy; contracting with private firms to build a new prison and two work camps and add cells to eight existing prisons. The state would lease the facilities and run them.

There is merit to the idea in that it could get the job done, and the governor deserves credit for trying. But the answer is not some gambit to bypass the legislature; it is for the legislature to face its obligation.

First it must concede what it is not telling the public; that for every prisoner pushed into the system, someone must be pushed out the other end—perhaps sooner than the public will tolerate. Or the overcrowding will get worse, raising the risk of inmate violence and riots, and ultimately inviting federal court intervention to force Illinois to clean up its act.

If more prison space is the solution, the General Assembly must provide the money. If not, it must expand the concept of innovative alternative sentencing for non-violent offenders and revisit the state criminal code—reducing the penalties for lesser offenses and giving judges more discretion.

Truth in sentencing is an easy answer to serious concerns. There is no easy way out of the problems that it will create, and it's time to stop the pretense.●

THE AMERICAN PROMISE

● Mr. WARNER. Mr. President, as has been said many times before, ours is the only nation founded on an idea—the idea of democracy. No idea is more American. Yet the idea of democracy is neither simply defined, nor easily described. American democracy expresses itself in endless variations.

I rise today, Mr. President, to remind my colleagues of the grassroots democracy, taking place every day in communities across the United States, which is literally vital to the life of the Nation, yet too often ignored in the chambers of this Capitol. With that in mind, I recommend to you "The American Promise," an important new PBS television series celebrating community-based democracy. "The American Promise," a 3-hour program, makes its national broadcast premiere on October 1, 2 and 3.

Here in Washington, we conduct democracy's most visible work. It is the democracy studied in political science classrooms and reported by our newspapers, magazines, and television programs.

We arrive here after elections, propose and study legislation, and then vote on competing proposals. It is a fact that each stage of the process has winners and losers. By necessity, we live and work in a world of partisanship and competition. Before any proposal becomes the law of the land, it must be debated, tested and its consequences thoroughly understood by the people and by us, the people's representatives,

Not surprisingly, this world in which we are immersed leaves many citizens frustrated and cynical. Too often, this version of democracy seems to be nothing but a political contest. Who is up? Who is down? How do yesterday's events affect the power to get things done tomorrow? Our standing is judged by an extraordinarily sensitive barometer, instantaneously reflecting each small political success and failure.

Our work here in Washington is but one form of American democracy—we would be seriously mistaken to think otherwise. We must never lose sight of the fact that American democracy is larger and more diverse than the business conducted here in this Capitol. In community after community across America, in ways great and small, citizens decide every day to become part of the democratic process—they decide what they want. They join an organization; build a better mousetrap; question why flawed practices can't be changed; engage in respectful civil debate, and shoulder the responsibility to make hard decisions.

When this happens, there are no losers. American democracy comes to life and everybody in the community wins.

So strong is my belief in the importance of grassroots democracy that I can say it literally shaped my political career.

When I was appointed to the position of national administrator of the American Revolution Bicentennial Administration in 1974, my goal was simple: to encourage the maximum number of people across America to become involved in the programs they—not government—desired to honor their local communities and our great Nation. We wanted our Nation's 200th birthday to be celebrated in a simple, historic way, with maximum participation on the "Village Greens" of every crossroad, town, and city in America. I will never forget the wonderful breadth of experience I had over the next two years, working with citizens, local groups, service clubs, organizations, City Councilmen, Mayors, and Governors. America's birthday was celebrated America's way, from every vantage point across the country.

There is no better antidote to doubts about our Nation's future than grassroots democracy.

Happily, "The American Promise" reminds us all of the community-based democracy found beyond this Capitol. In so doing, it restores our faith in the idea of democracy, the idea of America, and the wonderful, limitless potential for our Nation's future.

In some fifty different story segments from every region of the United States, lessons are offered on the skills and values needed to bring democracy to life. They illustrate core American values—freedom, responsibility, opportunity, participation, and deliberation. Special historical reenactments are included, the first set in 1769, in the streets of Colonial Williamsburg. We watch as a young Thomas Jefferson, along with Patrick Henry, Colonel George Washington, Peyton Randolph, George Mason, Richard Henry Lee, and others take the first steps toward freedom. In the House of Burgesses, in a local tavern, on the streets, the group draws up Virginia's plans to boycott English goods. We hear Washington's words: "How far their attention to our rights and privileges is to be awakened or alarmed by starving their trade and manufacturers remains to be tried." Viewers will see our Founding Fathers starting a rebellion that will gather strength for 7 more years before it takes the form of the Declaration of Independence.

That is a sobering thought: our freedoms were not won by crazy revolutionaries on a field of battle, but rather through years of meetings, of talk, of debate and compromise. It is a true reminder of the communal instincts that helped form our great Nation.

The October premiere of "The American Promise" will be just the beginning of the program's contributions. It will then be put to use in high school and junior high school classrooms throughout the country, as an instructional tool on civics and community-based democracy.

The National Council on the Social Studies has endorsed the program. Farmers Insurance Group, the program's corporate sponsor, has pledged to make the video, teaching guides, and classroom materials available to all interested schools and teachers at no cost.

Mr. President, I urge my colleagues and viewers across America to watch this important and instructional program. And I extend my commendation and appreciation to the Farmers Insurance Group, and its Chairman, Leo E. Denlea, Jr., for bringing this fine programming to us.

"The American Promise" reminds us of all that is good and right in America—and what we have to do to make good on America's bright future.●

BLACK STUDENTS LIVE DOWN TO EXPECTATIONS

Mr. SIMON. Mr. President, there is continued discussion, and will be until November 1996 at least, on the whole subject of affirmative action.

My strong belief is that affirmative action has been a good thing but, like any good thing, can be abused occasionally. Religion can be abused. Education can be abused. But that does not make religion and education a bad thing.

While we were in recess, the New York Times published an op-ed piece by Claude M. Steele, a professor of psychology at Stanford University and president-elect of the Western Psychological Association.

It gives a solid analysis of affirmative action at the collegiate level.

It is important enough to call to the attention of my colleagues, who may not have seen it, and to others who may read the CONGRESSIONAL RECORD.

I ask that it be printed in the RECORD at this point.

The material follows:

[New York Times; Thursday, Aug. 31, 1995]

BLACK STUDENTS LIVE DOWN TO EXPECTATIONS

(By Claude M. Steele)

STANFORD, CA.—The debate over affirmative action on college campuses has become dangerously distanced from facts. The issue has taken on such an ideological fervor that votes, Presidential and otherwise, are hanging in the balance. In the fray, the image of African-American college students has taken a beating.

Opponents of affirmative action claim that it pushes African-American students into schools where they can't compete and where, with the stigma they bear as "special admits," they get lower grades and drop out more than other students.

It is true that these students have their troubles, suffering a college dropout rate hovering near 70 percent (against 40 percent for other students), with lower grades to match. Given such statistics, even supporters of affirmative action have faltered, too unsure themselves about the students' abilities to rise quickly or publicly to their defense.

In fact, most black college students are in school on the same terms as anyone else, not as a result of any racial preference. Still, as their fate goes, so goes our faith in affirmative action and in the ability of public policy to address racial and social problems. So a few facts and some new evidence can help in addressing some central questions.

Do the academic troubles of black students stem from their being underprepared for the competition?

This is a common complaint that has turned into conventional wisdom. But in fact there isn't much evidence of it. Very few minority students are admitted to any college beneath that school's cut-off for other students.

It is true that blacks have lower S.A.T. scores than other entering students. But the deficit in test scores—which are certainly flawed as predictors anyway—doesn't begin to explain why black students are more likely to drop out and get bad grades once they begin college. Besides, this "underperformance" is just as common among black students entering with very high test scores and grades as it is among those with weaker credentials.

One thing is clear: If affirmative action is failing by not producing more successful black college students, it is not because they have been placed where they can't compete.

If it isn't a lack of preparation, then what is depressing their performance?

Recent research by my colleagues and me points to a disruptive pressure tied to racial stereotypes that affects these students. The pressure begins simply enough, with a student's knowledge that negative stereotypes about his group could apply to him—that he could be judged by this perception, treated in terms of it, even that he could fulfill it.

Black students know that the stereotypes about them raise questions about their intellectual ability. Quite beside any actual discriminatory treatment, they can feel that their intelligence is constantly and everywhere on trial—and all this at a tender age and on difficult proving ground.

They may not believe the stereotype. But it becomes a threating hypothesis that they can grow weary of fending off—much as a white student, for example, can grow weary of fending off the stereotype that his group is racist.

Everyone is subject to some form of what I call "stereotype vulnerability." The form that black students suffer from can hurt them where it matters, in academic performance. My research with Joshua Aronson shows that "stereotype vulnerability" can cost these students many points on exams like the S.A.T.

Over time, the pressure can push the students to stop identifying with achievement in school. They may even band together in doing this, making "disidentification" the pattern. For my money, the syndrome is at the root of black students' troubles in college.

If affirmative action contributes to this problem, it is less from the policy itself than from its implementation, often through a phalanx of "minority support" programs that, however well intended, reinforce negative stereotypes. Almost certainly, there would be persistent, troubling underperformance by minority students even if affirmative action programs were dismantled, just as there was before they existed.

Is there only reason to believe that affirmative action programs can alleviate this problem?

In the diagnosis may lie the seeds of a cure: Schools need to reduce the burden of suspicion these students are under. Challenging students works better than dumbing down their education. Framing intelligence as expandable rather than as a set, limiting trait makes frustration a signal to try harder, not to give up. Finally, it is crucial that the college convey, especially through relationships with authoritative adults, that it values them for their intellectual promise and not just because of its own openness to minorities.

My colleagues (Steven Spencer, Mary Hummel, David Schoem, Kent Harber and Richard Nisbett) and I incorporated these and other principles into a program at the University of Michigan for the last four years. The students, both white and minority, were selected randomly for the project and as freshmen were housed in the same dorm.

Through workshops and group study, all placing emphasis on the students' intellectual potential, the program eliminated the differential between black and white students' grades in freshman year for the top two-thirds of the black students.

It helped others as well; 92 percent of all the students in the group, white and black, were still in school after four years.

The successes of comparable programs—Urie Treisman's math workshops at the University of Texas, Georgia State's pre-engineering program, John Johnide's faculty mentoring project, also at Michigan—show that this approach can work.

But what about reverse discrimination? How much does this policy of inclusion cost in exclusion of others?

To know if affirmative action is displacing whites in admissions, you have to know if, among comparably qualified applicants, more minorities get in than whites.

Thomas Kane of Harvard University's Kennedy School of Government found that this seems to happen only in elite colleges, where the average S.A.T. score is above 1,100. These schools make up only 15 percent of our four-year colleges. There was no evidence of preference in admissions among the rest.

Moreover, in the elite schools, blacks don't often use the preference they get, choosing schools closer to home, perhaps, for various reasons. They rarely exceed 7 percent of the student body at the top schools. Overall, affirmative action causes little displacement of other students—less by far than other forms of preferences, like the one for children of alumni.

In our society, individual initiative is an indisputable source of mobility. But a stream of resources including money, education and contacts is also important. After all this time, even the black middle class has only tentative access to this stream. Affirmative action in college represents a commitment to fixing this, allowing those with initiative a wider aperture of opportunity.

If its opponents prevail and affirmative action is dumped, will the same people, so ostensibly outraged by the racial injustice of it, then step forward to address the more profound racial injustices?

I wouldn't bet on it and, in the meantime, let's talk about this policy frankly and pragmatically: how to improve it, when it should

be more inclusive, and how it should be made fairer.

To dump it now would be to hold some people, just beginning to experience a broader fairness in society, to a tougher standard than the rest of us have had to meet.●

APPLICABILITY OF REGULATION E FOR ALL ELECTRONIC BENEFIT TRANSFERS

● Mr. LIEBERMAN. Mr. President, earlier this year I introduced S. 131, a bill that would remove the applicability of regulation E of the Electronic Funds Transfer Act for all electronic benefits transfer [EBT] programs established under Federal, State, or local law, with the exception of when payments are made directly into a consumer's account. I introduced this legislation for the purposes of removing the barriers for States so that they could implement EBT. Although regulation E provides many protections for the consumer, the States see it as barrier to implementing EBT because it requires States to be liable for lost and stolen benefits over $50. This added liability could result in added administrative costs.

At the time I introduced this bill, I expected cash-assistance welfare programs to continue to be federally regulated. But now, it appears that our largest cash-assistance program for low-income people, Aid to Families With Dependent Children [AFDC], will be block granted and there will no longer be Federal oversight in many areas. Because of this, we must be somewhat more careful in exempting cash assistance and other welfare programs that use electronic benefit transfers from all of the provisions of regulation E. I want to explain why there may be problems in adopting the current language in the House welfare bill that exempts electronic benefit transfers [EBT] from regulation E.

Electronic benefit transfers are the transfers and distributions of Federal and State benefit programs through electronic banking techniques. The Electronic Fund Transfer Act governs all ATM transactions and point-of-service sales such as the use of your credit card or ATM card at the grocery store. The act assures individuals that their complaints about unauthorized uses and systems problems will be attended to in a timely manner. Other protections provided by regulation E include the disclosure of information to the consumer about their rights. I'm sure that most Members would agree that these provisions are fair and should be applied to welfare recipients as well as the general banking population. Indeed, States that currently have EBT already provide most of these services.

Under the Electronic Funds Transfer Act [EFTA] the cardholder is only responsible for up to $50 if the card is lost or stolen and benefits are withdrawn. EFTA requires cardholders to have a personal identification number [PIN] which should prevent unauthorized withdrawal of benefits even if the card is stolen. This number should only be known by the recipient so if the card is stolen, the thief would not be able to gain access to the benefits. In an EBT system, if money is stolen from the account the State would be liable for all benefits beyond the $50 limit. This single provision opens EBT to fraud and abuse which could result in very high costs to the States. The States have said that this potential liability would prevent them from going forward with the implementation of EBT programs.

EBT holds many benefits for the administering agency and the recipient. EBT delivers benefits more cost-effectively and eliminates the need to print and process food stamps. It also eliminates postal fees for sending out checks and authorizing documents. It can provide substantial protections against fraud and theft. There is a successful EBT demonstration project in Ramsey County, MN. Ninety-five percent of recipients in Ramsey County prefer EBT over checks and food stamps. It allows recipients to have their monthly benefits on the date that they are available, instead of when the Postal Service finally delivers them. It also allows the recipient to bypass check cashing fees and to withdraw small amounts at a time, making them less of a target for mugging.

Senator DOLE's welfare reform proposal S. 1120, as well as Senator DASCHLE's proposed substitute, the Work First proposal, would exempt only food stamp benefits distributed by EBT from regulation E. I support these provisions, for now, because the Secretary of the U.S. Department of Agriculture would continue to have authority to ensure there are adequate protections. For example, it is my understanding that the Secretary could require the application of regulation E to food stamps if the States or banks abuse the system. But the same would not be true for AFDC if the Congress were to convert the program to a block grant for cash assistance. Under a block grant beneficiaries would have no recourse if banks or the State agencies did not act responsibly.

In contrast, the House has taken a different approach and has exempted all needs-tested Government programs that make use of EBT from regulation E. For reasons I have described, I do not think this is appropriate. I believe legislation that effects regulation E's application to EBT needs more thought. We need to consider how to minimize State liability while still maintaining protections for recipients using EBT. Congress should take the short-term step of eliminating the $50 liability limit. Other requirements of regulation E, such as the requirement to address complaints in a timely manner, may continue to be necessary to ensure that recipients in Federal cash-assistance welfare programs are treated fairly. The Federal Reserve Board has already determined that regulation E shall apply to all EBT programs as of February 1997. We need to act on this issue soon so that States will not see the impending implementation of regulation E as a barrier to starting EBT programs. I would like to work with my colleagues to eliminate barriers to the States' use of EBT so that States will not be dissuaded from implementing EBT programs.●

TRIBUTE TO FANNIE MAE

● Mr. SIMON. Mr. President, I recently joined Mayor Daley, Fannie Mae President Larry Small, and others, in announcing Fannie Mae's "HouseChicago" plan. "HouseChicago" is a $10 billion, 7-year investment plan developed by Fannie Mae's Chicago Partnership Office, the City of Chicago and numerous local partners.

Fannie Mae was created by Congress as a federally-chartered, shareholder-owned corporation, whose mission is to make sure mortgage funds are readily available in every State of the Nation. I am proud to say Fannie Mae has done a tremendous job at fulfilling that mission, and I want to bring to the attention of my colleagues the following editorial by the Chicago Tribune regarding Fannie Mae's investment in the city of Chicago.

[From the Chicago Tribune, August 26, 1995]

FANNIE MAE'S HOME COOKIN'

It's hard to overstate the importance of home ownership to the success of a neighborhood.

Besides being a ticket to the middle-class, ownership gives people a larger stake in their communities. It makes them less tolerant of vandalism or drug-dealing and more likely to get involved in a block club or the PTA.

But as nearly every homeowner is reminded once a month, it's the mortgage-holder that really owns the house. It's the lender or, more often, the financial house that buys the mortgage from the lender whose investment is most at risk. That's why the note-holder gets first claim on the property should the purchaser fail to make payments.

And that's why lenders have strict standards about whom they will lend to and under what circumstances. But as lenders increasingly sell their mortgages on the so-called "secondary" market, it's the standards of the huge mortgage purchasing corporation that become key.

In that regard, recent initiatives by the Federal National Mortgage Association (Fannie Mae), the nation's largest repurchaser of home mortgages, deserve to be recognized and applauded.

Not to be confused with the local confectioner, Fannie Mae is a federally chartered, publicly traded corporation whose mission is to encourage private investment in residential mortgages. It recently struck a deal with the city to modify its underwriting standards in certain disadvantaged neighborhoods.

Participating lenders can now offer extra-low (3 percent) down payment terms to families earning up to 20 percent above the area median income of $51,300—if the house they are buying is located within the city's empowerment zone or certain other areas targeted by City Hall for redevelopment.

Some might call this an attempt at gentrification, but it means that middle-income families—and the stability they bring—will be lured into neighborhoods they might otherwise spurn as too risky.

Other Fannie Mae changes will make it easier for buyers of small apartment buildings to get conventional mortgages, as well as buyers participating in the city's New Homes For Chicago Program and the purchase-rehabilitation program run by a group called Neighborhood Housing Services of Chicago (NHS).

The bottom-line in Fannie Mae's "House Chicago" program will be $10 billion in private loans pumped into neighborhoods that might otherwise have to rely on federal mortgage insurance . . . with all the abuses those programs often bring.

It's not the candy company, but Fannie Mae is giving new meaning to "Sweet Home Chicago."

TONY ELROY McHENRY

Mr. WARNER. Mr. President, I rise today to pay special tribute to the life of Tony Elroy McHenry. Tony passed away September 9, 1995, and is remembered as a loving husband and son, and a devoted employee of the U.S. Senate.

Born the youngest son of Hugh O. and the late Janet W. McHenry, Tony claimed home in Fredericksburg, VA. Even as a young child, Tony always found a peacefulness in his faith; he was a life-long member of Beulah Baptist Church.

Tony was educated in Spotsylvania County at the John J. Wright Consolidated School and then Spotsylvania High School. He also attended Virginia State University.

On December 3, 1988, he and Piatrina A. Robinson were married. He is survived by his wife. Tony distinguished himself as an offset pressman for the U.S. Senate Service Department and friends remark on his quiet dignity and pride taken in his work. He always balanced professionalism and a courteous manner, certainly his trademarks.

Tony McHenry will be missed by family and friends: his smile, his warm and engaging personality, his earthly spirit.

ORDERS FOR TOMORROW

Mr. JEFFORDS. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 9:15 a.m. on Thursday, September 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 be a period for morning business until the hour of 10 a.m. with Senator BYRD to be recognized for up to 45 minutes; I further ask that at 10 a.m. the Senate immediately resume consideration of H.R. 4, the welfare reform bill under the provisions of the previous consent agreement; further, that if Senator DODD has not offered his amendment and therefore is not pending following the last rollcall votes in Thursday's series of votes, Senator SHELBY shall be recognized to call up amendment No. 2526.

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

PROGRAM

Mr. JEFFORDS. For the information of all Senators, the Senate will resume consideration of the welfare reform bill tomorrow morning at 10 a.m. Following 10 minutes of debate the Senate will begin a series of rollcall votes on or in relation to amendments to the welfare reform bill. All Senators should therefore expect the first rollcall vote on Thursday at approximately 10:10, to be followed by a series of votes with only 10 minutes of debate between each vote.

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

RECESS UNTIL 9:15 A.M. TOMORROW

Mr. JEFFORDS. Mr. President, if there is no further business to come before the Senate, I now ask unanimous consent that the Senate stand in recess under the previous order.

There being no objection, the Senate, at 8:56 p.m., recessed until Thursday, September 14, 1995, at 9:15 a.m.

HOUSE OF REPRESENTATIVES—*Wednesday, September 13, 1995*

The House met at 10 a.m. and was called to order by the Speaker.

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

O gracious God, may the Sun of the morning remind us of the bright hope of Your creation; may the fresh winds of the day suggest Your spirit that moves about us and around us encouraging and enlightening; may the smell of flowers testify to the fragrance of Your love to us; and may the busy world in which we live and work remind us of the responsibilities and the obligations of our service to the Nation. May all the wonder of Your creation, O God, testify to Your many gifts to us and the marvel and miracle of each new day. Amen.

THE JOURNAL

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

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

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Mississippi [Mr. WICKER] come forward and lead the House in the Pledge of Allegiance.

Mr. WICKER 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.

ANNOUNCEMENT BY THE SPEAKER

This morning the Chair will recognize fifteen 1-minute speeches on either side of the aisle as agreed to by the leadership.

IN HONOR OF FORMER CONGRESSMAN JAMIE WHITTEN

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

Mr. WICKER. Mr. Speaker, yesterday, America laid to rest one of our finest statesmen. Jamie Whitten, a dear friend and colleague to many Members of this House, was remembered in funeral services in Charleston, MS.

Congressman Jamie Whitten served a record 53 years and 2 months in this body, rising to become the long-time dean of the House, and chairman of the Appropriations Committee. However, he never forgot his roots in rural America, serving ably as the chairman of the Agriculture Appropriations Subcommittee and becoming what many referred to as the permanent Secretary of Agriculture.

I knew Jamie Whitten for 28 years, since I served as his page in 1967. Mr. Whitten quietly earned the reputation for always being a gentleman during an era when many public figures gained attention by being flamboyant and divisive. Winston Churchill said that singleness of purpose and simplicity of conduct are powerful attributes of public servants. These were the qualities of Mr. Whitten.

Mr. Whitten was never concerned with seeking the recognition he deserved. Perhaps there will be no monuments erected in his name, but today, across America, there are many quiet legacies he leaves behind.

As one Mississippi newspaper stated yesterday,

Jamie Whitten started his public service career when some Mississippians still had eye-witness memories of the Civil War and only dreamed of one day having electricity in their homes. Today, farms across America are the breadbasket for the world and schoolchildren in rural America can routinely communicate from their homes via computers with people halfway around the world.

These are the silent monuments to a man who dedicated his life to this House and to this country. For that, his beloved State of Mississippi and his country will be forever grateful.

AMERICA NEEDS A THIRD POLITICAL PARTY

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

Mr. TRAFICANT. Mr. Speaker, the United States trade deficit last quarter reached another record, $44 billion. In addition, America ran an investment deficit of $3 billion. Some progress.

While everybody in Washington is talking about this big train wreck, the budget, let us tell it the way it is. The Titanic, that trade deficit, is what is killing American jobs. And the sad fact is, folks, from Japan to Mexico there is no difference between a Democrat and a Republican.

Mr. Speaker, is it any wonder that a majority of the American people do not identify with either of the two major political parties? When it comes to trade, there is not a reasonable program in America on either side of the aisle. America needs an alternative, a third political party. Maybe that is only way we will address some of these issues.

SAVE AND STRENGTHEN 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, the President's appointed trustees have warned that Medicare will go bankrupt by 2002. If we do nothing, seniors' out-of-pocket costs will rise and Medicare will be bankrupt in just 7 years.

Mr. Speaker, if we raise payroll taxes, as we have done 23 times in 27 years, we will force our children and grandchildren to pay more now for seniors' health care and Medicare will still go bankrupt before our children and grandchildren can retire and gain any benefits.

Mr. Speaker, we cannot wait. The problem will not go away. The only solution is to introduce choice for seniors and competition among health care providers. Choice and competition always do two things in our free enterprise system: They lower costs and improve quality.

Medicare is far too important to turn it into Medi-scare. Republicans are asking Democrats, please, join us to save and strengthen Medicare.

WAKE UP AMERICA

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

Mr. FALEOMAVAEGA. Mr. Speaker, again I say to my colleagues and to the American people: Wake up America.

Mr. Speaker, last week President Chirac of France pushed his nuclear button and exploded 1 of 8 nuclear bombs last week that had more power than was exploded in the atom bomb in Hiroshima, Japan, 50 years ago. Later detonations are expected to follow, each with up to 10 times greater destructiveness than the Hiroshima bomb.

Maybe 10 years from now, when that island atoll in the Pacific, the Mururoa Atoll, starts sinking and nuclear contamination enters the marine food chain causing secondary fish poisoning,

maybe then one day the millions of Americans living in Hawaii and the Pacific Coast States will say, "Why did no one tell us about this?"

Mr. Speaker, France has already exploded 164 nuclear bombs in this atoll. What madness. Wake up America. We may also end up the victims of French callousness by poisoning our Pacific environment.

PRESIDENT CLINTON WEIGHS IN ON FUNDAMENTAL REFORMS

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

Mr. RIGGS. Mr. Speaker, yesterday the President convened a meeting of the bipartisan congressional leadership at the White House and he urged the Congress to get on with the task of balancing the Federal budget, reforming the welfare system, cutting taxes, particularly on middle-class families, and controlling Medicare costs.

Mr. Speaker, it is good to hear the President weigh in in this debate. Yet I predict that the response that he will get from the Congress and his party is a stony silence. How ironic that it is going to take the new Republican majority to help this President, who as a candidate promised to end welfare as we know it and cut taxes, make good on those promises.

THE REPUBLICAN COVERT PLAN FOR MEDICARE

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

Mr. DOGGETT. Mr. Speaker, "silence," we have just heard. Silence is what we have gotten when it comes to the covert Republican plan to hike the costs of Medicare for all of America's seniors.

Mr. Speaker, for months Speaker GINGRICH and cohorts have been going around behind closed doors saying to themselves, America's seniors are getting off cheap. They are just not paying enough for health care. They have got a plan, and it has been whispered in the corridors of this Capitol, to increase deductibles and increase the monthly premiums for America's seniors; to increase the costs that they have to pay if they want to stay out of the nursing home or get home health care; to increase the cost of a lab test that a doctor might have, because they think America's seniors are not paying enough for Medicare.

There are many words to describe it. Covert, secret, mysterious, concealed, hugger-muggered, veiled, tricky, latent, shrouded, suppressed, cloaked. But the best one is "wrong." It is just wrong to do this to America's seniors.

REPUBLICANS HAILED FOR THEIR EFFORTS ON MEDICARE

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

Mr. HOKE. Mr. Speaker, I hope the gentleman from Texas [Mr. DOGGETT], my colleague and good friend, the previous speaker, had a chance to read the Washington Post editorial yesterday on the Medicare or Medi-scare debate.

The liberal paper of record applauds Republicans because we have "forcefully taken the right position on the basic issue of controlling costs" and it chides the Democrats, like my good friend from Texas, for not playing a "constructive part in the Medicare debate."

Boy, they could not have gotten it better and more right on point. It says, "The Democrats denounce the Republicans for proposing to gut the programs, but they have no serious counterproposal; not the Democrats in Congress and not the President either."

It continues, "They," the Democrats, "risk squandering for political reasons a chance to tame these programs that everyone agrees need to be tamed. What if they chose to help instead of using the issue to score political points?"

That is the liberal Washington Post speaking. How about it, my Democrat colleagues. How about it my friend from Texas. Why not put an end to this partisan posturing and join us in an effort to save Medicare from bankruptcy.

SECRET MEDICARE PLAN

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

Mr. GENE GREEN of Texas. Mr. Speaker, it is refreshing to hear the Republican majority quote the Washington Post. I am more concerned about the Houston Chronicle than I am the Washington Post.

Republican Medicare cuts in growth $270 billion to pay for a $245 billion tax cut over the same 7 years. The new Republican majority will double the monthly premium for Medicare recipients and eliminate their choice of doctors under their plan.

It is a secret plan, because we do not know about it. It has been secret for the 8 months we have been here, almost 9. They want to cram that plan down our throats this coming week.

Mr. Speaker, let us have at least 30 days of public hearings. Let us listen to what our constituents want us to hear about their plan and let us make sure that we do not take away from seniors their choice of doctors and providers, because I know that is what that secret Republican plan will do.

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CONTINUING THE UNIQUE TREND

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

Mrs. SEASTRAND. Mr. Speaker, this fall we are going to continue a unique trend that began with the Contract With America. We, politicians, are going to keep our promises.

Before we go home, Republicans are going to insist on the following: A balanced budget that restores fiscal sanity to our country; a plan that saves Medicare for future generations; welfare reform, emphasizing work, family, and personal responsibility; and tax relief, so families can finance their dreams not the Government.

Mr. Speaker, this is not just the Republican agenda. It is the agenda of the American people. The people have demanded real change. This fall, we intend to deliver.

LET US WORK TOGETHER TO SAVE MEDICARE

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

Ms. JACKSON-LEE. Mr. Speaker, to all of the seniors in the 18th Congressional District in Houston, let me thank you for 300-plus of you who joined me at my Town Hall meeting in August and said, "Absolutely not, absolutely not, to the false truths and false representations by the Republican majority on Medicare," and absolutely not to the proposed Medicare cuts.

Where is the Democratic plan? Our plan has been on the table for at least a year. National health reform is the appropriate plan that would provide reasonable health care to all Americans.

What is the truth? The truth is, yes, America, this program is not bankrupt. In 1970 the Medicare Program had a 2-year life. It has gone up to a 14-year life in the 1980's. The Medicare Program has today approximately a 7-year life.

Who has been able to save Medicare? Democrats. Who has been able to bash and ban Medicare? Republicans.

The truth is simply that we must get rid of fraud, we must get rid of abuse, but we should not force those who are taking care of elderly parents to choose between those parents and the children they have to educate. The Republican plan to cut Medicare should be exposed. I call for 4 weeks of hearings on this plan. President Truman tried to implement Medicare, but the Republicans said "no" then. America, do not let them say "no" today. Tell the Republicans, "No, let us work together to save Medicare without a wasteful $245 billion tax cut for the wealthy."

FIX THE FEDERAL GOVERNMENT

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

Mr. CHRYSLER. Mr. Speaker, when I was elected to Congress, my constituents gave me clear, easy-to-understand instructions. My constituents fully understand that the policies that have come out of Congress since the 1960's have failed.

My instructions are clear: Fix the Federal Government.

That means cutting taxes. Why? Because money that the people earn belongs to them, not the Government.

Fixing the Federal Government means saving Medicare so that our grandparents and every American will have health care beyond the year 2002. It also means balancing the budget because there is absolutely no way we can sustain $200 billion deficits forever.

And, finally, fixing Government means changing the failed welfare state. Too many families and too many people have been destroyed by a system that rewards dependence and self-destructive behavior.

We must work together in Washington and in the media to get things done for America and for the American taxpayer.

WHERE IS THE REPUBLICAN PLAN?

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

Mr. SCHUMER. Mr. Speaker, on Sunday, Speaker GINGRICH said that his plan to cut Medicare would cost seniors an added $7 a month By Monday, the Speaker said it would cost seniors $10 a month. Yesterday, the Speaker acknowledged that it would cost seniors over $30 a month. Today, the Wall Street Journal writes on top of $32 a month, deductibles will go up by $50, lab services by several hundred, and nursing home care, if you are in a nursing home or have a parent who is, will cost you several thousand dollars more each year.

It is no wonder we are calling for public-wide hearings on the secret Republican plan. If it is such a great plan, what are you folks afraid of? Why not tell America what it is? Let the seniors, the young people and everyone in between debate it, and we will see if your plan is the right way to go.

But, no, you are afraid. You are cutting, cutting, cutting, and that is why you do not want us to have hearings on your plan.

THE TRUTH ABOUT THE STUDENT LOAN PROGRAMS

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

Mr. BALLENGER. Mr. Speaker, the Washington political machine seems often to operate under shades of truth, as if the difference between truth and fabrication cannot be seen. This rule has never been more evident than in the President's recent comments about our student loan proposals. The use of misinformation is a cheap tool used by those in a defensive position with no valid arguments against the real truth.

If one sifts through the lies being spread about our work in the student loan area, one would clearly see that we are not waging a war against our Nations students nor are we planning to lessen educational opportunities for them. By eliminating the Direct Loan Program, a program with exaggerated savings and benefits, and making other adjustments in the student loan area, which will make loans available to students, we are able to ensure that no student will lose eligibility or access to college loans, keep the inschool interest subsidy, and maintain the current loan origination fee and interest rates on student loans. That is the plain and simple truth. And, because the truth is politically unpalatable to the President, he has chosen to create his own truth.

America's students deserve to get accurate and reliable information. I urge all of my colleagues, from both sides of the aisle, to get the accurate information on this important issue.

SHOW US THE DETAILS OF THE REPUBLICAN MEDICARE PLAN

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

Mrs. SCHROEDER. Mr. Speaker, having this gray hair, I do not know a lot, but I know a few things. No. 1, I am very nervous when Republicans say we do not need to know the details of the Medicare plan, "Just trust us."

I happen to know the history. They have never been for Medicare before. I find it very interesting they have such a loving plan. We do not need to know the details; they will just bring it out, and we will vote for it.

I also know that the devil is usually in the details, and I also know it is pretty amazing; we are going to be asked to fast-forward and vote on it when even the Speaker of the House apparently does not know the details of his own plan. Thing about it, on Sunday, on national TV we were told it would be only $7 a month. By yesterday it was up to $32 a month. That is only 3 days. Heaven only knows what it is going to be today.

I do not think a plan for this serious an issue should come rolling out here and everybody be ordered to vote for it without reading it.

Take our blindfolds off. Show us the details.

KEEP THE FAITH: BALANCE THE BUDGET

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

Mr. WHITE. Mr. Speaker, I learned two lessons when I was home in August over the break. The first one is it is pretty easy to take yourself seriously, a little bit too seriously when you are in Congress.

I went home. My kids started calling me the "Honorable Dad." It took me a few days to realize they were only playing a joke on me.

The second lesson I learned is it is easy to forget why we came here. My constituents gave me a message, too. They said, "Keep the faith. Go back there and balance the budget just like you said you were going to do."

Mr. Speaker, that is exactly what I am going to do. I am not going to vote to raise the debt ceiling. I am not going to vote for a budget package or for reconciliation unless we have a program in place, binding law, that will balance the budget over 7 years.

Mr. Speaker, I do not want to shut the Government down. I do not want a train wreck. But if that is what it takes to get the attention of this administration and balance the budget, that is exactly what we have to do.

NAFTA: STOP TAKING AMERICAN WORKERS TO THE CLEANERS

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

Ms. KAPTUR. Mr. Speaker, we would all have enough money to pay for Medicare if the jobs in our country paid high enough wages to cover the cost of benefits. But, my friends, yesterday the Commerce Department reported again that our Nation is suffering the worst trade performance in our Nation's history.

In April through June of this year, our current account deficit, the broadest measure of trade performance, jumped to $43.6 billion more in the whole, the worst results in history.

The key reasons cited for this worsening record are our growing trade debt with Mexico, and that translates into more lost jobs, more lost benefits in this country for our workers.

So now in Florida we have 100 more packinghouses out of business, ground to the ground, and 14,000 tomato workers out of work. In Milwaukee, WI, we have 7,000 more people laid off from Briggs & Stratton, jobs moved to Mexico, and in Topeka, workers at the Celophane plant there just had their wages cut to $8 an hour from an $11-an-hour level before.

Let us go back to the drawing boards, recast NAFTA and stop taking our workers to the cleaners in this country.

GOP TAX CUTS: SOME FACTS

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

Mr. KNOLLENBERG. Mr. Speaker, for months House Democrats have bantered about tax cuts for the rich. They have distorted our plan to balance the budget and increase the take-home pay of working families as a mean-spirited attempt to provide a boondoggle to wealthy Americans and corporations.

Here are the facts: 74 percent of the largest tax cut in our budget, the $500 per child tax credit goes to families earning less than $75,000. This profamily tax break will remove 4.7 million families at the lowest income levels from the Federal income tax rolls.

Furthermore, 70 percent of the benefits of lower capital gains taxes go to families and individuals with incomes of less than $50,000. And we must keep in mind that cutting capital gains taxes provides incentives for investment in new businesses and high paying jobs that benefit all Americans.

Mr. Speaker, I do not know about you, but working parents earning between $50,000 and $75,000 a year in my district do not consider themselves rich. We must start telling the truth about the GOP tax cuts. They are good for families and the economy. Allowing families to keep more of what they earn and laying the foundation for long-term economic growth is not mean-spirited. It is exactly what the American people voted for last November.

RATIFY THE CONVENTION TO END DISCRIMINATION AGAINST WOMEN

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

Ms. HARMAN. Mr. Speaker, at the U.N. Fourth Conference on Women, it was the First Lady, Hillary Clinton, who said there is no one formula for how women should lead our lives.

I was there as a member of the bipartisan U.S. congressional delegation, and her remarks rang true to a crowd as diverse and multihued as it was experienced and dedicated. The label radical may fit a few—very few—attendees, but it does not fit the conference. The tenor was all business, and the conversation was realistic about the conflicts between work and childbearing and about building on the substantial record created by previous U.N. gatherings.

Building on a record means action for the United States, as well as China and other countries, and the first action the United States must take here is to ratify CEDAW, the Convention to End Discrimination Against Women, which was submitted for ratification in 1980 and has been pending in the U.S. Senate for 15 years.

Yesterday a group of us called on the Senate to act now. It is embarrassing that 144 countries around the world, including all industrialized countries, have ratified CEDAW and we have not. Act now. Ratify CEDAW.

OCTOBER 1: A DAY OF ATONEMENT

(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, there is a lot of talk about the October 1 train wreck. This is the Washington term for the day that the Government runs out of money, and in order to get more money, the Congress has to increase the debt ceiling or close down the Government.

Yet the idea of laying off a few bureaucrats is scary to some. In fact, a day without Government to the Democrats is as bad as a day without baseball to Cal Ripken. But it is time to call the question: Do we as a nation want to continue status quo deficit spending, or do we want to balance the budget and get our House in order?

This is what is at stake. October 1 is not a coming train wreck, but a day of atonement. The American people have spoken. They want a balanced budget. Let us give it to them.

REPUBLICAN MEDICARE CUTS

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

Ms. DELAURO. Mr. Speaker, it appears that the architect of the Republican revolution has not seen the blueprint.

On Sunday, Speaker GINGRICH stated that the Republican Medicare cuts would mean only $7 in increased monthly premiums for Medicare recipients, but yesterday Republican staff corrected the Speaker and admitted that their plan would increase Medicare premiums by $32 a month, not the $7 a month the Speaker claimed.

The Republican-controlled Congressional Budget Office estimates that the GOP plan will actually increase premiums by $56.50 a month.

Why all the confusion? Because, it is not just the American people who are being kept in the dark about the Republican Party's plan to cut $270 billion from Medicare to finance a tax cut for the wealthy. The Republican leadership is also in the dark.

If there is a GOP Medicare plan, it must be written in invisible ink, because nobody has seen it, not even the Speaker.

□ 1030

THE 20TH ANNIVERSARY OF THE PETROLEUM MUSEUM

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

Mr. COMBEST. Mr. Speaker, I rise today to celebrate the 20th anniversary of the petroleum museum in Midland, TX. This nonprofit educational and technical museum highlighting the exciting story of the oil and gas industry was opened by President Gerald Ford on September 13, 1975. It has grown to be one of the top tourist attractions for the Permian Basin and the entire State of Texas.

As one who has toured the museum myself, I was greatly impressed and I would highly recommend a tour for anyone who will be visiting the Permian Basin of Texas and would like to uncover the history of this oil-rich region. The idea for a petroleum museum began in the 1950's and it became a reality through the hard work, dedication, and generosity of the Permian Basin's business and petroleum leaders. Through the past 20 years, many changes have taken place at the museum including an additional wing, educational programs, exhibits, acquisitions of artifacts, archival material, and books.

Countless numbers of schoolchildren and adults have toured the museum learning more about the gasoline that fuels your car to the energy that runs your home. Its fascinating exhibits range from the life-size murals of the hearty men and women who tamed the Permian Basin oil patch to the outdoor exhibit which consists of the world's largest collection of the antique drilling and production equipment. I congratulate the petroleum museum staff and volunteers on 20 wonderful years and look forward to their second 20 so our children and our children's children may continue to discover and explore the inspiring story of the domestic oil and gas industry. In my 10 years in Congress, I have worked consistently to make sure that evidence of the domestic oil and gas industry should not be found only in museums.

FIXING MEDICARE WITHOUT CUTTING BENEFITS

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

Mr. WYNN. Mr. Speaker, I rise because I think Americans are concerned that they need some straight talk on Medicare. The Medicare system is not bankrupt; do not be fooled. Yes, the

Medicare system does need adjustment; that is what the trustees said in a Los Angeles Times article last week, and I think we on the Democratic side are willing to make adjustments.

Mr. Speaker, the point is we can make adjustments, we can even make reasonable cuts, without affecting benefits, but on the Republican side, however, they want to cut benefits, and the fact is that seniors will be harmed when we cut benefits, and they will be harmed not to save Medicare or not to reduce the deficit, but specifically to give a tax break to the wealthy.

Let us look at the figures. I say to my colleagues, "If you are wealthy and make $300,000, you'll get a tax break of $20,000. If you make $200,000, you'll get a tax break of $11,000. But if you're an average American and make about $35,000 to $50,000, you'll only get $500. That's a tax break for the wealthy."

I will make a deal. Cut the tax break for the wealthy, and we can work out a reasonable Medicare Program.

THE CHOICE IS CLEAR

(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, I am holding in my left hand appropriately the Clinton Democrats' budget plan. Let us just take a look. As my colleagues know, there is nothing in here about balancing the budget, and there is nothing in here about saving Medicare either. Cutting taxes? Well, no, there is nothing in here about cutting taxes either. It kind of makes me wonder if my liberal friends got the message from the American people last September.

Please see the American people want a budget written for them, not for the liberal social engineers in the west wing of the White House. They want a budget that our new majority is ready to approve, a balanced budget, a plan to save Medicare and tax cuts for the middle class along with genuine welfare reform.

Mr. Speaker, the choice is clear. This fall we can enact the agenda of the American people or we can follow the tired old remedies of the liberal do-nothing Democrats. I hope all of my colleagues in this Chamber will do the right thing, reject this plan and adopt a true rational budget plan for the American people.

REPUBLICAN BUDGET UNDERMINES SENIORS' ECONOMIC SECURITY

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

Mr. HINCHEY. Mr. Speaker, I think what the American people want is economic opportunity and economic security. Let us just talk a minute about correct security. One of the things that the Republican budget does is to undermine one of the most effective aspects of that economic security that has been established in this country over the last 30 years. That is the Medicare Program. Speaker GINGRICH last Sunday would have us believe that his cuts amount to only $7, but his own budget office tells us that those cuts, the amount of money coming out of seniors' pockets, will be as much as $56 a month.

Mr. Speaker, we know what is going on here. They do not like the Medicare Program. They want to privatize it. They want to put it on vouchers and coupons so people will go back to the old days when they did not have any economic security, when they had to worry about health care and when families had to worry about their elderly parents and grandparents. Let us not do that. Let us not balance this budget on the backs of the senior citizens of this country in order to give a tax break to the wealthiest people who do not need it and most of whom have the good sense not to want it.

WHY LIBERALS ARE AN ENDANGERED SPECIES

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

Mr. CHRISTENSEN. Mr. Speaker, back home, the crustiest old farmers, who are not as conservationist as our generation, deal with endangered predators the way liberals have dealt with Medicare.

Their expression for the easy way out is this: "Shoot, shovel, and shut up."

In the same way, Washington liberals—who tried to dismantle the health care system one short year ago—today are trying to bury the Medicare crisis for political reasons.

Here is the drill:

First of all, they shoot. On the air and on the floor, liberals attack those working to salvage Medicare, claiming the effort will require terrible, draconian measures.

Second, they shovel. My colleagues know what I mean.

Liberals float numbers with no basis. They spread misinformation and use scare tactics with the flimsiest of evidence.

Third, they shut up. They refuse to discuss the fact that Medicare is going broke.

The White House strategy of "Shoot, shovel and shut up" is backfiring as people who know Medicare is going broke see the plan to save it as responsible and sound.

Maybe that is why liberals are an endangered species around here.

DEMOCRATS CANNOT WAIT TO SEE THE REPUBLICANS' PLAN

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

Mr. COLEMAN. Mr. Speaker, let me just tell my colleagues what continues to be referred to here as somehow Democrats on my side of the aisle are concerned about what all my colleagues are about to do to Medicare. Well, we are, and the fact of the matter is we do not have the evidence about what our colleagues are going to do yet. Where is it? Our colleagues have been telling us now for months that they are going to fix it, they are going to cut it, they are going to cut its outlay problems and all the rest, and then they tell us, "But it is going to be an increase; we're going to increase Medicare by a couple of percent." Whatever it is; let us say it is 4 or 5, they are going to increase it. That sounds good. The problem is health care costs are going up at 9 or 10.

Well, some of us think back from third-grade math class that that is a cut of 4 or 5 percent. Now that is a cut unless we are going to freeze wages and prices. As my colleagues know, their party has done that before. Some of us remember when Dick Nixon did it. Is that the plan?

We are interested in knowing what the plan is. My colleagues are right. We do not have all the evidence. We are waiting. We cannot wait to see our colleagues' plan because I am afraid that what our colleagues are going to do is adversely affect all senior citizens in America.

REPUBLICANS GIVING THE AMERICAN PEOPLE WHAT THEY WANT

(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, I think a short history lesson is in order, especially after the previous speeches. First of all, in the private sector the cost-of-living increase in medicine is only going up 3½ to 4 percent, but in the Government sector Medicare is going up 10½ percent. We have to fix it.

I think a short history lesson is in order. Last November the American people staged a revolt. With one election the people changed its Government. The liberal philosophy of more and more government had been totally rejected. The people voted for less government, less taxes and regulation, and firm leadership from Congress. During the first 100 days House Republicans enacted the Contract With America in which we clearly stated that government had to take a back seat to common sense. Congress went on record for lower taxes, serious welfare reform, and a real balance budget.

Mr. Speaker, the next few weeks will be the fruition of that contract. We on this side of the aisle clearly heard the voices of the people on November 8. Republicans have the political courage to address the Medicare crisis. We will keep our promises to rein in Federal spending, we will eliminate the failed welfare state, and we are going to cut capital gains tax to create more jobs. In other words, the Republicans will give the American people what they want, limited government and more individual responsibility.

MEDISCARE

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

Mr. TATE. Mr. Speaker, the Clinton administration trustees have come out with a report that clearly states that Medicare is going broke, and that is a fact. That is why the Republicans have worked hard, get this, to increase the amount of money that we are spending on Medicare. If someone is on Medicare today, they will receive $4,800 on average per beneficiary. Under our plan someone will receive $6,700 if they are on Medicare per beneficiary. That is an increase.

But now the special-interest groups have targeted me as spending $85,000 worth of television advertising in my district misrepresenting the truth, talking about cuts, talking about what I call Mediscare and scaring seniors, and that is despicable. But the calls to my office, over 90 percent of the calls, are saying to me, "RANDY, stay the course. Don't give up."

Well, the Republicans will not give up on Medicare. We will not give up on seniors. It is too bad the liberals have given up on the seniors of the United States.

THE DEMOCRATS ARE NOT EVEN TRYING

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

Mr. BURTON of Indiana. Mr. Speaker, one of the things that has not been mentioned on the floor today is that the Democrats do not have a plan to deal with the Medicare crisis. The President's Commission on Medicare said that Medicare is going to go bankrupt in 7 years and they do not have a plan.

Now our plan will handle the crisis, increase Medicare spending, but not at the rate of growth we have had. Medicare has been growing at up to 16 percent a year, and that is intolerable. We cannot sustain that kind of growth rate.

So the bottom line is we are going to fix the Medicare problem. We are going to make sure that Medicare is there for seniors in the future. The Democrats do not have a plan. We are working on a plan right now. It is fiscally responsible. There is going to be more benefits, over the long term 40-percent growth in Medicare benefits for the next 7 years, but we are going to cut the rate of growth so we can balance the Medicare budget without having it having to go bankrupt, and that is one of the things that I think my colleagues on the other side of the aisle ought to pay attention to. We have a plan, we are working on it, we are going to solve it. They are not even trying.

INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 1996

The SPEAKER pro tempore (Mr. DICKEY). Pursuant to House Resolution 216 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. 1655.

□ 1043

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. 1655) to authorize appropriations for fiscal year 1996 for intelligence and intelligence-related activities of the U.S. Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes, with Mr. BURTON of Indiana 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 Texas [Mr. COMBEST] will be recognized for 30 minutes, and the gentleman from Washington [Mr. DICKS] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Texas [Mr. COMBEST].

□ 1045

Mr. COMBEST. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, at the outset, I would like to compliment the Committee's ranking Democrat, NORM DICKS, for his highly constructive role in the formulation of this legislation. He is a bona fide expert in many aspects of national security and intelligence, particularly in advanced technologies, and his influence is evident in many of our Committee's positions. I also would like to thank the other Democratic members of the Committee who have also joined in a spirit of nonpartisanship to craft this legislation. I also thank my fellow Republican Members who have worked hard in putting this bill together. In particular, I appreciate the fine work of JERRY LEWIS and BOB DORNAN, our subcommittee chairmen. Finally, the staff on both sides of the aisle deserve our thanks. They are a dedicated, talented group. This legislation is the product of a lot of work, intensive deliberation, and cooperation. The Committee held 11 full committee budget hearings, over 20 Member briefings, and over 200 staff briefings related to the budget. As a result, it is an act that our Committee reported out unanimously and in which we can all take no small measure of pride.

H.R. 1655 authorizes the funds for fiscal year 1996 for all of the intelligence and intelligence-related activities of the U.S. Government. The National Security Act requires that spending for intelligence be specifically authorized.

The intelligence budget has three major components—the national foreign intelligence program, known as the NFIP, the tactical intelligence and related activities program, known as TIARA, and—for the first time this year—a third program, the joint military intelligence program, known as JMIP.

NFIP funds activities providing intelligence to national policymakers and includes programs administered by such agencies as the Central Intelligence Agency, the National Security Agency and the Defense Intelligence Agency.

TARA, or tactical intelligence activities, reside exclusively in the Department of Defense. They consist, in large part, of numerous reconnaissance and target acquisition programs that are a functional part of the basic military force structure and provide direct information in support of military operations. Additionally, this year we have for the first time categorized some activities under the newly created joint military intelligence program, which provides military intelligence principally to defensewide or theater-level consumers.

This categorization of the intelligence budget into national, defense and tactical military intelligence programs facilitates our understanding of the diverse uses of intelligence. Additionally, it should increase the accountability and managerial control of intelligence programs.

From even the above thumbnail sketch of intelligence activities, it is obvious that, although our committee has jurisdiction over all three intelligence programs, we must work closely with the National Security Committee, particularly in the oversight and authorization of the TIARA program. I would like to acknowledge the assistance of chairman FLOYD SPENCE, the members of the National Security Committee, and Committee Staff.

Due to the classified nature of much of the Intelligence Committee's work, I cannot discuss many of the specifics of the bill before the House except in the

broadest terms. This can handicap Members' understanding of the issues at hand, particularly when we reach the amendments phase of these proceedings. Accordingly, I strongly urge those Members who have not yet had a chance, to read the classified annex to this bill. The annex is available in the committee office in the capitol—a 2-minute walk from the floor to H-405.

Now let me do what I can—in an unclassified manner—to discuss several major elements of the bill. First, I will put the bill in the historic context of the last few years' authorizations. Then I will explain the philosophy we followed in considering this year's bill. Finally, I will touch on several of the bill's most important initiatives and emphases.

First some recent history: Those who have been tracking the intelligence budget over this decade have seen a rather remarkable—some would say reckless—decline in intelligence spending. This is not news and I have discussed this at length on this floor for several years. But let me review and update a few facts that speak volumes and correct several common misconceptions.

Fact one: In real terms, the intelligence budget has been cut in all but one of the last 7 years.

Fact two: The intelligence community is being reduced at twice the rate recommended by the President's national performance review program.

Fact three: President Clinton proposed a few years ago to cut $7 billion from intelligence by 1997. That was accomplished over a year ago—2 years early. We will probably come very close to doubling those cuts by 1997.

Fact four: We have, until this year, been on a glide slope of intelligence cuts that would by the end of this decade put intelligence spending in constant dollars at about 65 percent of the 1989 level.

Fact five: The intelligence community continues to reduce its personnel at a rate that will, by 1999, cut more than one of every five positions.

It was with the knowledge of this recent history that we began consideration of the fiscal year 1996 authorization. The cumulative effects of these developments over the last several years are troubling to many of us on both sides of the aisle who believe that we cannot indefinitely continue to cut critically important intelligence support to U.S. policymakers and military commanders. Nonetheless, our committee decided on a nonpartisan basis that it would not rush headlong into efforts to reverse these trends of the recent past. Responsible oversight requires an objective approach. We decided that the 104th Congress offered us an excellent opportunity to take a fresh, open-eyed look at intelligence. We resolved to work together in a nonpartisan manner to make the most objective assessment possible of each item in the intelligence budget. To do that we broke with some recent practices, three of which I will mention here.

First, we reorganized the committee to merge the previously separate budget and oversight/evaluation functions. Wise budgetary decisions must be guided by evaluations of effectiveness.

Second, we broke with the past practice of concentrating on the short-term effect of our budgetary decisions. Instead, we have taken a longer view and designed this year's authorization with an eye toward future needs and requirements for intelligence. This emphasis in our authorization has coincided with our committee's major activity of this Congress—an exhaustive and authoritative study of this country's long-term requirements for intelligence. This study, called "IC21: The Intelligence Community for the 21st Century," will be completed in time for its results to be considered in the preparation of what may become semiannual legislation in next year's session.

Third, we opted for the most intellectually honest process we could devise to judge each program on its merits and its contributions to national security. We explicitly rejected the idea of working toward an arbitrarily set higher or lower budget objective. We also rejected the idea of making offsets to otherwise deserving programs so as to fund an increase in other programs. We were confident that the Congress would accept an intelligence authorization consisting of properly funded programs—even if that amounted to a significant increase in the aggregate over the President's request. As it turned out, despite some 80 budget actions taken by the committee, this bill authorizes intelligence expenditures only 1.3 percent above the President's request.

To understand many of the specific actions taken in H.R. 1655, the Members will have to refer to the classified annex available to them in our committee office. But let me give you an unclassified sketch of several of the themes that emerge:

We have moved to centralize authorities and improve cross-program management of intelligence activities. This reduces needless redundancies, facilitates the identification of underperforming programs, and increases accountability.

We have, across the board, emphasized the need for countering the challenges of foreign denial and deception practices. We have directed the intelligence community to do better at countering the increasingly sophisticated capabilities of hostile foreign powers to hide their activities from our intelligence capabilities. I note, for example, the reported success the Iraqi regime had in hiding its massive biological weapons program. Foreign denial and deception practices have revealed an extraordinarily dangerous intelligence vulnerability that has not been sufficiently addressed. Our actions will do much to reverse this trend. I should add that this is also an issue of great interest to the Speaker.

We have focused the intelligence community's attention more on the downstream activities of processing, exploiting, and disseminating intelligence. Without careful planning there is a serious danger of painting ourselves into a corner where we devote all of the very thin intelligence budgets we can now afford toward the development and maintenance of expensive technical collection systems, but have insufficient ability to make use of the intelligence we collect. We believe this is already a problem and we have taken action to address it.

We have urged the intelligence community to accelerate its move toward concentrating intelligence collection and analysis on issues of the highest national importance. We no longer have the resources or capabilities to spare on anything but the most important intelligence targets.

We have acted to improve counterintelligence, security, counterterrorism, and counterproliferation capabilities.

We have taken action to improve the capability of the CIA to better manage and oversee its agent operations and the intelligence emerging from them. As you all know, it is a matter of deep importance to this committee that there be a better process of keeping this committee informed of intelligence developments. In addition to placing this requirement on the CIA—and we have done so in no uncertain terms—we must give the CIA the capability to meet our expectations. This action will enhance this capability as well as increase the productivity of the CIA.

We made our biggest change to the administration's request in the satellite area. Although the National Reconnaissance Office [NRO] received 99 percent of the amount requested, the funds were significantly redistributed within the NRO account that builds and manages our Nation's satellites. The significance is most apparent regarding long-term policy. The committee believes the NRO needs to reduce program costs. We believe that with creativity and cost consciousness, significant savings may be possible. The committee has also directed that the NRO assess the long-term threats that we face to ensure that we are building systems that will address potential collection gaps. Finally, we concentrated on the imagery program, where developments in the commercial arena point toward large potential cost savings in national security programs. Without getting into the highly classified and very technical areas of the satellite

collection process, technology advances over the last 10 years, coupled with alternative launch options offer the possibility of substantial savings while maintaining and even enhancing necessary intelligence capabilities.

Finally, in drafting this bill, we resisted the calls of those who advocated an unconsidered, massive infusion of funds to remedy the cuts of the past, and we rejected the urging of those who rely on anecdotes and headlines, many of them wrong, to dismantle intelligence. Our hard work and pragmatic approach has paid off in producing a hard-nosed, lean authorization at 1.3 percent above the President's request. It focuses intelligence, increases accountability, and corrects several of the dangerous trends in recent intelligence authorizations. This is a responsible bill that any Member of this body can readily support.

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

Mr. DICKS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 1655, which authorizes funds for intelligence and intelligence-related activities for fiscal year 1996.

I want to begin by commending Chairman COMBEST for his leadership in bringing this measure to the floor and for the manner in which he has presided over the committee this year. He has been uniformly fair and has consistently sought to involve all members in all aspects of the committee's business. It has been a pleasure to serve with him and I look forward to our continued collaborative efforts, not only on this legislation, but on the other important work of the committee as well.

At a time in history when the capability to provide information rapidly and reliably to our policymakers and military commanders is critical, the United States is fortunate to possess the world's preeminent intelligence system. Other nations envy the ability of our intelligence agencies to collect, produce, and disseminate intelligence useful for purposes as varied as determining our stance in diplomatic negotiations and reducing the threats faced by U.S. military personnel deployed in dangerous and rapidly changing crisis situations. As has been seen repeatedly in the past year, from Haiti to Bosnia and in many other locations, United States intelligence is looked to not only by our leaders, but by those of the countries with whom we are allied, to provide that essential piece of information that determines whether action is taken or deferred.

In an age of rapid advances in technology, maintaining a system which ensures the best possible access to information which others would not like us to have, interprets that information, and moves it in a matter of seconds anywhere in the world, is an expensive proposition. Intelligence collection and dissemination, particularly in the areas of signals and imagery intelligence, requires substantial investments in highly complex systems. It is impossible to fully discuss in an unclassified setting those systems, or the manner in which human intelligence is collected in a hostile environment by people of great skill and courage. It is also impossible, however, to understate the important contributions our intelligence agencies, and the men and women who work in them, make to our national security.

Some have criticized the amount of money the United States spends on intelligence, and it is true that H.R. 1655, in the aggregate, would provide 1.3 percent more money than requested by the President. Those who are critical of the size of the intelligence budget often point to the demise of the Soviet Union as the event which should have made it possible to substantially reduce intelligence expenditures. However, intelligence spending has declined by several billion dollars since the Soviet Union imploded and the number of people employed by the intelligence agencies is declining as well. By fiscal year 1999, there will be 22.5 percent fewer employees than there were in fiscal year 1992. These reductions come at a time when, while there is admittedly no single threat to our national security equivalent to that posed by the Soviet Union at the height of the cold war, an array of challenges exists which places an extraordinary premium on accurate and timely intelligence. Among these challenges are: The proliferation of weapons of mass destruction; the residual nuclear capacity and uncertain stability of the Russian Government; the need to provide data with which to target precision guided weapons; and regional conflicts. Advances in technology which are costly to counter but which must be addressed only magnify these challenges.

I believe that the reductions in spending over the last 5 years have resulted in an intelligence system of about the right size and capability for the missions it confronts. The authorization levels in H.R. 1655 will not provide for a significant expansion of those capabilities beyond what had been previously planned, but in general will ensure that modernization activities already underway are carried through to conclusion. These activities, if completely implemented particularly in the satellite area, will produce significant savings over time.

The intelligence community has had many successes, the majority of which cannot be publicized for security reasons. The last few years, however, have not been ones of unqualified achievement. The Ames spy case was an unmitigated disaster for the Central Intelligence Agency in general, and the directorate of operations in particular. The need for change in management style and attitude to better ensure accountability within the directorate of operations was made crystal clear by the Ames debacle. This message has not been lost on the new Director of Central Intelligence, John Deutch. He has moved aggressively to install a new team of senior managers who I believe are dedicated to improving the way in which the intelligence community operates, and to making certain that Congress is kept advised of significant intelligence activities, as the law requires.

The well publicized failures in the intelligence community have been frustrating and the explanations for their case have been difficult to understand and accept. I believe, however, that these incidents do not provide a rationale for a general reduction in intelligence spending; rather they argue strongly for the kind of review of the internal operations and structure of the intelligence community which our committee, the Senate Intelligence Committee, the Aspin-Brown commission, and the DCI have undertaken. These efforts will produce change that is the product of careful consideration rather than reflex, and I believe result in an intelligence community better designed to operate in the post-cold-war world.

H.R. 1655 was reported unanimously by the Intelligence Committee and I have already indicated my support of it. In part, that support is based on my belief that it is important that there be stability and predictability in intelligence funding, particularly in highly technical programs where uncertainty in resources and direction can cause money to be wasted. The bill provides that kind of stability in all areas except for the programs managed by the National Reconnaissance Office [NRO]. While I am not pleased by the NRO's performance in keeping the committee informed about the expenditure rates for certain programs, and the annual funding needs based on those rates, I do not believe that the appropriate response to those managerial shortcomings is to radically alter the composition of our planned satellite constellation. Certain of the actions described in the classified annex to this bill, however, would have that effect and represent, in my judgment, a significant departure from the direction provided by Congress to the NRO as recently as a year ago. This departure has the potential for sizable risk and substantial long-term costs. It should only be undertaken if there is amply evidence that the likely gain outweighs the financial and programmatic risks. At this point, that evidence does not exist. I hope that in conference we will carefully consider the advisability of

taking these steps now before a thorough record to support them is developed, both at the NRO and at the committee.

Mr. Chairman, the reservations just noted do not prevent me from supporting this important legislation, nor in recommending it to the House. I urge the adoption of H.R. 1655.

□ 1100

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

Mr. COMBEST. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I thank the gentleman from Washington [Mr. DICKS] for his comments and, as I have already mentioned, I appreciate his participation, his advice, and his dedication to the intelligence community and to our national security.

I would like to respond to his comments regarding the National Reconnaissance Office [NRO]. I, too, am not pleased with the NRO's performance regarding expenditure rates and funding needs. The need to adjust some of the managerial philosophies at the NRO was even brought out in our unclassified committee report. However, I believe that many of our adjustments are not just in response to managerial shortcomings, but are a recognition of the fact that rapid advances in technology, similar to those the gentleman addressed in his statement, also have value in the areas of satellite development. The problem is that these types of technologies, which go beyond historical incremental improvements, are not readily being addressed by the NRO, who have grown comfortable philosophically with staying the course.

I take note of my colleague's concern regarding stability and predictability in intelligence funding. That has been and remains a major concern of mine in terms of how the House handles intelligence oversight. Technological developments combined with the diversity of intelligence requirements, however, dictate that we not be lulled into complacency at a time when innovation may mean the difference between whether or not we can meet the policymaker's needs in the 21st century. Our bill does not attempt to push the NRO into untested areas, but simply assures that they will be open to the possibilities inherent in new technologies.

Again, I thank Mr. DICKS for his comments and his concerns, and greatly look forward to exploring this area further as the committee continues its work on 1C21.

Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. SHUSTER].

Mr. SHUSTER. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in strong support of this legislation. It is very important to emphasize that we have already imposed multibillion-dollar cuts on the intelligence community over the past 5 years. It is equally important to emphasize that, under the leadership of the distinguished chairman and the ranking member, very substantial reforms have been put in place. It is also equally important to emphasize that this legislation is brought to the floor by a unanimous vote of every member of the committee. A good intelligence is even more important today when we no longer face a monolithic opponent but rather several rogue States.

One of the areas in which I have been particularly interested indeed during my tenure as the ranking member of the Permanent Select Committee on Intelligence, I focused on the counternarcotics issue. Drugs indeed are a scourge in our country today. Frankly I am deeply concerned at the lack of emphasis that the administration seems to be placing on curtailing both demand and supply, but I am happy to report that there have been very, very significant intelligence successes. Most of them cannot be talked about because they are highly classified. I would urge my colleagues to go to the committee and to get a classified briefing on the extraordinary successes that our intelligence agencies have contributed to.

One example which is now in the public domain and can be talked about is the disintegration of the Cali cartel, that notorious cartel in Colombia which controls 80 percent of the world's cocaine supply. Within the past few months, 6 key leaders have been captured by Colombia law enforcement. We have been very instrumental in supporting that effort as well as other related efforts.

Shipments of coca base from Peru to Bolivia have been interdicted thanks to our support and the Colombian law enforcement people and other law enforcement people to the extent that the coca base has plummeted. Refineries simply cannot get base. In fact, much coca base is rotting on the ground.

I would be quick to acknowledge we cannot solve the drug scourge in this country by reducing supply only, but we can contribute to it, and the intelligence community is making a very, very significant contribution.

We are on the right track with this bill. I would urge my colleagues to support your committee members who unanimously bring this legislation to the floor.

Mr. RICHARDSON. Mr. Chairman, I yield myself 5 minutes.

First I want to commend the chairman of the committee for the very bipartisan, cerebral and often extremely substantial way that he has run this committee. I want to express my thanks to the chairman for allowing me to undertake several initiatives in the foreign policy area including the last trip that I took to Iraq.

Let me also state that I think the chairman is on the right track in ensuring that what we try to do in the future is make sure that our intelligence community is up to the task. With recent revelations relating to double agents, the Ames affair, and the Howard case, the trust that the American people have had in the intelligence community has eroded. In fact, the reputation of the intelligence community has been damaged by these actions. So I think it is critically important that we make sure that we have in our intelligence community a capability to move our intelligence operations into a new age.

The Soviet Union has fallen. There is no bipolar relationship in the world. There are new challenges. The new challenges are in international terrorism, in nuclear nonproliferation, in dealing with drug cartels and economic competition, and I think it is critically important that we move the focus of the intelligence community into these areas.

I am not sure in the past that we have done that. There are still too many Sovietologists, we still do not have enough people speaking Arabic, or we do not know enough about ethnic conflicts, regional conflicts in Bosnia, or the North Korean nonproliferation issues. We need to find ways to engage ourselves better in these new areas. I believe that Chairman COMBEST is undertaking a review of our intelligence operations in a very effective and systematic manner.

One thing that troubles me a bit is that we do have the intelligence authorization 1.3 percent above the administration request. I think we have to send a signal to every department and every bureaucracy that we are not going to be tolerating anyone getting more money than they need. But I will entrust the chairman and the ranking member as to why we are doing this and support their efforts to maintain the intelligence budget at a level that the gentleman from Texas [Mr. COMBEST] and the gentleman from Washington [Mr. DICKS] see fit. I will support that. I just think it sends a little bit of a troubling signal. There is an appropriations process which may not be as generous, but on the whole I do think that we have to send a strong message to the intelligence community that they have to do better in reducing waste, and that they have to do better in the areas of human intelligence. We have some very, very sophisticated systems, but we also have to do better in the area of people.

□ 1115

Let me say that by "people," I mean intelligence—human intelligence—spies. I was pleased to hear that today, the new Director of CIA, Mr. Deutch,

talked about the need for expanding covert action. I think that makes sense. The statement was on the record.

The United States needs to have the capability to engage itself in some very dicey situations, often with very unsavory people. I think we need to support that capability. We may need to deal with those situations and in that sense we need to have a covert action structure. For the last few years, it has not been as strong because we have not needed it. But I think it is critically important that we have that capability.

We have a very good new CIA Director. John Deutch knows government. He is an academic. He has the ear of the President. He has the trust of the intelligence community. He is a former Deputy Secretary of Defense. He knows weapons systems. He knows technologies. He knows people and he knows this city. He knows politics. I think we should support him. I think we should give him political and substantive backing for what he is trying to do.

Mr. Chairman, the message has to be clear. The culture of the CIA has to be changed. They have to do a better job. Finally, we have to make sure that every penny that we authorize is spent wisely.

Mr. COMBEST. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, I appreciate the comments of the gentleman from New Mexico [Mr. RICHARDSON] and enjoy working with him. The gentleman is a dedicated Member and I assure him that any time the gentleman wants to leave this country, I will be happy to assist him.

The gentleman knows that I say that only in jest. We are all very proud of the activities that the gentleman from New Mexico, my neighbor in Texas, has accomplished, and we are glad the gentleman is a part of our team.

Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. LEWIS].

Mr. LEWIS of California. Mr. Chairman, I rise to express my strong support for the work of the Permanent Select Committee on Intelligence.

Mr. Chairman, let me say at the beginning that at a moment, an important time in terms of the history of this country and our intelligence work, we are blessed by the fact that the leadership within the House, the gentleman from Texas [Mr. COMBEST], my chairman, as well as the gentleman from Washington [Mr. DICKS], the ranking member, have worked in a very, very positive fashion to create an environment that is as close to being nonpartisan in regard to these matters as I have ever seen in the time that I have served in the Congress.

Mr. Chairman, it is critical that we recognize that America is at a turning point in terms of its need for information. And, indeed, it is a new age at the end of the 20th century. The end of the cold war is upon us. The reality that we are reducing defense budgets, because people believe there is less of a need for more spending in that subject area, has raised a specter regarding the future of intelligence that is very, very important for all of us to consider seriously.

First, it is important to know that the cold war is all but over, but indeed we continue to have serious challenges in connection with that. Any Member who will but look will know of the difficulties in these new fledgling democracies.

The challenges in Russia present problems for the United States that are very real; problems that require us, both the President and our committees, to be well informed regarding what really is happening in that region of the world.

Above and beyond that, the intelligence community itself has faced many a challenge. The difficulty of the Ames case raised questions about the future of intelligence and where we should be going. It is critical to recognize that the House must be involved in that future direction.

Beyond that, there is a new specter that has not been the most prominent in terms of the public's concern in the past: The prospect of terrorism impacting our society. Terrorism that may have its source from overseas; indeed terrorism here at home.

Mr. Chairman, all of these complicated circumstances create a situation that would suggest to the House that the President and our committees need more information, not less information, and excellent information.

The work of our intelligence community is critical to us today and to the future hope for freedom, I believe, in the world.

I urge the House to recognize the importance of this work, support this very significant bill, and support the funding that is necessary to carry forward our intelligence activities.

Mr. RICHARDSON. Mr. Chairman, I yield 3 minutes to the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK of Massachusetts. Mr. Chairman, I will be offering an amendment to reduce this budget by 3 percent. Of course, we cannot say 3 percent of what, because there is this great fear that someone might find out a number, which everybody who needs to know it, knows it. It is only the American people who do not know what the number is.

But it is up some. The proposed authorization is 1.7 percent higher than last year's appropriation. Mr. Chairman, I want to make it very clear to people, because of my respect for the rules, I am allowed under the rules of the House to say that it is 1.7 percent higher. I am not allowed to say what it is 1.7 percent higher than, but it is 1.7 percent higher.

It is 1.2 percent higher than what the President asked for. That seems to me a very grave error. Of course, we want to be protected, but there has been a more substantial drop in the task of the intelligence community than in virtually any other area of government.

Up until 5 years ago, the intelligence community was engaged much more heavily, than in any other activity, in monitoring the Soviet Union's ability to destroy our society. The Soviet Union and the Warsaw Pact were extraordinarily dangerous threats.

Mr. Chairman, that threat has very substantially diminished. There is no more Warsaw Pact. Countries that once had troops dedicated to our destruction, against their will, but nonetheless dedicated, they are gone.

Mr. Chairman, the point is this. Yes, we have Iran and Libya and North Korea to worry about. But the argument that we cannot reduce our spending on intelligence, now that the Soviet Union's threat to our very physical survival has collapsed, must assume that Libya, North Korea and Iran did not exist 10 years ago.

In fact, 10 years ago we were worried about these terrorist nations. We were worried about nuclear proliferation and we were worried about the Soviet Union. The Soviet Union has collapsed. The largest single threat has gone.

Yes, we still have these other threats, but we had them 5 and 10 years ago. Yet, Mr. Chairman, the committee now asks us, at a time when we are cutting student loans and about to raise the premium for older people. If my colleagues do not want to vote to raise the premium on older people, if we did not give an increase to the intelligence community of 1.7 percent, we would go a long way of not having to raise the premium on older people living on $15,000 and $16,000 a year, because those are the choices we are making.

Mr. Chairman, we are adding 1.7 percent in this authorization to the budget. The CIA gets a 5 percent increase. Mr. Chairman, any other agency that had behaved disastrously, we would be talking about having to cut it.

We were told we were going to cut Head Start. Do my colleagues know why? Because they do not spend the money as efficiently as they could. The Chairman of the Committee on Appropriations subcommittee charged with Head Start said, "I like Head Start, but they haven't spent the money so efficiently, so let's cut them." Why does the exact opposite not apply to the CIA?

Mr. YOUNG of Florida. Mr. Chairman, I rise in support of H.R. 1655, the Intelligence authorization bill for 1996. A great deal of hard work has gone into the production of this bill.

As a member of the Intelligence Committee and Chairman of the Defense Subcommittee of the Appropriations Committee, I can tell you that it is no easy task reconciling the competing demands of national security and fiscal responsibility. In fact, this is one of the major themes of our intelligence authorization bill for 1996: To provide essential intelligence capabilities while demanding cost-efficient solutions to intelligence problems.

Another theme of our bill is the need to maintain a responsible balance between collection, processing, and dissemination of intelligence information. When any of these three areas is out of balance, it reduces the efficiency and cost-effectiveness of the entire system. Historically, we have devoted more attention and resources to collection without adequately providing for the less glamorous requirements to process that collected information and get it to the customer when and where he needs it. In our bill, we have made cross-program efforts to bolster our processing capabilities, particularly of imagery and signals intelligence.

As our chairman stated earlier, we reviewed each program on its merits and added resources where we considered them necessary. At the same time, however, we eliminated efforts we considered redundant or unproductive, and we considered the long-term affordability of every change we made. We also made every effort to engage in dialog with the administration concerning those areas where we felt constructive change was required. The result is an authorization that will help meet both the intelligence and fiscal challenges of the future.

Although our authorization for fiscal year 1996 is slightly above the President's request, we are confident that we have created no unsustainable budget-busters in the outyears, and that our bill provides a balanced program designed to meet our short- and long-term intelligence needs. The intelligence budget has declined enough over the last 8 years. I urge you to support H.R. 1655.

Ms. DUNN. Mr. Chairman, I want to state for the record my strong support of H.R. 1655, the fiscal year 1996 Intelligence Authorization Act which the House passed last week. First, I would like to commend the chairman of the Select Committee on Intelligence, Congressman LARRY COMBEST, for reporting out a fine bill that quite appropriately authorizes those intelligence functions that are consistent with our Nation's vital national security needs.

I believe the committee was wise to choose no longer to view the intelligence budget merely in terms of straight dollar figures. Dramatic changes in the geopolitical and military landscape during the last decade have significantly impacted key aspects of United States security. The magnitude of those changes continues to evolve in uncertain directions as do the implications for America. In other words, while the world is dramatically different from the cold war years, it remains an unstable and therefore dangerous place.

It is, in my view, entirely appropriate to continue the process of analyzing threats to U.S. borders, to our military, and to American leaders and citizens traveling or living abroad. And we must analyze them under the new terms of the evolving post-cold-war dynamic. As we prepare for the 21st century, I appreciate the committee's efforts to emphasize a more intense and evaluative consideration of our intelligence functions. As stated in the committee report that accompanied H.R. 1655, "each [intelligence] program adjustment was considered as an individual, substantive issue." that, Mr. Chairman, is exactly what the taxpayers of the Nation expect and deserve.

Given the considerable importance and wide-reaching implications of the intelligence programs authorized in this bill, this bill is a remarkable accomplishment. H.R. 1655 is in keeping with the 104th Congress's disciplined effort to balance the Federal budget, and is a perfect example of our desire to scrutinize everything funded with the public dollar. Further, it exemplifies American legislative policy that supports not only our national interests but our drive to keep federal spending under control. I am proud to express my support for it.

Mr. DICKS. Mr. Chairman, I yield back the balance of my time.

Mr. COMBEST. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN (Mr. BURTON). All time for general debate has expired.

Pursuant to the rule, the amendment in the nature of a substitute printed in the bill, modified by the amendment recommended by the Committee on Government Reform and Oversight printed in the bill, and by an amendment striking title VII, shall be considered by titles as an original bill for the purpose of amendment. The first section and each title are considered read.

No amendment to the amendment in the nature of a substitute, as modified, shall be in order, unless printed in the portion of the CONGRESSIONAL RECORD designated for that purpose.

The Clerk will designate section 1.

The text of section 1 is as follows:

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 "Intelligence Authorization Act for Fiscal Year 1996".

The CHAIRMAN. Are there any amendments to section 1?

Mr. COMBEST. Mr. Chairman, I ask unanimous consent that the remainder of the committee amendment in the nature of a substitute, as modified, be printed in the RECORD and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The text of the remainder of the committee amendment in the nature of a substitute, as modified, is as follows:

TITLE I—INTELLIGENCE ACTIVITIES

SEC. 101. AUTHORIZATION OF APPROPRIATIONS.

Funds are hereby authorized to be appropriated for fiscal year 1996 for the conduct of the intelligence and intelligence-related activities of the following elements of the United States Government:

(1) The Central Intelligence Agency.
(2) The Department of Defense.
(3) The Defense Intelligence Agency.
(4) The National Security Agency.
(5) The Department of the Army, the Department of the Navy, and the Department of the Air Force.
(6) The Department of State.
(7) The Department of Treasury.
(8) The Department of Energy.
(9) The Federal Bureau of Investigation.
(10) The Drug Enforcement Administration.
(11) The National Reconnaissance Office.
(12) The Central Imagery Office.

SEC. 102. CLASSIFIED SCHEDULE OF AUTHORIZATIONS.

(a) SPECIFICATIONS OF AMOUNTS AND PERSONNEL CEILINGS.—The amounts authorized to be appropriated under section 101, and the authorized personnel ceilings as of September 30, 1996, for the conduct of the intelligence and intelligence-related activities of the elements listed in such section, are those specified in the classified Schedule of Authorizations prepared to accompany the bill H.R. 1655 of the 104th Congress.

(b) AVAILABILITY OF CLASSIFIED SCHEDULE OF AUTHORIZATIONS.—The Schedule of Authorizations shall be made available to the Committees on Appropriations of the Senate and House of Representatives and to the President. The President shall provide for suitable distribution of the Schedule, or of appropriate portions of the Schedule, within the executive branch.

SEC. 103. PERSONNEL CEILING ADJUSTMENTS.

(a) AUTHORITY FOR ADJUSTMENTS.—With the approval of the Director of the Office of Management and Budget, the Director of Central Intelligence may authorize employment of civilian personnel in excess of the number authorized for fiscal year 1996 under section 102 when the Director of Central Intelligence determines that such action is necessary to the performance of important intelligence functions, except that the number of personnel employed in excess of the number authorized under such section may not, for any element of the intelligence community, exceed two percent of the number of civilian personnel authorized under such section for such element.

(b) NOTICE TO INTELLIGENCE COMMITTEES.—The Director of Central Intelligence shall promptly notify the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate whenever he exercises the authority granted by this section.

SEC. 104. COMMUNITY MANAGEMENT ACCOUNT.

(a) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for the Community Management Account of the Director of Central Intelligence for fiscal year 1996 the sum of $80,713,000. Within such amounts authorized, funds identified in the classified Schedule of Authorizations referred to in section 102(a) for the Advanced Research and Development Committee and the Environmental Task Force shall remain available until September 30, 1997.

(b) AUTHORIZED PERSONNEL LEVELS.—The Community Management Staff of the Director of Central Intelligence is authorized 247 full-time personnel as of September 30, 1996. Such personnel of the Community Management Staff may be permanent employees of the Community Management Staff or personnel detailed from other elements of the United States Government.

(c) REIMBURSEMENT.—During fiscal year 1996, any officer or employee of the United States or a member of the Armed Forces who is detailed to the Community Management Staff from another element of the United States Government shall be detailed on a reimbursable basis, except that any such officer, employee or member may be detailed on a nonreimbursable basis for a period of less than one year for the performance of temporary functions as required by the Director of Central Intelligence.

TITLE II—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated for the Central Intelligence Agency Retirement and Disability Fund for fiscal year 1996 the sum of $213,900,000.

TITLE III—GENERAL PROVISIONS

SEC. 301. INCREASE IN EMPLOYEE COMPENSATION AND BENEFITS AUTHORIZED BY LAW.

Appropriations authorized by this Act for salary, pay, retirement, and other benefits for Federal employees may be increased by such additional or supplemental amounts as may be necessary for increases in such compensation or benefits authorized by law.

SEC. 302. RESTRICTION ON CONDUCT OF INTELLIGENCE ACTIVITIES.

The authorization of appropriations by this Act shall not be deemed to constitute authority for the conduct of any intelligence activity which is not otherwise authorized by the Constitution or the laws of the United States.

SEC. 303. APPLICATION OF SANCTIONS LAWS TO INTELLIGENCE ACTIVITIES.

(a) GENERAL PROVISIONS.—The National Security Act of 1947 (50 U.S.C. 401 et seq.), is amended by adding at the end thereof the following new title:

"TITLE IX—APPLICATION OF SANCTIONS LAWS TO INTELLIGENCE ACTIVITIES

"STAY OF SANCTIONS

"SEC. 901. Notwithstanding any other provision of law, the President may stay the imposition of an economic, cultural, diplomatic, or other sanction or related action by the United States Government concerning a foreign country, organization, or person when the President determines that to proceed without delay would seriously risk the compromise of an ongoing criminal investigation or an intelligence source or method. The President shall lift any such stay when the President determines that such stay is no longer necessary to that purpose.

"REPORTS

"SEC. 902. Whenever any stay is imposed pursuant to section 901, and whenever the duration of any such stay exceeds 120 days, the President shall promptly report to the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives the rationale and circumstances that led the President to exercise the stay authority with respect to an intelligence source or method, and to the Judiciary Committees of the Senate and the House of Representatives the rationale and circumstances that led the President to exercise the stay authority with respect to an ongoing criminal investigation.".

(b) CLERICAL AMENDMENT.—The table of contents in the first section of such Act is amended by adding at the end thereof the following:

"TITLE IX—APPLICATION OF SANCTIONS LAWS TO INTELLIGENCE ACTIVITIES

"Sec. 901. Stay of Sanctions.
"Sec. 902. Reports.".

SEC. 304. THRIFT SAVINGS PLAN FORFEITURE.

Section 8432(g) of title 5, United States Code, is amended by adding at the end the following new paragraphs:

"(5)(A) Notwithstanding any other provision of law, contributions made by the Government for the benefit of an employee or Member under subsection (c), and all earnings attributable to such contributions, shall be forfeited if the annuity of the employee or Member, or that of a survivor or beneficiary, is forfeited under subchapter II of chapter 83.

"(B) Forfeitures under this paragraph shall occur only if the offenses upon which the requisite annuity forfeitures are based happened subsequent to the enactment of this paragraph.".

SEC. 305. AUTHORITY TO RESTORE SPOUSAL PENSION BENEFITS TO SPOUSES WHO COOPERATE IN CRIMINAL INVESTIGATIONS AND PROSECUTIONS FOR NATIONAL SECURITY OFFENSES.

Section 8318 of title 5, United States Code, is amended by adding at the end the following:

"(e) The spouse of an individual whose annuity or retired pay is forfeited under section 8312 or 8313 after the date of enactment of this subsection shall be eligible for spousal pension benefits if the Attorney General of the United States determines that the spouse fully cooperated with Federal authorities in the conduct of a criminal investigation and subsequent prosecution of the individual which resulted in such forfeiture.".

SEC. 306. SECRECY AGREEMENTS USED IN INTELLIGENCE ACTIVITIES.

Notwithstanding any other provision of law not specifically referencing this section, a nondisclosure policy form or agreement that is to be executed by a person connected with the conduct of an intelligence or intelligence-related activity, other than an employee or officer of the United States Government, may contain provisions appropriate to the particular activity for which such document is to be used. Such form or agreement shall, at a minimum, require that the person will not disclose any classified information received in the course of such activity unless specifically authorized to do so by the United States Government.

SEC. 307. LIMITATION ON AVAILABILITY OF FUNDS FOR AUTOMATIC DECLASSIFICATION OF RECORDS OVER 25 YEARS OLD.

(a) IN GENERAL.—Each agency of the National Foreign Intelligence Program shall use no more than $2,500,000 of the amounts authorized to be appropriated by this Act to carry out the provisions of section 3.4 of Executive Order 12958.

(b) REQUIRED BUDGET SUBMISSION.—The President shall submit for fiscal year 1997 and each of the following five years a budget request which specifically sets forth the funds requested for implementation of section 3.4 of Executive Order 12958.

TITLE IV—CENTRAL INTELLIGENCE AGENCY

SEC. 401. EXTENSION OF THE CIA VOLUNTARY SEPARATION PAY ACT.

Section 2(f) of the Central Intelligence Agency Voluntary Separation Pay Act (50 U.S.C. 403–4(f)), is amended by striking out "September 30, 1997" and inserting in lieu thereof "September 30, 1999".

SEC. 402. VOLUNTEER SERVICE PROGRAM.

(a) GENERAL AUTHORITY.—The Director of Central Intelligence is authorized to establish and maintain a program from fiscal years 1996 through 2001 to utilize the services contributed by not more than 50 annuitants who serve without compensation as volunteers in aid of systematic or mandatory review for declassification or downgrading of classified information of the Central Intelligence Agency under applicable Executive orders governing the classification and declassification of national security information and Public Law 102–526.

(b) COSTS INCIDENTAL TO SERVICES.—The Director is authorized to use sums made available to the Central Intelligence Agency by appropriations or otherwise for paying the costs incidental to the utilization of services contributed by individuals under subsection (a). Such costs may include (but need not be limited to) training, transportation, lodging, subsistence, equipment, and supplies. The Director may authorize either direct procurement of equipment, supplies, and services, or reimbursement for expenses, incidental to the effective use of volunteers. Such expenses or services shall be in accordance with volunteer agreements made with such individuals. Sums made available for such costs may not exceed $100,000.

(c) APPLICATION OF CERTAIN PROVISIONS OF LAW.—A volunteer under this section shall be considered to be a Federal employee for the purposes of subchapter I of title 81 (relating to compensation of Federal employees for work injuries) and section 1346(b) and chapter 171 of title 28 (relating to tort claims). A volunteer under this section shall be covered by and subject to the provisions of chapter 11 of title 18 of the United States Code as if they were employees or special Government employees depending upon the days of expected service at the time they begin volunteering.

TITLE V—DEPARTMENT OF DEFENSE INTELLIGENCE ACTIVITIES

SEC. 501. DEFENSE INTELLIGENCE SENIOR LEVEL POSITIONS.

Section 1604 of title 10, United States Code, is amended to read as follows:

"§1604. Civilian personnel management

"(a) GENERAL PERSONNEL AUTHORITY.—The Secretary of Defense may, without regard to the provisions of any other law relating to the number, classification, or compensation of Federal employees—

"(1) establish such positions for employees in the Defense Intelligence Agency and the Central Imagery Office as the Secretary considers necessary to carry out the functions of that Agency and Office, including positions designated under subsection (f) as Defense Intelligence Senior Level positions;

"(2) appoint individuals to those positions; and

"(3) fix the compensation for service in those positions.

"(b) AUTHORITY TO FIX RATES OF BASIC PAY; OTHER ALLOWANCES AND BENEFITS.—(1) The Secretary of Defense shall, subject to subsection (c), fix the rates of basic pay for positions established under subsection (a) in relation to the rates of basic pay provided in subpart D of part III of title 5 for positions subject to that title which have corresponding levels of duties and responsibilities. Except as otherwise provided by law, an employee of the Defense Intelligence Agency or the Central Imagery Office may not be paid basic pay at a rate in excess of the maximum rate payable under section 5376 of title 5.

"(2) The Secretary of Defense may provide employees of the Defense Intelligence Agency and the Central Imagery Office compensation (in addition to basic pay under paragraph (1)) and benefits, incentives, and allowances consistent with, and not in excess of the levels authorized for, comparable positions authorized by title 5.

"(c) PREVAILING RATES SYSTEMS.—The Secretary of Defense may, consistent with section 5341 of title 5, adopt such provisions of that title as provide for prevailing rate systems of basic pay and may apply those provisions to positions in or under which the Defense Intelligence Agency or the Central Imagery Office may employ individuals described by section 5342(a)(2)(A) of such title.

"(d) ALLOWANCES BASED ON LIVING COSTS AND ENVIRONMENT FOR EMPLOYEES STATIONED OUTSIDE CONTINENTAL UNITED STATES OR IN ALASKA.—(1) In addition to the basic compensation payable under subsection (b), employees of the Defense Intelligence Agency and the Central Imagery Office described in paragraph (3) may be paid an allowance, in accordance with regulations prescribed by the Secretary of Defense, at a rate not in excess of the allowance authorized to be paid under section 5941(a) of title 5 for employees whose rates of basic pay are fixed by statute.

"(2) Such allowance shall be based on—

"(A) living costs substantially higher than in the District of Columbia;

"(B) conditions of environment which—

"(i) differ substantially from conditions of environment in the continental United States; and

"(ii) warrant an allowance as a recruitment incentive; or

"(C) both of those factors.

"(3) This subsection applies to employees who—

"(A) are citizens or nationals of the United States; and

"(B) are stationed outside the continental United States or in Alaska.

"(e) TERMINATION OF EMPLOYEES.—(1) Notwithstanding any other provision of law, the Secretary of Defense may terminate the employment of any employee of the Defense Intelligence Agency or the Central Imagery Office if the Secretary—

"(A) considers such action to be in the interests of the United States; and

"(B) determines that the procedures prescribed in other provisions of law that authorize the termination of the employment of such employee cannot be invoked in a manner consistent with the national security.

"(2) A decision by the Secretary of Defense to terminate the employment of an employee under this subsection is final and may not be appealed or reviewed outside the Department of Defense.

"(3) The Secretary of Defense shall promptly notify the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate whenever the Secretary terminates the employment of any employee under the authority of this subsection.

"(4) Any termination of employment under this subsection shall not affect the right of the employee involved to seek or accept employment with any other department or agency of the United States if that employee is declared eligible for such employment by the Director of the Office of Personnel Management.

"(5) The authority of the Secretary of Defense under this subsection may be delegated only to the Deputy Secretary of Defense, the Director of the Defense Intelligence Agency (with respect to employees of the Defense Intelligence Agency), and the Director of the Central Imagery Office (with respect to employees of the Central Imagery Office). An action to terminate employment of an employee by any such officer may be appealed to the Secretary of Defense.

"(f) DEFENSE INTELLIGENCE SENIOR LEVEL POSITIONS.—(1) In carrying out subsection (a)(1), the Secretary may designate positions described in paragraph (3) as Defense Intelligence Senior Level positions. The total number of positions designated under this subsection and in the Defense Intelligence Senior Executive Service under section 1601 of this title may not exceed the number of positions in the Defense Intelligence Senior Executive Service as of June 1, 1995.

"(2) Positions designated under this subsection shall be treated as equivalent for purposes of compensation to the senior level positions to which section 5376 of title 5 is applicable.

"(3) Positions that may be designated as Defense Intelligence Senior Level positions are positions in the Defense Intelligence Agency and Central Imagery Office that (A) are classified above the GS-15 level, (B) emphasize functional expertise and advisory activity, but (C) do not have the organizational or program management functions necessary for inclusion in the Defense Intelligence Senior Executive Service.

"(4) Positions referred to in paragraph (3) include Defense Intelligence Senior Technical positions and Defense Intelligence Senior Professional positions. For purposes of this subsection—

"(A) Defense Intelligence Senior Technical positions are positions covered by paragraph (3) that involve any of the following:

"(i) Research and development.

"(ii) Test and evaluation.

"(iii) Substantive analysis, liaison, or advisory activity focusing on engineering, physical sciences, computer science, mathematics, biology, chemistry, medicine, or other closely related scientific and technical fields.

"(iv) Intelligence disciplines including production, collection, and operations in close association with any of the activities described in clauses (i), (ii), and (iii) or related activities; and

"(B) Defense Intelligence Senior Professional positions are positions covered by paragraph (3) that emphasize staff, liaison, analytical, advisory, or other activity focusing on intelligence, law, finance and accounting, program and budget, human resources management, training, information services, logistics, security, and other appropriate fields.

"(g) 'EMPLOYEE' DEFINED AS INCLUDING OFFICERS.—In this section, the term 'employee', with respect to the Defense Intelligence Agency or the Central Imagery Office, includes any civilian officer of that Agency or Office.".

SEC. 502. COMPARABLE BENEFITS AND ALLOWANCES FOR CIVILIAN AND MILITARY PERSONNEL ASSIGNED TO DEFENSE INTELLIGENCE FUNCTIONS OVERSEAS.

(a) CIVILIAN PERSONNEL.—Section 1605 of title 10, United States Code, is amended—

(1) in subsection (a)—

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

(B) by striking out "of the Department of Defense" and all that follows through "this subsection," and inserting in lieu thereof "described in subsection (d)"; and

(C) by designating the second sentence as paragraph (2);

(2) by striking out subsection (c) and inserting in lieu thereof the following:

"(c) Regulations prescribed under subsection (a) may not take effect until the Secretary of Defense has submitted such regulations to—

"(1) the Committee on Armed Services and the Select Committee on Intelligence of the Senate; and

"(2) the Committee on National Security and the Permanent Select Committee on Intelligence of the House of Representatives."; and

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

"(d) Subsection (a) applies to civilian personnel of the Department of Defense who—

"(1) are United States nationals;

"(2) in the case of employees of the Defense Intelligence Agency, are assigned to duty outside the United States and, in the case of other employees, are assigned to Defense Attaché Offices or Defense Intelligence Agency Liaison Offices outside the United States; and

"(3) are designated by the Secretary of Defense for the purposes of subsection (a).".

(b) MILITARY PERSONNEL.—Section 431 of title 37, United States Code, is amended—

(1) in subsection (a), by striking out "who are assigned to" and all that follows through "of this subsection" and inserting in lieu thereof "described in subsection (e)";

(2) by striking out subsection (d) and inserting in lieu thereof the following:

"(d) Regulations prescribed under subsection (a) may not take effect until the Secretary of Defense has submitted such regulations to—

"(1) the Committee on Armed Services and the Select Committee on Intelligence of the Senate; and

"(2) the Committee on National Security and the Permanent Select Committee on Intelligence of the House of Representatives."; and

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

"(e) Subsection (a) applies to members of the armed forces who—

"(1) are assigned—

"(A) to Defense Attaché Offices or Defense Intelligence Agency Liaison Offices outside the United States; or

"(B) to the Defense Intelligence Agency and engaged in intelligence-related duties outside the United States; and

"(2) are designated by the Secretary of Defense for the purposes of subsection (a).".

SEC. 503. EXTENSION OF AUTHORITY TO CONDUCT INTELLIGENCE COMMERCIAL ACTIVITIES.

Section 431(a) of title 10, United States Code, is amended by striking out "1995" and inserting in lieu thereof "1998".

SEC. 504. AVAILABILITY OF FUNDS FOR TIER II UAV.

All funds appropriated for fiscal year 1995 for the Medium Altitude Endurance Unmanned Aerial Vehicle (Tier II) are specifically authorized, within the meaning of section 504 of the National Security Act of 1947 (50 U.S.C. 414), for such purpose.

TITLE VI—TECHNICAL AMENDMENTS

SEC. 601. CLARIFICATION WITH RESPECT TO PAY FOR DIRECTOR OR DEPUTY DIRECTOR OF CENTRAL INTELLIGENCE APPOINTED FROM COMMISSIONED OFFICERS OF THE ARMED FORCES.

(a) CLARIFICATION.—Subparagraph (C) of section 102(c)(3) of the National Security Act of 1947 (50 U.S.C. 403(c)(3)) is amended to read as follows:

"(C) A commissioned officer of the Armed Forces on active duty who is appointed to the position of Director or Deputy Director, while serving in such position and while remaining on active duty, shall continue to receive military pay and allowances. Funds from which such pay and allowances are paid shall be reimbursed from funds available to the Director.".

(b) TECHNICAL CORRECTIONS.—(1) Subparagraphs (A) and (B) of such section are amended by striking out "pursuant to paragraph (2) or (3)" and inserting in lieu thereof "to the position of Director or Deputy Director".

(2) Subparagraph (B) of such section is amended by striking out "paragraph (A)" and inserting in lieu thereof "subparagraph (A)".

SEC. 602. CHANGE OF DESIGNATION OF CIA OFFICE OF SECURITY.

Section 701(b)(3) of the National Security Act of 1947 (50 U.S.C. 431(b)(3)), is amended by striking out "Office of Security" and inserting in lieu thereof "Office of Personnel Security".

AMENDMENT NO. 3 OFFERED BY MR. COMBEST

Mr. COMBEST. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment No. 3 Offered by Mr. Combest: Page 7, line 9, strike "other".

Page 7, line 10, insert "identified in section 904" after "law".

Page 7, line 13, insert "and reports to Congress in accordance with section 903" after "determines".

Page 7, line 15, insert "related to the activities giving rise to the sanction" after "investigation".

Page 7, line 16, insert "related to the activities giving rise to the sanctions" after "method".

Page 7, beginning on line 16, strike "The President" and all that follows through line 18, and insert the following: "Any such stay shall be effective for a period of time specified by the President, which period may not exceed 120 days, unless such period is extended in accordance with section 902.".

Page 7, after line 18, insert the following:

"EXTENSION OF STAY

"SEC. 902. Whenever the President determines and reports to Congress in accordance with section 903 that a stay of sanctions pursuant to section 901 has not afforded sufficient time to obviate the risk to an ongoing criminal investigation or to an intelligence source or method that gave rise to the stay, he may extend such stay for a period of time specified by the President, which period may not exceed 120 days. The authority of this section may be used to extend the period of a stay pursuant to section 901 for successive periods of not more than 120 days each.

Page 7, strike line 19 and all that follows through line 6 on page 8, and insert the following:

"REPORTS

"SEC. 903. Reports to Congress pursuant to sections 901 and 902 shall be submitted in a timely fashion upon determinations under this title. Such reports shall be submitted to the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate. With respect to determinations relating to intelligence sources and methods, reports shall also be submitted to the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate. With respect to determinations relating to ongoing criminal investigations, reports shall also be submitted to the Committees on the Judiciary of the House of Representatives and the Senate.

"LAWS SUBJECT TO STAY

"SEC. 904. The President may use the authority of sections 901 and 902 to stay the imposition of an economic, cultural, diplomatic, or other sanction or related action by the United States Government concerning a foreign country, organization, or person otherwise required to be imposed by the Chemical and Biological Weapons Control and Warfare Elimination Act of 1991 (title III of Public Law 102-182); the Nuclear Proliferation Prevention Act of 1994 (title VIII of Public Law 103-236); title XVII of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510) (relating to the nonproliferation of missile technology); the Iran-Iraq Arms Nonproliferation Act of 1992 (title XVI of Public Law 102-484); and section 573 of the Foreign Operations, Export Financing Related Programs Appropriations Act, 1994 (Public Law 103-87), section 563 of the Foreign Operations, Export Financing Related Programs Appropriations Act, 1995 (Public Law 103-306), and comparable provisions within annual appropriations Acts.

"APPLICATION

"SEC. 905. This title shall cease to be effective on the date which is three years after the date of the enactment of this title.".

Page 8, after line 9 and before line 10, amend the matter proposed to be inserted to read as follows:

"TITLE IX—APPLICATION OF SANCTIONS LAWS TO INTELLIGENCE ACTIVITIES

"Sec. 901. Stay of sanctions.
"Sec. 902. Extension of stay.
"Sec. 903. Reports.
"Sec. 904. Laws subject to stay.
"Sec. 905. Application.".

Mr. COMBEST (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. COMBEST. Mr. Chairman, my amendment reflects the results of discussions between the Members and staffs of the Permanent Select Committee on Intelligence and the Committee on International Relations on issues pertaining to the application of sanction laws to intelligence activities.

Since the Permanent Select Committee on Intelligence had reported out legislation on sanctions deferrals, the committee has been working with the Committee on International Relations to incorporate the concerns of that committee and, therefore, modify section 303 as reported by the Permanent Select Committee on Intelligence.

Mr. Chairman, that is what this amendment does. I would urge the adoption of this amendment. Before I turn to the gentleman from Washington [Mr. DICKS], I would like to thank the gentleman from New York [Mr. GILMAN], chairman of the Committee on International Relations, for the gentleman's interest, contribution, and his cooperation, as well as that of the gentleman's staff; the gentlewoman from California [Ms. PELOSI], of our committee, who was a strong proponent of any U.S. sanction laws and has paid close attention to this legislation; and certainly to the gentleman from California [Mr. BERMAN] and his staff, all of who made very constructive contributions and have worked closely to working this out in a bipartisan and satisfactory manner.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. COMBEST. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I rise in support of Chairman COMBEST's amendment to section 303 of the bill. As the committee report makes clear, the committee intends to monitor closely the use of the authority provided under section 303. The amendment should assist in this regard by imposing a 3-year sunset provision.

Furthermore, as the report also points out, this authority is only appropriate in limited cases. The amendment makes clear that the authority only pertains to specific laws designed to limit the proliferation of weapons of mass destruction, their delivery systems or advanced conventional weapons. Finally, the amendment states that the source or method or ongoing criminal investigation that the President may delay the sanction to protect, must be related to the activities giving rise to the sanction.

I believe this is a good amendment and I am pleased to accept it.

Mr. BERMAN. Mr. Chairman, will the gentleman yield?

Mr. COMBEST. I yield to the gentleman from California.

Mr. BERMAN. Mr. Chairman, let me initially address the amendment of the gentleman from Texas [Mr. COMBEST] and thank the gentleman very much for both his remarks and his work on this amendment, as well as thanks to the gentleman from Washington [Mr. DICKS] the ranking member, and to the gentleman from New York [Mr. GILMAN] chairman of the Committee on International Relations, and a special note of appreciation to the gentlewoman from California [Ms. PELOSI], who pointed out to me this issue that was raised by the authorization bill.

Mr. Chairman, section 303 amends the National Security Act of 1947 to add a new section, 901, authorizing the President to stay the imposition of certain sanctions, should the President determine that to proceed without delay would seriously risk the compromise of an ongoing criminal investigation or an intelligence source or method.

Mr. Chairman, I was originally quite troubled by that provision, because it appeared to me to provide an open-ended opportunity for any President to bypass the intent sanctions law. I had raised similar concerns during House debate in 1991, on the provisions of H.R. 1415 that amended the Export Administration Act. I thought, as I pointed out in a colloquy then with the chairman of the Permanent Select Committee on Intelligence, Mr. McCurdy, that the President, in rare circumstances, could delay such a determination in those situations, but the administration has raised new concerns that existing law was not sufficient to provide them with legal flexibility.

In this case, the bipartisan cooperation of the staff of the Permanent Select Committee on Intelligence, and its leadership, has allowed us to have a briefing from both the intelligence community and the Department of State.

Mr. Chairman, it is now my understanding that with this amendment, the original provision as amended, will mean that a decision to stay temporarily consideration of the imposition of a sanction will only be to protect sources and methods in an ongoing criminal investigation.

Such a presidential determination will not be used as the pretext for any decision not to impose sanctions, for example, for economic or commercial reasons, fearing that such action could jeopardize a commercial decision, or for geopolitical reasons, fearing that such a decision could damage our bilateral relationships with a particular country.

I have been informed by the administration that such determinations will only be made in exceptional circumstances. We are discussing here a delay decision, not a decision to refuse to impose such sanctions which are mandated under law.

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Should such a decision to delay determination be made by the President.

a report will be made in a prompt and expeditious manner to the concerned committees of jurisdiction, including the Committee on International Relations. It is my understanding that such reports will indicate clearly the nature of the sanctionable action, the applicable law to the sanctionable activity, the country or countries in which the activity took place, and, where appropriate, the party to the violation.

The intent of my amendment, which sunsets this provision 3 years from the date of enactment, is to ensure an opportunity to evaluate the use of this change to the National Security Act to ensure that is used for the purpose intended and has not had a deleterious effect on the sanctions law.

Mr. CHAIRMAN. The time of the gentleman from Texas [Mr. COMBEST] has expired.

(At the request of Mr. BERMAN and by unanimous consent, Mr. COMBEST was allowed to proceed for 3 additional minutes.)

Mr. BERMAN. If the gentleman will yield further, I will put my statement in the RECORD.

I thank the distinguished Member from Texas and chairman of the Permanent Select Committee on Intelligence, Mr. COMBEST, for his kind remarks and those of the distinguished ranking member, Mr. DICKS. I appreciate the effort that they have taken to accommodate my concern and those of the chairman of the International Relations Committee, Mr. GILMAN.

The amendment I have offered to the bill which has been incorporated in the chairman's amendment, I believe, will take care of my concerns, and those of the gentlelady from California [Ms. PELOSI], that section 303 should not unduly loosen current sanctions law.

As Mr. COMBEST has noted, section 303 amends the National Security Act of 1947 to add a new section 901 authorizing the President to stay the imposition of certain sanctions should the President determine that to proceed without delay would seriously risk the compromise of an ongoing criminal investigation or an intelligence source or method.

I was troubled by that provision when initially proposed by the administration because it appeared to me to provide an open-ended opportunity for any President to by-pass the intent of sanctions law. I had raised similar concerns during House debate in 1991 on provisions in H.R. 1415 that amended the Export Administration Act and the Arms Export Control Act. At that time I responded to an inquiry from Mr. McCurdy, then chairman of the Select Committee on Intelligence, that it was my understanding that the President, in rare circumstances, could delay a determination on sanctions if such a delay is necessary to protect intelligence sources and methods with the proviso that such a delay should not be indefinite. Since then, the administration has raised anew concerns that existing law was not sufficient to provide them with legal flexibility.

In this case, with the bipartisan cooperation of the staff of the Select Committee on Intelligence, whose excellent assistance I much appreciate, I took the opportunity to be briefed by representatives from both the intelligence community and the Department of State on their rationale for requesting this amendment.

It is now my understanding that a decision to stay temporarily consideration of the imposition of a sanction will only be to protect sources and methods and ongoing criminal investigations. Such a Presidential determination will not be used as the pretext for any decision not to impose sanctions, for example for economic reasons, fearing such action would jeopardize a commercial decision, or for geopolitical reasons, fearing that such a decision would damage our relations with a particular country. I have been informed by the administration that such determinations will only be made in exceptional circumstances. I should note that we are discussing a delay in a decision, not a decision not to impose such sanctions mandated under law. Should such a decision to delay determination be made by the President, a report will be made in a prompt and expeditious manner to the concerned committees or jurisdiction, including the International Relations Committee. It is my understanding that such reports will indicate clearly the nature of the sanctionable action, the applicable law to the sanctionable activity, the country or countries in which the activity took place, and, where appropriate, the party to the violation.

The intent of my amendment which sunsets this provision 3 years from the date of enactment is to ensure an opportunity to evaluate the use of this change to the National Security Act of 1947 to ensure that it is used for the purpose intended and that it has not had a detrimental effect on the intent of our sanctions law.

I am pleased with the accommodation worked out with both sides and wish to thank Ms. PELOSI for her energetic work on this issue. Finally, I would like to thank the Democratic and Republican staffs of both the International Relations Committee and the Select Committee on Intelligence for the professional and bipartisan manner in which they resolved this issue.

I would also like to take this opportunity to raise a related issue. As one of the authors of current sanctions law, I have become concerned that the standards for imposing sanctions have been raised to such an impossible level that the ability of sanctions to call attention to grievous violations of international standards which threaten world security and also to punish violators has been undermined. The time may have come for us to evaluate whether or not we need a more flexible set of policy tools to respond to such violations and violators. As we all know, the proliferation of weapons of mass destruction remains a serious problem. In the coming months, I hope this concern can be engaged. The international community needs desperately to slow, if not end, the spread of biological, chemical, and nuclear weapons to rogue states.

Mr. Chairman, I do want to finish by asking the gentleman if he would entertain a unanimous consent request that on line 10, page 2, following the words "submitted in a", the gentleman would add the word "prompt" so the report would be made in a prompt and timely fashion, and I have that amendment in writing here, if the gentleman is willing, offer it as a unanimous consent amendment to his amendment.

Mr. COMBEST. Reclaiming my time, Mr. Chairman, I certainly concur with the gentleman. I appreciate his further explanation of the amendment.

Mr. Chairman, is it in order at this time for the author of the amendment to request unanimous consent to add "prompt and" in the section, "in a prompt and timely fashion" in line 10, page 2 of the amendment?

The CHAIRMAN. The modification is in order, without objection.

MODIFICATION OF AMENDMENT OFFERED BY MR. COMBEST

Mr. COMBEST. Mr. Chairman, I ask unanimous consent to modify the amendment with the language which I have read.

The CHAIRMAN. The Clerk will report the modification.

The Clerk read as follows:

Modification to amendment offered by Mr. COMBEST: On page 2, line 10 of the proposed amendment insert "prompt and" after "submitted in a".

The CHAIRMAN. Is there objection to the modification offered by the gentleman from Texas?

There was no objection.

The text of the amendment, as modified, is as follows:

Amendment, as modified, offered by Mr. COMBEST: Page 7, line 9, strike "other".

Page 7, line 10, insert "identified in section 904" after "law".

Page 7, line 13, insert "and reports to Congress in accordance with section 903" after "determines".

Page 7, line 15, insert "related to the activities giving rise to the sanction" after "investigation".

Page 7, line 16, insert "related to the activities giving rise to the sanction" after "method".

Page 7, beginning on line 16, strike "The President" and all that follows through line 18, and insert the following: "Any such stay shall be effective for a period of time specified by the President, which period may not exceed 120 days, unless such period is extended in accordance with section 902.".

Page 7, after line 18, insert the following:

"EXTENSION OF STAY

"SEC. 902. Whenever the President determines and reports to Congress in accordance with section 903 that a stay of sanctions pursuant to section 901 has not afforded sufficient time to obviate the risk to an ongoing criminal investigation or to an intelligence source or method that gave rise to the stay, he may extend such stay for a period of time specified by the President, which period may not exceed 120 days. The authority of this section may be used to extend the period of a stay pursuant to section 901 for successive periods of not more than 120 days each."

Page 7, strike line 19 and all that follows through line 6 on page 8, and insert the following:

"REPORTS

"SEC. 903. Reports to Congress pursuant to sections 901 and 902 shall be submitted in a prompt and timely fashion upon determinations under this title. Such reports shall be submitted to the Committee on International Relations of the House of Representatives and the Committee on Foreign

Relations of the Senate. With respect to determinations relating to intelligence sources and methods, reports shall also be submitted to the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate. With respect to determinations relating to ongoing criminal investigations, reports shall also be submitted to the Committees on the Judiciary of the House of Representatives and the Senate.

"LAWS SUBJECT TO STAY

"SEC. 904. The President may use the authority of sections 901 and 902 to stay the imposition of an economic, cultural, diplomatic, or other sanction or related action by the United States Government concerning a foreign country, organization, or person otherwise required to be imposed by the Chemical and Biological Weapons Control and Warfare Elimination Act of 1991 (title III of Public Law 102-182); the Nuclear Proliferation Prevention Act of 1994 (title VIII of Public Law 103-236); title XVII of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510) (relating to the nonproliferation of missile technology); the Iran-Iraq Arms Nonproliferation Act of 1992 (title XVI of Public Law 102-484); and section 573 of the Foreign Operations, Export Financing Related Programs Appropriations Act, 1994 (Public Law 103-87), section 563 of the Foreign Operations, Export Financing Related Programs Appropriations Act, 1995 (Public Law 103-306), and comparable provisions within annual appropriations Acts.

"APPLICATION

"SEC. 905. This title shall cease to be effective on the date which is three years after the date of the enactment of this title.".

Page 8, after line 9 and before line 10, amend the matter proposed to be inserted to read as follows:

"TITLE IX—APPLICATION OF SANCTIONS LAWS TO INTELLIGENCE ACTIVITIES

"Sec. 901. Stay of sanctions.
"Sec. 902. Extension of stay.
"Sec. 903. Reports.
"Sec. 904. Laws subject to stay.
"Sec. 905. Application.".

Mr. BERMAN. Mr. Chairman, if the gentleman will yield further, I just want to thank the gentleman for agreeing to that amendment as well as to incorporating the sunset amendment, to thank the gentlewoman from California for all of her help in this as well as being able to raise this issue initially, and I thank the gentleman for yielding.

Mr. COMBEST. I appreciate the gentleman's cooperative nature in working this out.

Mr. DICKS. Mr. Chairman, if the gentleman will yield, I have no objection to that change either.

Ms. PELOSI. Mr. Chairman, I move to strike the last word.

Mr. Chairman, as a member of the Permanent Select Committee on Intelligence, I rise to express my support for Chairman COMBEST'S amendment and my appreciation to the chairman and the ranking member and the committee staff for their work to address concerns about the bill's provisions allowing the President to delay the imposition of sanctions against other countries if the sanctions compromise, one, an intelligence source or method or, two, an ongoing criminal investigation.

I would also, of course, like to acknowledge and commend our colleague, the gentleman from California [Mr. BERMAN], for his contribution. He has been a leader in the fight against weapons proliferation. I want to commend him for his work over the years to make sanctions a more effective foreign policy tool. The gentleman from California [Mr. BERMAN] and his staff were active participants in the development of what, I think, is a very necessary amendment under the leadership of the gentleman from Texas [Mr. COMBEST].

Mr. Chairman, Congress over the years has decided that the imposition of sanctions is appropriate response to certain activities which threaten U.S. foreign policy goals and global stability. We have laws on the books mandating imposition of sanctions for the proliferation of weapons of mass destruction, for the illegal transfer of some munitions, and for violation of missile technology controls. These sanctions have had an important deterrent and punitive effect and have increased the administration's leverage in discussing potential violations with the proliferators.

If, indeed, the sanctions which are on the books are too punitive, too draconian to ever be used and, therefore, to be considered a credible threat, then, we should, as a Congress, revisit those sanctions. The gentleman from California [Mr. BERMAN] whom we are blessed to have a understanding position because of his knowledge and attention to these issues, stands ready, as he indicated in his remarks, to assist the administration or any administration in making appropriate changes.

Mr. BERMAN. Mr. Chairman, will the gentlewoman yield?

Ms. PELOSI. I yield to the gentleman from California.

Mr. BERMAN. Blessed?

I appreciate the very nice comments from my friend. I just wanted to emphasize this point. I included it in my original statement, but I did not read it at this particular point. It is wrong to use, for instance, this new provision to protect sources and methods as a way of getting around the imposition of sanctions. If the feeling is the particular sanctions law in an area, whether it is chemical, biological weapons, missile proliferation, or nuclear, is too inflexible, then the administration should come to the Congress and suggest those changes.

Let us take, for example, let us talk for one moment about China. It is, without getting into any specifics, everyone understands the importance of the political, or bilateral relationship with China, and what that country is about and what we need to be doing there.

The key question, though, in terms of proliferation issues is whether or not the law, as passed by Congress, as signed by the President, is going to be followed. If that law is too inflexible, the answer is not to avoid a conclusion with respect to proliferation The answer is to come back to Congress and seek the flexibility that is desired.

So I appreciate the gentlewoman for bringing this up. Our only point in this whole discussion is that we do not want this to become a new way by which the executive branch, as a pretext, avoids imposing sanctions because they do not want to alter some commercial deal, because they do not want to have any disruption in the bilateral relationship. The question of proliferation of weapons of mass destruction is too important to be used as a pawn in that process. We are ready to make those provisions more flexible if that is what is needed. But that should not be the basis for not making a decision to impose sanctions.

Ms. PELOSI. I thank the gentleman for putting that on the record publicly because I think that should be a very important part of our policy as we review these sanctions rather than always seeking waivers and to make the sanctions more credible as a threat by making them more possible to be used.

In the interests of time, Mr. Chairman, I would like to submit my full statement for the RECORD, but I would like to engage the chairman of the full committee for a moment in colloquy.

My concerns were about time. I see the gentleman has addressed the first time issue of prompt and timely fashion.

My other concern, Mr. Chairman, is that an administration could feasibly stretch out this process for 3 years, 120 days at a time.

The CHAIRMAN. The time of the gentlewoman from California [Ms. PELOSI] has expired.

(At the request of Mr. COMBEST and by unanimous consent, Ms. PELOSI was allowed to proceed for 3 additional minutes.)

Ms. PELOSI. Mr. Chairman, I was so pleased that in the chairman's statement he said, "In these cases, it is expected that the utmost will be done to resolve the sources and methods or law enforcement problems as soon as possible." So that an administration could not just use 120 days for whatever reason, economic purposes or other reasons, in a series of these 120 days to delay addressing the real issue at hand. Is it the gentleman's understanding that they would have to resolve the sources and methods problem as quickly as possible, as indicated in the statement?

Mr. COMBEST. If the gentlewoman will yield further, I totally would concur with the gentlewoman, and I am glad the gentlewoman asked for this time to make sure the RECORD reflects the intent, and I assure the gentlewoman that I would stand by her, behind her or wherever she would wish, in

trying to nail this down much more specifically, if we detected at all this happens to be a problem and it appears that there is any abuse of the latitude which this amendment has provided.

Ms. PELOSI. If I may further, I thank the chairman for that confirmation.

But I also would like to once again reaffirm the intent of Congress that this waiver only is used when this would jeopardize sources and methods or jeopardize an ongoing criminal investigation. There is no other standard or condition under which the administration could seek this blanket waiver?

Mr. COMBEST. If the gentlewoman will yield further, yes, that is exactly correct. I would take that one step further and would tell the gentlewoman I would be very glad to work with her to make certain that it has to be very black and white, one of those areas of exemption that there cannot be a gray area under which there was a claim of exemption for one of those purposes, if, in fact, it was not emphatically one of those very specified purposes.

Ms. PELOSI. As the gentleman indicated in his statement, based on the testimony that the Permanent Select Committee on Intelligence received on this subject, the instances where sanctions would be deferred due to the source or method of criminal investigation problems would be rare?

Mr. COMBEST. I totally concur with the gentlewoman. She is absolutely correct, and I appreciate her interest in this.

Ms. PELOSI. I thank the chairman. I once again thank the chairman for his cooperation on presenting this manager's amendment and accommodating some of the concerns that the gentleman from California [Mr. BERMAN] and I and other members of the committee had on it.

Mr. Chairman, with that, since the chairman has confirmed so many of these issues, I can dispense with some of my statement and put it in the RECORD and once again urge my colleagues to support the Combest amendment and thank him for his leadership as well as thanking the gentleman from California [Mr. BERMAN] and the gentleman from Washington [Mr. DICKS].

The CHAIRMAN. The question is on the amendment, as modified, offered by the gentleman from Texas [Mr. COMBEST].

The amendment, as modified, was agreed to.

Mr. SKAGGS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I do not intend to take much time. I appreciate the time at this point in the debate; since we moved through general debate so quickly it caught some of us napping, I am afraid.

I want to thank our chairman, the gentleman from Texas, and the ranking member, the gentleman from Washington [Mr. DICKS], for their leadership in putting this bill together this year. I was off the committee for several months and have only recently rejoined the committee. While I generally support this bill as meeting vital national security needs, there are a couple of areas in which I hope we may be able to make some changes and improvements when we get to conference, Mr. Chairman, and I wanted to discuss those this morning.

One has to do with the funding levels for declassification as driven by the President's new executive order. I am afraid that the relatively low and arbitrary limits per agency that are included in the bill at this point will seriously impede the very necessary work that needs to be done within the intelligence community to move expeditiously to declassify many of our relatively old but still classified, documents. We have made some real progress in the whole question of classification reform over the last several years. We need to proceed and stay on track in this area.

It is very important for a functioning democracy to make as much information as possible available to its citizens, and the classification reform efforts that both the Congress and the administration have taken are serving that end. We should not impede them by unrealistically low budget caps.

Second, there is, I think, too low a limit set in this bill for the environmental task force. A different number is pending in the legislation working its way through the other body. I hope we will be able to make some adjustments there as well.

The committee held hearings earlier this year addressing the intelligence community and what it should be concerned with in the next century. Interestingly, several expert witnesses identified the environment and the global environmental threat that we face as central to our national security challenge in the next century.

It would be a shame, given that, for us to be shortchanging the work that has been started in a very important initiative known as the environmental task force, which is using products originally produced with intelligence assets, declassifying them in appropriate ways, so that the information can be available to policymakers, the scientific community, and the general public. That is something I think we need to continue, and I hope, speaking to my chairman of the committee, that we will be able to deal with both these funding issues pertaining to declassification and to the environmental task force when we get to conference.

I support the Intelligence authorization bill because I believe that, on balance, it supports vital national security needs. I believe it is important to support the crucial activities of the intelligence community at a time when many regions of the world are increasingly threatened by ethnic conflict, by territorial disputes, and by arms competition. We also need to support the use of our intelligence resources to understand and combat new threats to our own security, from things as obvious as terrorism and the proliferation of weapons of mass destruction, to those as subtle as global environmental degradation.

This bill has authorized an intelligence budget at a level slightly higher than the President requested for fiscal year 1996. In a time of tight budgets, when domestic programs are being slashed, I would have preferred an authorization level closer to the President's request. And we'll have a chance to vote on making just such an adjustment.

I also have serious concerns about two matters—funding levels for declassification of documents and funding for the environmental task force—that I hope can be worked out in conference.

My first concern centers around the arbitrary restrictions that this legislation places on the amount agencies can spend to declassify documents under the requirements of the President's new executive order on classified national security information—signed on April 17, 1995. These restrictions threaten to scuttle a long-needed system of reforms to an outdated and expensive system of classifying Government information.

When I joined the Intelligence Committee in 1993 I was astonished to learn that agency heads couldn't even tell us roughly how much their budget was spent on document classification and security. At that time millions of older documents were being held under lock and key at tremendous cost to U.S. taxpayers, even though their disclosure posed no national security risk. Some of the most astonishing examples: documents concerning troop movements in World War I and documents concerning POW/MIA's in the Korean war.

Despite sweeping changes in the international arena, the Government's classification bureaucracy had been stuck on autopilot, stamping "secret" on nearly 7 million new documents each year and marking 95 percent for indefinite restriction. For a democratic and free society to work, the people must have as much information as possible about the activities of their Government. So, I decided to do something about this.

The result in 1994, driven by language in our 1993 Intelligence bill, was the first-ever accounting of the costs and number of personnel involved in classifying and maintaining Government secrets. These reports revealed that keeping the Nation's secrets employs 32,400 workers and costs $2.28 billion. Last year, I took the reform effort one step further by requiring agencies to come up with suggestions about how to cut spending on classification and secrecy. This initiative led to a Government-wide program of cost accounting and expenditure reduction efforts involving all the agencies that make up the intelligence community.

Both this effort and work already underway in the Clinton administration has already begun to pay off. In fiscal year 1994 the number of new documents being classified was down over 26 percent. Real gains are also being made on declassification front. In 1994

there was a 70 percent increase in pages declassified under systematic review. In addition, the President ordered a one-time declassification in bulk of almost 50 million pages of historical records in the National Archives.

Now the President has consolidated the reform effort with the issuance of Executive Order 12958 on April 17, 1995. The President's executive order balances the competing needs of access and security in a cost-effective way by laying out a uniform system for classifying, safeguarding, and declassifying national security information.

Unfortunately, this Intelligence authorization bill could effectively block the crucial reform of the classification behemoth by limiting to $2.5 million each the amount of funds that each agency can spend to carry out the declassification provisions in the executive order.

It is important to remember that the President's executive order requires that, unless ground for an exemption exist, classified information contained in records that are 25 years old, and of permanent historical value, shall be automatically declassified within 5 years of the order whether or not the records have been reviewed. This assumes that adequate funds will be provided to review documents to determine if their release would jeopardize national security. So, ironically, if adequate moneys are not provided for the declassification process, certain documents that should not be declassified may slip through the cracks. It is important, therefore, for Congress to provide adequate funds to carry out a careful and comprehensive review of documents to be declassified.

Classification reform also extends to a new classification discipline. Over-use of classification is costly in its direct budget impacts, in that it's expensive to maintain the infrastructure to keep secrets. It's also costly in its indirect effects of devaluing the currency, that is for those who work with classified information to be appropriately vigilant, there needs to be a sense that classification is not invoked where it doesn't have to be. And then, again, there are the costs to democracy.

Lets not trip up agency efforts to reform just as we're beginning to turn the tide on the sea of top-secret paper.

I am also concerned about the severe funding limitations that this bill places on the environmental task force [ETF].

Global and national environmental threats should be of real concern to national security and intelligence experts. In fact, in hearings we held earlier this year on "The Intelligence Community in the Twenty First Century" several expert witnesses testified that environmental threats might well prove to be the most significant challenge to our Nation's security in the too distant future.

Why then, does this bill reduce funding authority for the ETF to $5 million, which is less than a third of the President's request? By severely reducing the authorization for ETF this bill threatens several efforts that are making significant environmental information derived from intelligence assets available to the general public, the scientific community, and other Federal agencies.

Our country has already made an enormous investment in classified systems and technology. For a very small additional expenditure, we can exploit this investment to benefit the ability of Government and science and industry to anticipate and attack problems driven by global environmental changes. The ETF initiatives is already helping policymakers and scientists obtain the data they need to understand long-term environmental change and develop better management techniques to deal with natural and ecological disasters.

Critics of the ETF have argued that this initiative diverts the intelligence community from its primary purpose. But the function of intelligence is to support policymakers. And in this instance, the ETF supports policymakers in a range of agencies—the Department of Commerce, Defense, Energy, Interior, Transportation, the National Aeronautics and Space Administration, the Environmental Protection Agency, and the National Science Foundation—enabling them to use intelligence data to facilitate disaster relief planning and to develop international policies that have an environmental component. For example, there's nothing more fundamental to political stability than adequate food stocks, which in turn are dependent on environmental factors and population trends. All this is probably the subject of intelligence, and the resulting intelligence products ought to be available as widely as possible. The best technology available for getting the data is already available. We just need to put it to better use.

AMENDMENT OFFERED BY MR. TRAFICANT

Mr. TRAFICANT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TRAFICANT: Page 10, after line 17, insert the following:

SEC. 308. COMPLIANCE WITH BUY AMERICAN ACT.

No funds appropriated pursuant to this Act may be expended by an entity unless the entity agrees that in expending the assistance the entity will comply with sections 2 through 4 of the Act of March 3, 1933 (41 U.S.C. 10a–10c, popularly known as the "Buy American Act").

SEC. 309. SENSE OF CONGRESS; REQUIREMENT REGARDING NOTICE.

(a) PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.—In the case of any equipment or products that may be authorized to be purchased with financial assistance provided under this Act, it is the sense of the Congress that entities receiving such assistance should, in expending the assistance, purchase only American-made equipment and products.

(b) NOTICE TO RECIPIENTS OF ASSISTANCE.—In providing financial assistance under this Act, the Secretary of the Treasury shall provide to each recipient of the assistance a notice describing the statement made in subsection (a) by the Congress.

SEC. 310. PROHIBITION OF CONTRACTS.

If it has been finally determined by a court or Federal agency that any person intentionally affixed a fraudulent label bearing a "Made in America" inscription, or any inscription with the same meaning, to any product sold in or shipped to the United States that was not made in the United States, such person shall be ineligible to receive any contract or subcontract made with funds provided pursuant to this Act, pursuant to the debarment, suspension, and ineligibility procedures described in sections 9.400 through 9.409 of title 48, Code of Federal Regulations.

Mr. TRAFICANT (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. TRAFICANT. Mr. Chairman, I want to commend the chairman, the gentleman from Texas [Mr. COMBEST], and the ranking member, the gentleman from Washington [Mr. DICKS], for the fine bill.

I just want to jump in here early by saying the Congress of the United States should support John Deutsch. He knows the military well. He knows his way around Washington, the political landscape. He has done a remarkable job every place he has been, and I am glad to see that he is the CIA director, and we give him the shot to perform well.

□ 1145

Now this is a stealth budget. I have a stealth Buy American amendment. We are all familiar with it. It makes a lot of sense, and I would hope that the committee would accept it.

Mr. COMBEST. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I yield to the distinguished gentleman from Texas.

Mr. COMBEST. I think I could assure the gentleman that the gentleman from Washington would love for there to be plenty of purchases of stealth, but I would just like to state that the Chair has seen the amendment, we certainly concur with it, and we would accept the amendment.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I yield to the gentleman from Washington [Mr. DICKS], the distinguished ranking member.

Mr. DICKS. I want to compliment the gentleman from Ohio who has been steadfast in his support for the Buy American provision and for this amendment. We have always been able to work this out in conference. The record of the CIA and other agencies in this bill in this area is very exemplary, by the way, but I want to compliment the gentleman. We have enjoyed working with him over the years, and we on our side of the aisle will be glad to accept the amendment as well.

Mr. TRAFICANT. I appreciate that. I do rise in support of the bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. TRAFICANT].

The amendment was agreed to.

Mr. CASTLE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I do not offer an amendment at this time, but I would like to just discuss generally the subject of the intelligence budget and also a specific item under that which I think needs to be understood by the Members of this Congress.

I am new to the Permanent Select Committee on Intelligence in that I joined it in January of this year, and, quite frankly, I had no idea, as my colleague and many others in this body may, of the scope of what the intelligence community in the United States of America and beyond the United States of America actually does because of the nature of the information with which we deal. Obviously a lot of this is not discussed publicly, and I would encourage every Member, particularly the newer Members of Congress, those like me who are serving in our second term and the first-term Members, if they could possibly, to visit the Permanent Select Committee on Intelligence rooms to learn as much as they can about this extraordinary process. I think it is very, very important to our national security and something we should all understand.

I would like to congratulate the chairman of the Permanent Select Committee on Intelligence, the gentleman from Texas [Mr. COMBEST], and the ranking member, the gentleman from Washington [Mr. DICKS], and all the members actually of the Permanent Select Committee on Intelligence for the extraordinary devotion. They have been great mentors and teachers to me. They are as devoted as any group of individuals I have ever met to this subject and deserve, I think great congratulations. They do speak at times in acronyms, and I cannot understand them all the time, but I am trying to fight my way through that as well, as I cannot say enough about the staff itself, an extremely talented group of individuals and, again, one which is ready to help all the Members of this Congress when we have, when the Members have, an opportunity to understand better what we are doing in intelligence.

I did want to discuss one subject, and that is the subject of the satellites that we are dealing with in the intelligence side of the space program.

Pending results of the committee's IC 21 studies, which of course is what is going to happen in the 21st century, the bill before us makes no radical changes save in one area, and that area is satellites, where we took a number of substantial initiatives, for two primary reasons. First, the rationale for these actions is that current, well-published plans to reduce the number of intelligence spacecraft on orbit will leave us even more vulnerable to denial and deception.

A second reason is that space budgets have become unsustainably high. Without major reductions in space program costs, we will be faced with truly unpalatable choices. We will have to devote a still greater percentage of the intelligence budget to satellites. Or we will have to forego or eliminate some much-needed satellite capabilities in order to fund other overhead collection programs.

The space budget situation within the National Reconnaissance Program is little different from that encountered by others, such as NASA. And, our solutions sometimes will have to be similar to those now being pioneered by NASA—cutting spacecraft weight and launch costs, building satellites more rapidly and getting technology on orbit faster, taking full advantage of rapidly advancing commercial technology, and so on. Advancing technology and management changes could allow us to have more capability for less money. We are pushing these programs very hard, and I am pleased to see that, and we are pushing the programs, as I said, and the methodologies, which will in a few years—could permit a large and enduring for the future cost reduction. So we are confident that we are dealing correctly with the present and rapidly coming future technology which will ultimately help the taxpayers of the United States of America.

I just close again by thanking, congratulating, those who put in a lot of hours without television cameras or some of the normal glare and publicity that comes with this particular job because it makes a huge difference, and I think without it our country would suffer.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. CASTLE. I yield to the gentleman from Washington.

Mr. DICKS. First of all, I want to thank the gentleman from Delaware [Mr. CASTLE] for his very kind remarks, and I want to share in those remarks not only about the chairman, but also about the staff of the committee. We have an extraordinary staff, and the gentleman from Texas [Mr. COMBEST] and I have worked very hard to try to bring the staff together in a very bipartisan way to try to deal with the issues, and to work for all the Members, and to work for the entire House, and I think they do an exceptional job, and I am very proud of all of the members of our staff.

I also would point out, too, to the gentleman I think he raises a very important point about the satellite issues. There was a long story just the other day in the Washington Post about the Corona program which was declassified, and one of the things that struck me in reviewing the article was the fact that there was so much misinformation between the United States and the Soviet Union about our missile forces, and one of the things that happened when we had these satellites and had better information is that is really quieted some of the fears and, I think, may have helped us avoid a confrontation between the United States and the soviet Union.

So good information is important not only for us, but also for our allies, and I think it helped the United States go through a very difficult time in its history and as we go now into a new era.

The CHAIRMAN. The time of the gentleman from Delaware [Mr. CASTLE] has expired.

(On request of Mr. DICKS and by unanimous consent, Mr. CASTLE was allowed to proceed for 2 additional minutes.)

Mr. DICKS. As we go into this new era, as my colleague knows, we are, in fact, making some investments in new capabilities in the satellite area, but over time it will help us reduce the amount of money necessary for intelligence. It is one of those things where we have to invest now in order to get the capability, but the capability we are going to have will mean fewer satellites in orbit, but much more capable satellites.

So I just hope we can stay with the program. I've urged John Deutch, and I realize that there are budgetary limitations. We all face that, but I think that the architecture the way we have today is a good one, and I think in the long term it is going to give us tremendous new capabilities that we can use more rapidly and will provide us with that same kind of high quality information that helped us get through the cold war era, and I think it will help us in the future as we deal with the various crises that we face.

But I want to commend the gentleman from Delaware [Mr. CASTLE], former Governor, a person who brings a lot of talent to this committee, as someone who I respect and who is up here every day doing his part on the committee for his attention to what the committee has been involved in.

Mr. CASTLE. Mr. Chairman, I thank the gentleman from Washington [Mr. DICKS] for his support of what I have spoken to and also his kind statements about me. I concur with the gentleman. The costs; I think satellites have a tremendous place in intelligence and security for this country. On the other hand we all know that the cost of satellites and the whole space costs are tremendous, and I think we have to work diligently and constantly to make sure that the reward that we get from this is worth the costs that we are putting into it, and never can we really let up on that. My view, after seeing this up close, is that this is a particularly difficult, but important, area, one that should take a substantial percentage of our time, and I agree.

Mr. DICKS. I think the gentleman is right. We are not going to have any choice but to be very, very certain that we do not have unnecessary redundancies and that we look at each of these architectures and try to take advantage. There are things that can be done with some of these satellites that will help other parts of the constellation, and that is one thing we need to continue to work on.

AMENDMENT OFFERED BY MR. FRANK OF MASSACHUSETTS

Mr. FRANK of Massachusetts. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FRANK of Massachusetts:

Page 5, after line 22, insert the following:

SEC. 105. REDUCTION IN AUTHORIZATIONS.

(a) IN GENERAL.—Except as provided in subsection (b), the aggregate amount authorized to be appropriated by this Act, including the amounts specified in the classified Schedule of Authorizations referred to in section 102, is reduced by three percent.

(b) EXCEPTION.—Subsection (a) does not apply to amounts authorized to be appropriated by section 201 for the Central Intelligence Agency Retirement and Disability Fund.

(c) TRANSFER AND REPROGRAMMING AUTHORITY.—(1) The President, in consultation with the Director of Central Intelligence and the Secretary of Defense, may apply the reduction required by subsection (a) by transferring amounts among the accounts or reprogramming amounts within an account, as specified in the classified Schedule of Authorizations referred to in section 102, so long as the aggregate reduction in the amount authorized to be appropriated by this Act equals three percent.

(2) Before carrying out paragraph (1), the President shall submit a notification to the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate, which notification shall include the reasons for each proposed transfer or reprogramming.

Mr. FRANK of Massachusetts (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. FRANK of Massachusetts. Mr. Chairman, we have just heard the ranking minority member tell us that, if we spend a little more money now on these satellites, it will allow us to reduce later on. I think this is now the fifth year in a row that I have heard that, and have yet to see the result of it. My amendment would reduce the authorization, which is already a significant amount over the appropriation, and again I apologize for the stupid way in which we will have to carry out this debate because we are not allowed to mention the gross numbers. The American public is not to be allowed to know what the total of billions of dollars is that we are spending, and we can talk about percentage increases, but we cannot talk about how much.

This is an effort to reduce from last year's budget rather than increase. The committee's proposal would increase by about 1.7 percent. Now the President asked for 5.5-percent increase. I think both are in error. This would be a 3-percent decrease. It would be about, oh, a little less than 1½ percent less than last year.

The point is, Mr. Chairman, that there has been a diminution in the task of intelligence greater than the diminution in any other government's job. At the maximum we were spending about 10 percent more than this bill calls for because we were confronting the Soviet Union, the nuclear-armed Soviet Union. What we are being told is that we can afford a really slight, a 10-percent, reduction in intelligence because of the collapse of the Soviet Union, and that does not mean we can go to Russia today, but Russia today is a pale shadow in terms of threat that the Soviet Union and the Warsaw Pact was. We have made significant progress with Ukraine and Kazakhstan. There are fewer nuclear weapons; there are certainly fewer weapons of a conventional sort, and again I want to deal with the silly argument that, well, it is true there is no more Soviet Union, but there is Iraq, there is Libya, there is Iran. Yes, and there were in 1985 and 1990. The argument is that the world is today somehow no safer for us than it was when we had the Soviet Union. It is one of the grossest examples of distorting logic to be in the service of spending that I have ever heard.

There is not now the military threat to our very survival that we faced. There are other threats, but there are no qualitative new threats. Chemical and biological weapons, nuclear proliferation, terrorism; these are not things we just invented a year or two ago. We have had them all along. We were 10 years dealing with the Soviet Union and with these other threats. Today the Soviet threat has been very substantially diminished, and the American people are not to be given the benefit.

Mr. Chairman, we will be telling students that their student aid will be less. It will cost one more, if they are a middle-income student, to go to college. The Republicans plan to raise premiums on the average Medicare recipient. We are not sure how much, whether they will be going up by $120 a year or $250 a year. I do not know. They are planning their budget to reduce the cost-of-living Social Security, but at the same time we increase intelligence from this year over last year.

Mr. Chairman, I want to talk particularly about the CIA, which gets a 5-percent increase, and I am glad we have a new head of the CIA. I hope he does much better, but if any other Government agency had been found to have made the errors and had the inefficiencies that the CIA had, it would be penalized.

Again I want to stress that the justification that we got from the chairman of the Committee on Appropriations' Subcommittee on Labor-HHS is for cutting Head Start. We are giving less money to Head Start. Why are we giving less money to Head Start? Because he said they are not spending it as efficiently as they could, but we are going to give a 5-percent increase to the CIA. The CIA is apparently perfectly efficient.

Now obviously, if we were in a different budgetary time, we would like to spend more money on a lot of things, but we are in a crisis. We are making painful cuts everywhere except in the CIA, except in these areas where the threat has diminished. If we had had an increase in child health equivalent to the decrease in the threat in the Soviet Union, we would have cut a lot more at HHS.

□ 1200

This budget erroneously says that at a time when we are cutting very important services to middle-income and lower-income Americans, when we are reducing money elsewhere, we are going to spend more here. There are threats to the safety of the average American. Tragically, they occur within the United States. I believe the average American today feels a lot more threatened by the violence that sadly engulfs many of our cities.

However, we cut back on money that a public housing authority could use for drug elimination. This House wiped out money for drug elimination grants in public housing, because we want to raise the money for the CIA. Ask the average American: Are you feeling more threatened by what the CIA deals with or by the drug people in your neighborhood, by that crime and violence? However, this House, if we pass this authorization, says no, we are going to cut out money that is used to fight drugs in America's streets, because we are going to increase it elsewhere.

Indeed, even terrorism has become tragically a domestic problem. That is the FBI, that is the DEA, that is the BATF.

If we want to fight crime, we have a counterterrorism bill reported out by the Committee on the Judiciary, but in part because there is some right-wing unhappiness about it, that is being held up. So please do not tell me that you are going to fight terrorism by giving more money to the CIA and hold up the counterterrorism bill, and cut drug elimination grants and cut other kinds of programs that would help local law enforcement. I hope this amendment is agreed to.

Let me just make the last point, that this amendment says that the 3-percent cut is across the board unless the President, in consultation with intelligence officials, decides to reallocate it, and tells us about it. So it is not going to require 3 percent for everything. It sets a target of 3 percent and gives the President, with the Director of Central Intelligence or the Secretary of Defense, the flexibility to apply it as they think best.

Mr. COMBEST. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it comers as no surprise to the gentleman from Massachusetts [Mr. FRANK], I am sure, that I am opposed to the amendment. I would say to the gentleman that he has been very tenacious in his efforts. I know that the gentleman comes at this purely from a belief that he is doing the right thing. I have always respected that, among all Members.

Mr. Chairman, I want to make certain that there is not a misunderstanding. This is no intent to indicate that the gentleman intentionally misspoke. First, we will probably have a strong disagreement on the fact that there has been actually a diminishing of the need for intelligence. That is an arguable point, of which probably neither of us would be swayed. I do not see that threat diminishing.

Second, as he had made reference to an earlier comment by the ranking member, the gentleman from Washington [Mr. DICKS], that expenditures now would give us an opportunity to reduce in the future and that he has not seen any of that reduction, I wanted to just share with the Members the chart that we had. This is the actual expenditure line, and it is somewhat difficult to read. On the far left is 1989, and it runs through the 1996 mark, or the direction the intelligence budget has been going. So there has been a decrease on overall expenditures of intelligence through 1995 fiscal year, and it is difficult to see on this chart, because it is a slight increase, as mentioned, 1.3. The gentleman is totally correct, I mentioned in my opening comments the amount of percentage, but there has been a decrease.

Candidate Clinton proposed a decrease over a period of 7 years, which actually, in reality, was reached last year. It is an argument and a discussion that I presume quite seriously will go on for some time. The cut would take us below the levels of last year, if, in fact, it were implemented. Again, I am sure it comes as no surprise, but I would rise in strong opposition to the amendment.

Ms. PELOSI. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of the Frank amendment. Frankly, this morning, I still had not made up my mind about the amendment, because I have not been supportive of across-the-board cuts in a budget where people cannot really see what the expenditures are.

My colleague, the gentleman from Massachusetts [Mr. FRANK] has clearly put forth to this body his view of the diminution of the threat as well as the values priorities debate, the context within which this debate on this authorization bill takes place today: our spending on intelligence.

Certainly we can all stipulate in this body that we want our President, whoever the President is, to have the best possible intelligence in dealing with the international situation, in dealing with the increased threat of terrorism, and the list goes on.

I associate myself with the remarks of our colleague, the gentleman from Colorado [Mr. SKAGGS], in support of the environmental task force and its important work. I have certain concerns about justifying the intelligence budget on the basis for economic reasons, because I do not believe that is what should justify our spending in the intelligence arena.

I, too, associate myself with the remarks of our colleagues in support of the new Director of Central Intelligence, Mr. Deutch. I am pleased with the comments he has made about considering protecting human rights is determining our sources and methods as he takes over the leadership of the intelligence community. He is a very welcome new DCI. He has outstanding credentials. He has access to the President, and he the respect of many Members of Congress. We all wish him well. His success is important to us.

I do have some concerns about his statement of yesterday on expanding covert operations, and look forward to hearing more about that.

Having said all of that about the need for our President to have the vest possible intelligence, and also stating that I voted against the 10-percent across-the-board cut that was proposed in the appropriations bill the other day, because of the nature of the cut, I want to commend the gentleman from Massachusetts [Mr. FRANK] for his amendment today. I think the 3-percent cut is prudent and reasonable.

As I said at the beginning of my remarks when I came into the room, I still had concerns about what I thought was an across-the-board cut, which did not take into consideration what our ranking member referred to and our chairman referred to as investments that will produce savings down the road, et cetera. I do not consider every proposal or element of this budget, of this authorization bill and the budget it contains, to be of the same priority.

I was pleased to see, therefore, and I hope our colleagues will read the Frank amendment because, as the gentleman said at the close of his remarks, the amendment is very smart. It is a targeted smart amendment. It is a 3-percent cut. It makes an exception in that it does not apply to amounts authorized to be appropriated for the Central Intelligence Agency's retirement and disability fund, so that our obligations to our retirees will be met to them.

It also gives transfer and programming authority, unlike most across-the-board cuts. It says, "The President, in consultation with the Director of Central Intelligence and the Secretary of Defense, may apply the reductions required by subsection A by transferring amounts among the accounts or reprogramming amounts within an account as specified in section 102, so long as the aggregate reduction in the amount authorized be appropriated in this act equals 3 percent." So I support this amendment because it gives discretion to the President and the Secretary of DOD and the Director of Central Intelligence. It is very appropriate and appealing in terms of attracting the votes of our colleagues.

I also think our colleagues should be aware of the fact that some of the money that the gentleman from Massachusetts [Mr. FRANK] would cut with this amendment has already been accommodated by the Committee on Appropriations. So I thank him for giving this body an opportunity to say to the intelligence community, "We support you very strongly." Certainly, even though we cannot talk about amounts, this budget, even with the proposed cut of the gentleman from Massachusetts, will still be very, very substantial.

We support and encourage and congratulate and commend the new DCI, Mr. Deutch, and hope that we can work together with him so he can be successful. If we are asking all Americans to tighten their belts, if we are asking all agencies of government to tighten their belts except the DOD, and the DOD appropriations bill has already accommodated some of this change, the DOD authorization being less than this authorization, then I think our colleagues in this body should say to the intelligence community, "Join with us in being much more fiscally responsible in terms of dollars spent for the results that we must have to be a strong country based on the intelligence that we need for our President to lead us.

Therefore, it is in that spirit I urge our colleagues to support this smart amendment, the Frank amendment. It is selective, it gives discretion to the President, it is an appropriate amount, it has already been accommodated by the Committee on Appropriations, and it is fair.

Ms. WOOLSEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of the Frank amendment to the 1996 Intelligence authorization bill.

My friends, once again I am here to remind you, the cold war is over. We won! It is time for the Defense and Intelligence budgets to reflect this reality.

The Frank amendment is a reasonable amendment to the Intelligence budget. The CIA and other parts of the intelligence apparatus can certainly stand a 3-percent cut. This is a modest cut, a fair cut.

Do not forget, this week the Republican majority is going to ask our seniors to take a bigger cut in their Medicare coverage. Don't forget that we are

asking our school children to take a bigger cut in education funding. We're asking college students; working families; and the elderly to cope with all kinds of cuts, in lots of important programs.

Three percent? That's not much. That's reasonable. Let's cut the bloated intelligence budget. Let's ask the CIA to sacrifice for a change.

Pass the Frank amendment.

Mr. SKAGGS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I will not take the full 5 minutes, but an important fact Members need to keep in mind in judging this proposal has to do with the action taken just last week on the defense appropriations bill. Inherent in our decisions on the appropriations, which include appropriations for intelligence activities, was essentially a 2-percent reduction under the level authorized in the bill now before us. So the practical effect of the gentleman's amendment would be another 1-percent reduction below the 2 percent that has effectively already been approved by this body during the appropriations process.

Should we do that? This is certainly a question about which reasonable people, all dedicated to the proposition that we need a strong defense and an effective intelligence operation in support of national security, can disagree. I come down without great pleasure in support of the gentleman's amendment, without pleasure because I recognize, as our chairman has pointed out, that these are essential, important functions for our overall national security.

However, the question is, are they sacrosanct? Is there no room for some further efficiencies and some further tightening and setting of priorities to occur within the intelligence community, beyond what we have already forced on them, because in real dollar terms there have been constraints imposed over the last couple of years. I believe that they can endure that, and that they need to be asked to, out of fundamental equity.

Our national defense and the intelligence operations in support of it are our shield. But if that shield is surrounding a society and a culture and a nation that has been, to some degree, eaten out from inside, where our real strength depends on the education of our kids and the kind of investments we are making in technology and health care and all the rest, there is a disconnect there. I think the gentleman's amendment establishes an equity and a connection that is very important, as we are asking most Americans to do with less, and the rest of Government to shrink.

This is a very modest proposal. It will not go without imposing some pain on important functions within the intelligence community, but comparatively speaking, the kind of pain that we are asking others in this country to sustain as we shrink Government and cut the budget and get things into balance, this is disproportionately small, and I think, therefore, is something we can do in good conscience with respect to both to national security and a sense of national equities.

Mr. COMBEST. Mr. Chairman, will the gentleman yield?

Mr. SKAGGS. I yield to the gentleman from Texas.

Mr. COMBEST. Mr. Chairman, I wanted to clarify for certain that I had understood the gentleman earlier. He did rise earlier in support of increasing the amount relative to the environmental intelligence program and increasing the amount available for the declassification of documents?

Mr. SKAGGS. The gentleman is correct, in support of removing the cap that is now in the bill on the declassification operations of individual agencies, and as the gentleman knows, the amounts that might be involved in the environmental task force, compared to the overall size of what we are talking about in the budget, is fractions of hundredths of percents.

□ 1215

If the gentleman is intent on pointing out an inconsistency in my position on this in the technical sense, he is probably correct. In a practical sense, I really do not think so.

Mr. COMBEST. If the gentleman will continue to yield, it is not an inconsistency, it is just the fact that in the budget obviously the programs we are looking at, we looked at in terms of priority. It has been estimated that the declassification would require $70 million. That is a substantial amount of money for declassification. That is why we limited. It is not the objection that the chairman had to the declassification idea. It was the fact that there are many, many programs that would be detrimentally affected. I just wanted to make for certain that the gentleman, while he was supporting a further reduction, was asking for an increase in some other areas that could amount to several tens of millions of dollars.

Mr. SKAGGS. If I can reclaim my time, I am certainly happy to discuss with the chairman what a reasonable level would be to deal with, for instance, the declassification issue. Having it open-ended probably is not a reasonable approach. I think the caps that are suggested in the bill now may be set too low and I think our colleagues in the other body have come to that conclusion as well.

The main question here is one of setting priorities. I think reasonable people can come to different conclusions while still having a profound commitment to a robust and effective intelligence operation for the country.

The CHAIRMAN. The time of the gentleman from Colorado [Mr. SKAGGS] has expired.

(On request of Mr. FRANK of Massachusetts, and by unanimous consent, Mr. SKAGGS was allowed to proceed for 1 additional minute.)

Mr. SKAGGS. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Chairman, I thank the gentleman for yielding.

While we are talking about the whole consistency issue—at least I am—I did want to note, I was in agreement with the chairman when he got up and talked about the reductions, because I acknowledge there has been some reduction. But the chairman, when he talked about reductions, talked about 1989 dollars, in other words, a failure to keep up with inflation is considered a cut, and I think that is an appropriate accounting measure. But I do think that when we do that kind of accounting, when we say that a failure to keep up with inflation is a cut, it should not just be to the benefit of the intelligence community, it ought to be relevant to Medicare and everything else.

I think talking about it in constant 1989 dollars, that is, saying that a failure to keep up with inflation is a cut, that is a good way to do accounting but it ought to be for the rest of the budget as well.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. FRANK].

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. COMBEST. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 162, noes 262, not voting 10, as follows:

[Roll No. 654]

AYES—162

Allard	Danner	Jacobs
Baldacci	DeFazio	Johnson (SD)
Barcia	DeLauro	Kanjorski
Barrett (WI)	Dellums	Kaptur
Becerra	Doggett	Kennedy (MA)
Beilenson	Duncan	Kennelly
Bentsen	Durbin	Kleczka
Berman	Ehlers	Klug
Blute	Ensign	LaFalce
Bonior	Eshoo	Lantos
Borski	Evans	Levin
Boucher	Farr	Lewis (GA)
Brewster	Fattah	Lincoln
Brown (CA)	Fields (LA)	Lipinski
Brown (FL)	Filner	LoBiondo
Brown (OH)	Flake	Lofgren
Brownback	Flanagan	Lowey
Bryant (TX)	Foglietta	Luther
Bunn	Ford	Maloney
Camp	Frank (MA)	Manton
Clay	Furse	Manzullo
Clayton	Gephardt	Markey
Clement	Goodlatte	Martinez
Clyburn	Gordon	Martini
Coble	Green	McCarthy
Coburn	Gutierrez	McDermott
Collins (IL)	Gutknecht	McKinney
Collins (MI)	Hefner	McNulty
Condit	Hilliard	Meehan
Conyers	Hinchey	Menendez
Costello	Hoekstra	Metcalf
Coyne	Jackson-Lee	Mfume

Miller (CA)
Minge
Mink
Morella
Nadler
Neal
Oberstar
Obey
Olver
Orton
Owens
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (MN)
Petri
Porter
Poshard
Ramstad
Rangel
Rivers
Roemer
Rohrabacher
Roth
Roukema
Roybal-Allard
Royce
Rush
Sabo
Sanders
Sanford
Sawyer
Saxton
Schroeder
Schumer
Sensenbrenner
Serrano
Shays
Skaggs
Slaughter
Smith (MI)
Smith (WA)
Souder
Stark
Stenholm
Studds
Stupak
Thompson
Torres
Torricelli
Towns
Upton
Velazquez
Vento
Volkmer
Ward
Waters
Watt (NC)
Waxman
Weller
Williams
Woolsey
Wyden
Yates
Zimmer

NOES—262

Abercrombie
Ackerman
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Boehlert
Boehner
Bonilla
Bono
Browder
Bryant (TN)
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Canady
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clinger
Coleman
Collins (GA)
Combest
Cooley
Cox
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
de la Garza
Deal
DeLay
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Dooley
Doolittle
Dornan
Doyle
Dreier
Dunn
Edwards
Ehrlich
Emerson
Engel
English
Everett
Ewing
Fawell
Fazio
Fields (TX)
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Gallegly
Ganske
Gejdenson
Gekas
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goodling
Goss
Graham
Greenwood
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoke
Holden
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Jefferson
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Jones
Kasich
Kelly
Kennedy (RI)
Kildee
Kim
King
Kingston
Klink
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Livingston
Longley
Lucas
Mascara
Matsui
McCollum
McCrery
McDade
McHale
McHugh
McInnis
McIntosh
McKeon
Meek
Meyers
Mica
Miller (FL)
Mineta
Molinari
Montgomery
Moorhead
Moran
Murtha
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Ortiz
Oxley
Packard
Pallone
Parker
Paxon
Peterson (FL)
Pickett
Pombo
Pomeroy
Portman
Pryce
Quillen
Quinn
Radanovich
Rahall
Reed
Regula
Richardson
Riggs
Roberts
Rogers
Ros-Lehtinen
Rose
Salmon
Scarborough
Schaefer
Schiff
Scott
Seastrand
Shadegg
Shaw
Shuster
Skeen
Skelton
Smith (NJ)
Smith (TX)
Solomon
Spence
Spratt
Stearns
Stockman
Stokes
Stump
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thornberry
Thornton
Thurman
Tiahrt
Torkildsen
Traficant
Visclosky
Vucanovich
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
White
Whitfield
Wicker
Wilson
Wise
Wolf
Wynn
Young (AK)
Young (FL)
Zeliff

NOT VOTING—10

Ballenger
Cardin
Frost
Johnston
Moakley
Mollohan
Reynolds
Sisisky
Tucker
Waldholtz

□ 1236

Messrs. FAWELL, PALLONE, BAESLER, and DEUTSCH changed their vote from "aye" to "no."

Mr. BRYANT of Texas, Mr. EHLERS, and Mrs. SMITH of Washington changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN (Mr. BURTON). Are there further amendments?

AMENDMENT NO. 5 OFFERED BY MR. FRANK OF MASSACHUSETTS

Mr. FRANK of Massachusetts. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment No. 5 offered by Mr. FRANK of Massachusetts: Page 10, after line 17, inset the following:

SEC. 308. DISCLOSURE OF ANNUAL INTELLIGENCE BUDGET.

As of October 1, 1995, and for fiscal year 1996, and in each year thereafter, the aggregate amounts requested and authorized for, and spent on, intelligence and intelligence-related activities shall be disclosed to the public in an appropriate manner.

Mr. FRANK of Massachusetts. Mr. Chairman, I want to thank the Chair personally for the consideration shown me during this debate, and I apologize for being held up a little bit.

This amendment would have made the last debate intelligible. I understand that "intelligible" and "intelligence" are not identical words, but they ought to have a closer correlation than they have today.

Mr. Chairman, we have in the law a restriction on the American people knowing the gross number of the intelligence authorization and appropriation. All this amendment would do, and that is why I did not ask that it be considered as read and that the reading be dispensed with. I wanted it read in its entirety, because this does not say that categories or line items or even departmental breakdowns would be legal. It says the overall gross amount.

Mr. Chairman, we just had a debate in which we were talking about percentage reductions and I was asked, as I am sure my colleagues on the Permanent Select Committee on Intelligence were asked by a number of Members, "Well, how much is this?"

We were able to tell each other, because as Members, we are automatically trustworthy and, therefore, we can know about all these secrets. We can tell each other the number. Others trying to evaluate this debate, American citizens, journalists and others, theoretically, are not to know what we were talking about in the previous amendment.

Mr. Chairman, when I moved to cut 3 percent, 3 percent of what? Was that $100 million; a billion dollars; $10 billion? People have an order of magnitude idea, but especially as we were talking, as we were, about 3 percent versus 1.7 versus 0.5 percent, and the gentleman from Colorado and the chairman of the committee were talking about tens of millions of dollars, not having any idea, it seems to me, a mistake.

Obviously, the extent that foreign spies, foreign governments, could benefit from knowing, this, and the argument was, let us not make this total available, because other people could know something based on the total.

Mr. Chairman, they know it. No one believes that people who have an interest to malign us in knowing the total, fail to know it. All we accomplish by this foolish restriction of publishing the gross number is to make it harder for the American people to follow what we are doing; to make it harder for Members to vote.

I must tell my colleagues that I myself had some difficulty, because in preparing this amendment I had to wait until I could find the time to go to the intelligence room, as I always do once a year to review these things, and I had to read this and make my calculations.

Mr. Chairman, I read some calculations in the paper and people say well, everybody knows it. There were some calculations about this budget, in one of the most respected information sources that the House uses, that were wrong. There was a report of a 6-percent increase. Well, that's about a portion of it. I had difficulty in preparing this amendment in final form because of that.

There is no justification, whatsoever, for this fundamental deviation from basic democratic principles. Namely, that the American people ought to know the overall total that is being spent.

No one can argue, and no one has argued, that knowing the overall total will somehow hurt the national security. So the augment is, Well, if we tell them the overall total, the next thing we know they will be getting the hat size of the chief of intelligence in country X. The answer is no. That simply is not true.

We are changing the law. It is a statutory requirement that says we can't give the overall total. We will amend that statutory requirement that says

you can give the overall total. Everything else that is now illegal will be illegal. Everything else that is secret by law will be secret and it will take a further statute to change it.

And the notion somehow that statutes are like dominos and if you change one, it automatically hits and knocks over the next is out of touch with reality. The American people, at a time of budgetary stress, have a right to know what the total is, instead of trying to guess or looking at newspapers and winking and saying it is illegal, but we do not pay any attention to it.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. FRANK of Massachusetts. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I want to tell the gentleman I have supported this amendment before. I intend to support it again, but I want to ask the gentleman: Does the gentleman believe that we should not go further than just disclosing the top line number? Is that adequate from the gentleman's point of view?

Mr. FRANK of Massachusetts. Mr. Chairman, reclaiming my time, yes, that is perfectly adequate. I think if we have the top line number and people can calculate the percentages, that is fine.

Mr. Chairman, let me say, as I recall these debates, and the gentleman from Washington [Mr. DICKS] has been in them as well, we never debate more than the top line number, because none of us really think that we ought to be getting into the line items.

This is one authorization where I do not remember any line item amendments. The amendments have generally been the overall ones. I think that reinforces the view that is what is appropriate for the House overall is the overall number. In my amendment, I gave flexibility below that.

Mr. DICKS. Mr. Chairman, if the gentleman would continue to yield, one thing I want to make sure that the Members of the House understand, because we have a lot of new Members, and that is that the intelligence budget is part of the defense budget. These are not two separate budgets.

Sometimes I have people say, "I did not realize that the intelligence budget is a piece of the defense budget."

□ 1245

It is one big budget.

Mr. FRANK of Massachusetts. That is right. In fairness to the Defense Department, the people in uniform, there ought to be some knowledge. Nobody knows exactly what piece of the defense budget it is. It makes it harder even when people are talking about that. You might have a decrease in one part and an increase in another.

By the way, that is one point, we let the gross number of the defense budget be known. Presumably, if there were some terrible problem or even minor problem that would come from the gross number being known, you would know that from the defense budget.

I want to reinforce what I said, I do not plan to go any further and would not support going further than the aggregate number. Again, I think the debate we have had in both the authorization and appropriating process in intelligence bear that out. There has been no effort, as I recall, to do amendments that went below the gross number.

Mr. DICKS. If the gentleman would yield further, I say to the gentleman, I, too, would support that position. I do not have a problem with disclosing the overall number, but I would definitely oppose going any further in disclosing the components of that number.

Mr. FRANK of Massachusetts. I think the gentleman. I know he could not go any further. I would not ask him to. I appreciate his support on this effort.

Mr. COMBEST. Mr. Chairman, I rise in opposition to the amendment and, again, I respect the persistence of the gentleman from Massachusetts in this effort.

I appreciate the fact that the gentleman from Massachusetts does make himself available, goes to the committee and takes the time to look through the classified annex to look at the expenditure levels that we do make available to Members of Congress in H–405. I think that shows a seriousness and the fact that he is a very responsible Member in this effort. I cannot argue with a number of the things the gentleman has said and the fact that there have been a lot of reports done publicly by media and by others approximating or at least in their wording assuming that, or it is stated that the intelligence budget is "X." That is always a second line of the story.

If there is, in fact, a specific release of the amount of moneys expended on intelligence, that will become the story, and then the next obvious step is to begin to look at, well, how does that break down in expense. I think the American people understand and recognize the fact that there are secrets. Whether or not every one of them are going to agree with what those classified secrets should be, of course, is going to be variable depending upon the outlook the individual may have.

I do not hear a clamor or cry to divulge the budget. I think it is the beginning of a movement down a road that, in fact, would prove to be burdensome later at some point.

I would, as I have indicated, rise in opposition to the amendment and urge my colleagues to defeat the amendment.

Ms. PELOSI. Mr. Chairman, I move to strike the last word.

With the chairman's indulgence, I will be very brief.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Massachusetts [Mr. FRANK]. As you know, we have been through this debate before. When Mr. Glickman was Chair of the committee, he held hearings on this subject.

I think that the testimony was very compelling in support of releasing the aggregate sum. I think it is important for the intelligence community, for our committee to be able to defend that figure in perspective and on balance as far as other Federal spending is concerned. While I am on the subject of openness, I also want to associate myself with the remarks of the gentleman from Colorado [Mr. SKAGGS] earlier about the declassification of more information where it is appropriate. I think that would be a good investment of our dollars.

With regard to this amendment, I thank the gentleman from Massachusetts [Mr. FRANK] for his leadership on it and urge my colleagues to vote "aye" on the Frank amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. FRANK].

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

RECORDED VOTE

Mr. FRANK of Massachusetts. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 154, noes 271, not voting 9, as follows:

[Roll No. 655]

AYES—154

Ackerman	Filner	Lowey
Bachus	Flake	Luther
Baldacci	Foglietta	Maloney
Barcia	Ford	Manton
Barrett (WI)	Frank (MA)	Markey
Becerra	Frost	Martinez
Beilenson	Furse	Matsui
Berman	Gejdenson	McCarthy
Bonior	Gephardt	McDermott
Borski	Gibbons	McKinney
Browder	Gonzalez	McNulty
Brown (CA)	Goodlatte	Meehan
Brown (FL)	Gordon	Menendez
Brown (OH)	Green	Metcalf
Bunn	Gutierrez	Mfume
Clay	Hamilton	Miller (CA)
Clayton	Harman	Mineta
Clement	Hastings (FL)	Minge
Clyburn	Hefner	Mink
Collins (IL)	Hilliard	Moran
Collins (MI)	Hinchey	Morella
Condit	Horn	Nadler
Conyers	Istook	Neal
Costello	Jackson-Lee	Oberstar
Coyne	Jacobs	Obey
Danner	Johnson (SD)	Olver
DeFazio	Johnson, E. B.	Owens
DeLauro	Johnston	Pallone
Dellums	Kanjorski	Pastor
Dicks	Kennedy (MA)	Payne (NJ)
Doggett	Kennedy (RI)	Payne (VA)
Duncan	Kildee	Pelosi
Durbin	Kleczka	Peterson (MN)
Engel	Lantos	Pomeroy
Eshoo	Levin	Poshard
Evans	Lewis (GA)	Rangel
Farr	Lincoln	Reed
Fazio	Lipinski	Riggs
Fields (LA)	Lofgren	Roemer

Rohrabacher
Rose
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schroeder
Schumer
Scott
Serrano
Shays
Skaggs
Slaughter
Spratt
Stark
Stenholm
Stokes
Studds
Stupak
Thompson
Thornton
Thurman
Torres
Torricelli
Towns
Velazquez
Vento
Ward
Waters
Watt (NC)
Waxman
Williams
Woolsey
Wyden
Yates
Zimmer

NOES—271

Abercrombie
Allard
Andrews
Archer
Armey
Baesler
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bentsen
Bereuter
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Boucher
Brewster
Brownback
Bryant (TN)
Bryant (TX)
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clinger
Coble
Coleman
Collins (GA)
Combest
Cooley
Cox
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
de la Garza
Deal
DeLay
Deutsch
Diaz-Balart
Dickey
Dingell
Dixon
Dooley
Doolittle
Dornan
Doyle
Dreier
Dunn
Edwards
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fattah
Fawell
Fields (TX)
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Gallegly
Ganske
Gekas
Geren
Gilchrest
Gillmor
Gilman
Goodling
Goss
Graham
Greenwood
Gunderson
Gutknecht
Hall (OH)
Hall (TX)
Hancock
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Holden
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Jefferson
Johnson (CT)
Johnson, Sam
Jones
Kaptur
Kasich
Kelly
Kennelly
Kim
King
Kingston
Klink
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Livingston
LoBiondo
Longley
Lucas
Manzullo
Martini
Mascara
McCollum
McCrery
McDade
McHale
McHugh
McInnis
McIntosh
McKeon
Meek
Meyers
Mica
Miller (FL)
Molinari
Montgomery
Moorhead
Murtha
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Ortiz
Orton
Oxley
Packard
Parker
Paxon
Peterson (FL)
Petri
Pickett
Pombo
Porter
Portman
Pryce
Quillen
Quinn
Radanovich
Rahall
Ramstad
Regula
Richardson
Rivers
Roberts
Rogers
Ros-Lehtinen
Roth
Roukema
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Seastrand
Sensenbrenner
Shadegg
Shaw
Shuster
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stockman
Stump
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thornberry
Tiahrt
Torkildsen
Traficant
Upton
Visclosky
Volkmer
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wise
Wolf
Wynn
Young (AK)
Young (FL)
Zeliff

NOT VOTING—9

Cardin
Coburn
Moakley
Mollohan
Reynolds
Schiff
Sisisky
Tucker
White

□ 1309

Mr. SCOTT and Mr. STOKES changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there further amendments?

If not, the question is on the committee amendment in the nature of a substitute, as modified, as amended.

The committee amendment in the nature of a substitute, as modified, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. GOODLATTE) having assumed the chair, Mr. BURTON of Indiana, 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. 1655) to authorize appropriations for fiscal year 1996 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes, pursuant to House Resolution 216, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF H.R. 1655, INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 1996

Mr. COMBEST. Mr. Speaker, I ask unanimous consent that in the engrossment of the bill H.R. 1655 the Clerk be authorized to make such technical and conforming changes that will be necessary to correct such things as spelling, punctuation, cross-referencing, and section numbering.

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

There was no objection.

GENERAL LEAVE

Mr. COMBEST. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include therein extraneous material on H.R. 1655, the bill just passed.

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

There was no objection.

DEFICIT REDUCTION LOCKBOX ACT OF 1995

Mr. GOSS. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 218 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 218

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. 1162) to establish a Deficit Reduction Trust Fund and provide for the downward adjustment of discretionary spending limits in appropriation bills. The first reading of the bill shall be dispensed with. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Rules. After general debate the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute recommended by the Committee on Rules. The committee amendment in the nature of a substitute shall be considered as read. Points of order against the committee amendment in the nature of a substitute for failure to comply with clause 7 of rule XVI are waived. During consideration of the bill for amendment, the Chairman of the Committee of the Whole may accord priority in recognition on the basis of whether the Member offering an amendment has caused it to be printed in the portion of the CONGRESSIONAL RECORD designated for that purpose in clause 6 of rule XXIII. Amendments so printed shall be considered as read. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

□ 1315

The SPEAKER pro tempore. The gentleman from Florida [Mr. GOSS] is recognized for 1 hour.

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

Mr. Speaker, this is an open rule, providing for the consideration of H.R. 1162, the Deficit Reduction Lockbox Act of 1995, an important budget tool to hold us accountable for making sure that spending cuts translate into savings for the American people. I am delighted that we are following through on the promise of considering the lockbox as a freestanding bill. As Members know, this House approved the lockbox as an amendment to the Labor–HHS spending bill in early August. If it were up to the clear majority of this House, lockbox would be the law of the land. But of course we know that ours is a bicameral legislature, and we must secure enactment of our good ideas by convincing our friends in the other body to concur. In sending them lockbox legislation as part of a spending bill and a freestanding bill, we are sending a clear signal that we are committed to lockbox and we want them to act.

Although there was much agreement on the Rules Committee proposal, we do expect several issues to be raised during the debate. The open amendment process will provide Members the chance to air any remaining concerns they have in a full and fair way. Once again the rule provides the option for priority recognition to those Members who have had their amendments printed in the CONGRESSIONAL RECORD.

Mr. Speaker, this rule provides an hour of general debate and makes in order as an original bill for the purpose of amendment the amendment in the nature of a substitute recommended by the Committee on Rules. The rule also provides that the amendment considered as read and open to amendment at any point.

On the advice of the Parliamentarian, this rule waives clause 7 of rule XVI against consideration of the committee amendment in the nature of a substitute. The reason for this germaneness waiver is somewhat technical. The original bill as introduced by Mr. CRAPO in March proposed a lockbox mechanism called a trust fund to be maintained in the Treasury, while the Rules Committee has recommended a lockbox mechanism called an account to be maintained by the Congressional Budget Office.

The end result of this is the same: we want to ensure that a cut is really a cut; that when we say we are saving money by spending less in appropriations bills we follow through on that commitment. The change in terminology apparently raises some germaneness questions but the outcome is the same. Finally, Mr. Speaker, this rule provides one motion to recommit, with or without instructions.

I would like to commend Mr. CRAPO, the entire bipartisan lockbox team, our Rules Committee Chairman, the Government Reform and Oversight Committee, the Budget Committee, and the Appropriations Committee for the enormous cooperative effort that went into the lockbox.

The lockbox team spirit could be a model for how this place can and should operate to do the Nation's business. This is a good rule, a good bill, and I'm proud to have played a part in getting us to this point.

Mr. Speaker, I include for the RECORD material from the Committee on Rules:

THE AMENDMENT PROCESS UNDER SPECIAL RULES REPORTED BY THE RULES COMMITTEE,[1] 103D CONGRESS V. 104TH CONGRESS

[As of September 12, 1995]

Rule type	103d Congress		104th Congress	
	Number of rules	Percent of total	Number of rules	Percent of total
Open/Modified-open [2]	46	44	45	74
Modified Closed [3]	49	47	14	23
Closed [4]	9	9	2	3
Totals:	104	100	61	100

[1] This table applies only to rules which provide for the original consideration of bills, joint resolutions or budget resolutions and which provide for an amendment process. It does not apply to special rules which only waive points of order against appropriations bills which are already privileged and are considered under an open amendment process under House rules.

[2] An open rule is one under which any Member may offer a germane amendment under the five-minute rule. A modified open rule is one under which any Member may offer a germane amendment under the five-minute rule subject only to an overall time limit on the amendment process and/or a requirement that the amendment be preprinted in the Congressional Record.

[3] A modified closed rule is one under which the Rules Committee limits the amendments that may be offered only to those amendments designated in the special rule or the Rules Committee report to accompany it, or which preclude amendments to a particular portion of a bill, even though the rest of the bill may be completely open to amendment.

[4] A closed rule is one under which no amendments may be offered (other than amendments recommended by the committee in reporting the bill).

SPECIAL RULES REPORTED BY THE RULES COMMITTEE, 104TH CONGRESS

[As of September 12, 1995]

H. Res. No. (Date rept.)	Rule type	Bill No.	Subject	Disposition of rule
H. Res. 38 (1/18/95)	O	H.R. 5	Unfunded Mandate Reform	A: 350–71 (1/19/95).
H. Res. 44 (1/24/95)	MC	H. Con. Res. 17	Social Security	A: 255–172 (1/25/95).
		H.J. Res. 1	Balanced Budget Amdt	
H. Res. 51 (1/31/95)	O	H.R. 101	Land Transfer, Taos Pueblo Indians	A: voice vote (2/1/95).
H. Res. 52 (1/31/95)	O	H.R. 400	Land Exchange, Arctic Nat'l. Park and Preserve	A: voice vote (2/1/95).
H. Res. 53 (1/31/95)	O	H.R. 440	Land Conveyance, Butte County, Calif	A: voice vote (2/1/95).
H. Res. 55 (2/1/95)	O	H.R. 2	Line Item Veto	A: voice vote (2/2/95).
H. Res. 60 (2/6/95)	O	H.R. 665	Victim Restitution	A: voice vote (2/7/95).
H. Res. 61 (2/6/95)	O	H.R. 666	Exclusionary Rule Reform	A: voice vote (2/7/95).
H. Res. 63 (2/8/95)	MO	H.R. 667	Violent Criminal Incarceration	A: voice vote (2/9/95).
H. Res. 69 (2/9/95)	O	H.R. 668	Criminal Alien Deportation	A: voice vote (2/10/95).
H. Res. 79 (2/10/95)	MO	H.R. 728	Law Enforcement Block Grants	A: voice vote (2/13/95).
H. Res. 83 (2/13/95)	MO	H.R. 7	National Security Revitalization	PQ: 229–100; A: 227–127 (2/15/95).
H. Res. 88 (2/16/95)	MC	H.R. 831	Health Insurance Deductibility	PQ: 230–191; A: 229–188 (2/21/95).
H. Res. 91 (2/21/95)	O	H.R. 830	Paperwork Reduction Act	A: voice vote (2/22/95).
H. Res. 92 (2/21/95)	MC	H.R. 889	Defense Supplemental	A: 282–144 (2/22/95).
H. Res. 93 (2/22/95)	MO	H.R. 450	Regulatory Transition Act	A: 252–175 (2/23/95).
H. Res. 96 (2/24/95)	MO	H.R. 1022	Risk Assessment	A: 253–165 (2/27/95).
H. Res. 100 (2/27/95)	O	H.R. 926	Regulatory Reform and Relief Act	A: voice vote (2/28/95).
H. Res. 101 (2/28/95)	MO	H.R. 925	Private Property Protection Act	A: 271–151 (3/2/95)
H. Res. 103 (3/3/95)	MO	H.R. 1058	Securities Litigation Reform	
H. Res. 104 (3/3/95)	MO	H.R. 988	Attorney Accountability Act	A: voice vote (3/6/95)
H. Res. 105 (3/6/95)	MO			A: 257–155 (3/7/95)
H. Res. 108 (3/7/95)	Debate	H.R. 956	Product Liability Reform	A: voice vote (3/8/95)
H. Res. 109 (3/8/95)	MC			PQ: 234–191 A: 247–181 (3/9/95)
H. Res. 115 (3/14/95)	MO	H.R. 1159	Making Emergency Supp. Approps.	A: 242–190 (3/15/95)
H. Res. 116 (3/15/95)	MC	H.J. Res. 73	Term Limits Const. Amdt	A: voice vote (3/28/95)
H. Res. 117 (3/16/95)	Debate	H.R. 4	Personal Responsibility Act of 1995	A: voice vote (3/21/95)
H. Res. 119 (3/21/95)	MC			A: 217–211 (3/22/95)
H. Res. 125 (4/3/95)	O	H.R. 1271	Family Privacy Protection Act	A: 423–1 (4/4/95)
H. Res. 126 (4/3/95)	O	H.R. 660	Older Persons Housing Act	A: voice vote (4/6/95)
H. Res. 128 (4/4/95)	MC	H.R. 1215	Contract With America Tax Relief Act of 1995	A: 228–204 (4/5/95)
H. Res. 130 (4/5/95)	MC	H.R. 483	Medicare Select Expansion	A: 253–172 (4/6/95)

SPECIAL RULES REPORTED BY THE RULES COMMITTEE, 104TH CONGRESS—Continued

[As of September 12, 1995]

H. Res. No. (Date rept.)	Rule type	Bill No.	Subject	Disposition of rule
H. Res. 136 (5/1/95)	O	H.R. 655	Hydrogen Future Act of 1995	A: voice vote (5/2/95)
H. Res. 139 (5/3/95)	O	H.R. 1361	Coast Guard Auth. FY 1996	A: voice vote (5/9/95)
H. Res. 140 (5/9/95)	O	H.R. 961	Clean Water Amendments	A: 414–4 (5/10/95)
H. Res. 144 (5/11/95)	O	H.R. 535	Fish Hatchery—Arkansas	A: voice vote (5/15/95)
H. Res. 145 (5/11/95)	O	H.R. 584	Fish Hatchery—Iowa	A: voice vote (5/15/95)
H. Res. 146 (5/11/95)	O	H.R. 614	Fish Hatchery—Minnesota	A: voice vote (5/15/95)
H. Res. 149 (5/16/95)	MC	H. Con. Res. 67	Budget Resolution FY 1996	PQ: 252–170 A: 255–168 (5/17/95)
H. Res. 155 (5/22/95)	MO	H.R. 1561	American Overseas Interests Act	A: 233–176 (5/23/95)
H. Res. 164 (6/8/95)	MC	H.R. 1530	Nat. Defense Auth. FY 1996	PQ: 225–191 A: 233–183 (6/13/95)
H. Res. 167 (6/15/95)	O	H.R. 1817	MilCon Appropriations FY 1996	PQ: 223–180 A: 245–155 (6/16/95)
H. Res. 169 (6/19/95)	MC	H.R. 1854	Leg. Branch Approps. FY 1996	PQ: 232–196 A: 236–191 (6/20/95)
H. Res. 170 (6/20/95)	O	H.R. 1868	For. Ops. Approps. FY 1996	PQ: 221–178 A: 217–175 (6/22/95)
H. Res. 171 (6/22/95)	O	H.R. 1905	Energy & Water Approps. FY 1996	A: voice vote (7/12/95)
H. Res. 173 (6/27/95)	C	H.J. Res. 79	Flag Constitutional Amendment	PQ: 258–170 A: 271–152 (6/28/95)
H. Res. 176 (6/28/95)	MC	H.R. 1944	Emer. Supp. Approps.	PQ: 236–194 A: 234–192 (6/29/95)
H. Res. 185 (7/11/95)	O	H.R. 1977	Interior Approps. FY 1996	PQ: 235–193 D: 192–238 (7/12/95)
H. Res. 187 (7/12/95)	O	H.R. 1977	Interior Approps. FY 1996 #2	PQ: 230–194 A: 229–195 (7/13/95)
H. Res. 188 (7/12/95)	O	H.R. 1976	Agriculture Approps. FY 1996	PQ: 242–185 A: voice vote (7/18/95)
H. Res. 190 (7/17/95)	O	H.R. 2020	Treasury/Postal Approps. FY 1996	PQ: 232–192 A: voice vote (7/18/95)
H. Res. 193 (7/19/95)	C	H.J. Res. 96	Disapproval of MFN to China	A: voice vote (7/20/95)
H. Res. 194 (7/19/95)	O	H.R. 2002	Transportation Approps. FY 1996	PQ: 217–202 (7/21/95)
H. Res. 197 (7/21/95)	O	H.R. 70	Exports of Alaskan Crude Oil	A: voice vote (7/24/95)
H. Res. 198 (7/21/95)	O	H.R. 2076	Commerce, State Approps. FY 1996	A: voice vote (7/25/95)
H. Res. 201 (7/25/95)	O	H.R. 2099	VA/HUD Approps. FY 1996	A: 230–189 (7/25/95)
H. Res. 204 (7/28/95)	MC	S. 21	Terminating U.S. Arms Embargo on Bosnia	A: voice vote (8/1/95)
H. Res. 205 (7/28/95)	O	H.R. 2126	Defense Approps. FY 1996	A: 409–1 (7/31/95)
H. Res. 207 (8/1/95)	MC	H.R. 1555	Communications Act of 1995	A: 255–156 (8/2/95)
H. Res. 208 (8/1/95)	O	H.R. 2127	Labor, HHS Approps. FY 1996	A: 323–104 (8/2/95)
H. Res. 215 (9/7/95)	O	H.R. 1594	Economically Targeted Investments	A: voice vote (9/12/95)
H. Res. 216 (9/7/95)	MO	H.R. 1655	Intelligence Authorization FY 1996	A: voice vote (9/12/95)
H. Res. 218 (9/12/95)	O	H.R. 1162	Deficit Reduction Lockbox	
H. Res. 219 (9/12/95)	O	H.R. 1670	Federal Acquisition Reform Act	

Codes: O-open rule; MO-modified open rule; MC-modified closed rule; C-closed rule; A-adoption vote; D-defeated; PQ-previous question vote. Source: Notices of Action Taken, Committee on Rules, 104th Congress.

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

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

Mr. Speaker, I rise in support of this rule. But my support for this rule does not mean I wholeheartedly support the version of lockbox reported from the Committee on Rules.

While I will vote for passage of H.R. 1162, I believe there are significant improvements that should be made to this proposal but which, I fear, have little chance of passage on the floor. Those improvements would give this legislation real teeth and if enacted would take a significant bite out of discretionary spending for fiscal year 1996.

Mr. Speaker, as of today, only one appropriations bill remains to be considered by the House. Short of the adoption of an amendment which will be offered by the chairman of the Committee on Rules, the appropriation for the District of Columbia would be the only one of the 13 appropriations bills to be subjected to the lockbox process contained in this bill. Yet, the House clearly expressed its support for locking away savings from appropriations bills early this year when a lockbox amendment was added to the emergency supplemental by a vote of 421 to 1. That enactment provided that the net reduction of funds from the supplemental was to be used exclusively for deficit reduction.

Unfortunately, Mr. Speaker, in the months since the House considered the first supplemental, the lockbox has become more of a storage box. The version of the legislation originally introduced by the gentleman from Oklahoma [Mr. BREWSTER] and the gentlelady from California [Ms. HARMAN], as well as the gentleman from Idaho [Mr. CRAPO], no longer mandates net reductions from appropriations bills be dedicated exclusively to deficit reduction. Rather, this version has become more of an accounting tool.

Now, I would like to commend my colleague from Florida, Mr. GOSS, the chairman of the Legislative and Budget Process Subcommittee, for his work on this legislation. While Mr. BREWSTER and Ms. HARMAN appeared repeatedly before the Rules Committee in an attempt to offer their version of lockbox, the Rules Committee did make and follow through on a commitment to send some lockbox legislation to the floor. The committee recommendation may very well be the best version of the proposal we are going to get, but, as I said at the outset, this legislation can and should be improved to ensure that it will do what the original cosponsors of lockbox had intended to do.

First, it is my intention to offer an amendment which will make this bill retroactive so that the net reductions from each of the appropriations bills for fiscal year 1996 will be subjected to the lockbox process. However, because I intend to take advantage of the family friendly atmosphere in the House and take my middle daughter to college, I may not be present to personally offer this amendment. It is my hope that the amendment will be offered by the gentleman from Florida [Mr. PETERSON], and that the House will support this important improvement to this bill.

Second, the gentlelady from California [Ms. HARMAN] intends to offer an amendment which will capture savings in future years. As we all know, there are many Federal programs and projects with spendout rates which increase dramatically after the first or second year. Unfortunately, as the bill was reported from the Rules Committee, these savings can only be captured for the fiscal year in question and consequently savings in the outyears might well be reallocated to other programs. During the markup of this bill, the committee Democrats offered a version of Ms. HARMAN's amendment, but as matters turned out, the amendment was defeated by the Republican majority. Mr. Speaker, it seems to me that Ms. HARMAN's proposal makes a great deal of sense: Let's not allow savings to slip through the lockbox only to be spent elsewhere.

Mr. Speaker, I would like to comment on the fact that this rule provides a germaneness waiver for the committee substitute. It seems to me that the only reason this waiver is necessary is because the final product is so very different from what was originally introduced that it does not bear enough resemblance to be considered germane. While I congratulate the gentleman from Florida for his efforts to bring this bill to the floor, I think Members should understand what this waiver really means. I believe the fact that the committee substitute is a departure from the original intent only reinforces the need to adopt my amendment and that of Ms. HARMAN. Without those two additions to this bill, I am afraid we are merely playing a shell game with ourselves and with the American people.

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

Mr. GOSS. Mr. Speaker, I am privileged to yield such time as he may consume to the gentleman from New York [Mr. SOLOMON], the distinguished chairman of the Committee on Rules.

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

Mr. Speaker, let me start off by saying who gives a hoot who gets credit

for what, as long as we pass this lockbox and we start getting credit for really reducing the deficit around here?

Mr. Speaker, I thank my good friend and Rules Committee colleague from Florida for yielding me the time, and commend him as chairman of the Subcommittee on Legislative and Budget Process for his outstanding efforts in bringing this legislation to the floor.

Mr. Speaker, today should be a proud moment in this House, not merely because today we will reform the budget process or even that we will create a mechanism to assist our efforts at deficit reduction. But because today we are debating a comprehensive piece of legislation that truly represents bipartisan compromise, ingenuity, and resourcefulness.

Indeed right from the beginning this issue has been one of a bipartisan thrust, begun through the efforts of our friends such as MIKE CRAPO of Idaho, Ms. HARMAN of California, Mr. ROYCE of California, and Mr. BREWSTER of Oklahoma, to mention just a few.

Despite their unsuccessful efforts during the last Congress, these Members along with many others from both sides of the aisle continued their full court press since the beginning of this Congress.

And Mr. Speaker, these efforts have paid off. Today we are considering the deficit reduction lockbox bill under an open process providing every Member of this body with an interest or even a concern with this legislation the opportunity to participate.

H.R. 1162 is responsible budget process reform that will continue to gear the entire system toward spending restraint rather than spending more.

While the lockbox is like the line-item veto and the balanced budget amendment in that it is only process reform, it will help to raise the accountability standard in this body, by forcing the tough choices, like those we made in the budget resolution earlier this year and those we will again make in the reconciliation process over the next few months.

This has been an open process from the very beginning and this open rule only continues the outstanding democratic process utilized during the development and consideration of this issue.

With that I urge my colleagues to support this open rule and the bill.

Mr. GOSS. Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. CLINGER], the distinguished chairman of the Committee on Government Reform and Oversight.

Mr. CLINGER. Mr. Speaker, I think the gentleman very much for yielding this time to me.

Mr. Speaker, I want to rise in strong support of the rule and obviously want to commend the gentleman from Idaho [Mr. CRAPO], the bill's sponsor, the gentleman from New York [Mr. SCHUMER], the gentlewoman from California [Ms. HARMAN], and the gentleman from Utah [Mr. ORTON], all of whom have been doing very hard work in bringing this important bill to the floor.

The concept of the lockbox is very simple. It makes basic common sense. In essence it provides that amendments to cut spending actually produce savings. I think I was as dismayed as many people to realize that when we often go through agony to get savings, those savings are not real; they in fact are then used for other purposes. Most taxpayers would agree and believe that when Congress agrees to eliminate $5 billion for the space station or $7 billion for the super collider, that the money remains in the Treasury.

□ 1330

Most would agree and believe that. But in fact under existing law or current law those tax dollars go back into the pot and can be reallocated or spent later in the same year. So I think everyone would have to agree that is an odd process at any time, and the practice frankly is just absolutely insupportable in an era of $200 billion deficits and $5 trillion national debt.

This bill, H.R. 1162, will change Federal spending law to ensure that a dollar saved is in fact a dollar saved, that when Congress votes to cut funding for a Federal program, the money will not be spent. The bill creates 13 separate savings accounts to match the 13 annual appropriations bills and requires that the average savings of each House- and Senate-passed spending bill be placed in that special savings account. The money would be used solely for deficit reduction and could not be made available for any future spending for any purpose whatever.

Mr. Speaker, the bill is an important step on the long road toward restoring Federal fiscal sanity and responsible congressional spending. It really for the first time permits lawmakers to choose savings over spending and allows us for the very first time to honestly tell our constituents that a dollar saved is a dollar saved.

So as chairman of the Committee on Government Reform and Oversight, which has jurisdiction on this matter, I would indicate that my belief that this is a good bill and long overdue. I would urge the adoption of the rule and a vote in favor of the bill.

Mr. GOSS. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Idaho [Mr. CRAPO], who has been much discussed as the author of this and deserves a great deal of credit.

Mr. CRAPO. Mr. Speaker, I first of all want to say I appreciate the support that has been brought by both sides of the aisle and by so many Members to get us to this point today.

This is a very important day for the House of Representatives, not just because we are going in a few minutes to debate a very critical reform to the budget process but because it is a day when this institution is working the way that was intended by our Founding Fathers. It is working in a way that shows the kind of integrity and the kind of good work that can be done when the Members of Congress work together.

At a time in our history when so often there are negative stories in the media about how the Congress works, today we have a good strong example of how the system should work. Why do I say that? First of all, Mr. Speaker, we are here under an open rule. For so long we have been deprived in this Congress of having the opportunity to have open and free debate, where critical ideas are brought forward and debated and those who object to them can have the opportunity under an open rule to bring their objections and have those objections debated and voted on in an open recorded vote.

Second, it is an important day for this institution because this bill was brought forward to reform the system in a bipartisan fashion. I do not think we are going to see a lot of partisan bickering here today because it is a good idea that needs to be put into law. Although there may be some discussions about just what the fine tuning should be, we are going to see strong support for this legislation.

For about 2 years now we have been working to make sure that this legislation moves forward and that this critical reform that is necessary is put into place. I can still remember, it has been a little bit more than 2 years ago now that I was sitting right here on this floor, and I heard two Members debating about a major proposal to cut one of our budgets. One of the Members said to the other: You know, even if we cut this budget, this spending will not be reduced and the deficit will not be reduced.

The other Member acknowledged that. That perked up my interest. I then started looking into it. Indeed, the budget system we have is one in which, even when Congress cuts a specific program or project, all that happens is that specific program or project is eliminated or reduced, and the spending simply becomes unallocated until the conference committee meets to reallocate it, often to projects that never saw the light of day in a hearing.

Today we will create a lockbox account in the House and send forward to the Senate an opportunity for us to pass into law a critical reform of our budget process that will help us to ensure that, when we make cuts, the cuts count.

Mr. Speaker, this is going to be a hard process. It has taken us 2 years to get to this point in the House. We are going to have to fight it hard when it gets to the other body as well. But the

American people deserve no less. We must past this rule, then pass this legislation and take one more important step in terms of reforming the budget process of this Congress.

Mr. GOSS. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from California [Mr. ROYCE], who has also been one of the stalwarts of moving this legislation forward.

Mr. ROYCE. Mr. Speaker, at a time when our government is running chronic $200 billion deficits at a time when we are $5 trillion in debt, with a devastating effect on our national savings rate, this reform for Government is critical.

This is essentially the same bill that was approved by the House on August 2, as an amendment to the Labor, HHS, Education Appropriations bill. It is similar to the House resolution I offered earlier this year. The lockbox provision in that Labor HHS bill was adopted by a vote of 373 to 52, better than 85 percent of this House.

Basically, the bill establishes a series of lockboxes in every appropriations measure considered by this House to ensure that savings made from amendments on this floor will go toward reducing the Federal deficit. As many of us have come to realize, unfortunately, this is not now the case, since savings realized from amendments to appropriations bills may be used for other funds or projects in that bill or other appropriations bills.

A good example of that was last year in this Congress when $100 million was eliminated by an amendment on this floor from the ASRM program, but we later found out that those funds wound up in other programs rather than going to deficit reduction.

I would just like to share that, as a cochairman of the porkbusters coalition in this Congress, I would hate to see something like that happen again. I would hate to see what happened last year happen again.

This bill will ensure that it does not. This bill will ensure that the average savings between the cuts that we make on the House floor and the cuts made over on the Senate floor will go in conference to a lockbox, to the Treasury for the purpose of deficit reduction.

I will also share with my colleagues, Mr. Speaker, that this is an open rule worthy of everyone's support. I know that my constituents support this measure, as do the Citizens Against Government Waste, the National Taxpayers Union, Citizens for a Sound Economy, the Concord Coalition, and other taxpayer groups. It is an important and workable first step towards making this body more responsive and accountable to the people who elect them.

I urge an "aye" vote of every Member.

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

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

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore (Mr. GOODLATTE). Pursuant to House Resolution 218 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. 1162.

The Chair designates the gentleman from New York [Mr. QUINN] as Chairman of the Committee of the Whole and requests the gentleman from California [Mr. RIGGS] to assume the chair temporarily.

□ 1339

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. 1162) to establish a Deficit Reduction Trust Fund and provide for the downward adjustment of discretionary spending limits in appropriations bills, with Mr. RIGGS, Chairman pro tempore, in the chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore (Mr. RIGGS). Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Florida [Mr. GOSS] and the gentleman from Texas [Mr. FROST] each will be recognized for 30 minutes.

The Chair recognizes the gentleman from Florida [Mr. GOSS].

Mr. GOSS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am pleased to bring forward for the House's consideration H.R. 1162, the Deficit Reduction Lockbox Act of 1995. The concept behind the lockbox is deceptively simple: It says that when the House votes to cut spending we will not spend those savings elsewhere. It says that a cut is really a cut and savings are really savings that can and will be used to reduce the deficit. It says that we will no longer play the shell game of cutting money with big fanfare one day and quietly reprogramming it another. And it says that we are going to hold ourselves accountable for what we do.

I commend our colleague, MIKE CRAPO, and his bipartisan team of lockbox enforcers, who worked tirelessly to ensure that this day would come. Despite the simplicity of the concept, the practical application of lockbox proved more vexing than some might have thought. Working within the complexity of our current budget process was quite a challenge, but the lockbox team persevered through late night meetings and consultation with budget experts.

We wanted to make sure we had teeth in our proposal while retaining enough flexibility for the appropriators to do the very difficult job we ask of them. And I'm proud to say that we have achieved that balance. H.R. 1162 as reported by the Rules Committee closely tracks language that 373 Members of this House already enthusiastically supported in the form of an amendment to the Labor/HHS spending bill just last month.

Today's vote, which will hopefully be a reaffirmation of that commitment to lockbox, is designed to implement a two-track strategy in seeking to make lockbox the law of the land. We are, in effect, giving our friends in the other body two chances to do the right thing and adopt these lockbox provisions. H.R. 1162 as reported by our Rules Committee establishes lockbox balances to account for savings adopted through cutting amendments during floor consideration of spending bills. There will be a House lockbox balance and a Senate lockbox balance for each spending bill—and the appropriators will be bound to come up with savings splitting the difference between what the House and Senate have each proposed. The hammer to enforce this requirement—and ensure that money saved in one bill is not later spent in another—is a lowering of the overall spending total available to the appropriators. In this way we actually shrink the spending pie to reflect the lockbox.

No one argues that this procedural change alone will resolve our tremendous budgetary imbalance. In fact, just about everyone recognizes that discretionary spending, to which the lockbox pertains, is not the big bear in the woods when it comes to our spending problems. But we ought not ask Americans to consider changes in entitlement programs until we have demonstrated that we are serious about cutting low-priority, wasteful, or unnecessary programs. Lockbox really speaks to our credibility as we wage our battle for a balanced budget by the year 2002. Please support H.R. 1162.

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

Mr. FROST. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of the principle behind H.R. 1162, and, given the fact that this is the only version of lockbox the House will be able to consider, I intend to support the bill. I do, however, encourage Members to support two amendments which will be offered to that bill. I believe those amendments will significantly improve the legislation recommended by the Rules Committee and are deserving of strong bipartisan support.

Mr. Chairman, I first want to congratulate the chairman of the Rules Committee, Mr. SOLOMON, and the chairman of the Subcommittee on Legislative and Budget Process for holding

a markup on this bill. This year, as we went through the appropriations process, the gentleman from Oklahoma [Mr. BREWSTER] and the gentlelady from California [Ms. HARMAN] came to the Rules Committee seeking to offer lockbox amendments to each appropriation bill. While it was unfortunate that the Rules Committee majority did not see fit to allow the House to consider the request of these distinguished Members, our chairman did made a commitment to them that the committee would hold a markup on lockbox legislation. And, on July 20 the committee met and reported this bill.

Mr. Chairman, prior to the markup, the committee Democrats were gratified that the Republican majority accepted a number of suggestions we made that we felt improved the chairman's mark circulated among our Members. However, the committee majority did not accept three important amendments offered by the committee Democrats. The first amendment related to out year savings. Because it is the intention of the gentlelady from California [Ms. HARMAN] to offer such an amendment today, let it suffice to say that this amendment is not in the least just a technicality. In fact, reducing statutory caps for budget authority and outlays in the outyears has a great deal to do with our ability to curb and reduce discretionary spending. If we are really serious about reducing this part of Government spending, I would urge support for the Harman amendment.

Second, I will offer an amendment which would apply the provisions of the lockbox procedure to every appropriations bill for fiscal year 1996, not just those passed after engrossment of H.R. 1162. I offered this amendment to the lockbox legislation attached to the Labor/HHS appropriation and my amendment was rejected. I also offered it to the chairman's mark, but again, the amendment was rejected. If we are going to claim savings, then those savings should apply to every appropriations bill, and not just to Labor/HHS, DOD, and DC.

Finally, we believe that the bill should have created a separate lockbox account into which savings resulting from spending cuts in individual appropriations bills would automatically be funneled. In that way, those funds could not be reallocated to other appropriations accounts and spent later. The committee bill, however, takes a fundamentally different approach, and while the committee did adopt an amendment which strengthens their original proposal by requiring OMB to reduce the discretionary caps for the fiscal year under consideration, we continue to believe that the creation of a separate lockbox account is an important part of proposal.

Mr. Chairman, I urge Members to support the Frost and Harman amendments in order that we can be sure that the tough choices we have had to and will continue to have to make will actually go to deficit reduction.

□ 1345

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

Mr. GOSS. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from Idaho [Mr. CRAPO].

Mr. CRAPO. Mr. Chairman, again, it is a privilege to be here debating this important measure here today. Before I get into the substance of my remarks, I want to give some thanks to some of the people who have really been there when it counts, particularly to the gentleman from New York [Mr. SOLOMON], chairman of the Committee on Rules, and the gentleman from Florida [Mr. GOSS] who is handling this measure for the Committee on Rules here today. They were there time and time again in the late night meetings and the negotiations that were necessary to help us move this legislation through the difficult political channels it had to be moved in order to get to the floor today.

It is not easy to change a system that has been put into place over years and years, and just take it and change it overnight. I appreciate their support, and that of the gentleman from Oklahoma [Mr. BREWSTER] and the gentlewoman from California [Ms. HARMAN] who have been there in our bipartisan efforts for nearly 2 years now, working together to make this matter work. And that of so many of the other Members: the gentleman from California, ED ROYCE, who is sitting here beside me and ready to speak in a few moments, and the gentleman from New Jersey, Mr. ZIMMER; the freshman class who came in there this year and provided really the steam to move this reform forward, as we needed to have their strong support; the gentleman from Michigan, Mr. UPTON, and so many others. The list goes on.

The point I am trying to make is that this has been not only a strong effort by so many Members of Congress on both sides of the aisle who recognized that we need to reform our budget process, but that we have been able to put that effort together in the face of very strong political pressures.

I want to go back and give just a little history. As I said, it has been just about 2 years since this process started, a little over 2 years since I first became aware of the way the budget system worked, and did not allow our cuts to really count. At that time I introduced a bill that I called the "make our cuts count" legislation.

Shortly after that, I found that the gentleman from Oklahoma [Mr. BREWSTER] and the gentlewoman from California [Ms. HARMAN] and some others they were working with were also involved in trying to address the same issues. As we met together to put our efforts together and come together in a bipartisan effort, we changed the name of this to the lockbox concept, something that has stuck and has helped people across America to understand that we are really trying to balance the budget.

Not only did we develop a bipartisan commission here in Congress, we went out and found grassroots support across the country. I am proud to say today that this legislation is supported by the Concord Coalition, by the United States Chamber of Commerce, the Citizens Against Government Waste, who I believe are going to make it a key vote, the Citizens for a Sound Economy, who I also believe are going to register this as a key vote, the National Taxpayers Union, the United We Stand organizations in different parts of the country, and others across this country who have recognized the need for this legislation, and have joined in our effort to develop the coalitions necessary at the grassroots level in this country to push this legislation forward.

I can remember when I was first interviewed on this legislation, and the interviewer said, "What kind of a chance do you really think you have, trying to get something like this through this Congress?" I said, "To be honest with you, not much of a chance, but we are going to keep fighting and we are going to make this thing happen, no matter how long it takes." Little did I know that just 1 year later, about 1½ years later, we would be here on the floor, making sure that the legislation passed.

Some may ask, why are we doing it again after we already did it on August 2? On August 2 we passed legislation attaching this to an appropriations bill. It has now become evident that that appropriations bill may be vetoed, so we are going on a separate track to have a dual approach to making sure this legislation passes by putting forth this independent legislation.

Mr. Chairman, this legislation is a critical reform to our budget process. We must do it so Americans can count on this Congress, so the integrity of this institution is upheld, and when we say we are cutting the budget, those cuts go to deficit reduction. The American people can ask for no less. I am confident that today, this House will deliver them that kind of reform.

Mr. FROST. Mr. Chairman, I yield 6 minutes to the gentleman from California [Mr. BEILENSON], a member of the Committee on Rules.

Mr. BEILENSON. Mr. Chairman, I thank the gentleman from Texas [Mr. FROST], my colleague and friend, for yielding so much time to me.

Mr. Chairman, I appreciate the hard work that many of our colleagues have done to bring this legislation to the point where it is today, and I would

particularly like to commend our chairman, Mr. SOLOMON, and Mr. GOSS for their efforts in producing a measure that satisfies most of the concerns of both the lockbox proponents, and the members of the Appropriations Committee who, under this bill, will have to operate under a more difficult system for achieving final agreement on appropriations bills.

However, I do not think that this deserves our support. I know from the previous vote we had on this measure last month, when it was offered as an amendment to an appropriations bill, that I am among a small minority of Members here who feel that way. But I am speaking out on this matter because I think it is important for us to consider the drawbacks of this measure.

On the face of it, the lockbox proposal is an appealing idea—as its proponents describe it, it is a way to ensure that the savings produced by spending-cut amendments to appropriations bills are used to reduce the deficit, not to increase spending for other purposes.

However, the only way to show that such savings are being used to reduce the deficit, is to reduce the amount available to the Appropriations Committee by the amount saved by the spending-cut amendments. Thus, at its core, what the lockbox proposal is all about is reducing discretionary spending beyond the limit set in the budget resolution. In other words, it is a procedure designed to force total discretionary spending below the level that Congress has already decided, through its budget resolution and through statutory caps, is the appropriate level for the coming fiscal year.

The question we should be considering is: do we want a procedure that will lead to deeper cuts in discretionary spending than we are already on the path toward achieving?

This year's budget resolution sets spending limits for the next 7 years at levels that will force Congress to cut domestic discretionary spending by $473 billion over that period, or by one third, in real terms, over this year's level.

For those of us who value the Federal Government's contribution to education and job training, transportation, housing, science and health research, environmental protection, national parks, crime control, and many of the other functions that comprise the discretionary spending category; for those of us who are alarmed at the severity of the cuts we are witnessing in so many essential programs, such as the one-third cut in funding for the Environmental Protection Agency, it makes little sense to endorse a procedure that will likely lead to further cuts—or fewer opportunities to restore funds—to these programs.

Even Members who do wish to cut discretionary spending further, however, cannot dispute the fact that we already have an extremely effective process in place for controlling this type of spending. Under our existing procedures, Congress approves a total amount of spending for discretionary spending, and then enforces that amount by subjecting individual spending measures to Budget Act points of order—which has been in effect since 1974—and to the threat of across-the-board cuts, or sequestration—which has been in effect since 1990.

These controls have enabled Congress to restrain the growth of discretionary spending to such an extent that its share of gross domestic product [GDP] has declined from 10.5 percent in 1980 to 8.2 percent in 1994. If Congress complies with the current discretionary spending caps, as we have every reason to believe it will, such spending will decline to just 6.8 percent in 1998. Domestic discretionary spending will have declined from 5.1 percent of GDP in 1980, to 3.7 percent in 1994, to 3.1 percent in 1998.

Fortunately, it is unlikely that this new procedure will bring about significantly larger reductions in discretionary spending than those we will already be required to achieve. Most cutting amendments offered on the House floor traditionally have involved relatively small amounts. And, because House savings from spending-cut amendments will be averaged with Senate savings, the final amount by which discretionary spending will be lowered is likely to be relatively minor. Moreover, I suspect that as discretionary spending levels are reduced further, increasing numbers of floor amendments to appropriations bills will involve transfers of funds, rather than simple cuts.

For what may well be insignificant reduction in the deficit, one result of this new procedure is likely to be protracted conflict between the Senate and the House, and between Congress and the President, toward the end of each year's appropriations season when new, reduced allocations of spending are parceled out to the appropriations subcommittees to accommodate whatever lockbox savings are finally achieved.

Mr. Chairman, if our goal is to establish procedures that will help us reduce the deficit, this measure aims at the wrong target. Like procedures Congress has considered in recent years—such as expedited rescission, line-item veto, separation of emergency and nonemergency appropriations—to apply further controls to discretionary spending, the lockbox proposal addresses the one part of the budget that is already under the strictest control. If our budget process is inadequate in any way, it is that it provides comparatively little control for the mandatory spending—entitlement programs—that is driving the growth of the Federal budget.

In contrast to the decline in discretionary spending that has been occurring, and will continue to occur, mandatory spending has grown from 9.3 percent of GDP in 1980 to 10.7 percent in 1994, and will equal 12.6 percent of GDP in 1998.

If the plan to balance the budget by 2002 is to succeed, Congress must change its focus with respect to budget process matters. Rather than devoting our time and effort to devising ways to apply more controls to the part of the budget that is already under the strictest control, we must devote that same kind of effort to addressing other parts of the budget that are under less effective control. That includes not only entitlement programs, but also tax expenditures which, like entitlement programs, are not reauthorized on an annual basis.

Popular as the lockbox proposal is, I urge Members to consider carefully whether we really want a new procedure that increases the complexity of the budget process and the difficulty of reaching final agreement on appropriations bills, and that focuses our deficit-reduction efforts on an area of the budget that is already contributing more than its fair share to the cause.

Mr. GOSS. Mr. Chairman, I am privileged to yield such time as he may consume to the gentleman from New York [Mr. SOLOMON], chairman of the Committee on Rules.

Mr. SOLOMON. Mr. Chairman, when I came here 17 years ago, 2 years before my hero, Ronald Reagan, it was for the purposes of putting an end to the deterioration of our U.S. military, making it as difficult as possible for this Congress to spend money, to raise taxes and place regulatory burdens on the American people. So needless to say, I stand here today very much excited about what has been happening for the last 8 months, and particularly what is happening on this bill.

I also just want to thank the leadership for their continual efforts to bring a bill to this floor that represents what I say is workable legislation, with a compromise language but a steadfastness in principle. Indeed, this document before us today is the product of consultation with, listen to this, the Committee on Appropriations, the Committee on the Budget, the Committee on Government Reform and Oversight, the Congressional Budget Office, the Congressional Research Service, and even the Office of Management and Budget. That is all the people that have been involved in trying to bring this workable piece of legislation to the floor.

While this bill may not have reached the floor as soon as some of us might have desired, it is here today in a form that guarantees that when Members come to this floor to cut discretionary spending programs and reduce the deficit, spending will go down. That is what this is all about.

This bill is in a form that ensures that the Committee on Appropriations maintains flexibility to reach a consensus in conference, and that is very important, because that is what this legislative process is all about, all the while, spending less of the taxpayers' money. This bill is in a form that encourages spending, encourages spending cut amendments, because Members will know that when a spending cut is adopted, spending will be less at the end of the day. That is what this legislation is all about.

□ 1400

Finally, this bill is in a form that, while procedurally arcane, it truly works. Let us look at the process, because we need to establish legislative intent here today.

First, the deficit reduction lockbox account would be established in the Congressional Budget Office to monitor savings made in appropriations bills by House and Senate amendments adopted on the respective floor of those bodies, and to lock in average savings of the two houses by lowering congressional and statutory spending caps.

This lockbox account would consist of 13 subaccounts, matching the 13 appropriations subcommittees, and each subaccount would consist of a House lockbox balance, a Senate lockbox balance, and a joint House-Senate lockbox balance.

Upon the passage of each appropriation bill by each of the houses, the Director of the CBO would enter a balance for the appropriate subaccount of that house based on savings resulting from amendments adopted by that house from the spending level of the reported bill. During the consideration of each appropriation bill, a running tally would be established reflecting the increases and decreases in budgetary authority from the reported bill's total resulting from the adoption of each amendment.

Once an appropriation bill is passed in the Senate, the average of the House and the Senate savings for that bill would be entered in the joint House-Senate balance and the overall allocation, that is, the 602(a) spending limit for the appropriations committees would be reduced by that amount.

That means it cannot ever be spent again. Whenever an overall spending limit is adjusted downward, the chairmen of the appropriations committees would submit to their houses the revised suballocation for that subcommittee to reflect the reductions in the overall limits.

Furthermore, to ensure actual spending reduction, the bill states that upon the enactment of all appropriations bills for a particular fiscal year, the Director of OMB make reductions in the statutory spending ceilings to reflect the total cumulative savings in the joint House-Senate lockbox balance.

This process will apply the provisions of the bill retroactively to fiscal year 1996 for any appropriation bill passed by the House after the date of House passage of the deficit reduction lockbox bill.

Mr. Chairman, while this process may seem complicated, it is only as complicated as is necessary to ensure efficiency, reality and spending cuts in the budgetary process. I believe this new element of our process is necessary, and I believe that this bill provides the balanced yet reasonable process reform to assist our efforts toward a balanced budget.

That is complicated, but, ladies and gentlemen, it is going to work. It means when Members come on this floor and vote to cut a program, that program is going to stay cut and the money is going toward the deficit, not going to be spent on some other program. That is what this is all about. That is why Members need to come over here and vote for this vital piece of legislation.

Mr. FROST. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. HINCHEY].

Mr. HINCHEY. Mr. Chairman, this is a very popular measure, this lockbox proposal. It enjoys wide bipartisan sponsorship and even broader support here in the House, and perhaps that is equally true in the other house as well. But I think it is important that at least a few iconoclastic voices be raised in opposition to this measure so that we might more adequately and more deeply reflect on what we are doing and the consequences of those actions.

We have a basic responsibility here in the House of Representatives, even more so than the other house, to manage the economy, to make sure that we have a system of economic growth and prosperity, that we are creating jobs and creating economic opportunity for all Americans.

I know that the Members of this House take that responsibility very seriously. Unfortunately, however, we are focusing our attention only on one aspect of our economy, and we have been doing that for far too long now. That is this deficit, the budget deficit.

Focusing our attention on the budget deficit regrettably takes our attention away from two other deficits that are at least equally important and perhaps even more so: One is the trade deficit. I will not talk much about that.

The other is the investment deficit. We have a substantial deficit in the investment in the future of this country. It has been estimated that that deficit ranges as high as $1 trillion a year.

In other words, we may need as much as $1 trillion of public investment in order to create the kind of adequate growth in the economy that is necessary to create the kind of jobs and economic opportunity that is essential for a strong, sound, healthy economy. Other countries in the industrialized world are doing much more than we are.

We unfortunately are focusing our attention on the budget deficit to the detriment of our other responsibilities in this House. In so doing, this House has already tied its hands substantially with regard to its ability to manage fiscal policy, so much so that the entire, or most at least of the management of this economy has been handed over to the Federal Reserve, which has the ability to regulate monetary policy, and it is through monetary policy that our economy is seeing the ups and downs it has experienced in recent years as a result primarily of changes in interest rates.

We have taken from ourselves the ability to manage fiscal policy, which means the ability to regulate the amount of growth that we need through spending and saving policies which are primarily the responsibility of this house. Now we are taking one further additional step down into that deep cellar by the passage, and I am sure it will pass, of this lockbox proposal, because once again it restricts our ability to manage fiscal policy in a responsible way by taking away from the House that which it needs, which is flexibility with regard to our spending and saving practices.

I think, Mr. Chairman, that although this seems like a good idea and although many people support it, I think that we ought to reflect more adequately on what we are doing and begin to understand the consequences of our actions in restricting our ability to manage the fiscal house, that responsibility which we have been charged to manage, our fiscal obligations and fiscal policy for this country.

In passing this measure we are restricting our ability to do that. We will be restricting our ability to stimulate growth and to create jobs and economic opportunity. By so doing, we are making, I believe, a serious mistake. Nevertheless, it is something that we will probably do, and we will have to correct it at some point in the future.

Mr. GOSS. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Pennsylvania [Mr. FOX].

Mr. FOX of Pennsylvania. Mr. Chairman, I rise in support of the Deficit Reduction Lock-box Act which is an idea whose time has arrived. The bipartisan support for this legislation is very well known. We are going to be able to hold the line on waste and return savings to reduce the deficit. This is a bipartisan milestone legislative item that I think all of those who have been involved over the number of years before this Congress deserve a great deal of credit for bringing about and I think that the leadership of the gentleman from Idaho [Mr. CRAPO] today on this particularly should be highlighted. I thank him for his efforts.

The legislation before us, Mr. Chairman, will create a series of lockboxes to capture savings from the floor amendments and give appropriators maximum flexibility in allocating such savings. The process is one jointly with three lockboxes from both the House and the Senate and a joint House-Senate account that will lock in the savings.

After a bill is passed, the Congressional Budget Office will enter the final amount saved into the House lockbox. The Senate will follow a similar procedure and then average the two figures.

At this point the CBO, the Congressional Budget Office, will reduce the overall allocations for the House and Senate appropriations committees by the amount in the shared lockbox.

As Members can see, the American people, Mr. Chairman, have been saying for a long time, "We want the lockbox. We want to make sure that the savings you actually have in committee and on the floor result in real savings.

I think we will be hearing later from the gentleman from Florida [Mr. FOLEY] about his particular example which is so poignant. But for our taxpayers' protection the lockbox is essential to ensure that spending cuts that are made on the floor actually go toward reducing the deficit instead of funding tax cuts or other expenditures.

This session of the legislature, Mr. Chairman, has seen the line-item veto, the balanced budget amendment, the prohibition of unfunded mandates, and regulatory reform. The final item in protecting taxpayers will be the adoption of this lockbox legislation. It is consistent with the other reforms. I must say it also has been considered after careful deliberation of all those parties involved. I congratulate the sponsors and look forward to its passage.

Mr. FROST. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. SCHUMER].

Mr. SCHUMER. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. Chairman, I think this is very important and long overdue legislation. I want to commend all of those who worked so hard on it on both the majority and minority side.

I would like to thank my cosponsors and sponsors on this side, the gentlewoman from California [Ms. HARMAN], the gentleman from Texas [Mr. EDWARDS], and the gentleman from Oklahoma [Mr. BREWSTER]. I would like to thank all the folks on the other side who worked so hard on this, including the gentleman from Idaho [Mr. CRAPO] who when we were in the majority carried the lead on this proposal. And I would like to thank the majority leadership, because this bill is coming to the floor and frankly it should have come to the floor when we were in charge and it did not.

Let me say, this is a very simple concept. That is, that when you go to the floor and make a cut, and that cut succeeds, that that money goes to where it should go, which is to deficit reduction, rather than having the Committee on Appropriations go spend it on something else that no one has ever voted on.

Time and time again this body over the last decade has voted for cuts and then the money is spent on something else. That has not been the will of the House. That has not been what should have happened. Now for the first time when Members get up and if they had voted on, say, the amendment of the gentleman from Massachusetts [Mr. FRANK] and there was a 3-percent cut or voted on anything else and there was a cut, automatically the overall numbers would decrease and the money would go to deficit reduction. This is the kind of rational change that will actually bring our deficit down and yet at the same time not require us to make such draconian and across-the-board cuts that so many good programs pay because so many other programs which mainly are pork programs and would never succeed standing on their own or in the light of day, are sort of the jackals of the hard work of Members who go up and ask for cuts and they feed on these cuts and are used for these other kinds of programs.

This is very, very simple. It says the lockbox, and I would like to thank the people on my staff who came up with this idea originally 3, 4 years ago and actually named it the lockbox, says very simply, where you put the money, you make a cut, it goes into a lockbox and its stays there.

I would like to say that when the gentleman from Oklahoma [Mr. BREWSTER] and the gentleman from Texas [Mr. EDWARDS] and the gentlewoman from California [Ms. HARMAN] and I talked at a Democratic issues conference 3 years ago about doing this, we did not know that we could actually get it done.

Today is a very good day. I hope that both of us on both sides of the aisle will make sure that the Senate goes along and that this lockbox becomes law, because it will reduce pork, it will reduce deficits, and it will make sure that the will of this body is actually achieved.

Mr. GOSS. Mr. Chairman, I hope that the hopes of the gentleman from New York are indeed realized because they are the same hopes we have.

Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Ohio [Mr. HOKE], the commander in chief of the Republican theme team.

Mr. HOKE. I thank the gentleman from Florida [Mr. GOSS] for yielding me the time.

Mr. Chairman, I am glad to speak on this today in favor of it. I think that the reason that this came about is the same reason that it was first brought to our attention, and when I say "our," I mean my colleague and classmate the gentleman from Idaho [Mr. CRAPO] and my attention and everybody else, the other Members of the 103d freshman class.

□ 1415

In about the summer of 1993, after we had all been elected and we had come here idealistically, blithely thinking that we were going to make cuts in the budget and we were going to do the fiscally responsible thing and do what is right by the American people, the taxpayers that had voted us here, and we found out about halfway through that first year that a cut is not a cut at all, and we tried to do something about it.

Lo and behold, one of the things we found out is that we were also in the minority. Then along came the 104th Congress, and 72-some new freshmen Republicans were ushered in by the American people, and they found out the same thing in the summer of 1994. They found out, to great frustration, and not a little bit of anger, that, in fact, just because we vote for a cut in an appropriations bill on the floor, it does not necessarily mean anything.

So, Mr. Chairman, with some bipartisan support as well, on both sides, we have had a critical mass of frustration and anger that said, "Look, this flies in the face of common sense. If we are going to do what we were elected to do, if we are going to bring the fiscally responsible actions to the floor, then why does it not actually hold? Why does it not obtain?"

It is amazing, because it completely flies in the face of common sense what we do with these appropriations bill. Thank goodness for the Republican freshmen of the 104th Congress, because now we are going to pass this bill and it means that if we actually have a spending cut on the floor, that it will mean something.

Mr. Chairman, that has very important impact, because one of the things it does is it takes some of the power away from the Committee on Appropriations and it puts more power in the Congress, generally, which means that the will of the Congress can actually be worked out on the floor. That is very important.

Mr. Chairman, I am reminded of one other thing that is happening now, a similar thing, and it will seem equally confusing to the public that watches this. That is that Members all have office accounts. We were under the impression, as many Members were, I am sure, in the 104th Congress freshman class, that when we cut our office account and did not spend all the money, where does that balance of the money go? Members would think it goes back to the Federal Treasury. Wrong. It goes back to a fund that is an overall programmatic fund and it gets reprogrammed some place else.

That is completely unlike everything in America. Thank goodness we are in the right direction here. We are going to do the same thing with the office accounts and we are going to bring a little more common sense and fiscal sanity and responsibility to the way that we run things here in the U.S. Congress.

Mr. FROST. Mr. Chairman, I yield 2 minutes to the gentlewoman from California [Ms. HARMAN].

Ms. HARMAN. Mr. Chairman, I am delighted to stand here in enthusiastic support for the lockbox bill. A bit later, I will be offering an amendment to make it even better. But meanwhile, as the self-styled mother of lockbox, who has now moved into being the grandmother of lockbox, I would like to share with our colleagues some of the history here.

The gentleman from New York [Mr. SCHUMER] was correct when he said that a number of us introduced this bill almost 3 years ago on the Democratic side. Similarly, a Republican, the gentleman from Idaho [Mr. CRAPO], offered it as a Republican bill. We joined together, and, over time, our bipartisan efforts became the genesis of the bill we are voting on today.

Mr. Chairman, I want to point out to everyone that prior to signing the budget bill in August 1993, President Clinton signed an Executive Order which enacted a lockbox into which all of the savings generated and the revenues raised under the 1993 budget bill would go.

That lockbox concept has yielded hundreds of millions of dollars for deficit reduction, so we know that the concept worked. This bill, as my colleagues have heard, has passed in several forms in this Congress. The gentleman from Oklahoma [Mr. BREWSTER] first offered it as an amendment to the emergency supplemental bill earlier this spring and it passed overwhelmingly, 418 to 5.

We offered it last month as an amendment to the Labor–HHS appropriations bill and it again passed overwhelmingly. Mr. Chairman, here we are again with an independent, stand alone bill, which I think reflects enormous bipartisan support, the very hard work of Republican freshmen and the gentleman from Idaho [Mr. CRAPO], and the Committee on Rules. It is also the product of some very hard work by many on this side of the aisle.

Mr. Chairman, I offer my enthusiastic support and I hope that a few minutes from now we will make this bill even better with the adoption of the amendment the gentleman from Texas [Mr. STENHOLM] and I will offer.

Mr. GOSS. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Florida [Mr. FOLEY], my colleague who is the chairman of the Republican effort in this matter and has done a magnificent job.

Mr. FOLEY. Mr. Chairman, we came to Congress, and the freshman class has been mentioned many times on the floor. Much to my chagrin, one of the programs that I cut out of the budget, a wasteful program, $25 million, I excitedly ran out of the room and I said, "I have had a victory. I saved the taxpayers $25 million," only to find out the next day that an amendment was offered to take the entire savings and move it to another governmental program.

Lo and behold, the gentleman from Idaho [Mr. CRAPO] came up to me and said,

> Mark, I have just the fix for this dilemma that we are facing in the U.S. Congress. It is a savings account. It is like a Christmas Club account that the families save toward to provide for funds for much-needed projects.

Mr. Chairman, the lockbox account is a historic effort to make Government accountable for its spending and to put money aside and bring down the deficit. Some suggested today that we are unnecessarily focusing on the deficit of this Nation. It is our No. 1 problem.

Mr. Chairman, we are spending more than we have. We are charging money to a charge account that the banks have canceled. We are in debt up to our ears and that debt is costing us 15 percent of our national budget just to pay interest alone on the debt.

Let me put it in plain, simple terms. The lockbox will reduce the deficit. It will reduce the cost of interest to the consumer. One example: A 1-percent reduction in the interest rate on a $75,000 loan on a single family home, a 1-percent reduction will provide $750 a year in saving, $65 a month.

The Deficit Reduction Lock-box Act will allow us, over time, to reduce the Federal Government's appetite for debt and bring about fiscal sanity in this Nation.

Mr. Chairman, I conclude and thank the Democratic side of the aisle for their help on this issue, and particularly the gentleman from Idaho [Mr. CRAPO], the gentleman from Florida [Mr. GOSS], and the Committee on Rules, for their leadership in bringing this to the floor.

Mr. Chairman, this is a historic day and I urge every colleague to support this viable initiative.

Mr. FROST. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. EDWARDS].

Mr. EDWARDS. Mr. Chairman, I rise in strong support of this legislation.

Mr. Chairman, I believe that the lockbox bill is a security key for our children. It is a security key for our grandchildren. With the passage of the lockbox bill, and its signing into law I hope sometime this year, we are going to be saying to our children and grandchildren this Congress is going to be more fiscally responsible.

Mr. Chairman, I think the consequence of this bill is that it will result in the reduction of the deficit. If we do not deal with that serious problem, we will put a load on our children and grandchildren out from under which they cannot climb.

This bill will have the advantage of cutting pork-barrel spending. What has happened on so many occasions is that Democrats and Republicans come to the floor of this House in the light of day and cast a tough vote to cut spending programs, and then late at night, behind some closed door in a Committee on Appropriations hearing somewhere with very few people watching, the appropriators in the House or the Senate might add the same amount of spending back into the legislation.

Mr. Chairman, that is a poor way to do the public's business. This lockbox bill will not only result in more fiscally sound decisions; it will result in those decisions being made in the light of day.

I want to commend the gentleman from Florida [Mr. GOSS] and others on the majority side. This is a true example of this Congress working in bipartisan fashion to come up with a bill that makes common sense and a bill that is fiscally responsible.

Mr. Chairman, I want to pay special tribute to the gentlewoman from California [Ms. HARMAN] who worked on this bill over the last several years, at a time when very few people were paying attention to it, when others wanted to put it on the shelf. She never gave up and the gentlewoman from California deserves credit from both sides of the aisle for her effort on this. I hope we can apply the concept of this legislation to spending in outyears as well.

Finally, Mr. Chairman, I hope the American people will find out about this commonsense measure being passed today. The fact that we are not having a bipartisan fight on the floor will probably cause many people, our friends in the press, not to pay attention to this bill. This is a very significant piece of legislation. I hope the American people will find out about it and I commend the gentleman from Florida [Mr. GOSS] and the bipartisan effort.

Mr. GOSS. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Delaware [Mr. CASTLE].

Mr. CASTLE. Mr. Chairman, I thank the gentleman both for yielding and for being the manager of this very important piece of legislation.

Mr. Chairman, I congratulate the gentleman from Idaho [Mr. CRAPO] and the gentlewoman from California [Ms. HARMAN] who worked so very hard on this. They have done an extraordinary job.

Mr. Chairman, budgeting in the U.S. Government is the most complex procedure I have ever dealt with in my life. With a family budget, we sit down and look at our checkbook. With a corporate budget, generally there is a

committee that does it. And in State, city, or country government, there is one committee that does the appropriations and sets the basic budget tone and then it is reviewed and signed or not signed.

Here in Washington, we deal with budget resolutions done by one committee, appropriations bills done by 13 subcommittees, appropriations bills, reconciliations, raising the debt ceiling of the United States of America, maybe a continuing resolution. It has taken me the 2½ years that I have been here just to begin to comprehend what it is we are doing with it.

Mr. Chairman, how is it for the public? All they know is that we have a $4.95 trillion debt, that we have a deficit every year, and they keep saying to me, and all of us, I am sure, "Why can't you all balance the budget?"

I think we are honestly making an effort. We have, in the last 2½ years in this House, passed a balanced budget amendment; we have passed a line-item veto, so that the President can get involved in the process on a line-item basis; we have eliminated the baseline budgeting, so that we look at the budget from the year before and calculate our budgets from that; and now, we have the lockbox concept.

Mr. Chairman, it is complicated and sort of a complicated name, but it is so doggone simple in what it does. That is, when you cut something from an appropriations bill on this floor from now on, it is going to stay cut and will not be added some place else, either in that appropriation or some other appropriation.

Mr. Chairman, I think that is pretty straightforward when it comes right down to it. For that reason, I rise in strong support of this legislation as part of the overall package, which I believe we need to make our procedures simpler, to make them plainer, so that we as Members know exactly what we are doing and so the public can recognize what we are doing.

Mr. Chairman, I hope we can all support this legislation.

Mr. GOSS. Mr. Chairman, I yield 2 minutes to the gentleman from Florida [Mr. STEARNS], my friends and colleague, one of the well-known deficit hawks of this institution.

Mr. STEARNS. Mr. Chairman, I fully endorse the concept of a lockbox and believe this is a good first step toward fulfilling our pledge to the American people. We made a promise that we will spare future generations from being asked to bear the brunt of paying for our follies.

When I heard the gentlewoman from California [Ms. HARMAN] talk, and the gentleman from Idaho [Mr. CRAPO] talk, I thought to myself, they would be interested to know that even Thomas Jefferson supported the lockbox. So I went back into his writings and I have a quote for my colleagues.

Mr. Chairman, it says,

> I am for a government rigorously frugal and simple, applying all the possible savings of the public revenue to the discharge of the national debt; and not for a multiplication of offices and salaries merely to make partisans, that is, just pass something to get votes, and for increasing by every device the public debt on the principle of it being a public blessing.

In effect, when he was talking about ridding the national debt by taking possible savings, he was actually talking about a lockbox. My colleagues probably did not know that, but I thought I would share that with them.

Mr. Chairman, obviously I am in favor of this concept, and if we are truly committed to turning our Nation's economy around, we must not falter in this regard. I am a cosponsor of this bill and proud to speak in its behalf.

Mr. Chairman, let us heed the words of Thomas Jefferson and vote to protect the public interest and make the lockbox permanent.

□ 1430

Mr. GOSS. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. ROYCE].

Mr. ROYCE. Mr. Chairman, I want to point out to the Members of this body that if this bill had been law last year, we would have saved $659 million that would have gone to deficit reduction. That is the sum that we actually passed in cuts, and yet later we found that those cuts, those savings, were reallocated for additional spending programs in this House.

When I think about the fact, and I have spoken about the $200 billion chronic deficits that we are running in this Government, when I think about the fact that last year we had $100 million in the ASRM program that we thought we had cut on this floor, and yet we found out subsequently that that money was reallocated for additional spending, when I think about the fact that it is really the will of the majority of this House, when the majority votes on this floor, to cut spending, and then to see that will of the majority overturned, overturned by having that money reallocated, I say let us let the will of the majority be done. Let us let the cuts be carried out.

I am excited about the reform movement in this Congress. I think people have told us, "No more politics as usual." I think that people have made the point to us that this change, these changes that we are implementing in public policy really represent for us a keeping faith with the expectations of the American people, that we are going to keep out commitments. We are going to basically keep our credibility with that public and that we are going to say to that public, when we say we are cutting spending, we mean we are cutting spending; we mean that we are actually going to implement that and make certain those cuts go right to the bottom line.

Last, I will share with you my final thought on this subject, and that is that the most important thing we to do here is deficit reduction, and this reform, this governmental reform that we are implementing today, will allow us to better implement our policy to reduce that Federal budget deficit, and that is the final reason we should vote for this reform.

Mr. GOSS. Mr. Chairman, I have one further speaker who will close for our side.

Mr. FROST. Mr. Chairman, we have no additional speakers on our side.

Mr. GOSS. Mr. Chairman, I yield the balance of our time, 3½ minutes, to the gentleman from Michigan [Mr. UPTON].

Mr. UPTON. Mr. Chairman, I have said for a long time that we need structural reforms if we are ever going to balance this budget. This bill does that.

As people around the country watch on C-SPAN, and they probably writhe and cheer when this body has the guts to make some cuts along the way, what they forget along those lines is that when that bill goes to the other body months later, if we have been successful in making those cuts, the other body just sort of backfills.

I am going to give you an example. Last week we had the vote on the B-2 bomber on the appropriation spending bill for defense. I voted against it. I voted against it because I did not think that we could afford it, and had we been successful, we were not, but had we been successful, I would have wanted that money, and the reason I voted "no" in the first place was to lower our deficit so that the other body would not have been able to take that money and use it for something else.

I am a fiscal conservative, and whether it is the line item veto or changing the budget process to work, we have got to make this institution aware that when we cut spending here, we cannot allow the other body to simply raise it, and when they cut spending there, they should not be in the same shoes on this side to take the money that they might cut and add it to something else.

This idea, the lockbox, with strong bipartisan support, and it has been that way from the very onset, does exactly what we say we are going to do. When we cut spending, the money goes to reduce the deficit. It does not go for something else, and that is the reason that I rise and join so many of my colleagues here this afternoon in support of this legislation. This is real reform. It is structural reform. It is going to work, and it is about time that we passed it here and get the other body to do the same.

I just would encourage my colleagues, all of them, to support this legislation because it really does something about spending cuts, and that is what it is all about.

Mr. GOSS. Mr. Chairman, I yield back the balance of my time.

Mr. FROST. Mr. Chairman, I yield myself such time as I may consume.

As I mentioned previously, I support the legislation. I do. There are several amendments that will be offered shortly. I intend to offer one. The gentlewoman from California [Ms. HARMAN] intends to offer one. We will be discussing those very soon.

Mr. REED. Mr. Chairman, I rise in support of the bipartisan deficit lockbox legislation, H.R. 1162.

However, it is unfortunate that H.R. 1162 was not brought before the House of Representatives prior to consideration of this year's spending bills. Regrettably, this means that many of the cuts I voted for this year are not guaranteed to help reduce the deficit.

Mr. Chairman, H.R. 1162 is all about the truth. When Members vote to cut an unworthy project and do not redirect those scarce resources elsewhere, our constituents expect that money to go toward reducing the deficit.

Unfortunately, that is not the way the system works now, but with the passage of H.R. 1162 that will change. Now when the project is cut, those savings will lower the total sum of funds available and the deficit should be reduced by a commensurate amount.

I am pleased to support this truth in budgeting legislation, and I urge my colleagues on both sides of the aisle to vote for H.R. 1162. Thank you, Mr. Chairman.

Mr. POSHARD. Mr. Chairman, I rise today in strong support of H.R. 1162, the Deficit Reduction Lock-Box Act. I am an original cosponsor of this legislation and I have appreciated working with the bipartisan group bringing the bill to the floor today.

It should be recognized that we really started getting serious about deficit reduction with the 1993 budget agreement. Early that year, the President asked Members of Congress to the White House to brainstorm on just how we should approach our fiscal challenges. I met with the President on February 15, 1993, and at that time suggested to him the idea of a deficit reduction trust fund, which would help account for the money being saved through the budget process.

I told the President that the American people are willing to make the hard choices on taxes, program cuts and budget priorities if they know that the ultimate result is deficit reduction. What makes people unhappy is when they pay their fair share, services are reduced, non-priority items are funded and the deficit continues to rise.

This is a meaningful response to the concern. The lock-box helps us make sure a cut is a cut and that a zero is a zero. I am pleased to see the House taking this step toward fiscal responsibility and thank the Members of both sides of the aisle who helped make it happen.

Mr. LUTHER. Mr. Chairman, I rise in strong support of the measure before us today, H.R. 1162, the Deficit Reduction Lock Box Act of 1995.

The lock box legislation is a commonsense, bipartisan effort that should have been one of the first accomplishments of this Congress.

As a new Member of this body committed to supporting serious efforts to cut annual Federal spending and to reduce the national debt, the lock box approach is long overdue. While I am pleased that this bill enjoys broad bipartisan support, I am hopeful that next year's appropriations process will have a lock box for real deficit reduction in place.

I commend the bipartisan coalition of Republicans and Democrats who worked tirelessly to ensure consideration of H.R. 1162.

I have held 42 listening sessions in my district so far this year and my constituents overwhelmingly believe that the first priority of their elected leaders in Washington should be to get our country's fiscal house in order. They frankly cannot understand the current approach which allows a cut in spending to simply be spent elsewhere in the respective appropriation bills. With the budget situation facing our country, I likewise do not understand this approach, and I believe it's time to make a change.

Now, with the lock box contained in H.R. 1162, this shell game will cease to exist: Savings from budget cuts will be set aside for deficit reduction. Most elected officials talk the talk of changing business as ususal—this legislation allows us to walk-the-walk and show the American people that we are committed to deficit reduction.

Mr. Speaker, in my first 8½ months in Congress I have worked with many Republicans and Democrats on amendments that cut unnecessary or wasteful Federal Government spending. Now, our efforts will be rewarded with real deficit reduction. I look forward to our continued efforts.

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

The CHAIRMAN. All the time for general debate has expired.

Pursuant to the rule, the committee amendment in the nature of a substitute printed in the bill is considered as an original bill for the purpose of amendment and is considered read.

The text of the committee amendment in the nature of a substitute is as follows:

H.R. 1162

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 "Deficit Reduction Lockbox Act of 1995".

SEC. 2. DEFICIT REDUCTION LOCK-BOX ACCOUNT.

(a) ESTABLISHMENT OF ACCOUNT.—Title III of the Congressional Budget Act of 1974 is amended by adding at the end the following new section:

"DEFICIT REDUCTION LOCK-BOX ACCOUNT

"SEC. 314. (a) ESTABLISHMENT OF ACCOUNT.—There is established in the Congressional Budget Office an account to be known as the 'Deficit Reduction Lock-box Account'. The Account shall be divided into subaccounts corresponding to the subcommittees of the Committees on Appropriations. Each subaccount shall consist of three entries: the 'House Lock-box Balance'; the 'Senate Lock-box Balance'; and the 'Joint House-Senate Lock-box Balance'.

"(b) CONTENTS OF ACCOUNT.—Each entry in a subaccount shall consist only of amounts credited to it under subsection (c). No entry of a negative amount shall be made.

"(c) CREDIT OF AMOUNTS TO ACCOUNT.—(1) The Director of the Congressional Budget Office (hereinafter in this section referred to as the 'Director') shall, upon the engrossment of any appropriation bill by the House of Representatives and upon the engrossment of that bill by the Senate, credit to the applicable subaccount balance of that House amounts of new budget authority and outlays equal to the net amounts of reductions in new budget authority and in outlays resulting from amendments agreed to by that House to that bill.

"(2) The Director shall, upon the engrossment of Senate amendments to any appropriation bill, credit to the applicable Joint House-Senate Lock-box Balance the amounts of new budget authority and outlays equal to—

"(A) an amount equal to one-half of the sum of (i) the amount of new budget authority in the House Lock-box Balance plus (ii) the amount of new budget authority in the Senate Lock-box Balance for that bill; and

"(B) an amount equal to one-half of the sum of (i) the amount of outlays in the House Lock-box Balance plus (ii) the amount of outlays in the Senate Lock-box Balance for that bill,

under section 314(c), as calculated by the Director of the Congressional Budget Office.

"(d) DEFINITION.—As used in this section, the term 'appropriation bill' means any general or special appropriation bill, and any bill or joint resolution making supplemental, deficiency, or continuing appropriations through the end of a fiscal year.".

(b) CONFORMING AMENDMENT.—The table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by inserting after the item relating to section 313 the following new item:

"Sec. 314. Deficit reduction lock-box account."

SEC. 3. TALLY DURING HOUSE CONSIDERATION.

There shall be available to Members in the House of Representatives during consideration of any appropriations bill by the House a running tally of the amendments adopted reflecting increases and decreases of budget authority in the bill as reported.

SEC. 4. DOWNWARD ADJUSTMENT OF 602(a) ALLOCATIONS AND SECTION 602(b) SUBALLOCATIONS.

(a) ALLOCATIONS.—Section 602(a) of the Congressional Budget Act of 1974 is amended by adding at the end the following new paragraph:

"(5) Upon the engrossment of Senate amendments to any appropriation bill (as defined in section 314(d)) for a fiscal year, the amounts allocated under paragraph (1) or (2) to the Committee on Appropriations of each House upon the adoption of the most recent concurrent resolution on the budget for that fiscal year shall be adjusted downward by the amounts credited to the applicable Joint House-Senate Lockbox Balance under section 314(c)(2), as calculated by the Director of the Congressional Budget Office, and the revised levels of budget authority and outlays shall be submitted to each House by the chairman of the Committee on the Budget of that House and shall be printed in the Congressional Record.".

(b) SUBALLOCATIONS.—Section 602(b)(1) of the Congressional Budget Act of 1974 is amended by adding at the end the following new sentence: "Whenever an adjustment is made under subsection (a)(5) to an allocation under that subsection, the Director of the Congressional Budget Office shall make downward adjustments in the most recent

suballocations of new budget authority and outlays under subparagraph (A) to the appropriate subcommittees of that committee in the total amounts of those adjustments under section 314(c)(2). The revised suballocations shall be submitted to each House by the chairman of the Committee on Appropriations of that House and shall be printed in the Congressional Record.".

SEC. 5. PERIODIC REPORTING OF ACCOUNT STATEMENTS.

Section 308(b)(1) of the Congressional Budget Act of 1974 is amended by adding at the end the following new sentence: "Such reports shall also include an up-to-date tabulation of the amounts contained in the account and each subaccount established by section 314(a).".

SEC. 6. DOWNWARD ADJUSTMENT OF DISCRETIONARY SPENDING LIMITS.

The discretionary spending limit for new budget authority for any fiscal year set forth in section 601(a)(2) of the Congressional Budget Act of 1974, as adjusted in strict conformance with section 251 of the Balanced Budget and Emergency Deficit Control Act of 1985, shall be reduced by the amount of the adjustment to the section 602(a) allocations made under section 602(a)(5) of the Congressional Budget Act of 1974, as calculated by the Director of the Office of Management and Budget. The adjusted discretionary spending limit for outlays for that fiscal year, as set forth in such section 601(a)(2), shall be reduced as a result of the reduction of such budget authority, as calculated by the Director of the Office of Management and Budget based upon programmatic and other assumptions set forth in the joint explanatory statement of managers accompanying the conference report on that bill. Reductions (if any) shall occur upon the enactment of all regular appropriation bills for a fiscal year or a resolution making continuing appropriations through the end of that fiscal year. This adjustment shall be reflected in reports under sections 254(g) and 254(h) of the Balanced Budget and Emergency Deficit Control Act of 1985.

SEC. 7. EFFECTIVE DATE.

(a) IN GENERAL.—This Act shall apply to all appropriation bills making appropriations for fiscal year 1996 or any subsequent fiscal year.

(b) FY96 APPLICATION.—In the case of any appropriation bill for fiscal year 1996 engrossed by the House of Representatives after the date this bill was engrossed by the House of Representatives after the date this bill was engrossed by the House of Representatives and before the date of enactment of this bill, the Director of the Congressional Budget Office, the Director of the Office of Management and Budget, and the Committees on Appropriations and the Committees on the Budget of the House of Representatives and of the Senate shall, within 10 calendar days after that date of enactment of this Act, carry out the duties required by this Act and amendments made by it that occur after the date this Act was engrossed by the House of Representatives.

(c) FY96 ALLOCATIONS.—The duties of the Director of the Congressional Budget Office and of the Committees on Budget and on Appropriations of the House of Representatives pursuant to this Act and the amendments made by it regarding appropriation bills for fiscal year 1996 shall be based upon the revised section 602(a) allocations in effect on the date this Act was engrossed by the House of Representatives.

(d) DEFINITION.—As used in this section, the term "appropriation bill" means any general or special appropriation bill, and any bill or joint resolution making supplemental, deficiency, or continuing appropriations through the end of a fiscal year.

Amend the title so as to read: "A bill to establish procedures to provide for a deficit reduction lock-box and related downward adjustment of discretionary spending limits.".

The CHAIRMAN. During consideration of the bill for amendment, the Chairman of the Committee of the Whole may accord priority in recognition to a Member offering an amendment that has been printed in the designated place in the CONGRESSIONAL RECORD. Those amendments will be considered read.

Are there any amendments to the bill?

AMENDMENT OFFERED BY MR. GOSS

Mr. GOSS. Mr. Chairman, I offer an amendment, amendment No. 2, printed in the CONGRESSIONAL RECORD.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. GOSS: Page 2, line 6, strike "ACCOUNT" and insert "LEDGER".

Page 2, line 7, strike "ESTABLISHMENT OF ACCOUNT" and insert "LEDGER".

Page 2, line 10, strike "ACCOUNT" and insert "LEDGER".

Page 2, line 11, strike "ESTABLISHMENT OF ACCOUNT" and insert "LEDGER".

Page 2, lines 11 and 12, strike "There" and all that follows through "Account," on line 13, and insert the following: "The Director of the Congressional Budget Office (hereinafter in this section referred to as the 'Director') shall maintain a ledger to be known as the 'Deficit Reduction Lock-box Ledger'.".

Page 2, line 14, strike "Account" and insert "Ledger" and strike "subaccounts" and insert "entries".

Page 2, line 16, strike "subaccount" and insert "entry" and strike "entries" and insert "parts".

Page 3, strike lines 1 through 3 and insert the following:

"(b) COMPONENTS OF LEDGER.—Each component in an entry shall consist only of amounts credited to it under subsection (c). No entry of a negative amount shall be made.

Page 3, line 4, strike "ACCOUNT" and insert "LEDGER".

Page 3, lines 5 and 6, strike "of the Congressional Budget Office (hereinafter in this section referred to as the 'Director')".

Page 3, line 9, strike "subaccount" and insert "entry".

Page 4, line 2, strike the comma and insert a period and strike lines 3 and 4.

Page 4, before line 5, add the following new paragraph:

"(3) CALCULATION OF LOCK-BOX SAVINGS IN SENATE.—For purposes of calculating under this section the net amounts of reductions in new budget authority and in outlays resulting from amendments agreed to by the Senate on an appropriation bill, the amendments reported to the Senate by its Committee on Appropriations shall be considered to be part of the original text of the bill.

Page 4, between lines 13 and 14, strike "account" and insert "ledger".

Page 5, lines 9 and 10, strike ", as calculated by the Director of the Congressional Budget Office, and" and insert a period, and on line 11 strike "the" and insert "The".

Page 5, line 19, strike "Director of the Congressional Budget Office" and insert "chairman of the Committee on Appropriations of each House".

Page 6, line 3, strike "ACCOUNT" and insert "LEDGER".

Page 6, line 7, strike "account" and insert "ledger", and on line 8, strike "subaccount" and insert "entry".

Page 6, strike line 9 and all that follows through page 7, line 7, and insert the following new section:

SEC. 6. DOWNWARD ADJUSTMENT OF DISCRETIONARY SPENDING LIMITS.

The discretionary spending limits for new budget authority and outlays for any fiscal year set forth in section 601(a)(2) of the Congressional Budget Act of 1974, as adjusted in strict conformance with section 251 of the Balanced Budget and Emergency Deficit Control Act of 1985, shall be reduced by the amounts set forth in the final regular appropriation bill for that fiscal year or joint resolution making continuing appropriations through the end of that fiscal year. Those amounts shall be the sums of the Joint House-Senate Lock-box Balances for that fiscal year, as calculated under section 602(a)(5) of the Congressional Budget Act of 1974. That bill or joint resolution shall contain the following statement of law: "As required by section 6 of the Deficit Reduction Lock-box Act of 1995, for fiscal year [insert appropriate fiscal year], the adjusted discretionary spending limit for new budget authority shall be reduced by $ [insert appropriate amount of reduction] and the adjusted discretionary limit for outlays shall be reduced by $ [insert appropriate amount of reduction]." Notwithstanding section 904(c) of the Congressional Budget Act of 1974, section 306 of that Act as it applies to this statement shall be waived. This adjustment shall be reflected in reports under sections 254(g) and 254(h) of the Balanced Budget and Emergency Deficit Control Act of 1985.

Page 7, lines 14 and 15, strike "the date this bill was engrossed by the House of Representatives" and insert "August 4, 1995".

Page 8, lines 5 and 6, strike "the date this bill was engrossed by the House of Representatives" and insert "August 4, 1995".

Mr. GOSS. Mr. Chairman, I will briefly explain this amendment, which is somewhat technical. It is primarily a managers' amendment. I know there is some concern about time on the other side to get on with some of the amendments which we need to do.

Mr. Chairman, this is a manager's amendment primarily a series of technical changes to the bill reflecting dozens of hours of careful consultation with budget process experts, the various committees with interest and jurisdiction, and lockbox advocates. In making these technical changes we are clarifying the effect of lockbox, ensuring that we are in conformity with the Budget Act, addressing a potential vagueness in the language vis-a-vis the other body and fixing a potential constitutional problem with the requirement for lowering the statutory spending caps. Among the modifications we are making, is a change of the language of lockbox from "accounts" and "subaccounts" to "ledger" and "entries." The reason for this is to be as clear as possible about the accounting or scorekeeping function assigned to

CBO in this process. We have also made sure that all the various tasks assigned in this bill are properly assigned to reflect the requirements of the Budget Act. In addition, we have added language to make clear that when we refer to "Senate amendments" to appropriations bills we mean amendments adopted on the floor of the other body. In addition, some legal experts raised a concern about whether the language in this bill might have constitutional problems in the sense that it keys the statutory lowering of the discretionary caps by OMB to a provision that is not yet in law. In order to make absolutely sure that we do not run afoul of the constitution, this amendment would modify that section of the bill to require that the final appropriations bill—or CR—for a given fiscal year must include a statement telling OMB to reduce the caps by the amount of the total of all the joint House-Senate lockboxes through that budget cycle. Finally, this amendment ensures that the House is held accountable for lockbox to the date on which we first adopted it—when we passed the fiscal year 1996 Labor/HHS Appropriations bill on August 4, 1995, in which we included a Crapo lockbox amendment. I would like to thank the Budget Committee and the Appropriations CMTE for help in crafting this technical manager's amendment and I urge its passage.

AMENDMENT OFFERED BY MR. FROST TO THE AMENDMENT OFFERED BY MR. GOSS

Mr. FROST. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. FROST to the amendment offered by Mr. GOSS: Amend the instruction relating to page 7, line 14, to read as follows:

Page 7, beginning on line 14, strike "after the date this bill was engrossed by the House of Representatives and".

Mr. FROST. Mr. Chairman, many of us have supported lockbox because we want to make real cuts that will really reduce the deficit and assist our efforts to reach a balanced budget. However, as reported, this bill will not be applicable to 12 of the 13 fiscal year 1996 appropriations bills.

I understand that my colleague from Florida, in the amendment that he has just discussed, is offering an amendment which will make this bill applicable to the labor-HHS and Department of Defense appropriations, but I think we should go all the way and cover every one of the 13 bills in this exercise. The DOD appropriation was reduced by $121 million, and those savings will be counted toward deficit reduction. If we can count those savings, why can we not count others?

Mr. Chairman, let me give you a few specific examples of savings that have been made in the other 10 bills. We cut $20 million from the global environmental fund and $14 million from OPIC when we considered the foreign operations appropriation. We cut $65.8 million from the Treasury, Postal appropriation by reducing the funds for offices of the Food and Drug Administration. The energy and water appropriation was reduced $20 million by cutting the gas turbine modular helium reactor. Interior was reduced $5 million when we agreed to cut fossil energy research. In total, Mr. Chairman, the House has agreed to reduce discretionary spending by over $240 million, which, in anyone's calculation, amounts to real money.

Mr. Chairman, the question has arisen about what happens if money saved from one bill has subsequently been spent in another. I know the Committee on Appropriations believes this amendment will hamper its ability to negotiate with their Senate counterparts. I know Members will say funds have already been reallocated to programs that really matter to their districts. But is it the answer really that we have had to make hard choices? We have made them, and in order to get credit for them, they have to be real.

Mr. Chairman, if we apply lockbox retroactively, then maybe some of these cuts we have made will be real. That is what this Member intends when voting to cut, and I am sure that intention is shared by every other Member of this body.

Mr. GOSS. Mr. Chairman, I rise in opposition to the amendment to the amendment.

Mr. Chairman I think that the subject of retroactivity has been greatly debated in the process by all the players, and I recognize the sentiment that their distinguished gentleman from Texas in laying out. It is one that we all had when we started this process. It is something we hoped we could achieve.

The reality of the circumstances is, as we got into this thing and worked it all out, and it was complicated, as we see it, is that we had to draw a starting line somewhere, and we felt that the fair way to do it was to pick the day when the House spoke on it, and that is, in effect, what the managers' amendment, the underlying amendment to which this amendment applies, tries to do, and that date is August 4.

In terms of retroactivity, that would mean presumably that the lockbox might affect for fiscal year 1996 Labor-HHS, Defense, and D.C., by my calculations and that is, I use the word "might" advisedly, but I believe that is true.

The problem with trying to go back before that is we were operating very much under different rules and there was no notice to the appropriators, and I think that is a question of fair play, a question certainly we did not want to take away unnecessarily flexibility from the appropriators, but a practical reality that money has been reprogrammed and put into the process.

We as Members of this House have voted on that process during the movement of those other appropriations bills that happened before August 4. So I think it is extremely impractical, no matter how we feel about the general principle which the gentleman from Texas has espoused, it is impractical to get there.

So I am afraid I have to urge opposition to the amendment. I do not know how we can go back and capture what is not there, especially when we put everybody on notice on a certain date and we said that after this date we will operate under these new rules, and that is what my managers' amendment does. It says we are simply going to do that, and we are doing that, and I think that is living up to our word, our commitment. It is clearly what we put Members on notice on, and while I wish that we could do better, I do not think it is practical that we can, and I think it would deviate a little bit from what we promised the Members of this House if we passed the amendment offered by the gentleman from Texas. I do not wish to do that.

I urge, therefore, that we oppose it and defeat it.

Mr. SOLOMON. Mr. Speaker, I move to strike the last word.

Mr. Chairman, I just want to say to my good friend, the gentleman from Texas [Mr. FROST], he is a very valuable Member of the so-called opposition party, the loyal opposition, on the Committee on Rules, and I have great respect for him.

But his amendment, I would have preferred to pass this lockbox right out of the starting gate the first of the year and had it affect everything from then and into the future.

□ 1445

Mr. Chairman, I am going to make the same argument with my good friend, the gentlewoman from California [Ms. HARMAN], when she offers an amendment on the out years, but, as my colleagues know, this is a controversial issue. My colleagues heard my next-door colleague, the gentleman from New York [Mr. HINCHEY], stand up and say we are spending a trillion dollars too little in this Congress and that we have got to build all these roads, and bridges, and infrastructure. Well, the truth of the matter is, my colleagues, we have a serious problem in this country. It is called a deficit that is ruining us in this country. It is turning us into a debtor nation, and there is nothing more uncompassionate than taking away the future of our children and grandchildren.

Now I take a back seat to nobody on deficit reduction. Here is a bill I introduced back on June 22, 1995. It contains $890 billion, and that is not million, that is billion dollars, in cuts. It cuts just about everything. But it balances the budget in 5 years. That is how important it is.

But I would just say to the gentleman that, as the gentleman knows, Ronald Reagan, and I mentioned his name earlier, taught me something a long time ago. And that is, we cannot always have it our own way, we have to compromise. It is always a two-way street, and that is what we have done with this legislation. We had many of the appropriators dead set against this legislation, the same thing over in the other body, because they do not want to be hamstrung in spending, spending, spending.

Well, this is a compromise. It is a good compromise. It is a compromise that is going to get, I think, the overwhelming majority in this vote. That is why I would urge my colleagues to reject this amendment and any other amendments to this bill, because it is a consensus that has been worked out with both the Democrats and Republicans, the liberals and conservatives. it is a bill that is acceptable, and that is why my colleagues should vote against my good friend's amendment and vote for this bill on final passage.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. FROST] to the amendment offered by the gentleman from Florida [Mr. GOSS].

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

RECORDED VOTE

Mr. FROST. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 204, noes 221, not voting 9, as follows:

[Roll No. 656]

AYES—204

Ackerman
Allard
Andrews
Baesler
Baker (CA)
Baldacci
Barcia
Barrett (WI)
Becerra
Bentsen
Bevill
Bishop
Bonior
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Cardin
Chabot
Chapman
Christensen
Clay
Clayton
Clement
Clyburn
Coburn
Coleman
Collins (IL)
Collins (MI)
Condit
Conyers
Cooley
Costello
Coyne
Cramer
Cremeans
Danner
de la Garza
Deal
DeFazio
DeLauro
Dellums
Deutsch
Dingell
Doggett
Dooley
Doyle
Duncan
Durbin
Edwards
Ehrlich
Engel
Ensign
Eshoo
Evans
Fattah
Fazio
Fields (LA)
Filner
Flake
Foglietta
Foley
Forbes
Ford
Frost
Furse
Gejdenson
Gephardt
Geren
Gibbons
Gonzalez
Gordon
Green
Gutierrez
Hall (OH)
Hamilton
Harman
Hastings (FL)
Hayes
Hefley
Hefner
Hilleary
Hilliard
Hinchey
Holden
Horn
Inglis
Jackson-Lee
Jacobs
Jefferson
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kleczka
Klug
LaHood
Lantos
Levin
Lewis (GA)
Lincoln
Lipinski
LoBiondo
Lofgren
Lowey
Luther
Maloney
Manton
Manzullo
Markey
Martinez
Mascara
Matsui
McCarthy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Mfume
Miller (CA)
Mineta
Minge
Montgomery
Moran
Neal
Obey
Olver
Ortiz
Orton
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Peterson (FL)
Peterson (MN)
Pickett
Pomeroy
Poshard
Ramstad
Rangel
Reed
Richardson
Rivers
Roemer
Rose
Roybal-Allard
Royce
Rush
Sanders
Sanford
Sawyer
Scarborough
Schroeder
Schumer
Scott
Serrano
Shadegg
Skaggs
Skelton
Slaughter
Smith (MI)
Smith (WA)
Souder
Stark
Stenholm
Stokes
Studds
Stupak
Talent
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thompson
Thurman
Torres
Torricelli
Towns
Velazquez
Vento
Visclosky
Ward
Waters
Watt (NC)
Weller
Williams
Wise
Wyden
Wynn
Zimmer

NOES—221

Abercrombie
Archer
Armey
Bachus
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Beilenson
Bereuter
Berman
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Chambliss
Chenoweth
Chrysler
Clinger
Coble
Collins (GA)
Combest
Cox
Crane
Crapo
Cubin
Cunningham
Davis
DeLay
Diaz-Balart
Dickey
Dicks
Dixon
Doolittle
Dornan
Dreier
Dunn
Ehlers
Emerson
English
Everett
Ewing
Farr
Fawell
Fields (TX)
Flanagan
Fowler
Fox
Frank (MA)
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Gallegly
Ganske
Gekas
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Goss
Graham
Greenwood
Gunderson
Gutknecht
Hall (TX)
Hancock
Hansen
Hastert
Hastings (WA)
Hayworth
Heineman
Herger
Hobson
Hoekstra
Hoke
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Istook
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King
Kingston
Klink
Knollenberg
Kolbe
LaFalce
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Livingston
Longley
Lucas
Martini
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
Metcalf
Meyers
Mica
Miller (FL)
Mink
Molinari
Moorhead
Morella
Murtha
Myers
Myrick
Nadler
Nethercutt
Neumann
Ney
Norwood
Nussle
Oberstar
Oxley
Packard
Parker
Paxon
Pelosi
Petri
Pombo
Porter
Portman
Pryce
Quillen
Quinn
Radanovich
Rahall
Regula
Riggs
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Sabo
Salmon
Saxton
Schaefer
Schiff
Seastrand
Sensenbrenner
Shaw
Shays
Shuster
Skeen
Smith (NJ)
Smith (TX)
Solomon
Spence
Spratt
Stearns
Stockman
Stump
Tate
Thomas
Thornberry
Tiahrt
Torkildsen
Traficant
Upton
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
White
Whitfield
Wicker
Wolf
Woolsey
Yates
Young (AK)
Young (FL)

NOT VOTING—9

Moakley
Mollohan
Reynolds
Sisisky
Thornton
Tucker
Volkmer
Wilson
Zeliff

□ 1508

Messrs. NEUMANN, FRANK of Massachusetts, FARR, RIGGS, and RAHALL changed their vote from "aye" to "no."

Messrs. CREMEANS, TOWNS, SHADEGG, and ROYCE, and Ms. VELÁZQUEZ changed their vote from "no" to "aye."

So the amendment to the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MS. HARMAN TO THE AMENDMENT OFFERED BY MR. GOSS

Ms. HARMAN. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Ms. HARMAN to the amendment offered by Mr. GOSS:

In the matter proposed to be inserted by the amendment as a new section 6, in the third sentence—

(1) insert "and each outyear" after "[insert appropriate fiscal year]"; and

(2) insert "for the budget year and each outyear" after "insert appropriate amount of reduction" the second place it appears.

Ms. HARMAN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from California?

There was no objection.

Ms. HARMAN. Mr. Chairman, I am standing here as close as I possibly can to the center aisle to signify the point that there is bipartisan support for the legislation that we are considering.

Mr. Chairman, just a moment ago we saw here in the well of the House, Elizabeth Waldholtz, our newest daughter. I would like to say, as a mother of four, how happy I am that a new life has just joined us.

I want to compliment my friend, the gentleman from Florida [Mr. GOSS] for his leadership on the lockbox legislation and for his help in bringing the bill to the floor as a freestanding bill, as well as an amendment to the Labor-HHS appropriations bill. The gentleman from Florida and I both believe that the lockbox approach is a critical step in that long and winding road to a balanced budget.

Mr. Chairman, we can do even better. This amendment pairs the mother of lockbox with the father of the balanced

budget constitutional amendment. Our amendment will improve the current bill and allow us to capture outyear savings that result from successful floor amendments cutting appropriations. True deficit hawks should support this amendment, as do the National Taxpayers Union and the Concord Coalition. Let me repeat. The National Taxpayers Union and the Concord Coalition support this amendment. Indeed, earlier in the debate, the gentleman from Florida [Mr. STEARNS] made the point that Thomas Jefferson supports this legislation.

Mr. Chairman, the Harman-Stenholm amendment is very simple. It ensures that spending cuts in a multiyear program result in a reduction in outyear discretionary spending caps, as well as the present year caps.

□ 1515

Let me remind my colleagues that H.R. 1162 as originally introduced by the gentleman from Idaho [Mr. CRAPO] and myself, and now cosponsored by 80 of our colleagues, contained provisions capturing outyear spending, exactly what this amendment would do. The Harman-Stenholm amendment restores the original Crapo-Harman language.

Why do we need it? Well, here is the answer: If we are cutting personnel funds, 95 percent of those funds are spent in the first year. So we do not need this amendment for personnel cuts. But we need this amendment when we are cutting construction funds, military construction funds, for example, or multiyear procurement programs, which spend out slowly. Only a portion of the funds for those types of programs are spent in the first year.

For example, if we voted on a $100 million military construction program, it could be that only $6 million, or 6 percent, is spent in the first year. So if we cut that program, or cut a courthouse that would be valued at $100 million, we are really only applying $6 million to the deficit unless we adopt the Harman-Stenholm bipartisan amendment.

Similarly, with major weapons procurement programs, the first year's spendout is very small and the balloon comes later. So if we are serious about deficit reduction, and I think we are, certainly those of us who supported the balanced budget amendment in its various forms are, we need to adopt this amendment so that not only is a cut a cut, but a cut is a full cut.

Let me point out, Mr. Chairman, as I did before, that the original Crapo-Harman bill as introduced contained this language. The Brewster amendment to the emergency supplemental bill which was passed earlier this year by 418 votes to 5, contained this language. The more recent version of lockbox that we passed as an amendment to the Labor-HHS appropriations bill did not contain this language, but that was necessary as a concession at that time.

Now we have a freestanding bill. Now we have the opportunity to restore the original language that 80 cosponsors of the Crapo bill support, that the Concord Coalition supports, that the Taxpayers Union support. Every single serious deficit hawk on both sides of the aisle ought to support this amendment in order to achieve the glidepath we all want to a balanced budget.

Mr. Chairman, I urge support for the Harman-Stenholm bipartisan amendment.

Mr. GOSS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, as the gentlewoman from California knows, I admire her persistence and her wisdom and her leadership in trying to make the best possible piece of legislation we can out of the lockbox, and she certainly deserves a great deal of credit for getting it this far down the track.

We have been wrestling with this problem of the outyears, trying to find a way to make it work. We want to do it. We have not been able to find the exact language. We find there are serious problems when we are talking with programs as opposed to dollars. Of course, we are reminded of the fact that we do our appropriations annually, at least at this point. So we have felt that we had the opportunity to come in and do what the gentlewoman has proposed in a way that would work and is agreed upon by all the players.

I would very much like to accommodate the amendment, and we tried, as I said. My view is we should certainly not oppose what you are proposing, and I would be very happy to immediately say that I embrace it. Wonderfully, it is a great addition and welcome addition if I felt we had the language worked out.

So I am put in the position of trying to figure out can we get this thing sorted out and in conference and accepted, as I would like to do, or do I point out there are procedural problems with this, which means it is not a good idea at this time, until we get the problems all sorted out. Frankly, I am not sure we are going to ever get them entirely sorted out, because they are of such a nature, when you get into talking about trying to deal with outyear implications for dollars rather than for programs, I do not know how you do that. Nobody does.

So the other question we have to measure is the sentiment of the body. In my view, the sentiment of the body is we should try and go on ahead and try to work this thing out in conference. Therefore, I am going to accept the proposed amendment to my amendment, with the understanding that we are going to have to work some things out in conference because we have not got the language yet.

Ms. HARMAN. Mr. Chairman, will the gentleman yield?

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

Ms. HARMAN. Mr. Chairman, I thank the gentleman for yielding. I appreciate the constructive comments that the gentleman has just made.

Mr. Chairman, I very much appreciate the gentleman's accepting this amendment, if I heard correctly. This, indeed, has been tricky to work out. Many of us have spent a lot of time on this amendment, on this concept. I would like to declare myself in addition to mother of lockbox, a de facto member of the Committee on Rules, since I have spent hours and hours over there. But I also want to commend the gentleman from Florida, Mr. GOSS, and to commend the gentleman from New York, Chairman SOLOMON, for really going the extra mile to make this work. I think that if we can get this perfected and if it can apply to the out years, we are doing more by this act to balance the budget than anything else we have done in this Congress.

Mr. SOLOMON. Mr. Chairman, will the gentleman yield?

Mr. GOSS. I yield to the gentleman from New York.

Mr. SOLOMON. Mr. Chairman, let me just say that I concur with the feelings of the gentleman from Florida [Mr. GOSS]. There are some procedural problems, as I discussed with the gentlewoman earlier. I think that there may be a way to work it out, and if there is, certainly we would look forward to it. If I am one of the conferees, we will do what we can to try to work with you between now and the time we do go to conference to see if there is some way to perfect this language that will truly make it work.

Ms. HARMAN. Mr. Chairman, if the gentleman will yield further, I appreciate that. I pledge to work with the gentleman.

Mr. Chairman, I would just like to conclude, as I am very close to this center aisle, that when we work in bipartisan fashion on some of these very complicated but very important budget reforms, we make more progress. So I feel this has been a very excellent debate on the House floor. I know it is not over. My colleague, the gentleman from Texas [Mr. STENHOLM], is waiting to speak. But I congratulate both gentleman for the enormous effort made, and also the gentleman from Idaho [Mr. CRAPO], who is sitting quietly in the back there, for his leadership and his friendship.

Mr. GOSS. Mr. Chairman, reclaiming my time, I want to thank Members for the bipartisan spirit in this. This is a complicated issue, as we have said. We are trying to do the right thing. I hope this is the right way to proceed. With the assurances we have from the gentleman that we will continue to work in a bipartisan effort, we will accept this and see how we can get it sorted out, at least as a placeholder in conference, to get the best we can.

Mr. STENHOLM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I learned a long time ago when you have your amendment passed, you do not talk too much, so I will take all the persuasive arguments that I was going to use with the gentleman from Florida [Mr. GOSS] and the gentleman from New York [Mr. SOLOMON], and insert them into the RECORD, and accept this in the spirit of bipartisan, something we have not seen nearly as much of over the last several months. But I hope this is a sign of better things to come.

This is an idea that I have no doubts whatever can be worked out. All of the technical points that the gentleman from Florida has mentioned are very real, but they can be worked out in the spirit of cooperation that has been indicated today.

Mr. Chairman, I will yield back the balance of my time and insert the persuasive arguments that are no longer necessary into the RECORD.

Mr. Chairman, I congratulate the Rules Committee both for bringing H.R. 1162 to the floor with an open rule and for the committee's substantive, legislative activity on the bill.

Like so many others who have spoken on the floor today, this is an issue I have spent many hours over the past several years working towards and I am pleased to see this day finally come. My colleagues, MIKE CRAPO, JANE HARMAN, MIKE CASTLE, BILL BREWSTER, JOHN KASICH, CHET EDWARDS, and others have done a terrific job in leading this bipartisan effort and I want to thank them for that leadership.

I intend to vote in support of final passage of this bill, not because I think it is a perfect bill, or even as strong a bill as we have had proposed over the past several years. But I support it in a spirit of legislative compromise which has been noticeably lacking in recent months. Contrary to much of the rhetoric which has been circulating, not so much around this issue but around some of the currently relevant larger issues, I refuse to become part of the army which seems to think the political process can move forward without compromise.

I would like to see this bill come a little closer to provisions included in the Kasich-Stenholm-Penny common cents reform of last year. In my opinion, the ways in which this bill differs from that earlier proposal result in undesirable consequences for the budget deficit. But I accept that other people had other ideas and so I am willing to continue as a foot soldier to improve the status quo, even if it's not everything I would like. I hope others might get the hang of that concept as the next few months proceed.

I do intend to support final passage of this bill, but I also want to join in one more effort to improve what I believe is the most serious shortcoming of this bill before it leaves the House of Representatives. Therefore, I rise enthusiastically at this point to speak in behalf of the amendment by my colleague from California, my leader in this effort, JANE HARMAN. This amendment will ensure that the full effect of spending cuts on appropriations bills are locked into deficit reduction.

H.R. 1162 as it is before us currently affects only allocations of spending and discretionary caps for the fiscal year covered by the appropriations bill. Thus, the measure would not lock-in the outyear savings resulting from spending reduction amendments.

At first blush, one might assume this criticism is worthy of little more than nitpicking from a budget nerd. Nothing could be further from the truth. For anyone whose support of this legislation is driven by concern about deficit reduction, which I assume is virtually everyone supporting this bill, this outyear factor is no small matter. In fact, we're talking about this bill cutting in half the potential deficit reduction.

On average, 48 percent of funds appropriated in any year do not result in outlays until the second year or later. Therefore, in the rhetoric that has surrounded this concept from its beginning, this bill doesn't really guarantee that a cut is a cut. What it does is say that a cut is half a cut at best.

I say it is half a cut at best because there is a split-the-difference formula in the base bill which says that the amount placed in the lockbox should be equal to one-half the sum of the amounts in the House lockbox and the Senate lockbox. If we assume that current trends will continue and the House will typically cut more than the Senate, it means that the optimum deficit reduction will never be achieved.

Putting that formula aside, however, I believe that this outyear matter is of even greater importance. The Harman amendment will capture all of the outyear savings for deficit reduction.

Because the Federal budget process is such a complicated one, I would like to give an example of what this outyear matter really means. Let's assume that this year the Congress appropriates $1 billion for a given highway project. Because building a highway takes some time, the Department of Transportation may obligate only $100 million of the money during the next year. That doesn't mean that the project loses the other $900 million; it just means that money will be obligated in subsequent years as the highway continues to be built. Eventually, that full $1 billion will be spent by the Federal Government on the highway.

Now, let's say that as part of an across-the-board cut, that highway appropriation was cut in the House by 5 percent. Does that mean that $50 million will be going to reduce the deficit? Absolutely not. It means that $5 million, or 5 percent of the first year's spending can go into the House's account. Of course even that amount might be reduced if the Senate cuts less, but we won't get into that here.

Clearly, if you are trying not only to maximize the deficit reduction but also are trying to accomplish what the average citizen assumes you have done, you need to capture the outyear savings. In today's environment, I would say that the trust/credibility aspect of following through on what we imply we are doing is just as important as the deficit reduction aspect of capturing the outyear savings.

I believe that Ms. HARMAN has focused on an absolutely critical element of the bill with her amendment. I believe that anyone who cares about getting the biggest bang for our deficit-reduction buck, as well as anyone who is concerned about rebuilding public confidence in Congress, should support this amendment. I urge passage of the Harman amendment.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from California [Ms. HARMAN] to the amendment offered by the gentleman from Florida [Mr. GOSS].

The amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. GOSS], as amended.

The amendment, as amended, was agreed to.

The CHAIRMAN. Are there further amendments to the bill?

AMENDMENT OFFERED BY MRS. MEEK OF FLORIDA

Mrs. MEEK of Florida. Mr. Chairman, I offer an amendment. This is not the same amendment that I filed in yesterday's RECORD. I was advised by the House Parliamentarian that this new version of the amendment is in order.

The Clerk read as follows:

Amendment offered by Mrs. MEEK of Florida: At the end, add the following new section:

SEC. 8. REQUIREMENT THAT SAVINGS ONLY BE USED TO REDUCE THE BUDGET DEFICIT.

Reductions in outlays and reductions in discretionary spending limits specified in section 601(a)(2) of the Congressional Budget Act of 1974 resulting from the implementation of the Act shall be used only to reduce the budget deficit of the United States and shall not be used, directly or indirectly, to increase the budget deficit of the United States.

Mrs. MEEK of Florida (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Florida?

Mr. GOSS. Mr. Chairman, I object. I would like to hear the full amendment.

The CHAIRMAN. Objection is heard. The Clerk will read the amendment.

The Clerk concluded the reading of the amendment.

Mrs. MEEK of Florida. Mr. Chairman, this amendment is a clarifying, technical amendment to the bill. It should not be controversial.

My amendment would simply specify that all of the funds saved through lock-box spending reductions would be used for deficit reduction, and not for tax cuts.

Mr. Chairman, I strongly support the goal of reducing the Federal deficit, although I strongly disagree with how the Republican majority is attempting to achieve this goal.

My amendment will insure that this bill actually does what it is advertised to do—cut the deficit.

The sponsors of this bill say that any cuts in a specific appropriations bill made on the floor of the House or the Senate should go only to deficit reduction.

But the actual text of the bill only says that the funds cut on the floor cannot be used for other appropriations bills. The reported bill does not actually say that the cuts must be used for deficit reduction.

Thus, the bill leaves open the possibility that the spending cuts could be used to pay for a tax cut.

My amendment corrects this ambiguity and makes it clear that the cuts cannot be used to pay for a tax cut.

Mr. Chairman, this House has strongly supported this approach in the past.

The effect of my amendment is identical to a provision of the Brewster lockbox amendment adopted by the House on March 15 of this year by a resounding vote of 418 to 5.

Some may argue that my amendment is unnecessary because existing law prohibits using cuts in appropriations to pay for tax cuts. But this argument is a technical, legal one. It misses the point.

This Congress is making many, many cuts in spending in the name of reducing the deficit. It is therefore important for Congress to clearly affirm its intent—in this bill—that cuts in appropriations cannot be used to pay for tax cuts.

Mr. Chairman, I believe that those who have already cut programs like Head Start, housing for low-income people, job training and similar programs will try in the future to make additional cuts.

I have opposed these cuts in programs to help children, the poor, the sick, and the elderly, and I will continue to oppose them in the future.

But it would be rubbing salt in the wounds of the poor to have these cuts used to help pay for tax cuts for the wealthy.

Mr. Chairman, I urge my colleagues to support my amendment.

Let us make it clear to everyone that spending cuts can only be used to reduce the deficit.

□ 1530

Mr. SOLOMON. Mr. Chairman, I move to strike the last word.

Mr. Chairman, at the outset of this debate I said when I came here 17 years ago I came here for the purpose of trying to stop the defense budget of this country from becoming totally inadequate and to do everything I could to make it more difficult to spend money, to raise taxes, and to place regulatory burdens on the American people.

I would say to the gentlewoman, as I read her amendment, this amendment says that from now on and in the future, if we want to cut taxes, we cannot pay for it out of discretionary spending cuts. That, to me, is the antithesis of what I came to this Congress for. We are here to cut taxes, and we are here to limit speeding. I would hope we would defeat the gentlewoman's amendment, as much as we happen to like her.

Mr. GOSS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, we have not seen this amendment in this form until just a few minutes ago. I think the gentleman from New York [Mr. SOLOMON] has characterized the concern we have over here about it.

As one reads it, it seems harmless enough, but when we think of the implications of it, it gets into a situation where we have many missions as we go through our budget work. One of them certainly is to try to cut taxes, where we can, to reduce the tax burden on the American people.

Mr. Chairman, I am afraid this is so broadly worded that it talks about steps that we might take with regard to the lockbox, which could be interpreted to prohibit us from tax cuts in the same year with regard to discretionary funds. I understand what my colleague from Florida, I think, is trying to accomplish; to make sure that we basically take the savings that come out of the appropriations process and use them to reduce the deficit. And that is what this is all about, that is what the lockbox is all about.

I am afraid this creates some uncertainties and goes beyond just a lockbox procedure and would tend to tie the hands of Members who would be interested in tax cuts in the same fiscal year.

That, I think, Mr. Chairman, is a serious, serious matter. So what I would urge so that the record is very clear, the testimony at the time we passed the lockbox, the Crapo amendment to the Labor, HHS, the testimony in the Committee on Rules, the testimony here today is all very, very clear. It says that the purpose of the lockbox is to capture those savings, and we intend to capture those savings.

To go further than that and say we also will not cut taxes, I think, goes well beyond, frankly, the scope of what we are talking about and does cause some complication with regard to the original intent, which is the lockbox, which is to capture the savings.

Mr. DREIER. Mr. Chairman, will the gentleman yield?

Mr. GOSS. I yield to the gentleman from California.

Mr. DREIER. Mr. Chairman, I thank my friend for yielding to me, and I have to join in opposition to this amendment.

I certainly have the greatest of admiration for my friend, the gentlewoman from Florida [Mrs. MEEK], but my concern is that, as we look at the issue of saving, and now to go, as my friend has just said, a step further and jeopardize the ability to reduce the incredible tax burden on working Americans, I believe, goes far beyond the purview of the intention of the lockbox.

Obviously, Mr. Chairman, there are many of us, most everyone, concerned about the pattern of deficit spending we have seen over the past several decades. But we are also concerned about the fact that there are so many people out there who feel that the Federal Government imposes a tax level which is way too high, and it is our goal as we reduce the deficit to also reduce that burden of taxes on working Americans.

It is clear that the amendment offered by my friend, the gentlewoman from Florida [Mrs. MEEK], would joepardize the opportunity to do that. For that reason I am compelled to join in opposition to this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Florida [Mrs. MEEK].

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

RECORDED VOTE

Mrs. MEEK of Florida. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 144, noes 282, not voting 8, as follows:

[Roll No. 657]

AYES—144

Ackerman	Frost	Moran
Baldacci	Furse	Neal
Barrett (WI)	Gejdenson	Oberstar
Becerra	Geren	Obey
Beilenson	Gibbons	Olver
Bentsen	Gonzalez	Owens
Berman	Green	Pastor
Bevill	Gutierrez	Payne (NJ)
Bishop	Hall (OH)	Payne (VA)
Borski	Hamilton	Peterson (MN)
Boucher	Hastings (FL)	Pomeroy
Browder	Hefner	Poshard
Brown (CA)	Hilliard	Rahall
Brown (FL)	Hinchey	Rangel
Brown (OH)	Hoyer	Rivers
Bryant (TX)	Jackson-Lee	Rose
Cardin	Jacobs	Roybal-Allard
Clay	Jefferson	Rush
Clayton	Johnson (SD)	Sabo
Clement	Johnson, E.B.	Sanders
Clyburn	Johnston	Schroeder
Coleman	Kanjorski	Scott
Collins (IL)	Kennedy (MA)	Serrano
Collins (MI)	Kleczka	Skaggs
Conyers	LaFalce	Slaughter
Costello	Lantos	Stark
Coyne	Lewis (GA)	Stenholm
Cramer	Lincoln	Stokes
DeFazio	Lofgren	Studds
Dellums	Luther	Stupak
Deutsch	Maloney	Tanner
Dicks	Manton	Thompson
Dingell	Markey	Thornton
Dixon	Martinez	Thurman
Doggett	Matsui	Torres
Dooley	McCarthy	Towns
Engel	McDermott	Velazquez
Eshoo	McKinney	Vento
Evans	McNulty	Visclosky
Farr	Meehan	Volkmer
Fattah	Meek	Ward
Fazio	Menendez	Waters
Fields (LA)	Metcalf	Watt (NC)
Filner	Mfume	Waxman
Flake	Miller (CA)	Wise
Foglietta	Mineta	Woolsey
Ford	Minge	Wynn
Frank (MA)	Montgomery	Yates

NOES—282

Abercrombie
Allard
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bonior
Bono
Brewster
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clinger
Coble
Coburn
Collins (GA)
Combest
Condit
Cooley
Cox
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
Davis
Deal
DeLauro
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Durbin
Edwards
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Fields (TX)
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Gallegly
Ganske
Gekas
Gephardt
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Gordon
Goss
Graham
Greenwood
Gunderson
Gutknecht
Hall (TX)
Hancock
Hansen
Harman
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Johnson (CT)
Johnson, Sam
Jones
Kaptur
Kasich
Kelly
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Klink
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
LoBiondo
Longley
Lowey
Lucas
Manzullo
Martini
Mascara
McCollum
McCrery
McDade
McHale
McHugh
McInnis
McIntosh
McKeon
Meyers
Mica
Miller (FL)
Mink
Molinari
Moorhead
Morella
Murtha
Myers
Myrick
Nadler
Nethercutt
Neumann
Ney
Norwood
Nussle
Ortiz
Orton
Oxley
Packard
Pallone
Parker
Paxon
Pelosi
Peterson (FL)
Petri
Pickett
Pombo
Porter
Portman
Pryce
Quillen
Quinn
Radanovich
Ramstad
Reed
Regula
Richardson
Riggs
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Salmon
Sanford
Sawyer
Saxton
Scarborough
Schaefer
Schiff
Schumer
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stearns
Stockman
Stump
Talent
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thornberry
Tiahrt
Torkildsen
Traficant
Upton
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Williams
Wolf
Wyden
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—8

de la Garza
Moakley
Mollohan
Reynolds
Sisisky
Torricelli
Tucker
Wilson

□ 1556

Mr. BREWSTER, Ms. DELAURO, and Messrs. RICHARDSON, TEJEDA, and ORTIZ changed their vote from "aye" to "no."

Messrs. HASTINGS of Florida, BEVILL, METCALF, CRAMER, and CARDIN changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there further amendments to the bill?

If not, the question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. LAHOOD) having assumed the chair, Mr. QUINN, 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. 1162) providing for consideration of the bill (H.R. 1162) to establish a deficit reduction trust fund and provide for the downward adjustment of discretionary spending limits in appropriation bills, pursuant to House Resolution 218, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on the amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the committee amendment in the nature of a substitute.

The committee amendment in the nature of a substitute was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. CRAPO. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 364, noes 59, not voting 11, as follows:

[Roll No. 658]

AYES—364

Ackerman
Allard
Andrews
Archer
Armey
Bachus
Baesler
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bentsen
Bereuter
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Brownback
Bryant (TN)
Bryant (TX)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cardin
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clement
Clinger
Clyburn
Coble
Coburn
Coleman
Collins (GA)
Combest
Condit
Cooley
Costello
Cox
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
Davis
Deal
DeFazio
DeLauro
DeLay
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Doggett
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Durbin
Edwards
Ehlers
Ehrlich
Emerson
English
Eshoo
Everett
Ewing
Farr
Fawell
Fazio
Fields (LA)
Fields (TX)
Filner
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Green
Greenwood
Gunderson
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson-Lee
Jacobs
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Johnston
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Lantos
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (CA)
Lewis (KY)
Lightfoot
Lincoln
Linder
Lipinski
LoBiondo
Lofgren
Longley
Lowey
Lucas
Luther
Maloney
Manton
Manzullo
Markey
Martinez
Martini
Mascara
Matsui
McCarthy
McCollum
McCrery
McDade
McHale
McHugh
McInnis
McIntosh
McKeon
McKinney
McNulty
Meehan
Menendez
Metcalf
Meyers
Mfume
Mica
Miller (CA)
Miller (FL)
Mineta
Minge
Molinari
Montgomery
Moorhead
Moran
Morella
Myrick
Neal
Nethercutt
Neumann
Ney
Norwood
Nussle
Oberstar
Ortiz
Orton
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (VA)
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Ramstad

Reed	Shuster	Tiahrt
Regula	Skeen	Torkildsen
Richardson	Skelton	Traficant
Riggs	Slaughter	Upton
Rivers	Smith (MI)	Visclosky
Roberts	Smith (NJ)	Volkmer
Roemer	Smith (TX)	Vucanovich
Rogers	Smith (WA)	Waldholtz
Rohrabacher	Solomon	Walker
Ros-Lehtinen	Souder	Walsh
Rose	Spence	Wamp
Roth	Spratt	Ward
Roukema	Stearns	Watts (OK)
Royce	Stenholm	Weldon (FL)
Salmon	Stockman	Weldon (PA)
Sanford	Stump	Weller
Sawyer	Stupak	White
Saxton	Talent	Whitfield
Scarborough	Tanner	Wicker
Schaefer	Tate	Wise
Schiff	Tauzin	Wolf
Schroeder	Taylor (MS)	Wyden
Schumer	Taylor (NC)	Wynn
Scott	Tejeda	Young (AK)
Seastrand	Thomas	Young (FL)
Sensenbrenner	Thompson	Zeliff
Shadegg	Thornberry	Zimmer
Shaw	Thornton	
Shays	Thurman	

NOES—59

Abercrombie	Frank (MA)	Rush
Baker (CA)	Gutierrez	Sabo
Becerra	Hilliard	Sanders
Beilenson	Hinchey	Serrano
Berman	Hoyer	Skaggs
Bonior	Lewis (GA)	Stark
Clay	Livingston	Stokes
Clayton	McDermott	Studds
Collins (IL)	Meek	Torres
Collins (MI)	Mink	Torricelli
Conyers	Murtha	Towns
Coyne	Myers	Velazquez
Dellums	Nadler	Vento
Dixon	Olver	Waters
Engel	Owens	Watt (NC)
Evans	Payne (NJ)	Waxman
Fattah	Pelosi	Williams
Flake	Rahall	Woolsey
Foglietta	Rangel	Yates
Ford	Roybal-Allard	

NOT VOTING—11

Bateman	Moakley	Sisisky
de la Garza	Mollohan	Tucker
Ensign	Obey	Wilson
Frost	Reynolds	

□ 1617

Mr. OLVER changed his vote from "aye" to "no."

Mrs. VUCANOVICH, Mr. POMBO, and Mr. PASTOR changed their vote from "no" to "aye."

So the bill was passed.

The result of the vote was announced as above recorded.

The title of the bill was amended so as to read: "A bill to establish procedures to provide for a deficit reduction lock-box and related downward adjustment of discretionary spending limits."

A motion to reconsider was laid upon the table.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 359

Mr. STUDDS. Mr. Speaker, I ask unanimous consent that my name be withdrawn as cosponsor of H.R. 359.

The SPEAKER pro tempore (Mr. LAHOOD). Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

FEDERAL ACQUISITION REFORM ACT OF 1995

Mr. MCINNIS. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 219 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 219

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. 1670) to revise and steamline the acquisition laws of the Federal Government, to reorganize the mechanisms for resolving Federal procurement disputes, and for other purposes. The first reading of the bill shall be dispensed with. Points of order against consideration of the bill for failure to comply with section 302(f) or 308(a) of the Congressional Budget Act of 1974 are waived. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Government Reform and Oversight. After general debate the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute recommended by the Committee on Government Reform and Oversight. The committee amendment in the nature of a substitute shall be considered by title rather than by section. The first two sections and each title shall be considered as read. Points of order against the committee amendment in the nature of a substitute for failure to comply with clause 5(a) of rule XXI or section 302(f) of the Congressional Budget Act of 1974 are waived. During consideration of the bill for amendment, the Chairman of the Committee of the Whole may accord priority in recognition on the basis of whether the Member offering an amendment has caused it to be printed in the portion of the Congressional Record designated for that purpose in clause 6 of rule XXIII. Amendments so printed shall be considered as read. 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. 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. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instruction.

The SPEAKER pro tempore (Mr. LAHOOD). The gentleman from Colorado [Mr. MCINNIS] is recognized for 1 hour.

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

Mr. Speaker, House Resolution 219 is a noncontroversial resolution. The proposed rule is an open rule providing for 1 hour of general debate divided equally between the chairman and ranking minority member of the Committee on Government Reform and Oversight. After general debate, the bill shall be considered as read for amendment under the 5 minutes rule.

The resolution provides that the bill be considered by title rather than by section, and it provides that the first two sections and each title shall be considered as read. The rule waives points of order against consideration of the bill for failure to comply with section 302(f) and 308(a). Additionally, points of order against the committee amendment in the nature of a substitute for the failure to comply with clause 5(a) of rule 21 or section 302(f) of the Congressional Budget Act of 1974 are waived. The chairman of the Committee on Government Reform and Oversight, Mr. CLINGER, was kind enough to provide the Committee on Rules with a explanation of the waivers that has been included in the Rules Committee report. The resolution allows the Chair to accord priority recognition to Members who have preprinted their amendments in the CONGRESSIONAL RECORD, and the Chair may postpone votes in the Committee of the Whole and reduce votes to 5 minutes, if those votes follow a 15-minute vote. Furthermore, 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. Finally, Mr. Speaker, the rule provides one motion to recommit with or without instructions.

Mr. Speaker, Chairman CLINGER, requested an open rule for this legislation. This open rule was reported out of the Committee on Rules by voice vote, without any opposition. Under the proposed rule, each Member has an opportunity to have their concerns addressed, debated, and ultimately voted up or down by this body.

Mr. Speaker, the underlying legislation, the Federal Acquisition Reform Act of 1995 is critical legislation. Each year the Federal Government spends about $200 billion on goods and services, ranging from weapons systems to cleaning supplies. The current system costs too much and is blanketed with redtape. The Secretary of Defense has found that, on average, the Government pays an additional 18 percent on what it buys solely because of requirements it imposes on its contractors.

Additionally, the Government's own administrative costs are astronomical. The Government's contracting officials are often mandated to follow step-by-step prescriptions that increase staff and equipment needs. In today's tight budgetary climate we need to get the most for each dollar we spend. I believe this legislation is a step in the right direction. I urge my colleagues to support the rule as well as the underlying legislation.

Mr. Speaker, I sumbit for the RECORD the following material from the Committee on Rules.

THE AMENDMENT PROCESS UNDER SPECIAL RULES REPORTED BY THE RULES COMMITTEE,[1] 103D CONGRESS V. 104TH CONGRESS

[As of September 13, 1995]

Rule type	103d Congress		104th Congress	
	Number of rules	Percent of total	Number of rules	Percent of total
Open/Modified-open [2]	46	44	45	74
Modified Closed [3]	49	47	14	23
Closed [4]	9	9	2	3
Totals:	104	100	61	100

[1] This table applies only to rules which provide for the original consideration of bills, joint resolutions or budget resolutions and which provide for an amendment process. It does not apply to special rules which only waive points of order against appropriations bills which are already privileged and are considered under an open amendment process under House rules.

[2] An open rule is one under which any Member may offer a germane amendment under the five-minute rule. A modified open rule is one under which any Member may offer a germane amendment under the five-minute rule subject only to an overall time limit on the amendment process and/or a requirement that the amendment be preprinted in the Congressional Record.

[3] A modified closed rule is one under which the Rules Committee limits the amendments that may be offered only to those amendments designated in the special rule or the Rules Committee report to accompany it, or which preclude amendments to a particular portion of a bill, even though the rest of the bill may be completely open to amendment.

[4] A closed rule is one under which no amendments may be offered (other than amendments recommended by the committee in reporting the bill).

SPECIAL RULES REPORTED BY THE RULES COMMITTEE, 104TH CONGRESS

[As of September 13, 1995]

H. Res. No. (Date rept.)	Rule type	Bill No.	Subject	Disposition of rule
H. Res. 38 (1/18/95)	O	H.R. 5	Unfunded Mandate Reform	A: 350–71 (1/19/95).
H. Res. 44 (1/24/95)	MC	H. Con. Res. 17	Social Security	A: 255–172 (1/25/95).
		H.J. Res. 1	Balanced Budget Amdt	
H. Res. 51 (1/31/95)	O	H.R. 101	Land Transfer, Taos Pueblo Indians	A: voice vote (2/1/95).
H. Res. 52 (1/31/95)	O	H.R. 400	Land Exchange, Arctic Nat'l. Park and Preserve	A: voice vote (2/1/95).
H. Res. 53 (1/31/95)	O	H.R. 440	Land Conveyance, Butte County, Calif	A: voice vote (2/1/95).
H. Res. 55 (2/1/95)	O	H.R. 2	Line Item Veto	A: voice vote (2/2/95).
H. Res. 60 (2/6/95)	O	H.R. 665	Victim Restitution	A: voice vote (2/7/95).
H. Res. 61 (2/6/95)	O	H.R. 666	Exclusionary Rule Reform	A: voice vote (2/7/95).
H. Res. 63 (2/8/95)	MO	H.R. 667	Violent Criminal Incarceration	A: voice vote (2/9/95).
H. Res. 69 (2/9/95)	O	H.R. 668	Criminal Alien Deportation	A: voice vote (2/10/95).
H. Res. 79 (2/10/95)	MO	H.R. 728	Law Enforcement Block Grants	A: voice vote (2/13/95).
H. Res. 83 (2/13/95)	MO	H.R. 7	National Security Revitalization	PQ: 229–100; A: 227–127 (2/15/95).
H. Res. 88 (2/16/95)	MC	H.R. 831	Health Insurance Deductibility	PQ: 230–191; A: 229–188 (2/21/95).
H. Res. 91 (2/21/95)	O	H.R. 830	Paperwork Reduction Act	A: voice vote (2/22/95).
H. Res. 92 (2/21/95)	MC	H.R. 889	Defense Supplemental	A: 282–144 (2/22/95).
H. Res. 93 (2/22/95)	MO	H.R. 450	Regulatory Transition Act	A: 252–175 (2/23/95).
H. Res. 96 (2/24/95)	MO	H.R. 1022	Risk Assessment	A: 253–165 (2/27/95).
H. Res. 100 (2/27/95)	O	H.R. 926	Regulatory Reform and Relief Act	A: voice vote (2/28/95).
H. Res. 101 (2/28/95)	MO	H.R. 925	Private Property Protection Act	A: 271–151 (3/2/95)
H. Res. 103 (3/3/95)	MO	H.R. 1058	Securities Litigation Reform	
H. Res. 104 (3/3/95)	MO	H.R. 988	Attorney Accountability Act	A: voice vote (3/6/95)
H. Res. 105 (3/6/95)	MO			A: 257–155 (3/7/95)
H. Res. 108 (3/7/95)	Debate	H.R. 956	Product Liability Reform	A: voice vote (3/8/95)
H. Res. 109 (3/8/95)	MC			PQ: 234–191 A: 247–181 (3/9/95)
H. Res. 115 (3/14/95)	MO	H.R. 1159	Making Emergency Supp. Approps.	A: 242–190 (3/15/95)
H. Res. 116 (3/15/95)	MC	H.J. Res. 73	Term Limits Const. Amdt	A: voice vote (3/28/95)
H. Res. 117 (3/16/95)	Debate	H.R. 4	Personal Responsibility Act of 1995	A: voice vote (3/21/95)
H. Res. 119 (3/21/95)	MC			A: 217–211 (3/22/95)
H. Res. 125 (4/3/95)	O	H.R. 1271	Family Privacy Protection Act	A: 423–1 (4/4/95)
H. Res. 126 (4/3/95)	O	H.R. 660	Older Persons Housing Act	A: voice vote (4/6/95)
H. Res. 128 (4/4/95)	MC	H.R. 1215	Contract With America Tax Relief Act of 1995	A: 228–204 (4/5/95)
H. Res. 130 (4/5/95)	MC	H.R. 483	Medicare Select Expansion	A: 253–172 (4/6/95)
H. Res. 136 (5/1/95)	O	H.R. 655	Hydrogen Future Act of 1995	A: voice vote (5/2/95)
H. Res. 139 (5/3/95)	O	H.R. 1361	Coast Guard Auth. FY 1996	A: voice vote (5/9/95)

SPECIAL RULES REPORTED BY THE RULES COMMITTEE, 104TH CONGRESS—Continued

[As of September 13, 1995]

H. Res. No. (Date rept.)	Rule type	Bill No.	Subject	Disposition of rule
H. Res. 140 (5/9/95)	O	H.R. 961	Clean Water Amendments	A: 414–4 (5/10/95)
H. Res. 144 (5/11/95)	O	H.R. 535	Fish Hatchery—Arkansas	A: voice vote (5/15/95)
H. Res. 145 (5/11/95)	O	H.R. 584	Fish Hatchery—Iowa	A: voice vote (5/15/95)
H. Res. 146 (5/11/95)	O	H.R. 614	Fish Hatchery—Minnesota	A: voice vote (5/15/95)
H. Res. 149 (5/16/95)	MC	H. Con. Res. 67	Budget Resolution FY 1996	PQ: 252–170 A: 255–168 (5/17/95)
H. Res. 155 (5/22/95)	MO	H.R. 1561	American Overseas Interests Act	A: 233–176 (5/23/95)
H. Res. 164 (6/8/95)	MC	H.R. 1530	Nat. Defense Auth. FY 1996	PQ: 225–191 A: 233–183 (6/13/95)
H. Res. 167 (6/15/95)	O	H.R. 1817	MilCon Appropriations FY 1996	PQ: 223–180 A: 245–155 (6/16/95)
H. Res. 169 (6/19/95)	MC	H.R. 1854	Leg. Branch Approps. FY 1996	PQ: 232–196 A: 236–191 (6/20/95)
H. Res. 170 (6/20/95)	O	H.R. 1868	For. Ops. Approps. FY 1996	PQ: 221–178 A: 217–175 (6/22/95)
H. Res. 171 (6/22/95)	O	H.R. 1905	Energy & Water Approps. FY 1996	A: voice vote (7/12/95)
H. Res. 173 (6/27/95)	C	H.J. Res. 79	Flag Constitutional Amendment	PQ: 258–170 A: 271–152 (6/28/95)
H. Res. 176 (6/28/95)	MC	H.R. 1944	Emer. Supp. Approps.	PQ: 236–194 A: 234–192 (6/29/95)
H. Res. 185 (7/11/95)	O	H.R. 1977	Interior Approps. FY 1996	PQ: 235–193 D: 192–238 (7/12/95)
H. Res. 187 (7/12/95)	O	H.R. 1977	Interior Approps. FY 1996 #2	PQ: 230–194 A: 229–195 (7/13/95)
H. Res. 188 (7/12/95)	O	H.R. 1976	Agriculture Approps. FY 1996	PQ: 242–185 A: voice vote (7/18/95)
H. Res. 190 (7/17/95)	O	H.R. 2020	Treasury/Postal Approps. FY 1996	PQ: 232–192 A: voice vote (7/18/95)
H. Res. 193 (7/19/95)	C	H.J. Res. 96	Disapproval of MFN to China	A: voice vote (7/20/95)
H. Res. 194 (7/19/95)	O	H.R. 2002	Transportation Approps. FY 1996	PQ: 217–202 (7/21/95)
H. Res. 197 (7/21/95)	O	H.R. 70	Exports of Alaskan Crude Oil	A: voice vote (7/24/95)
H. Res. 198 (7/21/95)	O	H.R. 2076	Commerce, State Approps. FY 1996	A: voice vote (7/25/95)
H. Res. 201 (7/25/95)	O	H.R. 2099	VA/HUD Approps. FY 1996	A: 230–189 (7/25/95)
H. Res. 204 (7/28/95)	MC	S. 21	Terminating U.S. Arms Embargo on Bosnia	A: voice vote (8/1/95)
H. Res. 205 (7/28/95)	O	H.R. 2126	Defense Approps. FY 1996	A: 409–1 (7/31/95)
H. Res. 207 (8/1/95)	MC	H.R. 1555	Communications Act of 1995	A: 255–156 (8/2/95)
H. Res. 208 (8/1/95)	O	H.R. 2127	Labor, HHS Approps. FY 1996	A: 323–104 (8/2/95)
H. Res. 215 (9/7/95)	O	H.R. 1594	Economically Targeted Investments	A: voice vote (9/12/95)
H. Res. 216 (9/7/95)	MO	H.R. 1655	Intelligence Authorization FY 1996	A: voice vote (9/12/95)
H. Res. 218 (9/12/95)	O	H.R. 1162	Deficit Reduction Lockbox	A: voice vote (9/13/95)
H. Res. 219 (9/12/95)	O	H.R. 1670	Federal Acquisition Reform Act	

Codes: O-open rule; MO-modified open rule; MC-modified closed rule; C-closed rule; A-adoption vote; D-defeated; PQ-previous question vote. Source: Notices of Action Taken, Committee on Rules, 104th Congress.

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

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

Mr. Speaker, we support this rule, and the bill it makes in order, the Federal Acquisition Reform Act of 1995. As the gentleman has said, this is an open rule, so Members may offer any amendment that is otherwise in order under the standing Rules of the House. The rule permits the chair to accord priority in recognition to Members whose amendments have been printed in the CONGRESSIONAL RECORD.

This rule also provides for several waivers of sections 302(f) and 308(a) of the Congressional Budget Act. Although we are normally reluctant to waive the Budget Act—and particularly section 302(f), which prohibits spending in excess of a committee's allocation, and is one of the most important safeguards we have to control spending—we understand and accept the necessity of waiving the Budget Act in the cases provided for by this rule.

The rule also waives clause 5(a) of rule XXI, which prohibits appropriations in an authorization bill. Just as we do not normally approve of waiving the Budget Act, we are also reluctant to waive this important rule. However, here, also, we accept the need for the waivers.

All of these waivers are necessary because the bill consolidates a number of Federal contract boards of appeals into one civilian board, and one defense board. Because they authorize pay for board members, they provide for a relatively modest amount of spending—thus, they require Budget Act and rule XXI waivers. However, the consolidation will result in a net savings to the Government.

Mr. Speaker, H.R. 1670 builds upon the Federal Acquisition Streamlining Act that Congress approved last year, further incorporating many of the reforms proposed by Vice President Gore's National Performance Review. This legislation would encourage the substitution of commercial items for goods developed according to unique government specifications, relax reporting requirements for Federal contractors, centralize the bid protest system, and develop better trained procurement personnel. Although the Congressional Budget Office was unable to estimate the amount of savings that this legislation would produce, CBO believes that many of the bill's provisions are likely to reduce costs to the taxpayers.

This is a bill that enjoys broad, bipartisan support in the House. However, significant controversy has emerged over the issue of whether every potential seller will have the opportunity to compete for a government contract, particularly small businesses. That issue is likely to be resolved through consideration of an amendment to be offered by the gentlewoman from Illinois [Mrs. COLLINS] and the gentlewoman from Kansas [Mrs. MEYERS].

Mr. Speaker, to repeat: This is an open rule, which we support. We urge adoption of the resolution so that we can proceed to the consideration of H.R. 1670.

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

Mr. McINNIS. Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. CLINGER], the chairman of the committee, and I appreciate his involvement.

Mr. CLINGER. Mr. Speaker, I am pleased to rise in support of the rule and, obviously, in support of the bill, which as has been indicated, has very broad bipartisan support.

Mr. Speaker, the bill represents, I think, a dramatic improvement in the way we go about buying our goods and services at the Federal level. The best that we could do, Mr. Speaker, in terms of lowering the deficit, cutting Federal spending, would be to pass this dramatic improvement in the way we buy goods and services.

It is estimated that we spend 20 percent more for everything we buy at the Federal level, because of the arcane and convoluted and unnecessarily prolix regulations that we have that surround the procurement process.

It is an antiquated process, Mr. Speaker, that results in such outrageous situations where we have an FAA which is charged with protecting the safety of the flying public, so hamstrung by the requirements that they are obliged to deal with to buy new, updated, state-of-the-art technology to ensure the protection of the flying public, it is so outdated that we are at least a generation of technology behind and probably two or three generations behind.

Mr. Speaker, we still operate the entire air traffic control system using vaccum tubes, which we cannot even make in this country and have to purchase abroad. That says there is something seriously wrong with the way we go about buying goods and services.

We made significant progress last year on a very bipartisan basis to reform those procedures. This is the next step. This is an addition to, not in lieu of. It really does build with respect to what we accomplished in the last Congress.

It is also a bipartisan effort and I think it will have, when we get to the final analysis, a very broad bipartisan support, because I think we all recognize that this is one area where there should not be partisan differences in terms of how we go about buying things and how we go about trying to do it in the most efficient way.

Mr. Speaker, there will be amendments offered and that is why I think we need to have an open rule. These amendments deserve a full and open debate, just as we continue to provide for full and open competition.

I want to express the fact that we think that since this matter was considered some months ago in connection with the Defense Department authorization bill, that we have gone a long distance in meeting the concerns of those who felt that this was somehow going to be harmful to or work against the interests of small business. We have really made a number of significant changes in trying to reach accommodation with the concerns that were legitimately expressed.

□ 1630

I think we have addressed many of those concerns. There are still some concerns out there. There may be amendments that would be offered in this regard, and I would urge resistance to those amendments, Mr. Speaker, not because they are certainly not well-intended. They are. But I think that they are unnecessarily concerned about what this is going to do to the small-business interests.

I think that this will, in effect, really improve the opportunities for small business and, frankly, the community is divided. Some are for this bill. Some are opposed to it. But I think, as the debate develops, we will be able to persuade them, in fact, this bill is going to be very small-business-friendly. In fact, it is going to be much friendlier to business of all persuasions across the board.

Right now, every businessman who wants to sell to the Federal Government has to go through an incredible maze, if you will, and jump over hurdle after hurdle to even become a player in the system. We are trying to eliminate all of that. At the same time, we are trying to make the Government a little more like a business in the way we buy things, and to do that we have to provide a measure, a modicum, not unlimited, but some measure of flexibility and some measure of discretion to the people who are out there on the lines doing the purchasing, doing the buying.

What we have tried to do in this bill is strike a balance between the needs for full and open competition. Nobody is going to be shut out of the door, but also to give the Government the opportunity to define what do we need to ensure that we have full and open competition, enough competition in this particular procurement.

We have procurements that go everywhere from No. 2 pencils to jet engines to massive, huge defense contracts. Those procurements differ from one to the other, and I think there needs to be a measure of flexibility provided to the procurement people who have universally come to us and said, "Let us do our job. Do not wrap us up like Atlas in

all kinds of red tape and all kinds of requirements that prevent us from doing our job. Let us do our job. Trust our judgment to some extent to say we can be reasonable, we can be responsible in how we deal with this." I think we achieve enormous savings if we give that modicum, measure, of flexibility to our procurement regime.

Mr. Speaker, I urge support of the rule. I urge support of the bill. Hopefully, we can avoid having any amendments that I think will seriously undermine the ability we are trying to achieve to give that kind of a flexibility or achieve those kinds of savings.

Mr. BEILENSON. Mr. Speaker, I yield 5 minutes to the gentlewoman from Illinois [Mrs. COLLINS], the distinguished ranking member of the full committee.

Mrs. COLLINS of Illinois. Mr. Speaker, I am pleased to rise in support of the rule on which the chairman and I have worked cooperatively on procurement legislation. I have some mixed feelings about bringing this bill to the floor at this time.

As you all know, the House considered a bill virtually identical to H.R. 1670 on June 14, as an amendment to the National Defense Authorization Act. That amendment passed on a bipartisan basis with vote of 420 to 1.

The fundamental difference between the House-passed procurement amendment and H.R. 1670 is that H.R. 1670 does not include my amendment which passed the House to preserve the current full and open competition standard. The failure to include my amendment as a part of this bill is to ignore the will of the House, and to ignore the stated concerns of the small business community.

Small business organizations, which supported my amendment in June, continue to believe that H.R. 1670 will significantly limit the ability of small businesses to fairly compete for Government contracts. An open rule will allow the best opportunity for the House to once again correct this major defect with H.R. 1670.

I intend to offer the same amendment to H.R. 1670, which I offered to the DOD authorization bill and which passed the House. That amendment will protect small businesses by retaining the current procurement standard of full and open competition.

Since the House adopted my amendment to retain full and open competition as part of the Defense authorization bill, Chairman CLINGER has made an effort to move H.R. 1670 closer to the House position. The version of H.R. 1670 which passed the Government Reform and Oversight Committee, does at least state full and open competition as a Federal policy. However, in subsequent provisions, the bill creates large loopholes through which bureaucrats can limit the ability of small businesses to compete for Government contracts. This is the basis for the opposition to title I by the Chamber of Commerce and the small business community.

I am pleased that I have been able to work with Chairman CLINGER on all of the other parts of this bill, and have no amendments to those titles. The bill makes about eight fundamental changes in procurement procedures that Chairman CLINGER has described to you, and I support them.

When we considered this bill in committee, we were in the midst of the Waco hearings, and had little time to work out this one difference. While I respect Chairman CLINGER for pledging to ensure my right to offer the full and open competition amendment to the bill, I believe it is unfortunate that the House will be required to essentially revote on my amendment, which the House endorsed.

Nonetheless, I am prepared to return to the House floor to once again keep the procurement process open to all businesses, small and large. Small businesses are the lifeblood of our economic system, and they deserve a level procurement playing field.

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

Mr. Speaker, first of all, I commend the chairman of the committee, the gentleman from Pennsylvania [Mr. CLINGER], for coming to the Committee on Rules and asking for an open rule.

Second of all, I do not think we can overstate the importance of this legislation. This Federal Government spends $600 million, over $600 million a day in acquisitions, $600 million a day. We have got to have a system that minimizes the waste and maximizes the efficiency of the system to acquire or to make those type of acquisitions. So I think that it is extremely important that we continue to support this kind of legislation, and I look forward to some of the amendments that we are going to debate.

Mr. Speaker, I yield 4⅔ minutes to the gentleman from Virginia [Mr. DAVIS].

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

I want to first of all compliment the chairman, the gentleman from Pennsylvania [Mr. CLINGER], and the chairman, the gentleman from South Carolina [Mr. SPENCE], for putting this bill together, putting a broad coalition of groups interested in expediting the procurement process, making it better for American taxpayers and bringing this through committee and now bringing this to the floor.

I want to address just a couple of issues that will be coming up in this bill that it does that, I think, helps the American people and is going to help that current process, which right now is a very lengthy process. It is a process that, as the chairman noted in his previous remarks, the gentleman from Pennsylvania, adds almost 20 percent to the costs of goods that American taxpayers pay for that are obtained through the procurement process.

First of all, let me talk to you about the procurement integrity certifications part of the current law that are stricken here. In lieu, we have planted some tougher penalties, but instead of the lengthier certification contractors have to go through today, there will be stricter and more succinct penalties in this current bill.

Today, if a contractor, when they submit a bid to the Government for a Government procurement, has to sign a certification saying that they have no insider knowledge about this procurement, that nobody in the organization has obtained this. Now, how does this work? This means that the organization, the company, the bidder has got to go through every person in that organization who has worked on that particular procurement and have them sign an individual certification saying they have no insider information, and obtain that. After looking at all of those, it is only then that the officer for that corporation can sign that procurement integrity certification to the Federal Government. In turn, the Federal Government contracting officers have to sign certifications based on these other certifications and on their own notes and experiences in that procurement.

The end result is that many times hours are wasted. Reams of paperwork are wasted. To my knowledge, not one person has been prosecuted under these procurement integrity certifications put in as an over-reaction, if you will, to the Ill Wind scandals of the 1980's. So this does away with that but keeps even stricter penalties in place so that prosecutors and the Federal Government will be able to police these but at the same time not add layers and layers of costs on contractors.

The recoupment provision that currently exists under foreign military sales contracts will be eliminated. What does this mean? This means the surcharge now put on American companies selling abroad under FMS contracts will be stricken. We will be more competitive in the international arena as we compete with companies from other countries who are going after foreign procurements under FMS contracts. This will bring us, if you will, into the 21st century and make us more competitive as we move toward the borderless economy and into international trade.

Finally, the consolidation of bid protest appeals, I think, is going to help expedite the process for everybody. Right now, there is a lot of gaming that goes on in terms of if a contractor loses a bid and they are the incumbent contractor and they lose their recompete, many times they can file a bid protest, tie that protest up and keep on

performing that work, often at a higher price than somebody who has beaten them in fair competition, simply because of the entanglements and the opportunities they have to game the process through agency protests, GAO process, board of contract appeals, whatever. This expedites that flow procedure. It allows postbid discovery and, I think, will help the process and speed it up.

Finally, if I can briefly address the Collins-Meyers amendment that may be offered to this, I think one of the major problems we have in the process today in procurement is the fact that many very dedicated public servants who are dedicated to save the public money, dedicated to getting the best costs they can for the Government, and they are working very hard, but in many cases they are performing tasks that do not need to be performed. They are operating under regulations that never should have been written, rules that never should have been written. They are filling out forms that should never have been printed. This is makework, and it is a waste in many cases.

What this legislation does is it takes 7 pages of the United States Code, of a basically cook book, and allows the buyers, the Government procurement officer in charge at that point, to move through and, of course, full and open competition standard remains of the amendment that the gentlewoman from Illinois [Mrs. COLLINS] put through during the authorization schedule. We now get rid of those seven pages of authorization and will allow that buyer the appropriate discretion they have so they can expedite that procedure.

I urge support of this bill and rule.

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

Mr. MCINNIS Mr. Speaker, I yield 3 minutes and 9 seconds to the gentleman from New Mexico [Mr. SCHIFF], the vice chairman of the committee, my good friend.

Mr. SCHIFF. Mr. Speaker, within the first 9 seconds I want to thank the gentleman for yielding me this time.

Mr. Speaker, I want to say, first, I hope the House realizes how much H.R. 1670 is needed. The fact of the matter is that procurement is just one of many areas where our Government is operating years, if not, in fact, decades behind where private enterprise is now functioning.

The provisions contained in H.R. 1670 are needed to bring the Government's processes more current so that the Government can better serve itself, that is the taxpayers who are funding it, and better serve those businesses who wish to do business with the Government.

Specifically with respect to small business, we believe that if H.R. 1670 becomes law, that procurement will become easier so that more small businesses will be enticed to offer to do business with the Government, when many small businesses might not do so today because of the cumbersome nature of the whole procurement process.

But I want to take an additional moment to address specifically the concerns raised by the gentlewoman from Kansas [Mrs. MEYERS] who, of course, is the distinguished chairman of the Committee on Small Business, and the gentlewoman from Illinois [Mrs. COLLINS], who is the distinguished ranking member of the Committee on Government Reform and Oversight. There are, in fact, no two Members in Congress who are more vigilant in looking at small-business interests than these two Members. When they express concerns, it is of concern to me.

The concern, I believe, though, is misapplied. I hope we can work something out between now and the time this bill might become law.

□ 1645

But the concern is that there is no longer going to be free and fair, equal, competition. The fact of the matter is there will continue to be free and fair competition for small business, for all business, under H.R. 1670. The fact is that all businesses could submit bids just like they do now.

Here is the difference. Earlier in the procurement process Government procurement officials can make a decision that certain bids, for whatever reason, maybe a lack of ability to perform in a certain area that is desired by the Government in this particular contract, whatever it might be, that the offerer, the business, is not qualified to proceed further in this bid process.

Now, first of all the suspicion is that there might be some malfeasance on the part of Government officials that will discriminate against small business. Malfeasance is an issue for oversight, and, if H.R. 1670 becomes law as it is, then I think the Committee on Small Business and the Committee on Government Reform and Oversight should pay very close attention to its implementation. But the fact is that denial at the beginning of the process of a bid is still appealable. The Government official must state why a particular bid is not to proceed further in the process, and the business that does not agree with that can appeal that and still have a remedy.

The point is that by allowing Government officials the discretion that private business has to start filtering through offers at the beginning of the process we can save a great deal of time and money not only for the Government in terms of its procurement process of having to review the same bids over and over again, if they qualify, but to the businesses, too.

Mr. MCINNIS. Mr. Speaker, I yield 2 minutes 50 seconds to the gentleman from Pennsylvania [Mr. FOX].

Mr. FOX of Pennsylvania. I will make sure we do that accurately, Mr. Speaker.

I rise today in support of H.R. 1670, the Federal Acquisition Reform Act of 1995, and it is, to my colleagues I would say, very interesting. It is not every bill that we have that the Americans for Tax Reform and the National Taxpayers Union have both come together to support this legislation. The Government spends over $200 billion each year in goods and services and pays a 20-percent premium. If H.R. 1670 removes even one-half of the red tape and paperwork, then we can easily save $20 billion a year.

The National Taxpayers Union has been very clear on its support of this legislation. H.R. 1670; according to them they said this legislation will reform the Federal procurement system, which is a critical component of fiscal discipline. As my colleagues know, Mr. Speaker, the system currently is riddled with bureaucratic red tape and outdated procedures, and this antiquated system is in desperate need of fundamental reform. Each year the Government spends over $2 billion. Taxpayers have long been saddled with the excess costs of maintaining this expensive program, and by some estimates today the system forces taxpayers to pay over a 20-percent premium on all Federal purchases.

Enabling the procurement process, Mr. Speaker, to open up to both large and small businesses will save taxpayers billions of dollars not only this year, but in the future. Reaching the goal of a balanced budget by the year 2002 will require implementation of more efficient and more cost-effective programs in every area of Government.

So, Mr. Speaker, we are leading by example with this bill because it will bring a more rational approach to the management of these programs. The Federal Acquisition Reform Act will prove to be the key to a new era of Federal acquisition policy that benefits taxpayers and simplifies the rules for contractors.

Mr. Speaker, I urge my colleagues to support 1670 and to remind them the Americans for Tax Reform and the National Taxpayers Union have endorsed this legislation.

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

Mr. Speaker, I am excited about the legislation. It is time to move on to the legislation in regards to that.

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

The previous question was ordered.

The SPEAKER pro tempore (Mr. LAHOOD). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. MCINNIS. Mr. Speaker, I object to the vote on the ground that a

quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 414, nays 0, not voting 20, as follows:

[Roll No. 659]

YEAS—414

Abercrombie	Crapo	Hancock
Ackerman	Cremeans	Hansen
Allard	Cubin	Harman
Andrews	Cunningham	Hastert
Archer	Danner	Hastings (FL)
Armey	Davis	Hastings (WA)
Bachus	Deal	Hayes
Baesler	DeLauro	Hayworth
Baker (CA)	DeLay	Hefley
Baker (LA)	Dellums	Hefner
Baldacci	Deutsch	Heineman
Ballenger	Diaz-Balart	Herger
Barcia	Dickey	Hilleary
Barrett (WI)	Dicks	Hilliard
Bartlett	Dingell	Hinchey
Barton	Dixon	Hobson
Bass	Doggett	Hoekstra
Bateman	Dooley	Hoke
Beilenson	Dornan	Holden
Bentsen	Doyle	Horn
Bereuter	Dreier	Hostettler
Berman	Duncan	Houghton
Bevill	Dunn	Hoyer
Bilbray	Durbin	Hunter
Bilirakis	Edwards	Hutchinson
Bishop	Ehlers	Hyde
Bliley	Ehrlich	Inglis
Blute	Emerson	Istook
Boehlert	Engel	Jackson-Lee
Boehner	English	Jacobs
Bonilla	Eshoo	Jefferson
Bonior	Evans	Johnson (CT)
Bono	Everett	Johnson (SD)
Borski	Ewing	Johnson, E. B.
Boucher	Farr	Johnson, Sam
Brewster	Fattah	Johnston
Browder	Fawell	Jones
Brown (CA)	Fazio	Kanjorski
Brown (FL)	Fields (LA)	Kaptur
Brown (OH)	Fields (TX)	Kasich
Brownback	Filner	Kelly
Bryant (TN)	Flake	Kennedy (MA)
Bryant (TX)	Flanagan	Kennedy (RI)
Bunn	Foglietta	Kennelly
Bunning	Foley	Kildee
Burr	Forbes	Kim
Burton	Ford	King
Buyer	Fowler	Kingston
Callahan	Fox	Kleczka
Calvert	Frank (MA)	Klink
Camp	Franks (CT)	Klug
Canady	Franks (NJ)	Knollenberg
Cardin	Frelinghuysen	Kolbe
Castle	Frisa	LaFalce
Chabot	Funderburk	LaHood
Chambliss	Furse	Lantos
Chapman	Gallegly	Largent
Christensen	Ganske	Latham
Chrysler	Gejdenson	LaTourette
Clay	Gekas	Laughlin
Clayton	Gephardt	Lazio
Clement	Geren	Leach
Clinger	Gilchrest	Levin
Clyburn	Gillmor	Lewis (CA)
Coble	Gilman	Lewis (GA)
Coburn	Gonzalez	Lewis (KY)
Coleman	Goodlatte	Lightfoot
Collins (GA)	Goodling	Lincoln
Collins (IL)	Gordon	Linder
Collins (MI)	Goss	Lipinski
Combest	Graham	Livingston
Condit	Green	LoBiondo
Conyers	Greenwood	Lofgren
Cooley	Gunderson	Longley
Costello	Gutierrez	Lowey
Cox	Gutknecht	Lucas
Coyne	Hall (OH)	Luther
Cramer	Hall (TX)	Maloney
Crane	Hamilton	Manton
Manzullo	Pelosi	Solomon
Markey	Peterson (FL)	Souder
Martinez	Peterson (MN)	Spence
Martini	Petri	Spratt
Mascara	Pickett	Stark
Matsui	Pombo	Stearns
McCarthy	Pomeroy	Stenholm
McCollum	Porter	Stockman
McCrery	Portman	Stokes
McDade	Poshard	Studds
McDermott	Pryce	Stump
McHale	Quillen	Stupak
McHugh	Quinn	Talent
McInnis	Radanovich	Tanner
McIntosh	Rahall	Tate
McKeon	Ramstad	Tauzin
McKinney	Rangel	Taylor (MS)
McNulty	Reed	Taylor (NC)
Meehan	Regula	Tejeda
Meek	Richardson	Thomas
Menendez	Riggs	Thompson
Metcalf	Rivers	Thornberry
Meyers	Roberts	Thornton
Mfume	Roemer	Thurman
Mica	Rogers	Tiahrt
Miller (CA)	Rohrabacher	Torres
Miller (FL)	Ros-Lehtinen	Torricelli
Mineta	Rose	Towns
Minge	Roth	Traficant
Mink	Roukema	Upton
Molinari	Roybal-Allard	Velazquez
Montgomery	Royce	Vento
Moorhead	Rush	Visclosky
Moran	Sabo	Waldholtz
Morella	Salmon	Walker
Murtha	Sanders	Walsh
Myers	Sanford	Wamp
Myrick	Sawyer	Ward
Nadler	Saxton	Waters
Neal	Scarborough	Watt (NC)
Nethercutt	Schiff	Watts (OK)
Neumann	Schroeder	Waxman
Ney	Schumer	Weldon (FL)
Norwood	Scott	Weldon (PA)
Nussle	Seastrand	Weller
Oberstar	Sensenbrenner	White
Obey	Serrano	Whitfield
Olver	Shadegg	Wicker
Ortiz	Shaw	Williams
Orton	Shays	Wise
Owens	Shuster	Wolf
Oxley	Skaggs	Woolsey
Packard	Skeen	Wyden
Pallone	Skelton	Wynn
Parker	Slaughter	Yates
Pastor	Smith (MI)	Young (AK)
Paxon	Smith (NJ)	Young (FL)
Payne (NJ)	Smith (TX)	Zeliff
Payne (VA)	Smith (WA)	Zimmer

NOT VOTING—20

Barr	Ensign	Sisisky
Barrett (NE)	Frost	Torkildsen
Becerra	Gibbons	Tucker
Chenoweth	Moakley	Volkmer
de la Garza	Mollohan	Vucanovich
DeFazio	Reynolds	Wilson
Doolittle	Schaefer	

□ 1708

Mr. NADLER and Mr. HILLIARD changed their vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. ENSIGN. Mr. Speaker, on Wednesday, September 13, my votes were not recorded for rollcall votes 658 and 659. Had my votes been recorded, I would have voted "aye" in both instances.

The SPEAKER pro tempore (Mr. LAHOOD). Pursuant to House Resolution 219 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. 1670.

□ 1711

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. 1670) to revise and streamline the acquisition laws of the Federal Government, to reorganize the mechanisms for resolving Federal procurement disputes, and for other purposes, with Mr. WELLER 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 Pennsylvania [Mr. CLINGER] will be recognized for 30 minutes, and the gentlewoman from Illinois [Mrs. COLLINS] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Pennsylvania [Mr. CLINGER].

Mr. CLINGER. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, this bill, the Federal Acquisition Reform Act of 1995, is an important piece of legislation, which the gentleman from South Carolina [Mr. SPENCE], chairman of the Committee on National Security, and I introduced along with several other members of our committees.

The bill which we bring before you today represents the efforts of many of our colleagues on both sides of the aisle who have joined us in rejecting the status quo and who are prepared to lead the way toward reforming a system which for years has become increasingly more arcane, more convoluted, more difficult to deal with, and therefore, more costly, both to business, who wants to be a participant in bidding for projects with the Federal Government, and certainly for the Government.

Members have heard it mentioned here today that the cost to the Federal Government is about a 20 percent premium that we pay for all goods and all services that we purchase. So we are trying to seek fiscal discipline, and this is the surest and best way we can go about reducing Federal spending and moving us toward a balanced budget.

Mr. Chairman, this bill sends a message to our employer, the American taxpayer, who frankly has been paying an extraordinary premium for the services that he has been receiving from the Federal Government. The message is that we are serious about changing the way the Government operates. We have to ensure that this country's resources are allocated properly, and this bill provides the answer.

The bill has been very thoughtfully crafted. It does a number of things, Mr. Chairman. First of all, it makes us more like a business. I mean, why

should the Federal Government be involved in processes that add cost to the taxpayer? Why can we not seek goods and services and seek competition the way businesses do?

□ 1715

Second, it dramatically reduces the amount of paperwork and the incredible amount of regulatory overkill which we have imposed upon all of our businesses.

Frankly, Mr. Chairman, what we have seen is fewer and fewer people are willing to participate in the process, are willing to really get into the competition, because the process is so complex and so costly to them that they do not want to do it. We are trying to make that a simpler process. We are trying to say Government should be more like business. We should not have $500 hammers. We should be able to come into the 20th century because of our technology, which we are not able to do because of the restrictions.

Mr. Chairman, I would urge support for the bill.

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

Mrs. COLLINS of Illinois. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, with the exception of the limitation on open competition, a change that will hurt small business, I support H.R. 1670, the Federal Acquisition Reform Act of 1995. Chairman CLINGER and I have worked cooperatively on this bill and he is to be commended for his leadership in attempting to modernize and streamline the Federal acquisition process. I also appreciate his ongoing efforts to reach a consensus with Democratic members of the Government Reform and Oversight Committee on procurement reform legislation, including his incorporation into H.R. 1670 most of my suggestions as well as those offered by the ranking Democratic member of the Subcommittee on Government Information and Technology, Representative MALONEY.

In brief, the bill represents meaningful reform and enhancement of Federal procurement policy. It allows for the increasing decentralization of procurement authority, and elicits greater costeffectiveness for the Federal Government and the taxpayer.

Let me begin by describing some of the positive features of this bill. First, H.R. 1670 includes my provision that improves Government procurement management practices by requiring Federal agencies to make more effective use of the cost-management tools and procedures known generally as value engineering. Value engineering is a longstanding and widely accepted technique in both the public and private sectors that, despite its proven capabilities, remains severely underutilized in the Federal acquisition process.

Numerous General Accounting Office and Inspectors General reports, independent studies, and even the Presidentially appointed Grace Commission, have demonstrated that the under utilization of value engineering by Federal agencies has resulted in billions of dollars in lost opportunities to reduce costs to the Federal Government. This provision will ensure greater use of value engineering procedures, and will thereby reduce capital and operation costs, and improve and maintain optimum quality of construction, administrative, program, acquisition and grant projects.

Second, H.R. 1670 now incorporates my language retaining the "knowing" standard for criminal violations of our procurement integrity laws, and increases the maximum criminal penalty from 5 to 15 years. This provision will facilitate the Justice Department's ability to prosecute criminal and civil procurement fraud cases.

Third, H.R. 1670 includes important provisions regarding accountability on sole-source contracting for commercial products. While I still believe that the complete elimination of the simplified acquisition threshold contained in this bill will raise problems, this provision will place limits on its use and will help to ensure that an adequate level of competition is maintained with the expanded use of commercial items.

Finally, H.R. 1670 includes a provision authored by Representative MALONEY, the Subcommittee ranking Democratic member, that improves the performance capability of the frontline contracting personnel. The bill requires civilian agency heads to adopt education, training and incentive features that raise the level of excellence and professionalism of the acquisition work force. It is this work force that will have to respond properly to the increasing decentralization of authority.

The inclusion of those provisions in H.R. 1670 substantially improves this legislation, and again, I applaud Chairman CLINGER for approaching this matter in the bipartisan spirit with which any acquisition reform effort should be undertaken. However, despite our efforts to reconcile our differences on title I of the bill, Chairman CLINGER and I remain far apart on its revision of the "full and open competition" standard.

Title I would change the meaning of the current "full and open competition" standard mandated in the Competition in Contracting Act of 1984 [CICA] by adding the words "open access" to its definition and by adding new exceptions to the standard. The substitution of clear statutory standards for this unknown hybrid is unnecessary, potentially harmful, and flies in the face of reform, modernization and streamlining goals that we all share.

Mr. Chairman, I agree that Federal procurement procedures should be streamlined and made more cost-efficient for both the Government buyer and the vendor. It is no secret that many vendors are spending large sums of money bidding on Government contracts for which they have absolutely no chance to win, and that Government contracting officers are overburdened evaluating bids that are essentially noncompetitive. However, the hearing record on H.R. 1670 does not establish that the revision of the current "full and open" competition standard is necessary to resolve these problems.

Title I, as it stands, represents a fundamental departure from longstanding Federal procurement philosophy and will undermine the basic principles of free enterprise. This is a serious defect in H.R. 1670 that I intend to correct with an amendment.

On June 14, when the House considered a nearly identical procurement reform measure on the DOD Authorization bill, the House supported my amendment to retain the full and open competition standard for procurement. That amendment was passed with bipartisan support, and I particularly want to commend the chairwoman of the Small Business Committee, JAN MEYERS, who worked so hard on behalf of the amendment.

My amendment had the strong support of the small business community, as well as the U.S. Chamber of Commerce. The bill before us today, unfortunately, does not include my amendment, and instead would grant a broad new authority to procurement officials on limit competition. Therefore, I will once again be offering an amendment to restore the full and open standard which the House endorsed in June.

While I maintain reservations about other portions of the bill, I believe that H.R. 1670 can provide a substantially improved legislative structure for Government procurement if the current statutory interpretation of the full and open competition standard is preserved in title I.

I reserve the balance of my time.

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

Mr. CLINGER. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. CHRYSLER], a very active member of the committee.

Mr. CHRYSLER. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, as a person with 25 years of private sector business experience and as an entrepreneur, I am pleased that the committee is taking up this bipartisan legislation, and I want to declare my strong support for H.R. 1670. It is unfortunate that some have portrayed this legislation as an anti-small business bill.

Mr. Chairman, I am small business. I have firsthand experience with the Federal procurement system, and I can tell you from my personal experience

that this bill that we are offering is better. There is misinformation circulating on this bill that is simply incorrect, and it is the type of misinformation and rumors that can undermine valuable legislation.

Mr. Chairman, it is important to emphasize that this bill will help all businesses, both small and large, to participate more fully in the Federal contracting process. H.R. 1670 will increase the use of commercial practices, cut redtape, streamline dispute resolutions, protect against sole source contracting, while at the same time maintaining the necessary safeguards for small business.

H.R. 1670 removes the cost accounting standards from the commercial item purchases, which require an immense amount of information for reporting costs. The elimination of this government-unique requirement will save companies millions of dollars.

Mr. Chairman, everyone agrees the system is outdated. It is time that the Government start operating its procurement system as a business would. The time is now for reforming the system and moving it into the 21st century. We should take this opportunity to make a difference and vote for H.R. 1670 without any weakening amendments.

Mrs. COLLINS of Illinois. Mr. Chairman, I yield 3 minutes to the gentlewoman from Kansas [Mrs. MEYERS], the chair of the Committee on Small Business.

Mrs. MEYERS of Kansas. Mr. Chairman, the gentlewoman from Illinois [Mrs. COLLINS] and I both are offering an amendment which would restore full and open competition to bidding. Now, I know that the gentleman from Pennsylvania [Mr. CLINGER] says that there is full and open competition in this bill, but it is defined as open access, which is then further defined, which then says that the regulators will really define what is full and open competition, and we can get into that more a little later.

But to say that this bill has full and open competition is simply not accurate. The gentlewoman from Illinois [Mrs. COLLINS] will be offering an amendment that just restores full and open competition, and I will be offering an amendment that restores full and open competition but, in addition to that, seeks to set forth some processes to answer some of the very real concerns that the gentleman from Pennsylvania [Mr. CLINGER] has.

We want to give him some processes to screen out people early in the process that do not have a chance of winning the bid. After all, it is not to small business' benefit to put a lot of money into a bid they cannot win, and that is not to the benefit of the Government either, because it costs us time and money. So what we are trying to do is preserve real opportunity in the procurement process.

Right now small business is a player in Federal procurement. Ninety percent of the firms providing supplies, services and construction for the Government are small businesses. But while they dominate numerically, these small businesses account for about 18 to 20 percent of the dollars awarded.

Mr. Chairman, over half of these awards are through full and open competition, and that number is growing. We heard regular testimony in the Committee on Small Business that half of all Government procurement dollars are awarded for large contracts, too big for small business. That means that 90 percent of the contractors are competing for half of the shrinking Federal purchasing pie.

Mr. Chairman, the biggest concern among the small business community is access. All they want is a chance to compete, to show that they can do the job. But H.R. 1670, under the guise of procurement reform, will take away that chance to compete by allowing faceless bureaucrats to take a small businessman or woman's opportunity away with the stroke of a pen.

Mr. Chairman, small business supports procurement reform, but, more important, small business supports competition. H.R. 1670 is supposed to simplify the procurement by weeding out bids from firms that have no chance at winning a contract. Fair enough, but how?

In title I, H.R. 1670 eliminates full and open competition in favor of competition whenever it is feasible or appropriate or efficient. Who decides feasibility? Some agency functionary. Who decides what is efficient? That same bureaucrat, the same people who gave us $600 hammers and costly coffee pots.

We will be submitting letters from the Inspector General of the Department of Defense, and from the Department of Veterans Affairs, saying "Do not do away with full and open competition." We will submit letters from a dozen or more small business groups, among them the Chamber of Commerce and Small Business United, and the Small Business Legislative Council and Women's Business Owners, many of them seeking to retain full and open competition.

I think my bill, with the processes set forth, responds more to what the concerns of the gentleman from Pennsylvania [Mr. CLINGER], are. But whatever we do, I think we must retain full and open competition.

□ 1730

Mr. CLINGER. Mr. Chairman, I yield 2½ minutes to the gentleman from California [Mr. HORN], chairman of the Subcommittee on Government Management.

Mr. HORN. Mr. Chairman, I rise in support of this landmark procurement reform bill. I ask my colleagues to oppose any amendment offered which would weaken this bill.

The current acquisition system saddles businesses, both small and large, with a daunting array of red tape and mandates. These restrictions make doing business with the Federal Government an administrative nightmare. H.R. 1670 would revolutionize government purchasing, something long overdue, in order to create a system that costs less and works better. It operates under a very simple proposal: streamline, standardize, and save.

Unfortunately, H.R. 1670 has been the subject of a significant amount of misinformation concerning small business and its impact on small business. It is time to clear up these misunderstandings. H.R. 1670 is good for small business.

At the heart of H.R. 1670's reforms is the empowerment of government purchasing officers. Instead of only shuffling the large reams of paper required to fulfill the unique government requirements, at the present time, purchasing officers will now evaluate the procurement proposals and make a decision. This reform streamlines the procurement process, empowers government workers, and creates a more efficient, more businesslike procurement process.

Every business, both large and small, will still have access to the protest process if they think the procurement officer who made that decision chose incorrectly. In fact, we are also improving the efficiency of the protest process as well. The 11 current protest boards, each operating with their own rules, regulations, and bureaucratic hoops, will be consolidated into two boards: One for defense procurement and one for nondefense procurement. A small company will not have to learn new rules for each and every government bid. The process is both streamlined and standardized.

In short, H.R. 1670 provides the authority for government purchasers and industry providers to use sound business practices in acquiring and selling goods and services. H.R. 1670 provides the commonsense answers to the very real problems of an overly bureaucratic system without eliminating small business protections. With support for H.R. 1670, small business finally can participate in a Federal marketplace that uses sound business practices. And, finally, it saves the taxpayers money.

I urge Members' vigorous support for H.R. 1670 and ask my colleagues to oppose any weakening amendments.

Mrs. COLLINS of Illinois. Mr. Chairman, I yield 5½ minutes to the gentlewoman from New York [Mrs. MALONEY], the ranking Democratic member.

Mrs. MALONEY. Mr. Chairman, I rise in reluctant opposition to H.R. 1670, the Federal Acquisition Reform Act,

offered by the chairman of the Committee on Government Reform and Oversight, Mr. CLINGER.

I share the chairman's goal to shake up the system, streamline it, and cut the red tape. I thank the chairman for his genuine hard work on this issue, and I thank him for his sincere efforts to reach a bipartisan consensus on this bill. We are very close to that consensus.

Unfortunately, there are several unaddressed fundamental problems with the substance of this bill. This bill alters the longstanding principle of full and open competition for Federal contracts. Members will hear that it retains the words "full and open competition," true. But the problem is, it adds new words, loopholes, blank checks, and qualifiers. The new language does not preserve the old standard, which is the best standard for saving taxpayers' dollars and allowing small businesses to compete in the procurement process.

Under this bill, contracting personnel are authorized to use other than competitive procedures under two new and excessively broad exceptions to competition; namely, when the use of competitive procedure is not, and I quote, "feasible or appropriate," under regulation to be prescribed, another blank check for agency contracting personnel.

Mr. Chairman, I really do not understand the other party's support for this part of the bill. I join the gentlewoman from Illinois [Mrs. COLLINS] in lauding, really, the chairman of the committee on many fine parts of the bill. But Members of that party are regularly pressing in this body for cost and risk assessment to control the bureaucrats in the area of health, security, and environment. But in this bill, they give blank checks to these bureaucrats for the procurement of over $200 billion of taxpayers' money in Federal procurement.

The case to replace full and open competition has not been made. In the hearings that were held, no one testified in support of removing full and open competition. In fact, many people, particularly small business, testified in support of it.

I would like submit into the RECORD a letter from the deputy inspector general of the Department of Defense to the gentlewoman from Illinois [Mrs. COLLINS] that very clearly states his belief that this fully and open standard must be maintained to protect taxpayers' dollars and to allow small businesses to compete in the process.

Also the bill robs money from American taxpayers. Existing law says that, when a defense contractor sells weapons and technology to a foreign government, research and development funded by taxpayers, then the defense contractor must pay a portion of profit back to the Government to pay for that research and development The recovery of funds is called recoupment. The authors of this bill are eliminating recoupment, calling it a tax on American defense contractors.

I say recoupment gives a fair return for the American taxpayers' investment in the research and development of new weapons and technology. I intend to offer an amendment to restore it, and it would mean well over a billion dollars to our Treasury over 5 years.

Finally, the Clinger bill allows simplified acquisition procedures for the purchase of all so-called commercial products, no matter what the dollar value.

Last year we passed the Federal Acquisition Streamlining Act, a landmark bill that raised the threshold for simplified procedures to $100,000 and $250,000 after the implementation of electronic bulletin boards and Federal procurement. This provision allows officials to purchase basic goods like salad dressing and small items without undue red tape.

It is a good bill and I support it. However, this bill, H.R. 1670, would entirely eliminate any threshold. It would not cut red tape, since 90 percent of all purchases are under $100,000.

In the name of simplifying the procurement statutes, this bill grants regulation writers sweeping authority to establish procedures and guidelines. That seems to me completely contrary to the professed Republican view that these regulators need to be restrained.

With a few changes, H.R. 1670 could represent an excellent second step to follow the changes made last year and those made by Vice President GORE. Until those changes are made, I must oppose this bill.

Mr. CLINGER. Mr. Chairman, I yield 2½ minutes to the gentleman from Maryland [Mr. EHRLICH], another freshman, a very valuable member of the committee.

Mr. ERHLICH. Mr. Chairman, I rise in strong support of H.R. 1670. I applaud the leadership and diligent work of the chairman. It is a pleasure to work with such a fine gentleman and members of the committee.

Mr. Chairman, H.R. 1670 proposes a procurement system that Government can manage more efficiently and effectively as well as a system that will benefit all American taxpayers. Mr. Chairman, Federal procurement should be of interest to every American taxpayer. In the end, the $200 billion—with a B—dollars the Federal Government spends every year on procurement functions is a nondiscriminating tax on every American citizen.

Mr. Chairman, fundamental reform of how the Federal Government works has been the backbone behind just about everything we have debated and voted upon on this floor over the past 8 months. Business as usual is no longer the business at hand in this Congress. This Congress is changing the way Washington works.

During the next few weeks, we will be deciding how to balance the Federal budget. But this fight will mean nothing, Mr. Chairman, if we perpetuate a Federal Government which saddles itself with the gross inefficiencies of an out-of-date procurement system. American taxpayers not only deserve a balanced budget, Mr. Chairman, but also a Federal Government cooperating to preserve our country's fiscal integrity.

I have often remarked how our businesses are beset by excessive and burdensome regulations and how these costs are ultimately passed on to the consumer. Well, Mr. Chairman, the Federal procurement process is a perfect example of how the Government itself can become the victim of its own overregulation.

I have said this before. It is a vicious cycle, Mr. Chairman. The least of our worries now is a shortage of laws regulating Federal procurement, Mr. Chairman. The thousands of pages I am holding here in my hand constitute the Federal acquisition regulations. They must be streamlined.

H.R. 1670 assures the business community that competition in the Federal procurement process remains full and open. The Federal procurement system has been hampered by its own unnecessary government-unique requirements. Its costs are escalated by its own rules and regulations, and its ability to promote free and open and full competition among the private sector is stifled by the red tape of its own bureaucracy. Please support H.R. 1670.

Mrs. COLLINS of Illinois. Mr. Chairman, I reserve the balance of my time.

Mr. CLINGER. Mr. Chairman, may I inquire how much time remains on both sides?

The CHAIRMAN. The gentleman from Pennsylvania [Mr. CLINGER] has 21 minutes remaining, and the gentlewoman from Illinois [Mrs. COLLINS] has 12½ minutes remaining.

Mr. CLINGER. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota [Mr. GUTKNECHT], another very valuable and contributing member of our committee.

Mr. GUTKNECHT. Mr. Chairman, I thank the chairman of the Committee on Government Reform and Oversight for yielding time to me.

We just heard from my colleague, the gentleman from Maryland [Mr. EHRLICH] about the amount of regulation that we have in terms of Government procurement. Let me see if I can explain what that really means ultimately to the taxpayers.

Earlier this year I was visiting with the gentleman from California [Mr. HUNTER] who chairs one of the committees or subcommittees that is responsible for buying items for the Department of Defense. He told me that in the

Department of Defense we have something like 106,000 people who are listed as buyers. That is the bad news. The news gets worse. It is estimated they may have as many as 200,000 managers of those 106,000 buyers.

We buy approximately one F-16 fighter aircraft a week. To buy that fighter aircraft, we have something like 1,646 buyers. Just about one F-16 a week. And part of the reason it takes so many buyers and so many administrators and so many managers—and that is just the Department of Defense, that is repeated all throughout the Federal Government—is because of all of these rules and regulations that we have put upon the procurement process.

Earlier this year I met with some electronics manufacturers. One of them gave me this little electronic disk, it is a little circuit board. This circuit board goes into an M-1 Abrams tank. It costs the manufacturer about $2 to manufacture this board. They sell it to the Department of Defense for $15, in part because they have to jump through all of these hoops to do business with the Federal Government.

This is a very important bill, my colleagues. It will ultimately, I think, save the taxpayers billions of dollars. It makes common sense. As a matter of fact, one example, it is estimated that this could save in the purchase of each one of those F-16 fighter aircraft, we might be able to save as much as $2 million. That is real money.

This makes common sense. This is the kind of thing I think the voters voted for back in November. So I strongly support H.R. 1670, and I thank the gentleman for yielding time to me.

□ 1745

Mr. CLINGER. Mr. Chairman, I am pleased to yield 2 minutes to the gentleman from Ohio [Mr. HOKE].

Mr. HOKE. Mr. Chairman, I rise in support of the Clinger-Spence procurement reform initiative to untangle the current mass of requirements that make up the Federal procurement system. These requirements lead simply to too much money being spent for too little product. In fact, studies show that such Government-specific mandates add a 20-percent premium to the $200 billion the Federal Government spends annually on the goods and services it needs to operate.

It is particularly important during this time of declining Federal resources that we find ways to allocate our resources in a more thoughtful, meaningful and efficient manner. H.R. 1670 provides part of the solution by transforming the current complex web of rules into a more common sense approach to doing business with the Government, much like that used by worldclass commercial firms.

This legislation before us represents a significant shift in the operation of our Federal procurement system to meet the needs of the American taxpayer. I wholeheartedly support this reform effort and urge my colleagues to support this measure and oppose any weakening amendments.

Better Government does not mean bigger Government—it means more efficient Government. This is the message we will be sending today if we support this legislation. It is my pleasure to join with my colleagues in support of H.R. 1670, the Federal Acquisition Reform Act of 1995. This legislation effectively changes the way the Federal Government buys goods and services and revolutionizes the current procurement system.

As chairman of the Budget Committee's National Security Working Group, I am pleased to note that H.R. 1670 incorporates some of the changes recommended in legislation developed by the Working Group—H.R. 1368, the Department of Defense Acquisition Management Reform Act of 1995.

H.R. 1670 streamlines many of the unnecessary procedures in the current system which increases costs to the Department of Defense, the Government's largest single buyer, and therefore meets the needs of American taxpayers, who pay for our Nation's defense.

The Federal Acquisition Reform Act rewards people in Government who can get the job done on time while holding down costs.

I would like to thank Chairman CLINGER and Chairman SPENCE for their diligence and perseverance in pursuing such bold reforms and urge my colleagues to support H.R. 1670 without any weakening amendments.

Mr. CLINGER. Mr. Chairman, I am pleased to yield 2 minutes to the gentlewoman from New York [Ms. MOLINARI].

Ms. MOLINARI. Mr. Chairman, I rise in support of the Clinger-Spence procurement reform initiative to untangle the current mass of requirements that too often have our Federal managers tied up in knots. These managers have to select goods and services according to how easy they are to procure rather then how good the quality is.

Would you buy a computer that way? How about medicine, or a new building? Every year Uncle Sam buys over $200 billion worth of goods and services, and he does it exactly that way. Whether we are buying paper clips or tanks, this tacks on a 20-percent premium to the price tag. Its Government-specific mandates and requirements leads to too much money being spent for too little product.

The bottom line is we cannot, and even if we could we should not, indulge in such regulation. With declining Federal dollars, we have to find ways to allocate our resources in a more productive manner.

We talk a lot in this Chamber about getting rid of Government waste. Today we can take and pass a vote for doing exactly that. I wholeheartedly support this reform effort. It is a big giveback to the American taxpayer with this effort. I urge my colleagues to support this measure and, frankly, to oppose any weakening amendments. It is an important step towards reforming and providing common sense towards the procurement efforts in Congress. It saves money for exactly the same bottom line. For that, I think we owe a great deal of gratitude to the gentleman from Pennsylvania [Mr. CLINGER] and the gentleman from South Carolina [Mr. SPENCE]. I believe we should all support this measure.

Mr. CLINGER. Mr. Chairman, I am pleased to yield 2 minutes to the gentleman from Massachusetts [Mr. BLUTE], a stalwart member of the committee.

Mr. BLUTE. Mr. Chairman, the legislation before us, H.R. 1670, the Federal Acquisition Reform Act, will enable businesses to compete much more effectively in the Federal marketplace. Each year our Government spends approximately $200 billion for goods and services ranging from weapons systems to everyday commodities. According to a report prepared by the Secretary of Defense, the Government pays an additional 20-percent premium for the goods and services it acquires solely because of the requirements it imposes on its contractors, a 20-percent premium. Clearly, some requirements are needed. But taxpayers pay a premium for many unnecessary, duplicative procedures.

H.R. 1670 streamlines these procedures without compromising any necessary safeguards. H.R. 1670 reaffirms the underpinnings of the Government's acquisition system by placing in statute the policy of Government reliance on the private sector to supply the products and services the Government needs. This has been a longstanding administrative policy of the Federal Government since the days of Eisenhower. It is particularly significant at this time, as we are reassessing the role of Government to reinforce our reliance on the free enterprise system as the source of goods and services to fulfill the public's needs.

I commend the chairmen, the gentleman from Pennsylvania [Mr. CLINGER] and the gentleman from South Carolina [Mr. SPENCE] for bringing forth this important and commonsense legislation. This is truly reinventing government. Even more, it is entrepreneurial government at its best.

I urge my colleagues to support H.R. 1670, without any weakening amendments, in order to let the system meet the needs of the Government, industry, and ultimately and importantly, the taxpayer.

Mrs. COLLINS of Illinois. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am a bit confused when I hear the other side of the aisle talking about weakening amendments. It seems to me the amendments that I have before me are all amendments that are going to be very, very helpful.

Mr. Chairman, it has been my understanding that free and open competition is the American way, that it is something we have always wanted. There is no way that free and open competition is going to be harmful to the American people. There is no way that free and open competition is going to be more costly to those of us who are taxpayers, and we are all, in fact, taxpayers. I just do not understand the rationale when the other side of the aisle seems to be so thoroughly against free and open competition.

No place have I seen at all where there is a disagreement by the U.S. Chamber of Commerce which says that free and open competition is what we need. We have not been misguided by what their letter has said to us. It just seems to me it is something we ought to all keep in mind.

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

Mr. CLINGER. Mr. Chairman, I am pleased to yield 2 minutes to the gentleman from New Hampshire [Mr. BASS], a member of the Committee on Government Reform and Oversight.

Mr. BASS. Mr. Chairman, I rise in support of H.R. 1670. Before my colleagues vote to considerably weaken this bill, I would ask them to consider the reforms being offered here today by the chairmen, the gentleman from Pennsylvania [Mr. CLINGER] and the gentleman from South Carolina [Mr. SPENCE].

H.R. 1670 would enable businesses to compete effectively in both commercial and Government markets, and would eliminate many of the contracting requirements unique to the Government that increase the cost of doing business with it. We have heard this from prior speakers. The simplification of unwieldy requirements and procedures will also encourage more businesses to enter the Federal marketplace which may have been intimidated by the current system. These businesses just simply cannot deal with the system as it is today. These changes will enable the Government to take advantage of leading technology firms, the technology being supplied by these firms important to the Government.

I strongly urge my colleagues to support the Federal Acquisition Reform Act in the interests of efficiency, a strengthened supplier base, increased competition, and reduced procurement costs. I urge my colleagues to vote against any amendments that are offered that will weaken this bill and make the system work more slowly and more bureaucratically.

Mr. CLINGER. Mr. Chairman, I am pleased to yield 3 minutes to the gentleman from South Carolina [Mr. SPENCE], the cosponsor of this legislation and the very able and excellent chairman of the Committee on National Security.

Mr. SPENCE. Mr. Chairman, I rise in strong support of H.R. 1670, the Federal Acquisition Reform Act of 1995.

This legislation represents an important leap forward in reforming today's antiquated and inefficient Federal procurement system.

Last year, Congress enacted comprehensive acquisition reform legislation that is just now beginning to work itself through the regulatory process. The Federal Acquisition Streamlining Act was a good start in making needed incremental changes to the system.

I realize that some may wonder why we are launching yet another round of acquisition reform while the last one is still going through the implementation process. The answer is simple—we cannot afford to wait for last year's modest reforms to go into effect before fixing the fundamental problems ailing the current system.

Mr. Chairman, what is required today is fundamental reform, not incremental reform. The American taxpayer pays too much for the goods and services bought by the Federal Government. The current system results in products that are too costly, many times outdated, and of questionable quality.

This issue is of critical importance because how the Federal Government buys goods and services affects the budgets and programs under the jurisdiction of every single committee of the House. As we all contemplate the difficult fiscal reality of moving toward a balanced budget in 7 years, we must fix today's inefficient procurement system in order to maximize return on every single Federal tax dollar.

As the Federal Government's largest single buyer, nowhere do these problems apply more than in the Department of Defense. While the concurrent budget resolution adopted by this House does increase Defense spending relative to the President's budget request, even this spending level will not adequately cover the many critical military capability, readiness, and quality-of-life shortfalls facing the military in the years ahead.

I supported this budget as it struck a prudent balance between halting the 10-year slide in Defense spending and putting us on a track toward a balanced Federal budget. But I also realize that the shortfalls created by the drastic reductions in spending of the past few years will require that we aggressively find additional funds from within the Defense program.

It makes necessary process reforms that will streamline procedures, reduce the costly overhead associated with Federal procurements, and allow the Government to buy commercially more often.

Mr. Chairman, the House National Security Committee shares jurisdiction on these issues and received sequential referral of this legislation. In that capacity, we have been working with the Government Reform and Oversight Committee to iron out some last remaining differences. I am happy to report that we have reached an agreement on these differences and that I will be offering an amendment later on reflecting these changes. I want to commend Chairman CLINGER and Representative COLLINS for the cooperative spirit in which they have dealt with our committee and for the willingness to work out these last remaining differences.

Mr. Chairman, I am told that there may be some amendments from the minority or from the Small Business Committee that could have the effect of walking back many of the important provisions of H.R. 1670. These amendments, while well intentioned, would revert back to the same timid and ineffective reforms that we have engaged in for the past 10 years. What is needed is fundamental reform. H.R. 1670 is such fundamental reform.

In closing, I urge my colleagues to defeat any weakening amendments that may be offered by those seeking to protect the status quo system. While change is always unsettling to some, there is no aspect of the Federal Government that could stand more change than the Federal procurement system.

H.R. 1670 represents such change, and I urge my colleagues to support the Government Reform and National Security Committees in pursuing this important objective.

Mrs. COLLINS of Illinois. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I sincerely believe we can improve Government procurement. There are many provisions in this bill that were developed in a very bipartisan manner to reduce the number of steps in the procurement process. In fact, many of these changes were recommended by Vice President GORE. We have disagreed on just one item, the requirement that we have full and open competition.

Full and open competition reduces the cost of the Government, it does not add to the burden of procurement. Full and open competition lets new business, small business, compete. Our amendment would also give necessary flexibility to Government officials to discuss with businesses whether they have a chance to win any kind of procurement opportunity, so that companies with hopeless causes can voluntarily withdraw.

This is not adding anything, this is in fact helping to streamline the whole process while keeping full and open competition. Full and open competition actually keeps bureaucrats from using prejudice and an old boy network to exclude worthy businesses. That is all we are talking about. That is all we are going to be talking about in my amendment. It just seems to me that we have to make a case for full and open competition. If it were not for this one hang-up that we have in this

legislation, we would be on our way home right now. We could have probably voted for this piece of legislation and have been out of here.

I have to repeat that nowhere has the case been made to change the competition standard. The procurement process can be streamlined, as I said just now, and I agree with many of the provisions that are here. It just seems to me that we ought to get about the business of taking care of full and open competition so we can be on our way, so small business, large business, megabusinesses can all have a fair shake at getting Federal Government contracts.

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

□ 1800

Mr. CLINGER. Mr. Chairman, I yield myself 1 minute, just to indicate that I think that the gentlewoman said that we could have been out of here if we could resolve this one niggling little disagreement.

I have to suggest that it is a little more than a minor disagreement. I think that in my view it really goes to the heart of this bill. We have a fundamental disagreement over the impact.

I believe, and I hope a majority will believe, that what we have provided here is the kind of flexibility we need to really get the reforms that are necessary. The other side does not agree with that, so we will debate that in more detail later on, but it is not a minor disagreement, I would have to say.

Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. HUNTER], a very key and senior member of the Committee on National Security.

Mr. HUNTER. I thank the gentleman for yielding me the time.

Mr. Chairman, let me thank the distinguished chairman of the Committee on Armed Services and the chairman of the Committee on Government Operations for their great work. Let me give a dimension to this problem that has not been explored before.

This year in the Department of Defense we are going to be spending about $40 billion for procurement of weapons systems. That is for aircraft, for ships, for submarines, and for all that equipment that our Armed Forces use, so we spend about $40 billion for equipment.

Well, folks, we have about 300,000 Government shoppers buying that equipment. Those 300,000 Government shoppers, that is two U.S. Marine Corps of shoppers. I call them the 173rd Airborne shopping division, call them the Big Red One shopping division, but those shoppers are necessary because we have built a mountainous system of regulations that says if you buy a military airplane for $100 million, you will spend abut $40 million that you pay in salaries to the Pentagon for the service of buying it.

If we do not start reducing the regulations, and this bill goes a long way toward doing that, we are going to continue to maintain two U.S. Marine Corps for the service of shopping for weapon systems. That is not in the interest of the taxpayers.

I commend the gentlemen for their hard work. I just hope everybody in the House realizes the efficiencies that we can achieve if we will pass this bill.

Mr. CLINGER. Mr. Chairman, I yield 2 minutes to the gentleman from Georgia [Mr. CHAMBLISS], another member from the Committee on National Security, which is the cocommittee with our committee in bringing this legislation to the floor.

Mr. CHAMBLISS. Mr. Chairman, the Clinger-Spence acquisition reform bill before you will finish the job begun by the Congress last year. Consider the changes proposed by the bill: Changing competition requirements so that they are reasonable in light of the need; establishing commercial-like procedures for Government procurement; reforming procurement integrity so that it no longer stifles the process; making American companies more competitive on the international market; streamlining the burdensome certification process; consolidating the many dispute resolution mechanisms into a single review board.

These are all commonsense answers to the very real problem of redtape and an overly bureaucratic procurement process. This Congress is finally applying real-world family and business practices to our budgets and our administration of Federal programs. Why not apply these standards to Federal purchasers?

When this bill was first put forward as an amendment to the Defense authorization, many business groups voiced their concern over the new approach to the process. They were concerned that this legislation would in some way limit their ability to freely and openly pursue contracts.

Since that time, Chairmen CLINGER and SPENCE have worked very hard to address these concerns. They have made very important changes that protect the rights of business while maintaining the commonsense approach that serves as the basis of the legislation.

I commend Chairmen SPENCE and CLINGER for working so hard to bring these needed changes to Government. The changes will be good for business, and ultimately they will be good for the taxpayers. Support the Clinger-Spence procurement reform bill and reject this amendment.

However well-intentioned, the amendment of my colleague from Illinois would embrace the status quo and prevent the kind of reform that will get to the heart of this unruly process.

Mr. CLINGER. Mr. Chairman, I yield myself 1 minute, if I may, just to indicate that as we near the end of this debate, I think it has been a very full and open debate, and I think we have touched on some of the issues that will be part of the debate that will follow this as we consider the bill title by title.

It is a significant, I think, reform, a dramatic reform, if you will, of what we have had to live with and what procurement people have had to live with for so long in trying to do the people's business, what we heard in witness after witness from the procurement community. These are dedicated public servants who are really trying to do the job that we ask them to do but feel that they have been hamstrung, limited, wrapped up in redtape, and unable to really accomplish what we all want them to do, which is to get the best bargain that they can for the Federal Government.

We preserve full and open competition, and that I think needs to be stressed. We do provide that the Federal Government has a role to play in determining what they need on any given procurement, how broad do they need to cast the net to get that, and making a winnowing process at the beginning of the process rather than well down the road.

Mr. Chairman, it is a great honor for me to yield the balance of our time to the gentleman from Georgia [Mr. GINGRICH], the Speaker of the House.

The CHAIRMAN. The gentleman from Georgia is recognized for 3 minutes.

Mr. GINGRICH. Mr. Chairman, I thank my good friend from Pennsylvania for yielding me the time.

Mr. Chairman, I just wanted to say that I am very, very proud that we are bringing to the floor and giving our Members a chance to join in a very fundamental reform to fix the Federal procurement system. The Federal Acquisition Reform Act of 1995 is a step toward bringing us into the 21st century.

The fact is Federal procurement is, I think, one of the most inefficient things the Federal Government does. One recent estimate is that taxpayers today pay basically a 20-percent premium on Federal purchases.

That is, if you are to take a product and ask what would it cost you as a private citizen to go buy it, and that costs, say, $100, you would find that for the very same product it costs you $120 if your Government buys it. So you as a taxpayer are not just paying for the legitimate requirements but you are in fact paying more than you should be paying.

But there is something deeper. Because our procurement system today is so slow and so cumbersome and so filled with redtape and is so time consuming, we end up buying products that are in fact obsolete by the time we

can get around to procuring them. In fact, in computers, we actually take longer to figure out how to buy the computer than the lifecycle of current computers.

I use some examples. This is an FAA vacuum tube. If there is any single argument for this act, this is a Federal Aviation Administration vacuum tube which we are currently buying for the air traffic control system. This is an Intel Pentium chip, which is 3,100,000 of the vacuum tubes. In a period when you could be buying this, and instead you are buying this, you clearly have an opportunity for dramatic improvement.

I commend my colleagues on the Committee on Government Reform and Oversight. They have produced a bill which has the American Electronics Association, the Electronic Industry Association, the American Defense Preparedness Association, the Contract Services Association, the Professional Services Council, and the list goes on and on, group after group that knows that in the modern world, agile, lean, private corporations using the best information technologies are literally purchasing circles around a slow, cumbersome, redtape-ridden Federal Government.

The National Taxpayers Union and the Americans for Tax Reform both recognize that the Federal Acquisition Reform Act of 1995 will improve the lot of the taxpayer. They urge a "yes" vote.

Let me say in closing that I commend my good friend, Chairman CLINGER. I urge every Member of the House, on behalf of the taxpayers and on behalf of a better, more effective government that you can be proud of, I hope you will vote "yes" today on the Federal Acquistion Reform Act.

Mr. NADLER. Mr. Chairman, I rise today in support of this amendment to eliminate this unwarranted subsidy for defense contractors.

Every year, U.S. taxpayers spend more than $30 billion to develop weapons systems for the military. That Federal spending has led to the creation of the most technologically advanced military in the world, armed with Stealth bombers, Tomahawk missiles, and supersonic attack aircraft. Throughout the cold war and especially during the 1980's, this country sacrificed funding for education, nutrition, biomedical research, and health care in order to support a bloated Defense budget.

Unfortunately, we see that trend continuing this year with cuts in nearly every social program, including Medicare and Medicaid, while increasing spending by $2.1 billion for the military.

Now, we see that some in Congress would like to toss our costly investment out the window by allowing foreign countries to benefit from the technological advances, made through taxpayer funded R&D, without having to pay for it. When U.S. defense companies sell their wares abroad, the United States has a right to be compensated for our help in developing their weapons. In the past 5 years, that dividend has amounted to nearly $1 billion in deficit reduction for the United States. Are we really willing to throw away a billion dollars of our constituents money at time when we say we want to balance the budget? Are we going to ask veterans to endure cuts in their benefits, while at the same time voting for the Nation's wealthiest defense contractors? I say "no." The Citizens Against Government Waste, who supports this amendment, say "no." And most importantly, the military retirees, whose benefits will be slashed to pay for this subsidy for arms merchants, say no. I urge my colleagues to support the Maloney, DeFazio, Berman amendment.

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 shall be considered by titles as an original bill for the purpose of amendment. The first two sections and each title are considered read.

During consideration of the bill for amendment, the Chairman of the Committee of the Whole may accord priority in recognition to a Member who has caused an amendment to be printed in the designated place in the CONGRESSIONAL RECORD. Those amendments will be considered read.

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.

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 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 not be less than 15 minutes.

The Clerk will designate section 1.

The text of section 1 is as follows:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Federal Acquisition Reform Act of 1995".

The CHAIRMAN. Are there any amendments to section 1?

If not, the Clerk will designate section 2.

The text of section 2 is as follows:

SEC. 2. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

Sec. 1. Short title.
Sec. 2. Table of contents.

TITLE I—COMPETITION

Sec. 101. Improvement of competition requirements.
Sec. 102. Definitions relating to competition requirements.
Sec. 103. Contract solicitation amendments.
Sec. 104. Preaward debriefings.
Sec. 105. Contract types.
Sec. 106. Contract performance.

TITLE II—COMMERCIAL ITEMS

Sec. 201. Commercial item exception to requirement for cost of pricing data and information limitations.
Sec. 202. Application of simplified procedures to commercial items.
Sec. 203. Amendment to definition of commercial items.
Sec. 204. Inapplicability of cost accounting standards to contracts and subcontracts for commercial items.

TITLE III—ADDITIONAL REFORM PROVISIONS

Sec. 301. Government reliance on the private sector.
Sec. 302. Elimination of certain certification requirements.
Sec. 303. Amendment to commencement and expiration of authority to conduct certain tests of procurement procedures.
Sec. 304. International competitiveness.
Sec. 305. Procurement integrity.
Sec. 306. Further acquisition streamlining provisions.
Sec. 307. Justification of major defense acquisition programs and meeting goals.
Sec. 308. Enhanced performance incentives for acquisition workforce.
Sec. 309. Results oriented acquisition program cycle.
Sec. 310. Rapid contracting goal.
Sec. 311. Encouragement of multiyear contracting.
Sec. 312. Contractor share of gains and losses from cost, schedule, and performance experience.
Sec. 313. Phase funding of defense acquisition programs.
Sec. 314. Improved Department of Defense contract payment procedures.
Sec. 315. Consideration of past performance in assignment to acquisition positions.
Sec. 316. Additional Department of Defense pilot programs.
Sec. 317. Value engineering for Federal agencies.
Sec. 318. Acquisition workforce.

TITLE IV—STREAMLINING OF DISPUTE RESOLUTION

SUBTITLE A—GENERAL PROVISIONS

Sec. 401. Definitions.

SUBTITLE B—ESTABLISHMENT OF CIVILIAN AND DEFENSE BOARDS OF CONTRACT APPEALS

Sec. 411. Establishment.
Sec. 412. Membership.
Sec. 413. Chairman.
Sec. 414. Rulemaking authority.
Sec. 415. Authorization of appropriations.

SUBTITLE C—FUNCTIONS OF DEFENSE AND CIVILIAN BOARDS OF CONTRACT APPEALS

Sec. 421. Alternative dispute resolution services.
Sec. 422. Alternative dispute resolution of disputes and protests submitted to boards.
Sec. 423. Contract disputes.
Sec. 424. Protests.
Sec. 425. Applicability to certain contracts.

SUBTITLE D—REPEAL OF OTHER STATUTES AUTHORIZING ADMINISTRATIVE PROTESTS

Sec. 431. Repeals.

SUBTITLE E—TRANSFERS AND TRANSITIONAL, SAVINGS, AND CONFORMING PROVISIONS

Sec. 441. Transfer and allocation of appropriations and personnel.
Sec. 442. Terminations and savings provisions.
Sec. 443. Contract disputes authority of boards.
Sec. 444. References to agency boards of contract appeals.
Sec. 445. Conforming amendments.

SUBTITLE F—EFFECTIVE DATE; INTERIM APPOINTMENT AND RULES

Sec. 451. Effective date.
Sec. 452. Interim appointment.

Sec. 453. Interim rules.

TITLE V—EFFECTIVE DATES AND IMPLEMENTATION

Sec. 501. Effective date and applicability.

Sec. 502. Implementing regulations.

The CHAIRMAN. Are there any amendments to section 2?

If not, the Clerk will designate title I.

The text of title I is as follows:

TITLE I—COMPETITION

SEC. 101. IMPROVEMENT OF COMPETITION REQUIREMENTS.

(a) ARMED SERVICES ACQUISITIONS.—(1) Section 2304 of title 10, United States Code, is amended to read as follows:

"§2304. Contracts: competition requirements

"(a) COMPETITION.—(1) Except as provided in subsections (b), (c), and (e) and except in the case of procurement procedures otherwise expressly authorized by statute, the head of an agency in conducting a procurement for property or services—

"(A) shall obtain full and open competition—

"(i) that provides open access, and

"(ii) that is consistent with the need to efficiently fulfill the Government's requirements,

through the use of competitive procedures in accordance with this chapter and the Federal Acquisition Regulation; and

"(B) shall use the competitive procedure or combination of competitive procedures that is best suited under the circumstances of the procurement.

"(2) In determining the competitive procedure appropriate under the circumstances, the head of an agency—

"(A) shall solicit sealed bids if—

"(i) time permits the solicitation, submission, and evaluation of sealed bids;

"(ii) the award will be made on the basis of price and other price-related factors;

"(iii) it is not necessary to conduct discussions with the responding sources about their bids; and

"(iv) there is a reasonable expectation of receiving more than one sealed bid; and

"(B) shall request competitive proposals if sealed bids are not appropriate under clause (A).

"(b) EXCLUSION OF PARTICULAR SOURCE.—The head of an agency may provide for the procurement of property or services covered by this chapter using competitive procedures but excluding a particular source in order to establish or maintain an alternative source or sources of supply for that property or service. The Federal Acquisition Regulation shall set forth the circumstances under which a particular source may be excluded pursuant to this subsection.

"(c) EXCLUSION OF CONCERNS OTHER THAN SMALL BUSINESS CONCERNS AND CERTAIN OTHER ENTITIES.—The head of an agency may provide for the procurement of property or services covered by this section using competitive procedures, but excluding concerns other than small business concerns in furtherance of sections 9 and 15 of the Small Business Act (15 U.S.C. 638, 644) and concerns other than small business concerns, historically Black colleges and universities, and minority institutions in furtherance of section 2323 of this title.

"(d) PROCEDURES OTHER THAN COMPETITIVE PROCEDURES.—(1) Procedures other than competitive procedures may be used for purchasing property and services only when the use of competitive procedures is not feasible or appropriate. Standards for determining when the use of competitive procedures is not feasible or appropriate shall be set forth in the Federal Acquisition Regulation. Each procurement using procedures other than competitive procedures (other than a procurement for commercial items using simplified procedures or a procurement in an amount not greater than the simplified acquisition threshold) shall be justified in writing and approved in accordance with the Federal Acquisition Regulation.

"(2) In the case of a procurement using procedures that preclude all but one source from responding (hereinafter in this subsection referred to as a 'sole source procurement'), the Federal Acquisition Regulation shall provide for justification and approval under paragraph (1) of such procurement under standards that set forth limited circumstances for such sole source procurements, including circumstances when—

"(A) the property or services needed by the agency are available from only one responsible source and no other type of property or services will satisfy the needs of the agency;

"(B) the agency's need for the property or services is of such an unusual and compelling urgency that the United States would be seriously injured unless the agency is permitted to award the contract for the property or services to a particular source;

"(C) it is necessary to award the contract to a particular source in order (i) to maintain a facility, producer, manufacturer, or other supplier available for furnishing property or services in case of a national emergency or to achieve industrial mobilization, (ii) to establish or maintain an essential engineering, research, or development capability to be provided by an educational or other nonprofit institution or a federally funded research and development center, or (iii) to procure the services of an expert for use, in any litigation or dispute (including any reasonably foreseeable litigation or dispute) involving the Federal Government, in any trial, hearing, or proceeding before any court, administrative tribunal, or agency, or in any part of an alternative dispute resolution process, whether or not the expert is expected to testify;

"(D) the terms of an international agreement or a treaty between the United States and a foreign government or international organization, or the written directions of a foreign government reimbursing the agency for the cost of the procurement of the property or services for such government, have the effect of requiring the award of the contract for the property or services to a particular source;

"(E) subject to section 2304f, a statute expressly authorizes or requires that the procurement be made through another agency or from a specified source, or the agency's need is for a brand-name commercial item for authorized resale;

"(F) the disclosure of the agency's needs would compromise the national security unless the agency is permitted to award the contract for the property or services needed by the agency to a particular source; or

"(G) the head of the agency—

"(i) determines that it is necessary in the public interest to award the contract for the property or services needed by the agency to a particular source in the particular procurement concerned, and

"(ii) notifies the Congress in writing of such determination not less than 30 days before the award of the contract.

"(3) The authority of the head of an agency under paragraph (2)(G) may not be delegated.

"(e) SIMPLIFIED PROCEDURES.—(1) In order to promote efficiency and economy in contracting and to avoid unnecessary burdens for agencies and contractors, the Federal Acquisition Regulation shall provide for special simplified procedures for purchases of property and services for amounts not greater than the simplified acquisition threshold.

"(2) A proposed purchase or contract for an amount above the simplified acquisition threshold may not be divided into several purchases or contracts for lesser amounts in order to use the simplified procedures required by paragraph (1).

"(3) In using simplified procedures, the head of an agency shall ensure that competition is obtained to the maximum extent practicable consistent with the particular Government requirement.

"(f) CERTAIN CONTRACTS.—for the purposes of the following laws, purchases or contracts awarded after using procedures other than sealed-bid procedures shall be treated as if they were made with sealed-bid procedures:

"(1) The Walsh-Healey Act (41 U.S.C. 35–45).

"(2) The Act entitled 'An Act relating to the rate of wages for laborers and mechanics employed on public buildings of the United States and the District of Columbia by contractors and subcontractors, and for other purposes', approved March 3, 1931 (commonly referred to as the 'Davis-Bacon Act') (40 U.S.C. 276a—276a–5).".

(2) Chapter 137 of title 10, United States Code is amended by inserting before section 2305 a new section—

(A) the designation and heading for which is as follows:

"§2304f. Merit-based selection";

and

(B) the text of which consists of subsection (j) of section 2304 of such title, as in effect on the day before the date of the enactment of this Act, modified—

(i) by striking out the subsection designation;

(ii) in paragraphs (2)(A), (3), and (4), by striking out "subsection" and inserting in lieu thereof "section" each place it appears;

(iii) in paragraph (2)(C), by striking out "paragraph (1)" and inserting in lieu thereof "subsection (a)";

(iv) by redesignating paragraphs (1), (2), (3), and (4) as subsections (a), (b), (c), and (d), respectively; and

(v) in subsection (b) (as so redesignated), by redesignating subparagraphs (A), (B), and (C) as paragraphs (1), (2), and (3), respectively.

(3) The table of sections at the beginning of such chapter is amended by inserting before the item relating section 2305 the following new item:

"2304f. Merit-based selection.".

(b) CIVILIAN AGENCY ACQUISITIONS.—(1) Section 303 of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253) is amended to read as follows:

"SEC. 303. CONTRACTS: COMPETITION REQUIREMENTS.

"(a) COMPETITION.—(1) Except as provided in subsections (b), (c), and (e) and except in the case of procurement procedures otherwise expressly authorized by statute, an executive agency in conducting a procurement for property or services—

"(A) shall obtain full and open competition—

"(i) that provide open access, and

"(ii) that is consistent with the need to efficiently fulfill the Government's requirements, through the use of competitive procedures in accordance with this chapter and the Federal Acquisition Regulation; and

"(B) shall use the competitive procedure or combination of competitive procedures that is best suited under the circumstances of the procurement.

"(2) In determining the competitive procedure appropriate under the circumstances, an executive agency—

"(A) shall solicit sealed bids if—

"(i) time permits the solicitation, submission, and evaluation of sealed bids;

"(ii) the award will be made on the basis of price and other price-related factors;

"(iii) it is not necessary to conduct discussions with the responding source about their bids; and

"(iv) there is a reasonable expectation of receiving more than one sealed bid; and

"(B) shall request competitive proposals if sealed bids are not appropriate under clause (A).

"(b) EXCLUSION OF PARTICULAR SOURCE.—An executive agency may provide for the procurement of property or services covered by this chapter using competitive procedures but excluding a particular source in order to establish or maintain an alternative source or sources of supply for that property or service. The Federal Acquisition Regulation shall set forth the circumstances under which a particular source may be excluded pursuant to this subsection.

"(c) EXCLUSION OF CONCERNS OTHER THAN SMALL BUSINESS CONCERNS AND CERTAIN OTHER ENTITIES.—An executive agency may provide for the procurement of property or services covered by this section using competitive procedures, but excluding concerns other than small business concerns in furtherance of section 9 and 15 of the Small Business Act (15 U.S.C. 638, 644) and concerns other than small business concerns, historically Black colleges and universities, and minority institutions in furtherance of section 7102 of the Federal Acquisition Streamlining Act of 1994 (15 U.S.C. 644 note).

"(d) PROCEDURES OTHER THAN COMPETITIVE PROCEDURES.—(1) Procedures other than competitive procedures may be used for purchasing property and services only when the use of competitive procedures is not feasible or appropriate. Standards for determining when the use of competitive procedures is not feasible or appropriate shall be set forth in the Federal Acquisition Regulation. Each procurement using procedures other than competitive procedures (other than a procurement for commercial items using simplified procedures or a procurement in an amount not greater than the simplified acquisition threshold shall be justified in writing and approved in accordance with the Federal Acquisition Regulation.

"(2) In the case of a procurement using procedures that preclude all but one source from responding (hereinafter in this subsection referred to as a 'sole source procurement'), the Federal Acquisition Regulation shall provide for justification and approval under paragraph (1) of such procurement under standards that set forth limited circumstances for such sole source procurements, including circumstances when—

"(A) the property or services needed by the executive agency are available from only one responsible source and no other type of property or services will satisfy the needs of the executive agency;

"(B) the executive agency's need for the property or services is of such an unusual and compelling urgency that the United States would be seriously injured unless the executive agency is permitted to award the contract for the property or services to a particular source;

"(C) it is necessary to award the contract to a particular source in order (i) to maintain a facility, producer, manufacturer, or other supplier available for furnishing property or services in case of a national emergency or to achieve industrial mobilization, (ii) to establish or maintain an essential engineering, research, or development capability to be provided by an educational or other nonprofit institution or a federally funded research and development center, or (iii) to procure the services of an expert for use, in any litigation or dispute (including any reasonably foreseeable litigation or dispute) involving the Federal Government, in any trial, hearing, or proceeding before any court, administrative tribunal, or agency, or in any part of an alternative dispute resolution process, whether or not the expert is expected to testify;

"(D) the terms of an international agreement or treaty between the United States Government and a foreign government or international organization, or the written directions of a foreign government reimbursing the executive agency for the cost of the procurement of the property or services for such government, have the effect of requiring the award of the contract for the property or services to a particular source;

"(E) subject to section 303M, a statute expressly authorizes or requires that the procurement be made through another executive agency or from a specified source, or the agency's need is for a brand-name commercial item for authorized resale;

"(F) the disclosure of the executive agency's needs would compromise the national security unless the agency is permitted to award the contract for the property or services needed by the agency to a particular source; or

"(G) the head of the executive agency—

"(i) determines that it is necessary in the public interest to award the contract for the property or services needed by the agency to a particular source in the particular procurement concerned, and

"(ii) notifies the Congress in writing of such determination not less than 30 days before the award of the contract.

"(3) The authority of the head of an executive agency under paragraph (2)(G) may not be delegated.

"(e) SIMPLIFIED PROCEDURES.—In order to promote efficiency and economy in contracting and to avoid unnecessary burdens for agencies and contractors, the Federal Acquisition Regulation shall provide for special simplified procedures for purchases of property and services for amounts not greater than the simplified acquisition threshold.

"(2)(A) The Administrator of General Services shall prescribe regulations that provide special simplified procedures for acquisitions of leasehold interests in real property at rental rates that do not exceed the simplified acquisition threshold.

"(B) For purposes of subparagraph (A), the rental rate or rates under a multiyear lease do not exceed the simplified acquisition threshold if the average annual amount of the rent payable for the period of the lease does not exceed the simplified acquisition threshold.

"(3) A proposed purchase or contract or for an amount above the simplified acquisition threshold may not be divided into several purchases or contracts for lesser amounts in order to use the simplified procedures required by paragraph (1).

"(4) In using simplified procedures, an executive agency shall ensure that competition is obtained to the maximum extent practicable consistent with the particular Government requirement.".

"(2) Title III of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 251 et seq.) is amended by inserting after section 303L a new section—

(A) the designation and heading for which is as follows:

"SEC. 303M. MERIT-BASED SELECTION.";

and

(B) the text of which consists of subsection (h) of section 303 of such Act, as in effect on the day before the date of the enactment of this Act, modified—

(i) by striking out the subsection designation;

(ii) in paragraphs (2)(A), (3), and (4), by striking out "subsection" and inserting in lieu thereof "section" each place it appears;

(iii) in paragraph (2)(C), by striking out "paragraph (1)" and inserting in lieu thereof "subsection (a)";

((iv) by redesignating paragraphs (1), (2), (3), and (4) as subsections (a), (b), (c), and (d), respectively; and

(v) in subsection (b) (as so redesignated), by redesignating subparagraphs (A), (B), and (C) as paragraphs (1), (2), and (3), respectively.

(3) The table of contents for the Federal Property and Administrative Services Act of 1949 (contained in section 1(b)) is amended—

(A) by striking out the item relating to section 303 and inserting in lieu thereof the following:

"Sec. 303. Contracts: competition requirements.";

and

(B) by inserting after the item relating to section 303L the following new item:

"Sec. 303M. Merit-based selection.".

(c) REVISIONS TO PROCUREMENT NOTICE PROVISIONS.—Section 18 of the Office of Federal Procurement Policy Act (41 U.S.C. 416) is amended—

(1) in subsection (a)—

(A) in subparagraph (B) of paragraphs (1)—

(i) by striking out "subsection (f)—" and all that follows through the end of the subparagraph and inserting in lieu thereof "subsection (b); and"; and

(ii) by inserting after "property or services" the following: "for a price expected to exceed $10,000 but not to exceed $25,000";

(B) by striking out paragraph (4); and

(C) by redesignating paragraphs (5) and (6) as paragraphs (4) and (5), respectively; and (2) in subsection (b)—

(A) by amending subparagraph (B) of paragraph (2) to read as follows:

"(B) state where the acquisition is to be conducted pursuant to a contractor verification system (as provided pursuant to section 35) or whether the offeror, its product, or its service otherwise must meet a qualification requirement in order to be eligible for award and, if so, identify the criteria to be used in determining such eligibility;"; and

(B) by amending paragraph (4) to read as follows:

"(4) a statement that all responsible sources may submit for consideration a bid, proposal, or quotation;".

(d) EXECUTIVE AGENCY RESPONSIBILITIES.—(1) Section 16 of the Office of Federal Procurement Policy Act (41 U.S.C. 414) is amended—

(A) by striking out "achieve" in the matter preceding paragraph (1) and inserting in lieu thereof "promote"; and

(B) by amending paragraph (1) to read as follows:

"(1) to implement competition that provides open access for responsible sources in the procurement of property or services by the executive agency by establishing policies, procedures, and practices that are consistent with the need to efficiently fulfill the Government's requirements;".

(2) Section 20 of such Act (41 U.S.C. 418) is amended in subsection (a)(2)(A) by striking out "serving in a position authorized for such executive agency on the date of enactment of the Competition in Contracting Act of 1984".

SEC. 102. DEFINITIONS RELATING TO COMPETITION REQUIREMENTS.

(a) DEFINITION.—Paragraphs (5) and (6) of section 4 of the Office of Federal Procurement Policy Act (41 U.S.C. 403) are amended to read as follows:

'(5) The term 'competitive procedures' means procedures under which an agency enters into a contract pursuant to full and open competition that provides open access and is consistent with the need to efficiently fulfill the Government's requirements.

"(6) The term 'open access', when used with respect to a procurement, means that all responsible sources are permitted to submit sealed bids or competitive proposals on the procurement.".

(b) CONFORMING AMENDMENTS.—

(1) OFFICE OF FEDERAL PROCUREMENT POLICY ACT.—Section 20 of the Office of Federal Procurement Policy Act is amended—

(A) in subsection (b)(1), subsection (b)(3)(A), and subsection (c), by inserting after "full and open competition" the following: "that provides open access and is consistent with the need to efficiently fulfill the Government's requirements" each place it appears; and

(B) in subsection (b)(4)(C), by striking out "to full and open competition that remain" and inserting in lieu thereof "that remain to achieving full and open competition that provides open access and is consistent with the need to efficiently fulfill the Government's requirements".

(2) TITLE 10.—Title 10, United States code, is amended—

(A) in section 2302(2), by striking out the first sentence and inserting in lieu thereof the following: "The term 'competitive procedures' means procedures under which an agency enters into a contract pursuant to full and open competition that provides open access and is consistent with the need to efficiently fulfill the Government's requirements.";

(B) in section 2302(3)(D), by striking out "full and open competition" and inserting in lieu thereof "open access";

(C) in section 2323(e)(3), by striking out "less than full and open" and inserting in lieu thereof "procedures other than"; and

(D) in section 2323(i)(3)(A), by striking out "full and open".

(3) FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT.—Title III of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 251 et seq.) is amended—

(A) in section 309(b), by striking out the first sentence and inserting in lieu thereof the following: "The term 'competitive procedures' means procedures under which an executive agency enters into a contract pursuant to full and open competition that provides open access and is consistent with the need to efficiently fulfill the Government's requirements.";

(B) in section 309(c)(4), by striking out "full and open competition" and inserting in lieu thereof "open access"; and

(C) in section 304B(a)(2)(B), by striking out "encouraging full and open competition or".

(4) OTHER LAWS.—Section 7102 of the Federal Acquisition Streamlining Act of 1994 (108 Stat. 3367; 15 U.S.C. 644 note) is amended in subsection (a)(1)(A) by striking out "less than full and open competition" and inserting in lieu thereof "procedures other than competitive procedures".

SEC. 103. CONTRACT SOLICITATION AMENDMENTS.

(a) ARMED SERVICES ACQUISITIONS.—Section 2305 of title 10, United States Code, is amended—

(1) in subsection (a)(1)—

(A) by striking out subparagraph (A) and inserting in lieu thereof the following: "(A) In preparing for the procurement of property or services, the head of an agency shall use advance procurement planning and market research.";

(B) by striking out subparagraph (B); and

(C) by redesignating subparagraph (C) as subparagraph (B) and in that subparagraph by striking out "For the purposes of subparagraphs (A) and (B), the" and inserting in lieu thereof "Each solicitation under this chapter shall include specifications that include restrictive provisions or conditions only to the extent necessary to satisfy the needs of the agency or as authorized by law. The";

(2) in subsection (a)(2), by inserting after "(other than for" the following: "a procurement for commercial items using simplified procedures or"; and

(3) in subsection (b)(4)(A)(i), by striking out "all" and inserting in lieu thereof "the".

(b) CIVILIAN AGENCY ACQUISITIONS.—(1) Section 303A of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253a) is amended—

(A) in subsection (a)—

(i) by striking out paragraph (1) and inserting in lieu thereof the following: "(1) In preparing for the procurement of property or services, an executive agency shall use advance procurement planning and market research.";

(ii) by striking out paragraph (2); and

(iii) by redesignating paragraph (3) as paragraph (2) and in that paragraph by striking out "For the purposes of paragraphs (1) and (2), the" and inserting in lieu thereof "Each solicitation under this title shall include specifications that include restrictive provisions or conditions only to the extent necessary to satisfy the needs of the executive agency or as authorized by law. The"; and

(B) in subsection (b), by inserting after "(other than for" the following: "a procurement for commercial items using simplified procedures or".

(2) Section 303B(d)(1)(A) of such Act (41 U.S.C. 253b) is amended by striking out "all" and inserting in lieu thereof "the".

SEC. 104. PREAWARD DEBRIEFINGS.

(a) ARMED SERVICES ACQUISITIONS.—Section 2305(b) of title 10, United States Code, is amended—

(1) by striking out subparagraph (F) of paragraph (5);

(2) by redesignating paragraph (6) as paragraph (8); and

(3) by inserting after paragraph (5) the following new paragraphs:

"(6)(A) When the contracting officer excludes an offeror submitting a competitive proposal from the competitive range (or otherwise excludes such an offeror from further consideration prior to the final source selection decision), the excluded offeror may request in writing, within three days after the date on which the excluded offeror receives notice of its exclusion, a debriefing prior to award. The contracting officer shall make every effort to debrief the unsuccessful offeror as soon as practicable and may refuse the request for a debriefing if it is not in the best interests of the Government to conduct a debriefing at that time.

"(B) The contracting officer is required to debrief an excluded offeror in accordance with paragraph (5) of this section only if that offeror requested and was refused a preaward debriefing under subparagraph (A) of this paragraph.

"(C) The debriefing conducted under this subsection shall include—

"(i) the executive agency's evaluation of the significant elements in the offeror's offer;

"(ii) a summary of the rationale for the offeror's exclusion; and

"(iii) reasonable responses to relevant questions posed by the debriefed offeror as to whether source selection procedures set forth in the solicitation, applicable regulations, and other applicable authorities were followed by the executive agency.

"(D) The debriefing conducted pursuant to this subsection may not disclose the number or identity of other offerors and shall not disclose information about the content, ranking, or evaluation of other offeror's proposals.

"(7) The contracting officer shall include a summary of any debriefing conducted under paragraph (5) or (6) in the contract file.".

(b) CIVILIAN AGENCY ACQUISITIONS.—Section 303B of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253b) is amended—

(1) by striking out paragraph (6) of subsection (e);

(2) by redesignating subsections (f), (g), (h), and (i) as subsections (h), (i), (j), and (k), respectively; and

(3) by inserting after subsection (e) the following new subsections:

"(f)(1) When the contracting officer excludes an offeror submitting a competitive proposal from the competitive range (or otherwise excludes such an offeror from further consideration prior to the final source selection decision), the excluded offeror may request in writing, within 3 days after the date on which the excluded offeror receives notice of its exclusion, a debriefing prior to award. The contracting officer shall make every effort to debrief the unsuccessful offeror as soon as practicable and may refuse the request for a debriefing if it is not in the best interests of the Government to conduct a debriefing at that time.

"(2) The contracting officer is required to debrief an excluded offeror in accordance with subsection (e) of this section only if that offeror requested and was refused a preaward debriefing under paragraph (1) of this subsection.

"(3) The debriefing conducted under this subsection shall include—

"(A) the executive agency's evaluation of the significant elements in the offeror's offer;

"(B) a summary of the rationale for the offeror's exclusion; and

"(C) reasonable responses to relevant questions posed by the debriefed offeror as to whether source selection procedures set forth in the solicitation, applicable regulations, and other applicable authorities were followed by the executive agency.

"(4) The debriefing conducted pursuant to this subsection may not disclose the number or identity of other offerors and shall not disclose information about the content, ranking, or evaluation of other offerors' proposals.

"(g) The contracting officer shall include a summary of any debriefing conducted under subsection (e) or (f) in the contract file.".

SEC. 105. CONTRACT TYPES.

(a) ARMED SERVICES ACQUISITIONS.—(1) Section 2306 of title 10, United States Code, is amended—

(A) by inserting before the period at the end of subsection (a) the following: ", based on market conditions, established commercial practice (if any) for the product or service being acquired, and sound business judgment";

(B) by striking out subsections (b), (d), (e), (f), and (h); and

(C) by redesignating subsection (g) as subsection (b).

(2) The heading of such section is amended to read as follows:

"§2306. Contract types".

(3) The item relating to section 2306 in the table of sections at the beginning of chapter 137 of such title is amended to read as follows:

"2306. Contract types.".

(b) CIVILIAN AGENCY ACQUISITIONS.—(1) Section 304 of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 254) is amended—

(A) by inserting before the period at the end of the first sentence of subsection (a) the following: ", based on market conditions, established commercial practice (if any) for the product or service being acquired, and sound business judgment";

(B) by striking out "Every contract awarded" in the second sentence of subsection (a) and all that follows through the end of the subsection; and

(C) in subsection (b), by striking out "used," in the first sentence and all that follows through the end of the subsection and inserting in lieu thereof "used.".

(2) The heading of such section is amended to read as follows:

"SEC. 304. CONTRACT TYPES.".

(3) The item relating to section 304 in the table of contents for such Act (contained in section 1(b) is amended to read as follows:

"Sec. 304. Contract types.".

(c) CONFORMING REPEALS.—(1) Sections 4540, 7212, and 9540 of title 10, United States Code, are repealed.

(2) The table of sections at the beginning of chapter 433 of such title is amended by striking out the item relating to section 4540.

(3) The table of sections at the beginning of chapter 631 of such title is amended by striking out the item relating to section 7212.

(4) The table of sections at the beginning of chapter 933 of such title is amended by striking out the item relating to section 9540.

(d) CIVIL WORKS AUTHORITY.—(1) Part IV of subtitle A of title 10, United States Code, is amended—

(A) by transferring section 2855 to the end of chapter 137; and

(B) by striking out the section heading and subsection (a) of such section and inserting in lieu thereof the following:

"§2332. Contracts for architectural and engineering services

"(a) The Secretary of Defense and the Secretaries of the military departments may enter into contracts for architectural and engineering services in connection with a military construction or family housing project or for other Department of Defense or military department purposes. Such contracts shall be awarded in accordance with the Brooks Architect-Engineers Act (40 U.S.C. 541 et seq.).".

(2) The table of sections at the beginning of chapter 137 of such title is amended by adding at the end the following new item:

"2332. Contracts for architectural and engineering services.".

(3) The table of sections at the beginning of chapter 169 of such title is amended by striking out the item relating to section 2855.

SEC. 106. CONTRACTOR PERFORMANCE.

(a) REQUIREMENT FOR SYSTEM.—The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.) is amended by adding at the end the following new section:

"SEC. 35. CONTRACTOR PERFORMANCE.

"(a) VERIFICATION SYSTEM.—

"(1) REQUIREMENT.—The Federal Acquisition Regulation shall provide for a contractor verification system in accordance with this section.

"(2) PROCEDURES.—The Federal Acquisition Regulation shall provide procedures for the head of an executive agency to follow in order to verify a contractor as eligible to compete for contracts to furnish property or services that are procured by the executive agency on a recurring basis.

"(3) NOTIFICATION.—The procedures shall include a requirement that the head of an executive agency provide for the publication of appropriate notification about the verification system in the Commerce Business Daily.

"(b) EVALUATION.—(1) Under the procedures referred to in subsection (a)(2), the head of an executive agency in granting a verification to a contractor shall use the following factors as the basis of the evaluation:

"(A) The efficiency and effectiveness of its business practices.

"(B) The level of quality of its product or service.

"(C) Past performance of the contractor with regard to the particular property or service.

"(2)(A) The evaluation of past performance may include performance under—

"(i) a contract with an executive agency of the Federal Government;

"(ii) a contract with an agency of a State or local government; or

"(iii) a contract with an entity in the private sector.

"(B) The procedures shall include a requirement that, in the case of a contractor with respect to which there is no information on past contract performance or with respect to which information on past contract performance is not available, the contractor may not be evaluated favorably or unfavorably on the factor of past performance.

"(c) OPPORTUNITY FOR ALL INTERESTED SOURCES.—The Federal Acquisition Regulation shall provide procedures for ensuring that all interested sources, including small businesses, have a fair opportunity to be considered for verification under the verification system.

"(d) PROCUREMENT FROM VERIFIED CONTRACTORS.—The Federal Acquisition Regulation shall provide procedures under which the head of an executive agency may enter into a contract for the procurement of property or services referred to in subsection (a)(2) on the basis of a competition in accordance with section 2304 of title 10, United States Code, or section 303 of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253) for contractors verified with respect to such property or services pursuant to the contractor verification system.

"(e) TERMINATION OF VERIFICATION.—The Federal Acquisition Regulation shall provide procedures under which the head of an executive agency—

"(1) may provide for the termination of a verification granted a contractor under this section upon the expiration of a period specified by the head of an executive agency;

"(2) may revoke a verification granted a contractor under this section upon a determination that the quality of performance of the contractor does not meet standards applied by the head of the executive agency as of the time of the revocation decision; and

"(3) may provide that a contractor whose verification is terminated or revoked will have a fair opportunity to be considered for reentry into the verification system.

"(f) SPECIAL APPLICABILITY RULE.—Notwithstanding section 34, the verification system shall apply to the procurement of commercial items.".

(b) REPEALS.—Section 2319 of title 10, United States Code, is repealed. Section 303C of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253c) is repealed.

(c) CLERICAL AMENDMENTS.—(1) The table of contents for the Office of Federal Procurement Policy Act (contained in section 1(b)) is amended by adding at the end the following new item:

"Sec. 35. Contractor performance.".

(2) The table of sections at the beginning of chapter 137 of title 10, United States Code, is amended by striking out the item relating to section 2319.

(3) The table of contents for the Federal Property and Administrative Services Act of 1949 (contained in section 1(b)) is amended by striking out the item relating to section 303C.

The CHAIRMAN. Are there any amendments to title I?

AMENDMENT NO. 1 OFFERED BY MRS. COLLINS OF ILLINOIS

Mrs. COLLINS of Illinois. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 1 offered by Mrs. COLLINS of Illinois. Strike out sections 101, 102, 103, and 106 and insert in lieu of section 101 the following:

SEC. 101. COMPETITION PROVISIONS.

(a) CONFERENCE BEFORE SUBMISSION OF BIDS OR PROPOSALS.—(1) Section 2305(a) of title 10, United States 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 subparagraph:

"(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, and may eliminate the proposal from further consideration if the head of the agency determines the proposal has no chance for contract award.".

(2) Section 202B(b) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253b(b)) 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, 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).

Mrs. COLLINS of Illinois. Mr. Chairman, just 3 months ago, when H.R. 1670 was offered as an amendment to the Defense Authorization Act, I offered an amendment to Chairman CLINGER's amendment to protect small business by providing full and open competition procurement. My amendment was passed with bipartisan support, by a vote of 213–207. The procurement amendment was then passed by an overwhelming bipartisan vote of 402 to 1.

My amendment today is the same one that passed the House on June 14, as part of the National Defense Authorization Act. It does three things: First, it strikes from H.R. 1670 its redefinition of the competition standard for Federal contracts. Second, it strikes an unnecessary system of Federal agency verification, whereby agency bureaucrats determine which firms are allowed to bid for Federal contracts. Third, it moves us closer to commercial buying practices, by empowering agency officials to have more open communication with the private sector. My position is supported by the Chair of the Committee on Small Business, Jan Meyers; the Small Business Administration; the Small Business Working Group on Procurement Reform; and the U.S. Chamber of Commerce.

In a July 27, 1995, letter to Chairman CLINGER, the U.S. Chamber of Commerce and Small Business Working Group on Procurement wrote:

We believe that it is essential that H.R. 1670 be modified to maintain the current standard of "full and open competition", established by the landmark Competition in Contracting Act of 1984 (CICA) . . . The competitive standard established by CICA has proven itself for over a decade, resulting in a steady decrease in sole source contract awards. It assures a fair and open procurement process, which is essential to small business.

Clearly, for these major representatives of the small business community, the case has not been made for changing the full and open competition standard. Small business continues to believe that H.R. 1670 will significantly limit their ability to fairly compete for Government contracts. In my opinion, this is a fatal flaw in H.R. 1670. My amendment will correct this flaw.

The cornerstone of our free enterprise system is full and open competition. The competitive market ensures fair prices to the Government. If a vendor's product costs too much, it will not survive. At the same time full and open competition provides the opportunity for all vendors, particularly small businesses, to participate in the Federal marketplace, to be judged on merit. This creates incentives for the development of new and innovative products. These market forces are essential if we are to position our country for economic leadership into the next century.

□ 1815

Mr. Chairman, title I of H.R. 1670 amounts to little more than a bait and switch maneuver in which the term "full and open" is included in the text but its meaning is substantively changed. The maximum practicable standard which we rejected on the House Floor on June 14 has been replaced by "open access", the definition of which is identical to the definition of "full and open" in CICA.

However, the bill provides broad new exceptions to full and open competition when agency officials determine it is not feasible or appropriate.

Prior to passage of the Competition in Contracting Act of 1984, Federal agencies tended to award sole source contracts because agency bureaucrats complained that full and open competition would be too complicated and time consuming.

The CHAIRMAN. The time of the gentlewoman from Illinois [Mrs. COLLINS] has expired.

(By unanimous consent, Mrs. COLLINS of Illinois was allowed to proceed for 3 additional minutes.)

Mrs. COLLINS of Illinois. Mr. Chairman, They said it was less risky and more manageable to do business with a few selected vendors, instead of encouraging new and innovative qualified companies to enter the Federal marketplace. However, this lack of competition resulted in widespread waste and abuse in every Federal agency.

The Competition in Contracting Act's establishment of the full and open competition standard has saved the Federal Government billions of dollars. Now, the same old arguments which were used to limit competition before we passed that legislation have resurfaced with H.R. 1670.

I can understand why agency bureaucrats would want additional powers to impose limits on competition. It is certainly much easier and less time consuming to do business with only a few selected well known big companies. Agency officials get to know the people in these companies. Yes, the old boy network does have its advantages; but do we really want our country to go backwards as we move into the more enlightened information age?

Over the past 5 years much of the major innovative and technological advances that our country has made have come from small businesses. Just look at the remarkable rise of companies like Microsoft and Apple computers. Just a few years ago they were new, small companies; today they successfully compete with computer giants like IBM.

Over the next 10 years, 85 percent of all new jobs in the United States will come from small businesses. Such businesses are in every district of every Member in this House. By adopting this new competition standard we will lock in procurement policies that lock small businesses out of the Federal marketplace and significantly undermine our Nation's competitiveness.

Joshua Smith, who chaired President Bush's Commission on Minority Business, testified several years ago before the Government Operations Committee that emphasizing subjectivity in awarding contracts creates a breeding ground for prejudice, because contracting officers, if given the choice, will usually go with a well-established, large firm instead of a small business offering a lower price.

Much of the stated justification for H.R. 1670's change in the competition standard is to give agency bureaucrats more power to exclude noncompetitive companies; but under the current full and open competition standard most of that authority already exists.

Now, I agree with Chairman CLINGER that there does appear to be a problem of many companies having technical weaknesses which are evident to the agencies early in the process. However, when agencies fail to so advise these companies of their little chance of winning, a lot of their money is wasted in a futile effort to win a contract.

There also seems to be a problem with the lack of dialog between agencies and businesses prior to bidding. In the private sector, buyers and sellers talk to each other all the time. In the Federal Government we limit that discussion.

I agree with these two industry concerns. Therefore, my amendment provides for prebid or preproposal conferences which should disclose as much information as possible regarding the qualifications necessary to successfully win a contract.

In order to give companies a better understanding of how agencies will evaluate bids, my amendment would require that solicitation describe the agency source selection plan in as much detail practicable. If companies are better informed about how bids will be evaluated, they will be better able to give the Federal Government exactly what it needs and at the best price.

The CHAIRMAN. The time of the gentlewoman from Illinois [Mrs. COLLINS] had expired.

(By unanimous consent, Mrs. COLLINS of Illinois was allowed to proceed for 3 additional minutes.)

Mrs. COLLINS of Illinois. Mr. Chairman, finally, my amendment empowers Federal agencies by giving them the authority to eliminate from cost and technical discussions and evaluations any proposal that clearly has no chance for award. In this way companies should be informed early in the process that they have no chance to win a bid. This will cut down on time and significantly reduce costs.

Mr. Chairman, full and open competition is the key to efficiency and fairness in Federal procurement. It creates a level playing field upon which all qualified vendors, particularly small businesses, have a fair chance to compete for a share of the hundreds of billions of dollars spent by the Federal Government in procurement each year. In return, the Government receives the maximum benefit from the innovations and expertise offered by companies large and small. We should maintain the current standard and the current interpretation of full and open, and make the targeted changes contained in my amendment.

My amendment had the strong support of the small business community, as well as the U.S. Chamber of Commerce as well as the following groups: Small Business Legislative Council [SBLC]; National Small Business United [NSBU]; 100+member National Association of Women Business Owners [NAWBO]; Latin American Management Association [LAMA]; Minority Business Enterprise Legal Defense and Education Fund [MBELDEF]; National Association of Minority Business [NAMB]; National Association of Minority Contractors [NAMC]; Women Construction Owners and Executives; and American Gear Manufacturers Association. The bill before us today unfortunately does not include my amendment, and instead would grant a broad new authority to procurement officials to limit competition. Therefore, I once again offer an amendment to restore the full and open standard which the House endorsed in June.

Mr. CLINGER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in reluctant but very strenuous opposition to the amendment of the gentlewoman from Illinois [Mrs. COLLINS]. I know of her concern and I know that she has really thought long and deeply about this matter, but I have to say that I think the gentlewoman is wrong in the interpretation that she gives to the language that we have included in this bill.

I also point out that since we considered this amendment back in June, significant, substantive changes have been made in the legislation, primarily to move in the direction that the gentlewoman has importuned us to do. I think we recognized a number of the concerns that she raised and we did move in that direction.

So, Mr. Chairman, I would suggest that the amendment that we have before us tonight really is in response to an earlier, now outmoded iteration of the legislation that we have before us tonight. The legislation we have before us tonight, I think, has addressed many of the concerns that were raised.

In that respect, I would point out that I know the gentlewoman would not want to mislead anybody in terms of the support, but I think that it was alluded to that the NFIB had supported this amendment. They did indeed support this amendment when it was offered in June. I think they recognized that we have moved significantly toward the objectives that we all seek, and we just received a call, I would tell the gentlewoman and the Members, in our cloakroom asking me to make clear that they take no position on the amendment that is being offered tonight.

Mr. Chairman, I think that reflects a movement and a recognition that the bill that we are offering tonight really has gone, we think, the extra mile in trying to address those concerns.

Mr. Chairman, I must oppose the amendment. I think what we are attempting to do here is to remove the restraints that have been placed upon our procurement officers to do the job that we want them to do, not add new restraints, new requirements, new restrictions.

I stress at the outset, this bill retains the language of full and open competition. It is our intent to encourage everybody that wants to do business, to come in and do business with the Federal Government.

It does say that that cannot be an open-ended process where they are going to be in the process to the end of time or until the end of the process. It does indicate there has to be some flexibility, some discretion lodged in the very competent and able people who we have manning that job. I would say if that proves not to be true, I think we could revisit that.

Mr. Chairman, this amendment would provide that a solicitation include an agency's source selection plan. According to FAR, the Federal Acquisition Regulation, source selection plans are to include such information as a description of the organization of the agency's source selection structure, a summary of the agency's acquisition strategy, the proposed acquisition factors and a description of the evaluation process.

Since agencies are required by current law to set forth in a solicitation a clear statement of the Government's requirements, along with evaluation factors and subfactors as well as their relative weights, it is not clear to me, at least, that this additional information, to the extent that it could be released under the procurement integrity laws contained in the plans, would be of any value to the offerors. What is clear is that the already bloated procurement code would still have another requirement.

Mr. Chairman, we want to compress and eliminate those that are no longer necessary or redundant, not add to the burden that we place on these people. H.R. 1670 provides for a standard of competition, focused on the competition received in response to the Government's requirements.

What we do not recognize now is that there are procurements that are in the millions of dollars, and there are procurements that are in the hundreds of dollars. There is enormous variety and disparity between the types of procurements we do, and yet we put them in a straitjacket, requiring them to do everything the same.

Mr. Chairman, what we are saying is that there ought to be some ability for the procurement people to look at what the scope of that procurement is, to determine what is going to give good competition to achieve what we all want, and that is very simply what we are after.

What we have done here, I think, in our amendment would permit acquisition professionals to make rational judgments in accordance with the evaluation factors set forth in the solicitation throughout the entire selection process to ensure that only firms with a realistic chance of award, which is not the case now, I mean, they never get the word perhaps that they are not eligible until way down the process after they spent a lot of money and time, and then are told, "Hey, you were never in the ball game to begin with." We allow the procurement officers to make those determinations early.

The amendment would provide that an agency head may reject a proposal on the basis of a preliminary assessment of its merits, rather than a complete evaluation, if the agency has concluded that it has no chance for award.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. CLINGER] has expired.

(By unanimous consent, Mr. CLINGER was allowed to proceed for 2 additional minutes.)

Mr. CLINGER. Mr. Chairman, many have indicated they would like to be informed as soon as possible in the evaluation process if they had no chance for award in order to save time and expense. We have not heard that firms wish to have their initial proposals, which is what this amendment would do, have their initial proposals rejected based on less than a complete evaluation.

So, this amendment really, I think, takes away that full and complete evaluation at the outset. The concern has been that offerors are encouraged to incur the expense of submitting revised proposals without the real chance of getting the award. This is addressed

in H.R. 1670 by providing for increased information in the public notice so that offerors are provided, as early as possible in the process, detailed information concerning the evaluation criteria to appear in the solicitation and by granting acquisition professionals increased discretion in accordance with the announced evaluation criteria throughout the selection process.

Mr. Chairman, what this basically says is that we do treat all of the applicants fairly. We do allow everybody to come in. This is not an exclusionary process. We treat them very fairly, but we do tell them up front what this is about. It also gives the Federal Government the opportunity to have some flexibility, some discretion about the way they do it.

□ 1830

So this is all backed up. Our bill is all backed by simplified, easily accessed, robust bid process to guard against abuse by the discretion of the contracting officers.

We are concerned about what contracting officers are going to do; then we have a provision there that allows that to be reviewed on a regular basis.

Mr. Chairman, this is really an obsolete amendment. As I say, it addresses problems that were inherent, perhaps, in the earlier bill, we did not think so, that were inherent. We have changed many of those to achieve the kind of reforms we all seek.

I would urge in the strongest possible way, reluctant as it may be, a "no" vote on this amendment.

Mr. SPRATT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, we have three basic principles at issue before us. About 10 years ago, in the midst of all kinds of procurement excesses, Congress amended procurement law and established in the Competition and Contracting Act a vigorous commitment to the principle of free, full, and open competition. Basically, the philosophy of that was that if we had full and open competition, we could say to the public, "This is the public's money you are spending. You are getting your value's worth because it is a result, what we are doing, the contracts we are awarding are a result of full, open, and vigorous competition."

So I think that we can still say 10 years later any deviation from full and open competition ought to be staunchly defended. I think we ought to be wary right now of deviating from full and open competition for a particular reason. We are downsizing acquisition in the defense arena, drastically cutting the amount that we appropriate every year for the so-called investment accounts, research and development and procurement, by huge percentages.

There is a tendency there for the haves, for those who are now defense contractors, to want to exclude the others because the pie is shrinking, and there are just so many pieces you can cut out of a shrinking pie. So there is already a tendency, because of downsizing of funding of procurement for the haves, to try to exclude the have-nots, and we want to be very careful so we do not dovetail procurement law at this very point in the history of procurement funding and make it easier for the haves to rule out the have-nots. I fear we still have too much tendency toward that in this revision of the bill.

Do not take it from me. Read what the Chamber of Commerce said in a letter they wrote at the end of July, looking back at this bill. They said,

> We do not believe that any case has been made for modifying the standards and practices of full and open competition. We are unaware of any testimony or study that such a change is needed. On the contrary, it was specifically considered and rejected by the advisory panel on codifying and streamlining acquisition laws whose 1,800-page report was the foundation for P.L. 103-355, the Federal Acquisition Streamlining Act of 1994.

So that is the first principle here.

Let us be extremely careful about the deviations we make from full and open competition.

Second, to the extent we do and to the extent we allow and authorize those who manage this system in the executive branch to manage and operate the competitive system and to determine who can bid and who cannot bid, who wins the bid, who is excluded and who is included, then we should at least lay down our own principles to guide them.

The second point that the Chamber made, and speaking for small businesses in particular, is, and I am reading from their letter, "We are perplexed by a theme reflected in so many of the bills' provisions eliminating clear statutory standards and substituting virtually unfettered discretion in the career regulation writers to shape the procurement system as they see fit." We are virtually letting them make sandlot rules, to make up the rules as they go along and giving them next to no criteria for doing so.

Read the bill itself. Pick up a copy of it. I am reading from page 13, 2304(d), "Standards for determining when the use of competitive procedures is not feasible or appropriate shall be set forth in the Federal acquisition regulations." That is basically the bare language of the statute. That is the prescription we are giving to the regulators who write the rules and regulations, the black-letter law that will determine who gets included and who gets excluded.

The Speaker just made a very compelling speech. I would like to share another anecdote about procurement history that goes back some years. When Ike had retired and gone to Gettysburg, he was interviewed once. Somebody asked him "General Eisenhower, President Eisenhower, who were the heroes of the Second World War who were unsung, the people who helped win it, the people who played a pivotal role who did not get adequate credit?" The first person he mentioned was Andrew Jackson Higgins, A.J. Higgins, a small boat manufacturer who made bayou boats in New Orleans, LA, who came on during World War II to make PT boats and the famous Higgins boats that made the amphibious landings possible. That is the very kind of small business we want to make provisions for.

The CHAIRMAN. The time of the gentleman from South Carolina [Mr. SPRATT] has expired.

(By unanimous consent, Mr. SPRATT was allowed to proceed for 30 additional seconds.)

Mr. SPRATT. That is what we are about here. We want to make sure this system is still open to A.J. Higgins, that will ensure that we have the kind of innovation that keeps us abreast of technology and that will assure that we do not fall victim to having a cartel, a club of pre-qualified bidders who are the only ones eligible to participate in this shrinking procurement pie.

I support the amendment that the gentlewoman, our ranking Member, has offered. I think it improves upon title I of it and corrects some of the deviations that the bill otherwise tends towards veering away from the standard of full and open competition.

Mrs. MEYERS of Kansas. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I do not want to confuse this group. I had intended to offer my own amendment tonight, but because my amendment was so close in purpose to what the amendment offered by the gentlewoman from Illinois [Mrs. COLLINS] attempts to do, I have decided instead to support her amendment.

I have been working all week with the Chamber of Commerce to try to represent their interests and the National Association for the Self-employed, the Computer and Communications Industry Association, the Associated Builders and Contractors, the Small Business Legislative Council, National Small Business United, the National Association of Women Business Owners, the Latin American Management Association, the Minority Business Enterprise Legal Defense and Education Fund; many others are deeply concerned about doing away with full and open competition.

We have heard it stated today that there is a 20 percent premium associated with full and open competition, and this study was cited. But this study does not relate those costs to full

and open competition. The costs identified were not associated with competition. They were associated to Government regulation relating to quality assurance, accounting and audit requirements, management of technical data, engineering, to name a few. Those are the costs that drive Government procurement. Full and open competition, from all of the testimony that we have heard in our committee, will save money in procurement.

I rise in strong support of the Meyers-Collins amendment, and I think that small business supports procurement reform, but more important, small business supports competition.

H.R. 1670 is supposed to simplify the procurement by weeding out bids from firms that have no chance at winning a contract. Fair enough. But how? In title I, H.R. 1670 eliminates full and open competition in favor of competition whenever it is feasible or appropriate or efficient. Who decides feasibility? An agency functionary. Who decides what is efficient? The same bureaucrat, the same people who gave us $600 hammers.

Mr. Chairman, abandoning full and open competition is irresponsible. I have letters from the inspectors general from the Department of Defense and the Department of Veterans' Affairs urging Congress not to go back, to turn its back on full and open competition. They say that a change is unnecessary and will be confusing as to the level of standard for competition.

H.R. 1670 also proposes to streamline the pre-qualification process. But is there any language laying out the process? No. Once again, it is all left to the procurement bureaucracy to devise.

Read the bill. There are no procedures, no standards, nothing.

Mr. Chairman, this amendment will allow the same weeding out of capable bidders, but inside of a statutory framework. It brings us back to current law. This amendment will allow agencies to eliminate unsuitable proposals early in the competition through preliminary evaluations. The amendment will meet the goals of H.R. 1670 in a way that is fair to everyone, particularly small business.

Agencies will have an opportunity to establish their needs for performance, and firms wishing to do business with the Government will have their opportunity.

I urge my colleagues not to be misled with the cries of easing the burden on the contracting system. Businesses do not regularly bid on projects they have no hope of winning. Bid proposals cost time and money. Businesses are not in the habit of wasting their time and money on projects that have no chance for success.

I ask my colleagues, are we in favor of letting the bureaucrats run off and just do their own thing? That is not what I have heard in this House over the last 9 months.

H.R. 1670, in its current form, says let us give full authority to the bureaucracy; we will just trust them to do the right thing. Mr. Chairman, I just cannot do that. I know what happens to small businesses when agencies have too much power. Rights are trampled. Ridiculous fines are levied. Jungles of arcane regulations appear.

Many of my colleagues in the freshman class know this, too. It is a part of why they are here. That is not what I fought for when we passed the Regulatory Flexibility Act amendments this year, and this is not what the Contract With America was all about, and that is why I support this amendment.

This amendment will ensure small business is not run over by the regulatory train of procurement streamlining. Let us streamline procurement, yes, but let us not hand over total discretionary authority to the bureaucracy.

The CHAIRMAN. The time of the gentlewoman from Kansas [Mrs. MEYERS] has expired.

(By unanimous consent, Mrs. MEYERS of Kansas was allowed to proceed for 30 additional seconds.)

Mrs. MEYERS of Kansas. Mr. Chairman, I would like to reiterate that this amendment is the same amendment that was attempted as a place holder in the DOD appropriation, or the authorization, I believe. If you voted for the Collins amendment then, vote for the Collins-Meyers amendment now. It is the right thing to do for small business.

Mrs. MALONEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of the Meyers-Collins amendment. The Meyers-Collins amendment responds to the concerns of the small-business community and saves taxpayers' dollars by preserving the current standard and practice of full and open competition in Federal contracting.

The Meyers-Collins amendment responds to concerns of the small-business community and saves taxpayers' dollars by rejecting the bill's grant of sweeping authority for contracting officers to limit competition, such as when they believe that competition is not appropriate or feasible.

Where are they going to make this decision? Behind locked doors? Who is going to oversee their decision process? The Meyers-Collins amendment helps small businesses and saves taxpayers' dollars by maintaining statutory standards that help protect businesses from arbitrary treatment by contracting bureaucratic officers. The Meyers-Collins amendment saves taxpayers' dollars and helps small businesses by rejecting the bill's issuance of multiple blank checks to career regulation writers to shape the Federal contracting process to their convenience.

Mr. Chairman, full and open competition is the heart of the free market system. In the Federal procurement process, it guarantees that the Government gets the best value for the goods and services it purchases. The full and open competition standard has been in law for over a decade. It was enacted as part of the Competition and Contracting Act of 1984, a bill that responded to the fraud, waste and abuse characterizing Federal procurement at that time.

We all remember the DOD spare parts horror stories and the investigation of influence peddling, the Ill Winds scandal.

H.R. 1670 weakens full and open competition and could return us to those days of scandals. The simple fact is this: The case for changing the full and open competition standard has not been made in any credible or coherent fashion. The issue was not even raised at the February hearing of the committee on Government Reform and Oversight. The DOD inspector general and the IG of Veterans' Affairs agree completely with this point, and I quote from the DOD inspector general's testimony:

> It is not clear what statutory shortcomings the proposed changes are intended to fix. We have not seen any analysis or demonstration of a problem that supports moving away from full and open competition.

This is the IG saying,

Don't, do not do it.

□ 1845

The so-called section 800 panel, which provided the analytical basis for last year's FASA bill, considered and explicitly rejected moving away from full and open competition. They said do not do it, it will cause problems, it will waste taxpayers' dollars.

Mr. Chairman, competition in Federal contracting dates back to the revolutionary war. Competition in contracting has been around that long for one simple reason: It is fair, it is honest, and it works well. Full and open competition saves 25 percent, according to GAO in our contracting pursuits in their recent report. Maybe even more importantly competition maintains Federal procurement integrity and guarantees fair play by guaranteeing that contracts are awarded on merit; that they are awarded on merit, not favoritism and backroom decisions.

It is easy, very easy, to understand why government bureaucrats would support a retreat from full and open competition. Deciding who can compete on any given contract is a very powerful position. Deciding who can compete on over $200 billion in taxpayers' funds in Federal contracts is a very powerful person.

Doing business with a few well-known businesses is easier than considering qualified bidders. That is why the

small business community is so opposed to this bill. Small businesses make up the heart of our economy, generating 85 percent of all new jobs and providing extraordinary technological innovations. Barring small businesses from the Federal acquisition system is unfair and it makes absolutely no economic sense.

The CHAIRMAN. The time of the gentlewoman from New York [Mrs. MALONEY] has expired.

(By unanimous consent, Mrs. MALONEY was allowed to proceed for 30 additional seconds.)

Mrs. MALONEY. Mr. Chairman, I would just like to conclude by saying the other side of the aisle has spent a great deal of time in this Congress debating the necessity of having risk assessment placed on our bureaucrats, of overseeing them and limiting what they are doing in health and safety, on food inspection, on the environment. We have to have risk assessment, we have to have standards, yet in this bill they hand the bureaucrats a completely blank slate to determine what the standards are. There is no legislative authority. There are no clear guidelines. I tell Members it is a disaster, and we will be back here changing it after dollars are wasted in fraud, waste and abuse.

Full and open guarantees competition and the best price for government goods, saving taxpayers' dollars. I congratulate the gentlewoman from Kansas [Mrs. MEYERS] and the gentlewoman from Illinois [Mrs. COLLINS] on their joint bipartisan effort on this bill and the gentleman from Pennsylvania [Mr. CLINGER].

Mr. CHRYSLER. Mr. Chairman, I move to strike the requisite number of words in opposition to the Collins amendment and urge my colleagues to vote against it.

The amendment furthers the notion that Congress is in the business of micromanaging the operations of the executive branch and removes the fundamental reforms included in H.R. 1670, the Federal Acquisition Reform Act.

The current system has confronted industry vendors with a maze of redtape, often amounting to a step-by-step prescription that increases staff and equipment needs and leaves little room for the exercise of good business judgment, initiatives, and creativity. H.R. 1670 would remove these unneeded prescriptions and move the system closer to a more commercial-like process by allowing industry sellers and government buyers to offer and acquire respectively maximum value for the taxpayer.

Unfortunately, the gentlewoman's amendment would counter this drive to streamline and simplify the process. Instead, her amendment strips the fundamental reform included in H.R. 1670 and adds more requirements and more micromanagement to the already arcane procurement codes.

Mr. Chairman, H.R. 1670 would enhance competition for government contracts, focused on the government's requirements, improved communications between government buyers and industry sellers, and reduce the Federal Government's operating costs by increasing its reliance on the private sector for commercial products.

NFIB is neutral on this issue, and I strongly urge my colleagues, to vote against this amendment.

Mr. HORN. Mr. Chairman, will the gentleman yield?

Mr. CHRYSLER. I yield to the gentleman from California.

Mr. HORN. Mr. Chairman, I thank the gentleman very much for yielding.

I have listened to this debate and I cannot believe we are talking about the same bill. I have heard a lot about scandals. The fact is the scandals occurred under the present system, and what we are trying to do is change the present system.

We clearly spell out, if you have read the bill, that they shall obtain full and open competition that provides open access and that is consistent with the need to efficiently fulfill the Government's requirements. Open access is defined on page 21:

> When used with respect to a procurement means that all responsible sources are permitted to submit sealed bids or competitive proposals on the procurement.

Mr. Chairman, what this bill does is spell out that the Government must note its requirements, apply certain weights to them based on the type of procurement, and than everyone can submit their procurement. What is holding small business up is also holding big business up, and that is shelves of regulations, shelves of bureaucracy to go through. This tries to simplify the system to protect the taxpayers, No. 1, and to provide for the responsible bidders to gain a contract that they can actually fulfill, No. 2.

I urge my colleagues to vote against the Collins amendment.

Mr. CHRYSLER. I yield back the balance of my time, Mr. Chairman.

Mr. MANZULLO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this is a very difficult situation where we are posited between two committee chairmen, the gentleman from Pennsylvania [Mr. CLINGER]; the chairman of the Committee on Government Reform and Oversight, and the gentlewoman from Kansas [Mrs. MEYERS] the chairwoman of the Committee on Small Business. Both of these chairmen have as their goal the streamlining of the acquisition process because it is good for the Government and it is good for businesses of all types. I think, however, we have to take a closer look at the reason for the Collins-Meyers amendment, and that is to ensure that small businesses have a stake in the procurement process.

Mr. Chairman, we can go through the different organizations that are for and against this bill, but I think probably the most compelling reason for the Collins-Meyers amendment is by the inspector general of the Department of Defense, a person who is in a civil service position. This is a nonpolitical position. I would quote briefly from the remarks from the letter that is opposed to the underlying bill and it states as follows:

It says, under the definition section, the word competitive procedures would have an added definition of "open access." We disagree with the changes. The revised definition of competitive procedures would allow the contracting officer to limit competition on the basis of efficiency. From our point of view, a definition for open access is not needed because under the current statutes all responsible sources are permitted to submit bids or proposals.

He also goes on and he says,

> Subsections (b)(1), et cetera, conforming amendments to provide for full and open competition, that provides open access and is consistent with the need to efficiently fulfill the Government's requirements.

The inspector general says we disagree with the changes because we believe this is a further attempt to limit the use of full and open competitive procedures.

Mr. Chairman, back in 1984, this body looked at the situation and it passed the Competition in Contracting Act in 1984, which established the current standard of full and open competition, the standard to which the gentlewoman from Illinois [Mrs. COLLINS] attempts to restore under her amendment.

Mr. Chairman, we are dealing with the public trust. In one sense the Government cannot be as selective as the private sector with whom it does business. Everybody deserves an opportunity to compete for a Government contract. The examples are there. Prior to the act, there was a bid for a flame holder for the F–100 engine for the Air Force. The bid came in at $5,000, depending upon the size of the buy. When the Air Force restricted the purchase of the prime contractor, the cost jumped to $16,000 per flame holder.

And, again, a divergent nozzle segment for the F–100. The bid went from $2,400, when there was essentially sole sourcing, down to $1,000 per unit from the same contractor when this type of competition was allowed.

Mr. Chairman, the small business people of this country are very much concerned that they have a stake, that they have the ability to compete in the procurement process. In the area which I represent, in the northern part of Illinois, over 6,000 different contracts have been signed by businesses with the Federal Government over the past 10 years. We are not talking about an inside-the-beltway type of thing. We are

dealing literally with tens of thousands of small businesses that want to get involved in selling to the Federal Government.

The Collins-Meyers amendment strengthens a good bill. It strengthens the bill of the gentleman from Pennsylvania [Mr. CLINGER]. It is not a weakening amendment. Members of this body voted overwhelmingly a few months ago to adopt the Collins amendment to the DOD authorization bill. Members of this body are already on record in being in favor of advocating small businesses becoming involved with the procurement process. Therefore, Mr. Chairman, I would urge the Members of this body to back the Collins amendment. It is good for the United States of America, and it is good for small business.

Mr. MORAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, despite my high regard for the ranking Democrat on this committee and what I know to be her intent, and from her perspective improving this bill, I think it is only the responsible thing to do to put on the record how the Democratic White House, the people who have worked on reinventing government, on attempting to streamline government, the people who, in fact, on a day-to-day basis, were vested with the responsibility of carrying out the contractual obligations of the United States receiving bids, granting contracts, and, in fact, carrying out the laws that we entrust with them.

The Department of Defense, the executive branch, really need to be heard from on this bill. I think the most important sentence in the statement of administration policy, which is dated today, September 13, 1995, says, the very first sentence, the administration supports House passage of H.R. 1670 as reported by the Government Reform and Oversight Committee.

So, Mr. Chairman, while I understand the good intent of this amendment, the fact is that this amendment would change the legislation as reported by the committee and, thus, the Clinton administration does not support this amendment.

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Mr. Chairman, I am going to explain in the White House's words why they do not support this amendment.

In a letter from the Defense Department, which explains the support for H.R. 1670 and the opposition of this amendment, the Department of Defense explains that it will add significant bureaucratic burden without furthering the goal of acquisition streamlining. The Defense Department supports the concept that Government can no longer afford the time and the administrative burden associated with the requirement that every potential Government source must be allowed to compete even when not all of those sources have a realistic chance of receiving the contract. Thus DOD supports the enactment of the broad generic authority to downselect that is not hampered by excessive procedural detail. This will leave the executive agency free to implement the authority in a flexible manner, enhancing the effectiveness of the authority. In addition, allowing agencies to limit the number of offerers in the competitive range to three, the contracting officer determines the such action is warranted by considerations of efficiency which similarly enable agencies to expedite the procurement process and allow offerers that do not have a real chance of receiving the award to save time and money by being removed sooner rather than late in the process. That is a realistic, rational approach to Government procurement reform.

So I agree with the administration. I think we need to continue procurement reform. The statement of administration policy, of Clinton administration policy, says that this is the one bill that continues the procurement reform that they have consistently supported. That is why, and I state again for emphasis, the Clinton administration supports House passage of this very bill before us as reported by the Committee on Government Reform and Oversight without amendment.

Mrs. COLLINS of Illinois. Mr. Chairman, will the gentleman yield?

Mr. MORAN. I yield to the gentlewoman from Illinois.

The CHAIRMAN. The time of the gentleman from Virginia [Mr. MORAN] has expired.

(On request of Mrs. COLLINS of Illinois and by unanimous consent, Mr. MORAN was allowed to proceed for 1 additional minute.)

Mrs. COLLINS of Illinois. Mr. Chairman, will the gentleman yield?

Mr. MORAN. I yield to the gentlewoman from Illinois.

Mrs. COLLINS of Illinois. Mr. Chairman, what the gentleman did not read on this same statement that he has before him, right on down under title I it says, even though it does say supports passage of the bill, it says, however, the language in title I has raised concerns about the Government's commitment to vigorous competition. With those concerns being raised, it seems to me the Government has not said it does not want full and open competition. It raises that concern, the concern is there. It is stated on the same piece of paper that the gentleman just got through reading from, and that has to be taken into consideration.

I favor the bill as is written with one exception, that it does not contain full and open competition. Full and open competition would make this bill much better. It makes it workable. It erases the concern that the Government has, that the administration has, on this piece of legislation. It is a worthy amendment that betters this bill. It does not weaken it in any way. It is an amendment that should be passed by this House of Representatives tonight.

The CHAIRMAN. The time of the gentleman from Virginia [Mr. MORAN] has again expired.

(By unanimous consent, Mr. MORAN was allowed to proceed for 30 additional seconds.)

Mr. MORAN. Mr. Chairman, I would suggest to the chairman that we hand out the statement of administration policy to all of the Members. They can reach their own conclusion as to what it says, but I would also ask the Democratic Members of this House particularly to call the White House and to ask them their position both on this amendment as well as on passage of the bill.

EXECUTIVE OFFICE OF THE PRESIDENT, OFFICE OF MANAGEMENT AND BUDGET,

Washington, DC, September 13, 1995.

STATEMENT OF ADMINISTRATION POLICY

(This statement has been coordinated by OMB with the concerned agencies.)—H.R. 1670—Federal Acquisition Reform Act of 1995—(Clinger (R) PA and 16 cosponsors)

The Administration supports House passage of H.R. 1670 as reported by the Government Reform and Oversight Committee.

H.R. 1670 makes a number of important steps to simplify the procurement process, reduce bureaucracy, and make it easier for the Government to select suppliers committed to good performance. In particular, the Administration supports the provisions that authorize simplified procedures for use in commercial product acquisitions, streamline "procurement integrity" requirements, and eliminate statutorily mandated layers of review that slow down the procurement process without adding value.

The Administration will continue to work with Congress to address concerns with:

Title I, which redefines "full and open competition" and authorizes "procedures other than competitive procedures" where competitive procedures are "not feasible or appropriate". The Administration appreciates the Committee's intent to authorize the streamlined competitive methods the Administration has sought without micromanaging in statute. The Administration agrees with the conclusion embodied in Title I that significant reforms of the way in which competitions are conducted are needed. These would include (1) authorizing innovative "two-phase procedures" allowing elimination of uncompetitive bidders prior to full competitive proposals, and (2) allowing reduction of the competitive range, after receipt of proposals, in order to conduct an efficient procurement. However, the language in Title I has raised concerns about the Government's commitment to vigorous competition. The Administration therefore recommends consideration of its proposal to authorize the aforementioned streamlined procedures in statute.

Title IV, concerning bid protests. While Title IV has been improved since its introduction, it still does not go far enough to reduce excessive litigation, intrusive discovery techniques, and adversarial relations between suppliers and the government customer. The Administration would support an

amendment that would reduce the litigation burden associated with Federal procurement. The Administration also continues to have concerns about consolidation of claims and protests into a single forum. Finally, the Administration has a constitutional concern with the manner in which Appeals Board judges would be appointed. These officials should be appointed by the heads of the agencies in which the Boards are located—the Department of Defense and the General Services Administration—respectively.

Mr. DAVIS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to ask a few questions, if I could, to the chairman of the committee and the author of this legislation to try to clear up, I think, some comments that have been made perhaps in haste, or misunderstanding, on the floor.

First of all, as I read the bill and I read this amendment, if this amendment fails, is not the standard in the bill still full and open competition?

Mr. CLINGER. Mr. Chairman, will the gentleman yield?

Mr. DAVIS. I yield to the gentleman from Pennsylvania.

Mr. CLINGER. Absolutely, and that is one of the changes that has been made, frankly, since we last considered this measure, the DOD authorization bill. There was a concern that we were eliminating the language which has been relied on so long and so—for so many years, and so we put that language back in. Full and open competition is still the standard, and what we have done is say everybody, access to everybody, everybody can come in. We have not changed that in any way.

Mrs. MEYERS of Kansas. Mr. Chairman, will the gentleman yield?

Mr. DAVIS. I yield to the gentlewoman from Kansas.

Mrs. MEYERS of Kansas. Mr. Chairman, I think within their own committee's report, it says the section would amend to define the terms "open access" and "competitive procedures" as the operative elements of the new competition standard. According to the new definition, open access would be achieved when all responsible sources are permitted to submit offers under competitive procedures, and then they define competitive procedures. Competitive procedures would be defined as those under which an agency enters into a contract pursuant to full and open competition that provides open access and is consistent with the Government's needs to efficiently fulfill its requirements. That is the concern of small business.

Mr. DAVIS. Let me ask the gentlewoman from Kansas then are there any notice provision that she has eliminated in her amendment, and I would ask both, as I understand it, what notice provisions now will not go out to small businesses under this that would have gone out, that would go out, if this amendment passes?

Mrs. MEYERS of Kansas. I just know that in the competition requirements, in the contracting requirements, they have eliminated the competition requirements. They have eliminated four pages.

At the end of that they say standards for determining when the competitive procedure is not feasible or appropriate shall be set forth in the Federal acquisition regulation.

In other words, the bureaucrats decide what is feasible and what is appropriate, and that is what scares small business.

Mr. DAVIS. Let me ask, if I can, the author of this bill, the standards for notice, if I can, for the procurements in this. Are they changed at all.

Mr. CLINGER. Mr. Chairman, will the gentleman yield?

Mr. DAVIS. I yield to the gentleman from Pennsylvania.

Mr. CLINGER. Not in any respect.

Everybody is going to be fully aware of what is out there.

Mr. DAVIS. Now let me put sole source to one side just for one second. Can anyone bid on the procurement regard? Is there any bar to anyone bidding that is in this bill?

Mr. CLINGER. There is no bar to anybody who is, as my colleague knows, anyone can get in and bid on these Government procurements.

Mr. DAVIS. And, as I read this, the amendment and the bill, there was some rhetoric about these decisions were made by Government bureaucrats. I guess they are talking about Government procurement officers, behind closed doors, back-door decisions. But, as I read the sole-source requirements under the bill, they are the same seven source-sole requirements that currently are in operation that this amendment does not affect?

Am I correct?

Mr. CLINGER. That is exactly correct. That is exactly correct.

Mr. DAVIS. And I think when we start talking about this, we have to talk what is the current state of where we are now. Where does the administration stand on this?

Mr. CLINGER. Well, I think it bears repeating. The administration in their statement we received tonight supports House passage of H.R. 1670 as reported by the Committee on Government Reform and Oversight, and I think the gentleman from Virginia indicated some of the reasons behind that, that determination, which were afforded to the Department of Defense.

Mr. DAVIS. My comments are simply this, and why I oppose the amendment:

I understand the intentions of this and the concerns that have been raised, but I think they are bogus in this case. I think we have—what we are doing to some extent is we are allowing the Government buyer, if my colleague will, the contracting officer or procurement officers—to make some decision, but we are allowing it earlier in the game.

I was a procurement attorney for 15 years, and I can tell the gentleman many times we would go out there and spent tens of thousands, sometimes hundreds of thousands, of dollars on a procurement and never really have had a chance at it at all after that money was spent.

As I understand, if this amendment is defeated, one can still bid on the procurement. There is no bar to anyone bidding on these procurements, but they will know earlier in the process, before vast sums are expended, that they are outside the competitive range. That is a savings to these small firms, and many of them, I think, would welcome this.

Mr. CLINGER. Mr. Chairman, will the gentleman yield?

Mr. DAVIS. I yield to the gentleman from Pennsylvania.

Mr. CLINGER. One other point.

It has been suggested here that some nameless, faceless bureaucrats squirreled away someplace are going to be writing regulations that are going to limit, and restrict, and exclude people from the process. That is absolutely not true.

The CHAIRMAN. The time of the gentleman from Virginia [Mr. DAVIS] has expired.

(On request of Mr. CLINGER and by unanimous consent, Mr. DAVIS was allowed to proceed for 2 additional minutes.)

Mr. CLINGER. That is absolutely untrue. What we are saying is that the procurement officials, very front and center, they are very much on the front line of the decisions that they make, are going to be given a little more flexibility, a little more discretion, in how they do these things. They are going to be answerable for decisions they make, and, in fact if they exclude people, they have to go on record in writing why and on the basis on which they excluded those people from the competition.

So, it is not a nameless, faceless bureaucrat. It is going to be a very visible procurement officer.

Mr. DAVIS. In fact, as I understand the legislation, the gentleman has even stricter standards in terms of bid protests, in terms of what those criteria are going to be.

Mr. CLINGER. Tighten those and make them much stronger.

Mr. DAVIS. Let me just ask why because I understand it is well intentioned, and I applaud the gentlewoman from Illinois for offering this the first time in the authorization bill, although it was narrowly defeated. A lot of the opposition at that time was the fact it was approach to the authorization bill and was not free-standing. In this we have made concessions in this to try to accommodate some of the concerns that were rightfully raised, and I applaud her for that.

But the central issue here is, should the Government in its procurement operate on a "one size fits all" standard,

or are we going to allow the buyer, are we going to allow that agent then who is trying to get the best price they can for the Government, the flexibility to do the right thing, the flexibility to make those determinations, and, once again, the sole criteria is not changed one iota under the current law, and this amendment does not affect that at all.

All the rhetoric notwithstanding it says decisions are going to be made in the back room. The decisions on sole source do not change one bit under this.

Mr. Chairman, I urge opposition to this amendment.

Ms. WATERS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in favor of the Collins-Meyers amendment.

Mr. Chairman, it is amazing to listen to this debate as I was listening to it a few minutes ago from my office. I had to ask myself if this is 1995. Have we forgotten what it used to be like? Have we forgotten the fact that there was a time when only a few could really compete and be successful with government procurement, not only in Federal Government, but in State government. We had situations where they did not even make public procurement opportunities. We have had people fighting now for years so that we can shine some light on the opportunities that are available, and put in publications and made public. We have had to take away the opportunity for just a few to participate because there were bureaucrats who could literally hand it out to those they thought should get it. It was a little old comfortable network of folks who could be successful, and my colleagues know this procurement game.

Yes, we could set up a situation that I hear people talking about on the floor today where we could have bureaucrats say, "Oh, I don't think this person, or that person, or this business is big enough, or smart enough, or the proposal doesn't look good enough, or it comes from a strange part of the country." We did not know that they had these kinds of operations there. They could do all of those things and exclude people from bidding, from participating. They could cut a lot of small businesses out that could be successful if they only had a decent chance to compete.

But we do not want to go back to those days. We do not want to allow any one, or two, or three individuals to decide that they know best without people having a real opportunity to be evaluated.

We talk about merit day in and day out. Well, I want my colleagues to know that is what this discussion is about, that is what this debate is about. It is about whether or not the Federal Government is going to open up opportunity for everybody.

I hear a lot about suspect for small businesses, but this is the real test. This is the test of whether or not we are going to let small businesses, some of whom have not been successful in the past, but they are willing to continue to spend their money, they are willing to continue to knock on these doors, they are willing to continue to work hard to get a piece of this Government business. Do not close the door not, and, please, do not make the argument about it is inconvenient.

Mr. Chairman, I do not care about anybody's proposal for streamlining Government. Of course we want to streamline Government. But we do not ever want to conclude that it is too inconvenient for us to allow small businesses to compete, to allow those who have not had opportunities in the past. This is a test of whether or not those who stand up time and time again talking about how America is made up of small businesses and how they need, but have the opportunity, to participate, to see where they really stand for the opportunity for small business to participate.

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We are talking about opening it up, fair competition. We are talking about evaluating. We are talking about merit. This is a time to use to open the doors, not close them, not exclude, not keep out small businesses and women and others who have not been successful in this process in the past, because we have had those bureaucrats who can make decisions and not really evaluate people on their ability to perform.

Ms. HARMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I strongly support H.R. 1670 and encourage our colleagues to vote for its passage. "Better," "faster," "cheaper" are more than buzz words, Mr. Chairman. Last Congress we began efforts to make these words a reality as we began the process of streamlining the Federal acquisition process. Starting with the enactment into law of FASA, the Federal Acquisition Streamlining Act, H.R. 1670 builds on that initiative.

I would like to address right now, however, two issues that I think need more clarification. First is the administration's position. My colleague from Virginia [Mr. MORAN] read some excerpts from the statement of administration policy, and I would like to read some others, because they bear on the issue of this amendment.

> The administration appreciates the committee's intent to authorize the streamlined competitive methods the administration has sought without micromanaging in statute. These would include, one, authorizing innovative two-phased procedures allowing elimination of uncompetitive bidders prior to full competitive proposals; and, two, allowing reduction of the competitive range after receipt of proposals in order to conduct an efficient procedure.

I do not think, Mr. Chairman, that efficiency is the only goal, but it is a valid goal. The other goals are opportunity, and "better", "faster", "cheaper", and I think what we are trying to do here is to achieve a balance among three good goals.

Let me further read some language from the Department of Defense, which has a position on the Meyers amendment, which is not going to be offered today but, nonetheless, which also relates to this amendment. These defense views were prepared before it was clear that the Meyers amendment would be withdrawn, and they are in opposition to the Meyers amendment, making this statement:

> The Department of Defense supports the concept that government can no longer afford the time and the administrative burden associated with the requirement that every potential government source must be allowed to compete, even when not all of those sources have a realistic chance of receiving the government contract. Thus, DOD supports the enactment of broad, generic authority to down-select that is not hampered by excessive procedural detail," and so forth.

And it goes on to be more specific about the Meyers amendment.

I would like to say this. As a general matter, though, it is kind of difficult to parse it all. The administration has suggested its opposition to these amendments, not because it is opposed to opportunity, but because it thinks that the reinventing government idea, which should apply to procurement, requires change. After all, if it does not, we will never get to a better allocation of scarce dollars. Change is painful. I think that our colleague, the gentlewoman from Illinois [Mrs. COLLINS], has been enormously helpful in this conversation, but my own conclusion, based on my experience with defense procurement and my effort to parse and understand this complex material, is that if we are ever to get to a balance among three goals: Efficiency, "better", "faster", "cheaper", and opportunity, we ought not to adopt this amendment.

Mrs. COLLINS of Illinois. Mr. Chairman, will the gentlewoman yield?

Ms. HARMAN. I yield to the gentlewoman from Illinois.

Mrs. COLLINS of Illinois. Mr. Chairman, we are still talking about the administration policy, the statement of administration policy, and it says right here on this third paragraph,

> The administration will continue to work with Congress to address concerns with title I, which redefines full and open competition and authorizes procedures other than competitive procedures where competitive procedures are not feasible or appropriate.

This tells me that the administration has not signed off on that part of the bill. It tells me that there is still some concern that has been raised. Full and open competition has given the administration concern. They said, "However, the language in title I has raised

concerns about the government's commitment to vigorous competition." Therefore, the Collins-Meyers amendment is absolutely on time and on target.

Ms. HARMAN. Mr. Chairman, reclaiming my time, the first sentence as read by the gentleman from Virginia [Mr. MORAN] says, "The Administration supports passage of H.R. 1670 as reported by the Committee on Government Reform and Oversight."

In conclusion, just let me say again that I reluctantly oppose this amendment and I believe that the administration and specifically the Defense Department are in opposition to this amendment.

Mrs. COLLINS of Illinois. If the gentlewoman will continue to yield, I think it is great for you and for others to recite the very first line in this statement, adding line No. 3, to point out the concerns.

Ms. HARMAN. Mr. Chairman, reclaiming my time, this is a very complex and opaque statement of position, I agree with you, but I have read other lines on this proposal.

Mrs. COLLINS of Illinois. If the gentlewoman will continue to yield, then why are we using this?

The CHAIRMAN. The time of the gentlewoman from California [Ms. HARMAN] has expired.

(On request of Mr. CLINGER, and by unanimous consent, Ms. HARMAN was allowed to proceed for 1 additional minute.)

Ms. HARMAN. I yield to the gentleman from Pennsylvania [Mr. CLINGER].

Mr. CLINGER. Mr. Chairman, in case there is any confusion, I would like to refer to the letter from the Under Secretary of Defense, Mr. Longuemare, who does say—

> The Department of Defense is strongly opposed to the proposed amendment and believes that it will add significant bureaucratic burden without furthering the goal of acquisition streamlining.

I think that is unequivocal and very clear.

Ms. HARMAN. Mr. Chairman, reclaiming my time, this letter is directed to the Meyers amendment, not to the Collins amendment.

Mr. CLINGER. If the gentlewoman will continue to yield, they are, however, very close cousins.

Ms. HARMAN. Mr. Chairman, reclaiming my time, I would agree with the gentleman that they are close cousins, and I would also say to the gentlewoman from Kansas [Mrs. MEYERS] that her leadership on the Committee on Small Business is unassailed and it is with great diffidence that I stand here and suggest that we ought to support the original text of the legislation.

The CHAIRMAN. The time of the gentlewoman from California [Ms. HARMAN] has expired.

(On request of Mrs. MEYERS of Kansas, and by unanimous consent, Ms. HARMAN was allowed to proceed for 2 additional minutes.)

Ms. HARMAN. I yield to the gentlewoman from Kansas.

Mrs. MEYERS of Kansas. Mr. Chairman, I thank the gentlewoman for yielding.

Mr. Chairman, something is in the administration statement that is really puzzling me. It was just pointed out to me. It says,

> The administration agrees with the conclusion embodied in title I that significant reforms of the way in which competitions are conducted are needed. These would include, one, authorizing innovative two-phased procedures, allowing elimination of uncompetitive bidders prior to full competitive proposals; and, two, allowing reduction of the competitive range after receipt of proposals in order to conduct an efficient procurement.

Those are not in the bill. Those are not in H.R. 1670 as it stands right now. So I think that those would have been in had my amendment been adopted. I decided instead to support the Collins amendment. Mine was much longer and I thought it may be too complex. But those two factors that are addressed in the administration's statement are simply not in the bill.

Ms. HARMAN. Mr. Chairman, reclaiming my time, I appreciate my friend's words, but I do not believe it is a correct statement of the bill's provisions.

Mr. GENE GREEN of Texas. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Collins amendment that would open competition for small business, and I think it is appropriate that our chairman of the Committee on Small Business is also supporting it.

The Collins amendment retains the current practice allowing all business to compete for government procurement contracts under full and open competition. The bill would restrict competition by allowing agency employees, those so-called terrible bureaucrats, to limit the companies allowed to compete. The Collins amendment was previously adopted in this House on the DOD Authorization Act on June 14 allowing for consideration of procurement reform, and the Collins amendment was supported by a great many different groups, including the Small Business Working Group, the U.S. Chamber of Commerce, the Small Business Administration, and of course the chair of the Committee on Small Business, the gentlewoman from Kansas [Mrs. MEYERS]. There are also other groups, the Latin American Management Association, the National Association of Minority Businesses. It is very important that they have an ability to compete for Government contracts on equal footing if they can do the job.

I think that is what this whole effort is about, to bring more competition to help to lower the cost to the taxpayers in this bill. That is why I voted for the bill coming out of committee, and I hope we can improve it a great deal tonight with the Collins amendment.

Mrs. MALONEY. Mr. Chairman, will the gentleman yield?

Mr. GENE GREEN of Texas. I yield to the gentlewoman from New York.

Mrs. MALONEY. Mr. Chairman, I just would like to respond to some of the prior speakers on the administration policy statement, which just arrived at the last minute. I might note that it does not address what the Meyers-Collins amendment is addressing, which is full and open competition. When it does, it waffles, and I quote title I: "* * * has raised concern about the government's commitment to vigorous competition."

Mr. Chairman, I would like to underscore and highlight my support of the statement made by the gentlewoman from Kansas, in that when it does go into detail it talks about items that were in her amendment that are not in the amendment that is before the body now.

Mr. MORAN. Mr. Chairman, will the gentleman yield?

Mr. GENE GREEN of Texas. I yield to the gentleman from Virginia.

Mr. MORAN. Mr. Chairman, let me just say, I agree with the gentlewoman from California [Ms. HARMAN] that the statement of administration policy in the letter that we have could be clearer, but clearly it is authentic, because it is obvious that is written by Federal bureaucrats.

I love Federal bureaucrats, as the gentlewoman knows I do, they are my constituents, but it clearly is authentic. If it was not authentic, it might be easier to read.

Mrs. MALONEY. Mr. Chairman, if the gentleman will continue to yield in order to respond, I am not questioning whether it is an authentic statement or not. I am saying that it does not address what we are debating now, which is the Meyers-Collins amendment, which goes to the heart of procurement reform, the procurement debate, which the Small Business Administration and so many other small businesses have reached out to us, and that is preserving full and open competition. It talks about a lot of other things and a lot of other concerns, but it does not directly address the concerns that are before us in this particular amendment.

Mr. MORAN. Mr. Chairman, if the gentleman will continue to yield, I did not make the statement or the point that I wanted to make.

The CHAIRMAN. The time of the gentleman from Texas, Mr. GENE GREEN, has expired.

(On request of Mrs. COLLINS of Illinois, and by unanimous consent, Mr. GENE GREEN of Texas was allowed to proceed for 3 additional minutes.)

Mr. GENE GREEN of Texas. I yield to the gentlewoman from Illinois [Mrs. COLLINS].

Mrs. COLLINS of Illinois. Mr. Chairman, we are at the point, I believe, where we are going to vote very, very shortly on the Collins amendment.

I just want to point out that this amendment is the same identical amendment that we voted on in June of this year. Not a word of it has been changed. It made good sense then, it makes good sense now. This bill does not preserve full and open competition.

What it does is put a statutory bait and switch on the House and on the American public. I think that we cannot do those kinds of things. We must in fact vote for the Collins-Meyers amendment, because we want to be fair, we want to do the right thing by small business, we want to do the right thing by large business, we want to do the right thing by American business.

We want everybody to have an opportunity to play a part as being vendors for the American dollar. We are all taxpayers here. Everybody who pays taxes, everybody who pays taxes one way or the other has a right to have a small business. They have a right to have a low cost. They have a right to have the Government accept their bids and to be looked at carefully.

They do not have the right, they do not have the right to have somebody just say arbitrarily that we do not want to take your bid. We do not want your business, because we have to have a deal someplace else.

Mr. Chairman, it makes good sense, it makes fair sense to vote for the Collins-Meyers amendment on full and open competition.

□ 1930

Mr. BLUTE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong opposition to the Collins amendment.

Mr. CLINGER. Mr. Chairman, will the gentleman yield?

Mr. BLUTE. I yield to the gentleman from Pennsylvania.

Mr. CLINGER. Mr. Chairman, I just want to make a couple of points in closing. We have had a spirited debate. I think it has been a good debate. I just wanted to make a couple of points as we conclude this debate.

Mr. MORAN. Mr. Chairman, will the gentleman yield?

Mr. BLUTE. I yield to the gentleman from Virginia.

Mr. MORAN. Mr. Chairman, I thank my good friend from Massachusetts for yielding.

Mr. Chairman, I wanted to speak before the chairman of the committee, because I want Members to be left with his remarks. But I do think it is useful to respond to some of the questions that have been raised with regard to the language that has come from the White House and from the Department of Defense.

The bottom line is that the White House opposes this amendment and supports the bill. I will conclude with the point that I know, because I have spoken with the White House, that the White House does not support this amendment. It opposes this amendment.

It does support this bill. It has supported this bill consistently. I think that is important for all the Members of the House to know, but particularly for the Democratic Members of the House who wish to support the continuing commitment to Government reform, and particularly to procurement reform as is accomplished by this bill.

Mr. BLUTE. Mr. Chairman, reclaiming my time, I yield further to the gentleman from Pennsylvania [Mr. CLINGER].

Mr. CLINGER. Mr. Chairman, I think we have had a very thorough debate. We are ready to vote on this matter. It is clear, there is a significant difference between us on this major issue. I would point out one thing: The gentlewoman from Illinois said not one word, not one comma, not one phrase has been changed in this amendment; it is exactly the same amendment we voted on in June.

That is true. What has changed is the underlying bill to which the amendment is proposed. We have made significant changes in the underlying bill which we considered in June. We have accommodated many of the concerns that were raised by the gentlewoman from Illinois and by others with regard to the small business concerns. I think we have addressed those. We did not have, for example, the language "full and open competition" in the bill that we considered in June. That is now in there. We have made a number of other changes that I think should go a long way toward addressing it.

What we have not done though is give way on a significant, significant factor, and that is the factor that we really need to get flexibility. We need to give these procurement officers who are going to be very public in their decisions some ability to do the best thing for the government. The Government, after all, is who we are trying to assist in getting the biggest bang for the bucks that we spend.

So I would just in closing point out a couple of other things that need to be pointed out. It was alluded earlier and I want to stress it again that there was perhaps support of the NIFB. They did support this measure in June. They no longer do support this measure in September. The Chamber of Commerce has just informed us that they do not support this amendment at this particular time because of the fact that we have made significant progress in addressing those concerns.

In fact, the others who strongly support our bill range from the American Electronics Association, American Defense Preparedness Association, Contract Services Association, and, most importantly, Mr. chairman, most importantly, it has the very strong support of the Americans For Tax Reform, the National Taxpayers Union, and other groups that have been real watchdogs in trying to hold down spending to get the biggest bang for their buck.

We feel that this bill is going to enable us to attack that 20 percent premium which we now pay on almost all goods and services that we deal with in the Federal Government. We really think this is the best opportunity we have, perhaps in this Congress, to effect the kinds of savings that we need to do to get to a balanced budget. So I must reluctantly but firmly urge a "no" vote on the Collins amendment. I really think that it would undercut, perhaps not gut, but seriously impair the ability for us to get the savings we are after.

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the Small Business Association and the White House Conference on Small Business, as well as the American Chamber of Commerce, supports this amendment. It is ironic to me that we are opposing open government, when all we have heard this year is the angry feelings out there where people feel they do not have access to their government. I do not believe that this issue has been addressed in the bill. If it had been, we would not be considering this amendment.

Small businesses will want access to their government. They are not asking for a handout. They simply want consideration. They do not want to be barred from submitting bids. It seems to me that the least we can do is protect our small business people and protect our taxpaying citizens and allow that their bids be considered.

The good-old-boy network has worked for many years, not because it has been supported by the general public, but because they never had an opportunity to get in the door to prove that they can do adequate work. I think that this amendment will do that.

Mrs. MEYERS of Kansas. Mr. Chairman, will the gentlewoman yield?

Ms. EDDIE BERNICE JOHNSON of Texas. I yield to the gentlewoman from Kansas.

Mrs. MEYERS of Kansas. Mr. Chairman, I would just like to say that I have a letter here from the chamber dated September 12. It says:

> Further, a strong case would have to be made to justify the modification of the standard and practice of full and open competition that has worked well for more than a decade since the enactment of the Competition in Contracting Act of 1984. The Chamber believes that increased awards to small business over the past decade through full and open competition and the subsequent growth of a number of these companies demonstrates the effectiveness of this standard.

I think they strongly endorse the principle, Mr. Chairman, and I think they wrote that letter when they thought it was going to be my amendment. They were not aware it was going to be another amendment. I think that is the only reason that they have stated this withdrawal. They strongly support full and open competition. I think they support the concept, and I am not at all ashamed to associate their name with this. We have taken the names off anything printed. But I have been working with them all along. They knew last week what was in the bill of the gentleman from Pennsylvania [Mr. CLINGER] and they still felt that it would be wrong to remove full and open competition.

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Chairman, reclaiming my time, I would simply close by saying we owe it to our small businesses, we owe it to our general business community, to allow them access to their own government.

Mr. SCHIFF. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to respectfully offer what I believe are two corrections in the debate here. The first is we were informed by the staff from the majority leader's office that the U.S. Chamber of Commerce has not taken an official position on this amendment, which, if correct, means, of course, they have not endorsed this amendment one way or the other.

Second of all, more central to this debate, it is statements that are starting to be made that the advocates of the amendment say they want free competition and full competition and fair competition so small business can enter bids and be considered. All of that remains under this bill. H.R. 1670 does not change any of that. All that H.R. 1670 changes is that it allows a procurement officer to make an earlier decision in a process to take certain bids out of consideration so that a smaller number of bids more likely to be accepted to the Government's needs will go through and be reviewed further along the line. That is all that it does.

The point is that everybody can submit a bid, just as they have always been able to submit a bid. Further, the appellate process for the purpose of procurement remains in effect. So anyone who believes, whether they are small business or large business or anyone else, that their procurement has not been handled fairly, that they were rejected early in the process without good justification, they can appeal that. So their rights are protected.

The point is, we are trying to make Federal procurement look like and function more like private procurement, because we have seen the strides that business has made in terms of accomplishing its goals, which, of course, are to get the best possible product at the best possible price. That ought to be the Government's goal.

Mr. FAZIO of California. Mr. Chairman, I rise in support of the Collins amendment.

The way the bill is currently written it would restrict true competition and would allow agency bureaucrats to limit small businesses from competing on Government contracts.

I would also like to point out to the rest of my colleagues that a similar amendment was passed as part of the DOD Authorization Act of 1996 by an overwhelming margin.

The Collins amendment is pro small business and is supported by the U.S. Chamber of Commerce, the Small Business Working Group, and the Small Business Administration.

The Collins amendment would retain the current practice of allowing all businesses to compete for government procurement contracts under full and open competition.

I ask my fellow colleagues to support the Collins amendment and allow for fair and open competition of all business.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Illinois [Mrs. COLLINS].

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

RECORDED VOTE

Mrs. COLLINS of Illinois. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 182, noes 239, not voting 13, as follows:

[Roll No. 660]

AYES—182

Abercrombie
Ackerman
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Beilenson
Bentsen
Berman
Bishop
Boehlert
Bonior
Borski
Boucher
Brewster
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Bunn
Clay
Clayton
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Conyers
Costello
Coyne
Cramer
Danner
DeFazio
DeLauro
Dellums
Deutsch
Dingell
Dixon
Doggett
Dooley
Doyle
Durbin
Edwards
Engel
Ensign
Eshoo
Evans
Farr
Fattah
Fazio
Fields (LA)
Filner
Flake
Foglietta
Forbes
Ford
Frank (MA)
Frelinghuysen
Furse
Gejdenson
Gephardt
Gibbons
Gonzalez
Gordon
Green
Gutierrez
Hall (OH)
Hamilton
Hastings (FL)
Hefner
Hilliard
Hinchey
Holden
Hoyer
Jackson-Lee
Jacobs
Jefferson
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kingston
Kleczka
Klink
LaFalce
LaHood
Lantos
Levin
Lewis (GA)
Lincoln
Lipinski
LoBiondo
Lowey
Luther
Maloney
Manton
Manzullo
Markey
Martinez
Mascara
McCarthy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Meyers
Mfume
Miller (CA)
Mineta
Minge
Mink
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Peterson (FL)
Peterson (MN)
Pomeroy
Poshard
Rahall
Rangel
Reed
Richardson
Rivers
Roberts
Roukema
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schroeder
Schumer
Scott
Serrano
Skaggs
Slaughter
Spratt
Stark
Stokes
Studds
Stupak
Taylor (MS)
Tejeda
Thompson
Thornton
Thurman
Torres
Torricelli
Towns
Traficant
Velazquez
Vento
Visclosky
Volkmer
Ward
Waters
Watt (NC)
Waxman
Wise
Woolsey
Wyden
Wynn
Yates

NOES—239

Allard
Andrews
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bevill
Bilbray
Bilirakis
Bliley
Blute
Boehner
Bonilla
Bono
Browder
Brownback
Bryant (TN)
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cardin
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clement
Clinger
Coble
Coburn
Collins (GA)
Combest
Cooley
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
Deal
DeLay
Diaz-Balart
Dickey
Dicks
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ewing
Fawell
Fields (TX)
Flanagan
Foley
Fowler
Fox
Franks (CT)
Franks (NJ)
Frisa
Funderburk
Gallegly
Ganske
Gekas
Geren
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Goss
Graham
Greenwood
Gunderson
Gutknecht
Hall (TX)
Hancock
Hansen
Harman
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Hilleary
Hobson
Hoekstra
Hoke
Horn
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kim
King
Klug
Knollenberg
Kolbe
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Livingston
Lofgren
Longley
Lucas
Martini
Matsui
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Molinari
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Nethercutt
Neumann
Ney
Norwood
Nussle
Oxley
Packard
Parker
Paxon
Petri
Pickett
Pombo
Porter
Portman
Pryce
Quillen
Quinn
Radanovich
Ramstad
Regula
Riggs
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Schiff
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stenholm
Stockman
Stump
Talent
Tanner
Tate
Tauzin
Taylor (NC)
Thomas
Thornberry
Tiahrt
Torkildsen
Upton
Vucanovich
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Williams

Wilson	Young (AK)	Zeliff
Wolf	Young (FL)	Zimmer

NOT VOTING—13

Cox	Mollohan	Sisisky
de la Garza	Myrick	Tucker
Frost	Pelosi	Waldholtz
Herger	Reynolds	
Moakley	Rose	

□ 2000

Messrs. CREMEANS, WILLIAMS, and WAMP changed their vote from "aye" to "no."

Mr. DOYLE, Ms. ESHOO, Mr. FARR, and Mr. MASCARA changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. DAVIS

Mr. DAVIS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DAVIS:

Add at the end of title I (page 36, after line 9) the following new section:

SEC. 107. TWO-PHASE SELECTION PROCEDURES.

(a) ARMED SERVICES ACQUISITIONS.—(1) Chapter 137 of title 10, United States Code, is amended by inserting after section 2305 the following new section:

"§ 2305a. Two-phase selection procedures

"(a) AUTHORIZATION.—Unless the traditional acquisition approach of design-bid-build is used or another acquisition procedure authorized by law is used, the head of an agency shall use the two-phase selection procedures authorized in this section for entering into a contract for the design and construction of a public building, facility, or work when a determination is made under subsection (b) that the procedures are appropriate for use.

"(b) CRITERIA FOR USE.—A contracting officer shall make a determination whether two-phase selection procedures are appropriate for use for entering into a contract for the design and construction of a public building, facility, or work when the contracting officer anticipates that three or more offers will be received for such contract, design work must be performed before an offeror can develop a price or cost proposal for such contract, the offeror will incur a substantial amount of expense in preparing the offer, and the contracting officer has considered information such as the following:

"(1) The extent to which the project requirements have been adequately defined.

"(2) The time constraints for delivery of the project.

"(3) The capability and experience of potential contractors.

"(4) The suitability of the project for use of the two-phase selection procedures.

"(5) The capability of the agency to manage the two-phase selection process.

"(6) Other criteria established by the agency.

"(c) PROCEDURES DESCRIBED.—Two-phase selection procedures consist of the following:

"(1) The agency develops, either in-house or by contract, a scope of work statement for inclusion in the solicitation that defines the project and provides prospective offerors with sufficient information regarding the Government's requirements (which may include criteria and preliminary design, budget parameters, and schedule or delivery requirements) to enable the offerors to submit proposals which meet the Government's needs. When the two-phase selection procedure is used for design and construction of a public building, facility, or work and the agency contracts for development of the scope of work statement, the agency shall contract for architectural/engineering services as defined by and in accordance with the Brooks Architect-Engineers Act (40 U.S.C. 541 et seq.).

"(2) The contracting officer solicits phase-one proposals that—

"(A) include information on the offeror's—

"(i) technical approach; and

"(ii) technical qualifications; and

"(B) do not include—

"(i) detailed design information; or

"(ii) cost or price information.

"(3) The evaluation factors to be used in evaluating phase-one proposals are stated in the solicitation and include specialized experience and technical competence, capability to perform, past performance of the offeror's team (including the architect-engineer and construction members of the team if the project is for the construction of a public building, facility, or work) and other appropriate factors, except that cost-related or price-related evaluation factors are not permitted. Each solicitation establishes the relative importance assigned to the evaluation factors and subfactors that must be considered in the evaluation of phase-one proposals. The agency evaluates phase-one proposals on the basis of the phase-one evaluation factors set forth in the solicitation.

"(4) The contracting officer selects as the most highly qualified the number of offerors specified in the solicitation to provide the property or services under the contract and requests the selected offerors to submit phase-two competitive proposals that include technical proposals and cost or price information. Each solicitation establishes with respect to phase two—

"(A) the technical submission for the proposal, including design concepts or proposed solutions to requirements addressed within the scope of work (or both), and

"(B) the evaluation factors and subfactors, including cost or price, that must be considered in the evaluations of proposals in accordance with section 2305(b)(4) of this title. The contracting officer separately evaluates the submissions described in subparagraphs (A) and (B).

"(5) The agency awards the contract in accordance with section 2305(b)(4) of this title.

"(d) SOLICITATION TO STATE NUMBER OF OFFERORS TO BE SELECTED FOR PHASE TWO REQUESTS FOR COMPETITIVE PROPOSALS.—A solicitation issued pursuant to the procedures described in subsection (c) shall state the maximum number of offerors that are to be selected to submit competitive proposals pursuant to subsection (c)(4). The maximum number specified in the solicitation shall not exceed 5 unless the agency determines with respect to an individual solicitation that a specified number greater than 5 is in the Government's interest and is consistent with the purposes and objectives of the two-phase selection process.

"(e) REQUIREMENT FOR GUIDANCE AND REGULATIONS.—The Federal Acquisition Regulatory Council, established by section 25(a) of the Office of Federal Procurement Policy Act (41 U.S.C. 421(a)), shall provide guidance and promulgate regulations—

"(1) regarding the factors that may be considered in determining whether the two-phase contracting procedures authorized by subsection (a) are appropriate for use in individual contracting situations;

"(2) regarding the factors that may be used in selecting contractors;

"(3) providing for a uniform approach to be used Government-wide;

(2) The table of sections at the beginning of chapter 137 of such title is amended by adding after the item relating to section 2305 the following new item:

"2305a. Two-phase selection procedures.".

(b) CIVILIAN AGENCY ACQUISITIONS.—(1) Title III of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 251 et seq.) is amended by inserting after section 303L the following new section:

"(a) AUTHORIZATION.—Unless the 'traditional' acquisition approach of design-bid-build is used or another acquisition procedure authorized by law is used, the head of an executive agency shall use the two-phase selection procedures authorized in this section for entering into a contract for the design and construction of a public building, facility, or work when a determination is made under subsection (b) that the procedures are appropriate for use. The two-phase selection procedures authorized in this section may also be used for entering into a contract for the acquisition of property or services other than construction services when such a determination is made.

"(b) CRITERIA FOR USE.—A contracting officer shall make a determination whether two-phase selection procedures are appropriate for use for entering into a contract for the design and construction of a public building, facility, or work when the contracting officer anticipates that three or more offers will be received for such contract, design work must be performed before an offeror can develop a price or cost proposal for such contract, the offeror will incur a substantial amount of expense in preparing the offer, and the contracting officer has considered information such as the following:

"(1) The extent to which the project requirements have been adequately defined.

"(2) The time constraints for delivery of the project.

"(3) The capability and experience of potential contractors.

"(4) The suitability of the project for use of the two-phase selection procedures.

"(5) The capability of the agency to manage the two-phase selection process.

"(6) Other criteria established by the agency.

"(c) PROCEDURES DESCRIBED.—Two-phase selection procedures consist of the following:

"(1) The agency develops, either in-house or by contract, a scope of work statement for inclusion in the solicitation that defines the project and provides prospective offerors with sufficient information regarding the Government's requirements (which may include criteria and preliminary design, budget parameters, and schedule or delivery requirements) to enable the offerors to submit proposals which meet the Government's needs. When the two-phase selection procedure is used for design and construction of a public building, facility, or work and the agency contracts for development of the scope of work statement, the agency shall contract for architectural/engineering services as defined by and in accordance with the Brooks Architect-Engineers Act (40 U.S.C. 541 et seq.).

"(2) The contracting officer solicits phase-one proposals that—

"(A) include information on the offeror's—

"(i) technical approach; and

"(ii) technical qualifications; and

"(B) do not include—

"(i) detailed design information; or

"(ii) cost or price information.

"(3) The evaluation factors to be used in evaluating phase-one proposals are stated in

the solicitation and include specialized experience and technical competence, capability to perform, past performance of the offeror's team (including the architect-engineer and construction members of the team if the project is for the construction of a public building, facility, or work) and other appropriate factors, except that cost-related or price-related evaluation factors are not permitted. Each solicitation establishes the relative importance assigned to the evaluation factors and subfactors that must be considered in the evaluation of phase-one proposals. The agency evaluates phase-one proposals on the basis of the phase-one evaluation factors set forth in the solicitation.

"(4) The contracting officer selects as the most highly qualified the number of offerors specified in the solicitation to provide the property or services under the contract and requests the selected offerors to submit phase-two competitive proposals that include technical proposals and cost or price information. Each solicitation establishes with respect to phase two—

"(A) the technical submission for the proposal, including design concepts or proposed solutions to requirements addressed within the scope of work (or both), and

"(B) the evaluation factors and subfactors, including cost or price, that must be considered in the evaluations of proposals in accordance with section 303B(d).

The contracting officer separately evaluates the submissions described in subparagraphs (A) and (B).

"(5) The agency awards the contract in accordance with section 303B of this title.

"(d) SOLICITATION TO STATE NUMBER OF OFFERORS TO BE SELECTED FOR PHASE TWO REQUESTS FOR COMPETITIVE PROPOSALS.—A solicitation issued pursuant to the precedures described in subsection (c) shall state the maximum number of offerors that are to be selected to submit competitive proposals pursuant to subsection (c)(4). The maximum number specified in the solicitation shall not exceed 5 unless the agency determines with respect to an individual solicitation that a specified number greater than 5 is in the Government's interest and is consistent with the purposes and objectives of the two-phase selection process.

"(e) REQUIREMENT FOR GUIDANCE AND REGULATIONS.—The Federal Acquisition Regulatory Council, established by section 25(a) of the Office of Federal Procurement Policy Act (41 U.S.C. 421(a)), shall provide guidance and promulgate regulations—

"(1) regarding the factors that may be considered in determining whether the two-phase contracting procedures authorized by subsection (a) are appropriate for use in individual contracting situations;

"(2) regarding the factors that may be used in selecting contractors;

"(3) providing for a uniform approach to be used Government-wide;

(2) The table of sections at the beginning of such Act is amended by inserting after the item relating to section 303L the following new item:

"Sec. 303M. Two-phase selection procedures.".

Mr. DAVIS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. DAVIS. Mr. Chairman, we had published this in the RECORD. We have made two modifications from what was published. It will have the support of the administration and the committee chair on this. One was expressed by the gentleman from Maryland [Mr. GILCHREST], the other by the administration. We have addressed those.

Mr. GILCHREST. Mr. Chairman, will the gentleman yield?

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

Mr. GILCHREST. I thank the gentleman for yielding.

Mr. Chairman, I want to compliment the gentleman on about 98 percent of the content of his amendment. There was one part of the amendment on which we had some confusion with the language referring to stipends for those contractors who were not selected with the award. The gentleman withdrew that section of the amendment, and we have worked out a compromise where we will hold hearings on this portion of the amendment. I am sure we can resolve this problem.

Mr. DAVIS. Mr. Chairman, I would just ask the gentleman, as I understand it, we have stricken the stipend provision, but any existing provisions in law that would allow a government contracting agent, of course, would remain in effect; is that correct?

Mr. GILCHREST. Any existing law remains in effect at this time, yes.

Mr. DAVIS. I thank the gentleman. Let me just add that we have had a coalition of groups that have traditionally been at odds over how Federal procurements these groups compete on should be phrased. We have gotten them together and endorsed this. That includes the American Consulting Engineers Council, the American Institute of Architects, the American Society of Civil Engineers, the Associated Builders and Contractors, the Associated General Contractors of America, the Construction Industries' Presidents Forum, the Design-Build Industry of America, and the National Society of Professional Engineers.

Mr. Chairman, I would just simply say, I did a Dear Colleague letter this morning, but this amendment will, where appropriate, allow the agency buyer to choose between the traditional procurement methodology and the two-phase design-build selection procedure. It will allow the agency to develop either in-house or by contract a scope of work defining the project. The amendment also provides procuring agencies flexibility to determine the level of preliminary design necessary to be acquired, using the traditional method. It will provide the agency flexibility and authority to determine the number of offerors of competitive proposals in the second phase of the procurement process.

It will require the FAR counsel to determine if the two-phase procedures are appropriate for use in individual contracting situations, establish factors that may be used to select contractors, establish a uniform governmentwide approach, and establish criteria for awarding stipends. I would urge adoption of this amendment.

Mr. CLINGER. Mr. Chairman, will the gentleman yield?

Mr. DAVIS. I am glad to yield to the gentleman from Pennsylvania, the distinguished author of this bill and the chairman of the committee.

Mr. CLINGER. Mr. Chairman, I just wanted to commend the gentleman on this amendment. I think it makes a very valuable addition to the bill. As he says, it does not replace the Brooks Act. It requires an alternative method of dealing with the Brooks architect-engineers provision. I think it is a valuable addition, and we are pleased to support the amendment. I commend the gentleman on that and for his help on this.

Mr. DAVIS. I thank the gentleman, and I thank the committee staff and Mrs. Brown for working with us, and the different groups, I ask adoption of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. DAVIS].

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to title I?

The Clerk will designate title II.

The text of title II is as follows:

TITLE II—COMMERCIAL ITEMS

SEC. 201. COMMERCIAL ITEM EXCEPTION TO REQUIREMENT FOR COST OR PRICING DATA AND INFORMATION LIMITATIONS.

(a) ARMED SERVICES ACQUISITIONS.—(1) Subsections (b), (c), and (d) of section 2306a of title 10, United States Code, are amended to read as follows:

"(b) EXCEPTIONS.—

"(1) IN GENERAL.—Submission of cost or pricing data shall not be required under subsection (a) in the case of a contract, a subcontract, or modification of a contract or subcontract—

"(A) for which the price agreed upon is based on—

"(i) adequate price competition; or

"(ii) prices set by law or regulation;

"(B) for the acquisition of a commercial item; or

"(C) in an exceptional case when the head of the procuring activity, without delegation, determines that the requirements of this section may be waived and justifies in writing the reasons for such determination.

"(2) MODIFICATIONS OF CONTRACTS AND SUBCONTRACTS FOR COMMERCIAL ITEMS.—In the case of a modification of a contract or subcontract for a commercial item that is not covered by the exception on the submission of cost or pricing data in paragraph (1)(A) or (1)(B), submission of cost or pricing data shall not be required under subsection (a) if—

"(A) the contract or subcontract being modified is a contract or subcontract for which submission of cost or pricing data may not be required by reason of paragraph (1)(A) or (1)(B); and

"(B) the modification would not change the contract or subcontract, as the case may be, from a contract or subcontract for the acquisition of a commercial item to a contract or subcontract for the acquisition of an item other than a commercial item.

"(c) AUTHORITY TO REQUIRE COST OR PRICING DATA ON BELOW-THRESHOLD CONTRACTS.—(1) Subject to paragraph (2), when certified cost or pricing data are not required to be submitted by subsection (a) for a contract, subcontract, or modification of a contract or subcontract, such data may nevertheless be required to be submitted by the head of the procuring activity, but only if the head of the procuring activity determines that such data are necessary for the evaluation by the agency of the reasonableness of the price of the contract, subcontract, or modification of a contract or subcontract. In any case in which the head of the procuring activity requires such data to be submitted under this subsection, the head of the procuring activity shall justify in writing the reason for such requirement.

"(2) The head of the procuring activity may not require certified cost or pricing data to be submitted under this paragraph for any contract or subcontract, or modification of a contract or subcontract, covered by the exceptions in subparagraph (A) or (B) of subsection (b)(1).

"(3) The head of a procuring activity may not delegate functions under this paragraph.

"(d) LIMITATIONS ON OTHER INFORMATION.—The Federal Acquisition Regulation shall include the following:

"(1) Provisions concerning the types of information that contracting officers may consider in determining whether the price of a procurement to the Government is fair and reasonable when certified cost or pricing data are not required to be submitted under this section, including appropriate information on the prices at which the same item or similar items have previously been sold that is adequate for evaluating the reasonableness of the price of the proposed contract or subcontract for the procurement.

"(2) Reasonable limitations on requests for sales data relating to commercial items.

"(3) A requirement that a contracting officer shall, to the maximum extent practicable, limit the scope of any request for information relating to commercial items from an offeror to only that information that is in the form regularly maintained by the offeror in commercial operations.

"(4) A statement that any information received relating to commercial items that is exempt from disclosure under section 552(b) of title 5 shall not be disclosed by the Federal Government.".

(2) Section 2306a of such title is further amended—

(A) by striking out subsection (h); and

(B) by redesignating subsection (i) as subsection (h).

(3) Section 2375 of title 10, United States Code, is amended by striking out subsection (c).

(b) CIVILIAN AGENCY ACQUISITIONS.—(1) Subsections (b), (c) and (d) of section 304A of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 254b) are amended to read as follows:

"(b) EXCEPTIONS.—

"(1) IN GENERAL.—Submission of cost or pricing data shall not be required under subsection (a) in the case of a contract, a subcontract, or a modification of a contract or subcontract—

"(A) for which the price agreed upon is based on—

"(i) adequate price competition; or

"(ii) prices set by law or regulation;

"(B) for the acquisition of a commercial item; or

"(C) in an exceptional case when the head of the procuring activity, without delegation, determines that the requirements of this section may be waived and justifies in writing the reasons for such determination.

"(2) MODIFICATIONS OF CONTRACTS AND SUBCONTRACTS FOR COMMERCIAL ITEMS.—In the case of a modification of a contract or subcontract for a commercial item that is not covered by the exception on the submission of cost or pricing data in paragraph (1)(A) or (1)(B), submission of cost or pricing data shall not be required under subsection (a) if—

"(A) the contract or subcontract being modified is a contract or subcontract for which submission of cost or pricing data may not be required by reason of paragraph (1)(A) or (1)(B); and

"(B) the modification would not change the contract or subcontract, as the case may be, from a contract or subcontract for the acquisition of a commercial item to a contract or subcontract for the acquisition of an item other than a commercial item.

"(c) AUTHORITY TO REQUIRE COST OR PRICING DATA ON BELOW-THRESHOLD CONTRACTS.—(1) Subject to paragraph (2), when certified cost or pricing data are not required to be submitted by subsection (a) for a contract, subcontract, or modification of a contract or subcontract, such data may nevertheless be required to be submitted by the head of the procuring activity, but only if the head of the procuring activity determines that such data are necessary for the evaluation by the agency of the reasonableness of the price of the contract, subcontract, or modification of a contract or subcontract. In any case in which the head of the procuring activity requires such data to be submitted under this subsection, the head of the procuring activity shall justify in writing the reason for such requirement.

"(2) The head of the procuring activity may not require certified cost or pricing data to be submitted under this paragraph for any contract or subcontract, or modification of a contract or subcontract, covered by the exceptions in subparagraph (A) or (B) of subsection (b)(1).

"(3) The head of a procuring activity may not delegate the functions under this paragraph.

"(d) LIMITATIONS ON OTHER INFORMATION.—The Federal Acquisition Regulation shall include the following:

"(1) Provisions concerning the types of information that contracting officers may consider in determining whether the price of a procurement to the Government is fair and reasonable when certified cost or pricing data are not required to be submitted under this section, including appropriate information on the prices at which the same item or similar items have previously been sold that is adequate for evaluating the reasonableness of the price of the proposed contract or subcontract for the procurement.

"(2) Reasonable limitations on requests for sales data relating to commercial items.

"(3) A requirement that a contracting officer shall, to the maximum extent practicable, limit the scope of any request for information relating to commercial items from an offeror to only that information that is in the form regularly maintained by the offeror in commercial operations.

"(4) A statement that any information received relating to commercial items that is exempt from disclosure under section 552(b) of title 5 shall not be disclosed by the Federal Government.".

(2) Section 304A of such Act is further amended—

(A) by striking out subsection (h); and

(B) by redesignating subsection (i) as subsection (h).

SEC. 202. APPLICATION OF SIMPLIFIED PROCEDURES TO COMMERCIAL ITEMS.

(a) ARMED SERVICES ACQUISITIONS.—Section 2304(e) of title 10, United States Code, as amended by section 101(a), is further amended—

(1) in paragraph (1), by inserting after "special simplified procedures" the following: "for purchases of commercial items and"; and

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

"(4) The Federal Acquisition Regulation shall provide that, in the case of a purchase of commercial items in an amount greater than the simplified acquisition threshold, the head of an agency—

"(A) may not conduct the purchase on a sole source basis unless the need to do so is justified in writing and approved in accordance with the Federal Acquisition Regulation; and

"(B) shall include in the contract file a written description of the procedures used in awarding the contract and the number of offers received.".

(b) CIVILIAN AGENCY ACQUISITIONS.—Section 303(e) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253), as amended by section 101(b), is further amended—

(1) in paragraph (1), by inserting after "special simplified procedures" the following: "for purchases of commercial items and"; and

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

"(5) The Federal Acquisition Regulation shall provide that, in the case of a purchase of commercial items in an amount greater than the simplified acquisition threshold, an executive agency—

"(A) may not conduct the purchase on a sole source basis unless the need to do so is justified in writing and approved in accordance with the Federal Acquisition Regulation; and

"(B) shall include in the contract file a written description of the procedures used in awarding the contract and the number of offers received.".

(c) SIMPLIFIED NOTICE.—Section 18 of the Office of Federal Procurement Policy Act (41 U.S.C. 416) is amended—

(1) in subsection (a)(5) (as redesignated by section 101(c))—

(A) by striking out "limited"; and

(B) by inserting before "submission" the following: "issuance of solicitations and the"; and

(2) in subsection (b)(6), by striking out "threshold—" and inserting in lieu thereof "threshold, or a contract for the procurement of commercial items using simplified procedures—".

SEC. 203. AMENDMENT TO DEFINITION OF COMMERCIAL ITEMS.

Section 4(12)(F) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(12)(F)) is amended by striking out "catalog".

SEC. 204. INAPPLICABILITY OF COST ACCOUNTING STANDARDS TO CONTRACTS AND SUBCONTRACTS FOR COMMERCIAL ITEMS.

Subparagraph (B) of section 26(f)(2) of the Office of Federal Procurement Policy Act (41 U.S.C. 422(f)(2)) is amended—

(1) by striking out clause (i) and inserting in lieu thereof the following:

"(i) Contracts or subcontracts for the acquisition of commercial items."; and

(2) by striking out clause (iii).

The CHAIRMAN. Are there any amendments to title II?

The Clerk will designate title III.

The text of title III is as follows:

TITLE III—ADDITIONAL REFORM PROVISIONS

SEC. 301. GOVERNMENT RELIANCE ON THE PRIVATE SECTOR.

(a) GOVERNMENT RELIANCE ON THE PRIVATE SECTOR.—The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.) is amended by inserting after section 16 the following new section:

"SEC. 17. GOVERNMENT RELIANCE ON THE PRIVATE SECTOR.

"It is the policy of the Federal Government to rely on the private sector to supply the products and services the Federal Government needs.".

(b) CLERICAL AMENDMENT.—The table of contents for the Office of Federal Procurement Policy Act (contained in section 1(b)) is amended by

inserting after the item relating to section 16 the following new item:

"Sec. 17. Government reliance on the private sector.".

SEC. 302. ELIMINATION OF CERTAIN CERTIFICATION REQUIREMENTS.

(a) ELIMINATION OF CERTAIN STATUTORY CERTIFICATION REQUIREMENTS.—(1)(A) Section 2410 of title 10, United States Code, is amended—

*(i) in the heading, by striking out "**: certification**"; and*

(ii) in subsection (a)—

(I) in the heading, by striking out "CERTIFICATION";

(II) by striking out "unless" and all that follows through "that—" and inserting in lieu thereof "unless—"; and

(III) in paragraph (2), by striking out "to the best of that person's knowledge and belief".

(B) The item relating to section 2410 in the table of sections at the beginning of chapter 141 of such title is amended to read as follows:

"Sec. 2410. Requests for equitable adjustment or other relief.".

(2) Section 2410b of title 10, United States Code, is amended in paragraph (2) by striking out "certification and".

(3) Section 1352(b)(2) of title 31, United States Code, is amended—

(A) by striking out subparagraph (C); and

(B) by inserting "and" after the semicolon at the end of subparagraph (A).

(4) Section 5152 of the Drug-Free Workplace Act of 1988 (41 U.S.C. 701) is amended—

(A) in subsection (a)(1), by striking out "has certified to the contracting agency that it will" and inserting in lieu thereof "agrees to";

(B) in subsection (a)(2), by striking out "contract includes a certification by the individual" and inserting in lieu thereof "individual agrees"; and

(C) in subsection (b)(1)—

(i) by striking out subparagraph (A);

(ii) by redesignating subparagraph (B) as subparagraph (A) and in that subparagraph by striking out "such certification by failing to carry out"; and

(iii) by redesignating subparagraph (C) as subparagraph (B).

(b) ELIMINATION OF CERTAIN REGULATORY CERTIFICATION REQUIREMENTS.—

(1) CURRENT CERTIFICATION REQUIREMENTS.—(A) Not later than 210 days after the date of the enactment of this Act, any certification required of contractors or offerors by the Federal Acquisition Regulation that is not specifically imposed by statute shall be removed by the Administrator for Federal Procurement Policy from the Federal Acquisition Regulation unless—

(i) written justification for such certification is provided to the Administrator by the Federal Acquisition Regulatory Council; and

(ii) the Administrator approves in writing the retention of such certification.

(B)(i) Not later than 210 days after the date of the enactment of this Act, any certification required of contractors or offerors by a procurement regulation of an executive agency that is not specifically imposed by statute shall be removed by the head of the executive agency from such regulation unless—

(I) written justification for such certification is provided to the head of the executive agency by the senior procurement executive; and

(II) the head of the executive agency approves in writing the retention of such certification.

(ii) For purposes of clause (i), the term "head of the executive agency" with respect to a military department means the Secretary of Defense.

(iii) The Secretary of Defense may delegate his duties under this subparagraph only to the Under Secretary of Defense for Acquisition and Technology.

(2) FUTURE CERTIFICATION REQUIREMENTS.—(A) Section 29 of the Office of Federal Procurement Policy Act (41 U.S.C. 425) is amended—

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

"SEC. 29. CONTRACT CLAUSES AND CERTIFICATIONS.";

(ii) by inserting "(a) NONSTANDARD CONTRACT CLAUSES.—" before "The Federal Acquisition"; and

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

"(b) PROHIBITION ON CERTIFICATION REQUIREMENTS.—(1) A requirement for a certification by a contractor or offeror may not be included in the Federal Acquisition Regulation unless—

"(A) the certification is specifically imposed by statute; or

"(B) written justification for such certification is provided to the Administrator for Federal Procurement Policy by the Federal Acquisition Regulatory Council, and the Administrator approves in writing the inclusion of such certification.

"(2)(A) A requirement for a certification by a contractor or offeror may not be included in a procurement regulation of an executive agency unless—

"(i) the certification is specifically imposed by statute; or

"(ii) written justification for such certification is provided to the head of the executive agency by the senior procurement executive of the agency, and the head of the executive agency approves in writing the inclusion of such certification.

"(B) For purposes of subparagraph (A), the term 'head of the executive agency' with respect to a military department means the Secretary of Defense.

"(C) The Secretary of Defense may delegate his duties under this paragraph only to the Under Secretary of Defense for Acquisition and Technology.".

(B) The item relating to section 29 in the table of contents for the Office of Federal Procurement Policy Act (contained in section 1(b)) (41 U.S.C. 401 note) is amended to read as follows:

"Sec. 29. Contract clauses and certifications.".

SEC. 303. AMENDMENT TO COMMENCEMENT AND EXPIRATION OF AUTHORITY TO CONDUCT CERTAIN TESTS OF PROCUREMENT PROCEDURES.

Subsection (j) of section 5061 of the Federal Acquisition Streamlining Act of 1994 (41 U.S.C. 413 note) is amended to read as follows:

"(j) COMMENCEMENT AND EXPIRATION OF AUTHORITY.—The authority to conduct a test under subsection (a) in an agency and to award contracts under such a test shall take effect on August 1, 1995, and shall expire on August 1, 2000. Contracts entered into before such authority expires in an agency pursuant to a test shall remain in effect, notwithstanding the expiration of the authority to conduct the test under this section.".

SEC. 304. INTERNATIONAL COMPETITIVENESS.

(a) REPEAL OF PROVISION RELATING TO RESEARCH, DEVELOPMENT, AND PRODUCTION COSTS.—

(1) Subject to paragraph (2), section 21(e) of the Arms Export Control Act (22 U.S.C. 2761(e)) is amended—

(A) by inserting "and" after the semicolon at the end of paragraph (1)(A);

(B) by striking out subparagraph (B) of paragraph (1);

(C) by redesignating subparagraph (C) of paragraph (1) as subparagraph (B);

(D) by striking out paragraph (2); and

(E) by redesignating paragraph (3) as paragraph (2).

(2) Paragraph (1) shall be effective only if—

(A) the President, in the budget of the President for fiscal year 1997, proposes legislation that if enacted would be qualifying offsetting legislation; and

(B) there is enacted by October 1, 1996, qualifying offsetting legislation.

(3) If the conditions in paragraph (2) are met, then the amendments made by paragraph (1) shall take effect on October 1, 1996.

(4) For purposes of this subsection:

(A) The term "qualifying offsetting legislation" means legislation that includes provisions that—

(i) offset fully the estimated revenues lost as a result of the amendments made by paragraph (1) for each of the fiscal years 1997 through 2000;

(ii) expressly state that they are enacted for the purpose of the offset described in clause (i); and

(iii) are included in full on the PayGo scorecard.

(B) The term "PayGo scorecard" means the estimates that are made with respect to fiscal years through fiscal year 2000 by the Director of the Congressional Budget Office and the Director of the Office of Management and Budget under section 252(d) of the Balanced Budget and Emergency Deficit Control Act of 1985.

(b) EFFECTIVE DATES.—The amendments made by subsection (a) shall be effective with respect to sales agreements pursuant to sections 21 and 22 of the Arms Export Control Act (22 U.S.C. 2761 and 2762) entered into during the period beginning on October 1, 1996, and ending on September 30, 2000.

SEC. 305. PROCUREMENT INTEGRITY.

(a) AMENDMENT OF PROCUREMENT INTEGRITY PROVISION.—Section 27 of the Office of Federal Procurement Policy Act (41 U.S.C. 423) is amended to read as follows:

"SEC. 27. RESTRICTIONS ON DISCLOSING AND OBTAINING CONTRACTOR BID OR PROPOSAL INFORMATION OR SOURCE SELECTION INFORMATION.

"(a) PROHIBITION ON DISCLOSING PROCUREMENT INFORMATION.—(1) A person described in paragraph (2) shall not, other than as provided by law, knowingly disclose contractor bid or proposal information or source selection information before the award of a Federal agency procurement contract to which the information relates.

"(2) Paragraph (1) applies to any person who—

"(A) is a present or former officer or employee of the United States, or a person who is acting or has acted for or on behalf of, or who is advising or has advised the United States with respect to, a Federal agency procurement; and

"(B) by virtue of that office, employment, or relationship has or had access to contractor bid or proposal information or source selection information.

"(b) PROHIBITION ON OBTAINING PROCUREMENT INFORMATION.—A person shall not, other than as provided by law, knowingly obtain contractor bid or proposal information or source selection information before the award of a Federal agency procurement contract to which the information relates.

"(c) PROHIBITION ON DISCLOSING OR OBTAINING PROCUREMENT INFORMATION IN CONNECTION WITH A PROTEST.—(1) A person shall not, other than as provided by law, knowingly violate the terms of a protective order described in paragraph (2) by disclosing or obtaining contractor bid or proposal information or source selection information related to the procurement contract concerned.

"(2) Paragraph (1) applies to any protective order issued by the Defense Board or the Civilian Board in connection with a protest against the award or proposed award of a Federal agency procurement contract.

"(d) PENALTIES AND ADMINISTRATIVE ACTIONS.—

"(1) CRIMINAL PENALTIES.—

"(A) Whoever engages in conduct constituting an offense under subsection (a), (b), or (c) shall be imprisoned for not more than one year or fined as provided under title 18, United States Code, or both.

"(B) Whoever engages in conduct constituting an offense under subsection (a), (b), or (c) for the purpose of either—

"(i) exchanging the information covered by such subsection for anything of value, or

"(ii) obtaining or giving anyone a competitive advantage in the award of a Federal agency procurement contract,

shall be imprisoned for not more than 15 years or fined as provided under title 18, United States Code, or both.

"(2) CIVIL PENALTIES.—The Attorney General may bring a civil action in the appropriate United States district court against any person who engages in conduct constituting an offense under subsection (a), (b), or (c). Upon proof of such conduct by a preponderance of the evidence, the person is subject to a civil penalty. An individual who engages in such conduct is subject to a civil penalty of not more than $50,000 for each violation plus twice the amount of compensation which the individual received or offered for the prohibited conduct. An organization that engages in such conduct is subject to a civil penalty of not more than $500,000 for each violation plus twice the amount of compensation which the organization received or offered for the prohibited conduct.

"(3) ADMINISTRATIVE ACTIONS.—(A) If a Federal agency receives information that a contractor or a person has engaged in conduct constituting an offense under subsection (a), (b), or (c), the Federal agency shall consider taking one or more of the following actions, as appropriate:

"(i) Cancellation of the Federal agency procurement, if a contract has not yet been awarded.

"(ii) Rescission of a contract with respect to which—

"(I) the contractor or someone acting for the contractor has been convicted for an offense under subsection (a), (b), or (c), or

"(II) the head of the agency that awarded the contract has determined, based upon a preponderance of the evidence, that the contractor or someone acting for the contractor has engaged in conduct constituting such an offense.

"(iii) Initiation of suspension or debarment proceedings for the protection of the Government in accordance with procedures in the Federal Acquisition Regulation.

"(iv) Initiation of adverse personnel action, pursuant to the procedures in chapter 75 of title 5, United States Code, or other applicable law or regulation.

"(B) If a Federal agency rescinds a contract pursuant to subparagraph (A)(ii), the United States is entitled to recover, in addition to any penalty prescribed by law, the amount expended under the contract.

"(C) For purposes of any suspension or debarment proceedings initiated pursuant to subparagraph (A)(iii), engaging in conduct constituting an offense under subsection (a), (b), or (c) affects the present responsibility of a Government contractor or subcontractor.

"(e) DEFINITIONS.—As used in this section:

"(1) The term 'contractor bid or proposal information' means any of the following information submitted to a Federal agency as part of or in connection with a bid or proposal to enter into a Federal agency procurement contract, if that information has not been previously made available to the public or disclosed publicly:

"(A) Cost or pricing data (as defined by section 2306a(h) of title 10, United States Code, with respect to procurements subject to that section, and section 304A(h) of Federal Property and Administrative Services Act of 1949 (41 U.S.C. 254b(h), with respect to procurements subject to that section).

"(B) Indirect costs and direct labor rates.

"(C) Proprietary information about manufacturing processes, operations, or techniques marked by the contractor in accordance with applicable law or regulation.

"(D) Information marked by the contractor as 'contractor bid or proposal information', in accordance with applicable law or regulation.

"(2) The term 'source selection information' means any of the following information prepared for use by a Federal agency for the purpose of evaluating a bid or proposal to enter into a Federal agency procurement contract, if that information has not been previously made available to the public or disclosed publicly:

"(A) Bid prices submitted in response to a Federal agency solicitation for sealed bids, or lists of those bid prices before public bid opening.

"(B) Proposed costs or prices submitted in response to a Federal agency solicitation, or lists of those proposed costs or prices.

"(C) Source selection plans.

"(D) Technical evaluation plans.

"(E) Technical evaluations of proposals.

"(F) Cost or price evaluations of proposals.

"(G) Competitive range determinations that identify proposals that have a reasonable chance of being selected for award of a contract.

"(H) Rankings of bids, proposals, or competitors.

"(I) The reports and evaluations of source selection panels, boards, or advisory councils.

"(J) Other information marked as 'source selection information' based on a case-by-case determination by the head of the agency, his designee, or the contracting officer that its disclosure would jeopardize the integrity or successful completion of the Federal agency procurement to which the information relates.

"(3) The term 'Federal agency' has the meaning provided such term in section 3 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 472).

"(4) The term 'Federal agency procurement' means the acquisition (by using competitive procedures and awarding a contract) of goods or services (including construction) from non-Federal sources by a Federal agency using appropriated funds.

"(5) The term 'contracting officer' means a person who, by appointment in accordance with applicable regulations, has the authority to enter into a Federal agency procurement contract on behalf of the Government and to make determinations and findings with respect to such a contract.

"(6) The term 'protest' means a written objection by an interested party to the award or proposed award of a Federal agency procurement contract, pursuant to title IV of the Federal Acquisition Reform Act of 1995.

"(f) LIMITATION ON PROTESTS.—No person may file a protest against the award or proposed award of a Federal agency procurement contract alleging an offense under subsection (a), (b), or (c), of this section, nor may the Defense Board or the Civilian Board consider such an allegation in deciding a protest, unless that person reported to the Federal agency responsible for the procurement information that the person believed constituted evidence of the offense no later than 14 days after the person first discovered the possible offense.

"(g) SAVINGS PROVISIONS.—This section does not—

"(1) restrict the disclosure of information to, or its receipt by, any person or class of persons authorized, in accordance with applicable agency regulations or procedures, to receive that information;

"(2) restrict a contractor from disclosing its own bid or proposal information or the recipient from receiving that information;

"(3) restrict the disclosure or receipt of information relating to a Federal agency procurement after it has been canceled by the Federal agency before contract award unless the Federal agency plans to resume the procurement;

"(4) prohibit individual meetings between a Federal agency employee and an offeror or potential offeror for, or a recipient of, a contract or subcontract under a Federal agency procurement, provided that unauthorized disclosure or receipt of contractor bid or proposal information or source selection information does not occur;

"(5) authorize the withholding of information from, nor restrict its receipt by, Congress, a committee or subcommittee of Congress, the Comptroller General, a Federal agency, or an inspector general of a Federal agency;

"(6) authorize the withholding of information from, nor restrict its receipt by, the Defense Board or the Civilian Board in the course of a protest against the award or proposed award of a Federal agency procurement contract; or

"(7) limit the applicability of any requirements, sanctions, contract penalties, and remedies established under any other law or regulation.".

(b) REPEALS.—The following provisions of law are repealed:

(1) Sections 2397, 2397a, 2397b, and 2397c of title 10, United States Code.

(2) Section 33 of the Federal Energy Administration Act of 1974 (15 U.S.C. 789).

(3) Section 281 of title 18, United States Code.

(4) Subsection (c) of section 32 of the Office of Federal Procurement Policy Act (41 U.S.C. 428).

(5) The first section 19 of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5918).

(c) CLERICAL AMENDMENTS.—

(1) 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 2397, 2397a, 2397b, and 2397c.

(2) The table of sections at the beginning of chapter 15 of title 18, United States Code, is amended by striking out the item relating to section 281.

(3) Section 32 of the Office of Federal Procurement Policy Act (41 U.S.C. 428) is amended by redesignating subsections (d), (e), (f), and (g) as subsections (c), (d), (e), and (f), respectively.

SEC. 306. FURTHER ACQUISITION STREAMLINING PROVISIONS.

(a) PURPOSE OF OFFICE OF FEDERAL PROCUREMENT POLICY.—(1) Section 5(a) of the Office of Federal Procurement Policy Act (41 U.S.C. 404) is amended to read as follows:

"(a) To promote economy, efficiency, and effectiveness in the procurement of property and services by the executive branch of the Federal Government, there shall be an Office of Federal Procurement Policy (hereinafter referred to as the 'Office') in the Office of Management and Budget to provide overall direction of Government-wide procurement policies, regulations, procedures, and forms for executive agencies.".

(2) Sections 2 and 3 of such Act (41 U.S.C. 401 and 402) are repealed.

(b) REPEAL OF REPORT REQUIREMENT.—Section 8 of the Office of Federal Procurement Policy Act (41 U.S.C. 407) is repealed.

(c) REPEAL OF OBSOLETE PROVISIONS.—(1) Sections 10 and 11 of the Office of Federal Procurement Policy Act (41 U.S.C. 409 and 410) are repealed.

(d) CLERICAL AMENDMENTS.—The table of contents for the Office of Federal Procurement Policy Act (contained in section 1(b)) is amended by striking out the items relating to sections 2, 3, 8, 10, and 11.

SEC. 307. JUSTIFICATION OF MAJOR DEFENSE ACQUISITION PROGRAMS NOT MEETING GOALS.

Section 2220(b) of title 10, United States Code, is amended by adding at the end the following: "In addition, the Secretary shall include in such annual report a justification for the continuation of any program that—

"(1) is more than 50 percent over the cost goal established for the development, procurement, or operational phase of the program;

"(2) fails to achieve at least 50 percent of the performance capability goals established for the development, procurement, or operational phase of the program; or

"(3) is more than 50 percent behind schedule, as determined in accordance with the schedule goal established for the development, procurement, or operational phase of the program.".

SEC. 308. ENHANCED PERFORMANCE INCENTIVES FOR ACQUISITION WORKFORCE.

(a) ARMED SERVICES ACQUISITIONS.—Subsection (b) of section 5001 of the Federal Acquisition Streamlining Act of 1994 (Public Law 103–355; 108 Stat. 3350; 10 U.S.C. 2220 note) is amended—

(1) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively;

(2) by designating the second sentence as paragraph (2);

(3) by inserting "(1)" after "(b) ENHANCED SYSTEM OF PERFORMANCE INCENTIVES.—"; and

(4) by adding at the end the following:

"(3) The Secretary shall include in the enhanced system of incentives the following:

"(A) Pay bands.

"(B) Significant and material pay and promotion incentives to be awarded, and significant and material unfavorable personnel actions to be imposed, under the system exclusively, or primarily, on the basis of the contributions of personnel to the performance of the acquisition program in relation to cost goals, performance goals, and schedule goals.

"(C) Provisions for pay incentives and promotion incentives to be awarded under the system.".

(b) CIVILIAN AGENCY ACQUISITIONS.—Subsection (c) of section 5051 of the Federal Acquisition Streamlining Act of 1994 (Public Law 103–355; 108 Stat. 3351; 41 U.S.C. 263 note) is amended—

(1) by redesignating subparagraphs (A) and (B) of paragraph (2) as clauses (i) and (ii), respectively;

(2) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively;

(3) by inserting "(1)" after "(c) ENHANCED SYSTEM OF PERFORMANCE INCENTIVES.—"; and

(4) by adding at the end the following:

"(2) The Deputy Director shall include in the enhanced system of incentives under paragraph (1)(B) the following:

"(A) Pay bands.

"(B) Significant and material pay and promotion incentives to be awarded, and significant and material unfavorable personnel actions to be imposed, under the system exclusively, or primarily, on the basis of the contributions of personnel to the performance of the acquisition program in relation to cost goals, performance goals, and schedule goals.

"(C) Provisions for pay incentives and promotion incentives to be awarded under the system.".

SEC. 309. RESULTS ORIENTED ACQUISITION PROGRAM CYCLE.

Section 5002(a) of the Federal Acquisition Streamlining Act of 1994 (Public Law 103–355; 108 Stat. 3350) is amended—

(1) by inserting "(1)" before "to ensure"; and

(2) by striking out the period at the end and inserting in lieu thereof the following: "; (2) to ensure that the regulations compress the time periods associated with developing, procuring, and making operational new systems; and (3) to ensure that Department of Defense directives relating to development and procurement of information systems (numbered in the 8000 series) and the Department of Defense directives numbered in the 5000 series are consolidated into one series of directives that is consistent with such compressed time periods.".

SEC. 310. RAPID CONTRACTING GOAL.

(a) GOAL.—The Office of Federal Procurement Policy Act, as amended by section 106, is further amended by adding at the end the following new section:

"SEC. 36. RAPID CONTRACTING GOAL.

"The Administrator for Federal Procurement Policy shall establish a goal of reducing by 50 percent the time necessary for executive agencies to acquire an item for the user of that item.".

(b) CLERICAL AMENDMENT.—The table of contents for such Act, contained in section 1(b), is amended by adding at the end the following new item:

"Sec. 36. Rapid contracting goal.".

SEC. 311. ENCOURAGEMENT OF MULTIYEAR CONTRACTING.

(a) ARMED SERVICES ACQUISITIONS.—Section 2306b(a) of title 10, United States Code, is amended in the matter preceding paragraph (1) by striking out "may" and inserting in lieu thereof "shall, to the maximum extent possible,".

(b) CIVILIAN AGENCY ACQUISITIONS.—Section 304B(a) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 254c(a)) is amended in the matter preceding paragraph (1) by striking out "may" and inserting in lieu thereof "shall, to the maximum extent possible,".

SEC. 312. CONTRACTOR SHARE OF GAINS AND LOSSES FROM COST, SCHEDULE, AND PERFORMANCE EXPERIENCE.

(a) ARMED SERVICES ACQUISITIONS.—(1) Chapter 137 of title 10, United States Code, is amended by inserting after section 2306b the following new section:

"§2306c. Contractor share of gains and losses from cost, schedule, and performance experience

"The Federal Acquisition Regulation shall contain provisions to ensure that, for any cost-type contract or incentive-type contract, the contractor may be rewarded for contract performance exceeding the contract cost, schedule, or performance parameters to the benefit of the United States and may be penalized for failing to adhere to cost, schedule, or performance parameters to the detriment 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 2306b the following new item:

"2306c. Contractor share of gains and losses from cost, schedule, and performance experience.".

(b) CIVILIAN AGENCY ACQUISITIONS.—(1) Title III of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 251 et seq.) is amended by inserting after section 304C the following new section:

"SEC. 304D. CONTRACTOR SHARE OF GAINS AND LOSSES FROM COST, SCHEDULE, AND PERFORMANCE EXPERIENCE.

"The Federal Acquisition Regulation shall contain provisions to ensure that, for any cost-type contract or incentive-type contract, the contractor may be rewarded for contract performance exceeding the contract cost, schedule, or performance parameters to the benefit of the United States and may be penalized for failing to adhere to cost, schedule, or performance parameters to the detriment of the United States.".

(2) The table of contents for such Act, contained in section 1(b), is amended by inserting after the item relating to section 304C the following new item:

"Sec. 304D. Contractor share of gains and losses from cost, schedule, and performance experience.".

SEC. 313. PHASE FUNDING OF DEFENSE ACQUISITION PROGRAMS.

Chapter 131 of title 10, United States Code, is amended by adding at the end the following new section:

"§2221. Funding for results oriented acquisition program cycle

"Before initial funding is made available for the development, procurement, or operational phase of an acquisition program for which an authorization of appropriations is required by section 114 of this title, the Secretary of Defense shall submit to Congress information about the objectives and plans for the conduct of that phase and the funding requirements for the entire phase. The information shall identify the intended user of the system to be acquired under the program and shall include objective, quantifiable criteria for assessing the extent to which the objectives and goals determined pursuant to section 2435 of this title are achieved.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"2221. Funding for results oriented acquisition program cycle.".

SEC. 314. IMPROVED DEPARTMENT OF DEFENSE CONTRACT PAYMENT PROCEDURES.

(a) REVIEW AND IMPROVEMENT OF PROCEDURES.—The Comptroller General of the United States shall review commercial practices regarding accounts payable and, considering the results of the review, develop standards for the Secretary of Defense to consider using for improving the contract payment procedures and financial management systems of the Department of Defense.

(b) GAO REPORT.—Not later than September 30, 1996, the Comptroller General shall submit to Congress a report containing the following matters:

(1) The weaknesses in the financial management processes of the Department of Defense.

(2) Deviations of the Department of Defense payment procedures and financial management systems from the standards developed pursuant to subsection (a), expressed quantitatively.

(3) The officials of the Department of Defense who are responsible for resolving the deviations.

SEC. 315. CONSIDERATION OF PAST PERFORMANCE IN ASSIGNMENT TO ACQUISITION POSITIONS.

(a) REQUIREMENT.—Section 1701(a) of title 10, United States Code, is amended by adding at the end the following: "The policies and procedures shall provide that education and training in acquisition matters, and past performance of acquisition responsibilities, are major factors in the selection of personnel for assignment to acquisition positions in the Department of Defense.".

(b) PERFORMANCE REQUIREMENTS FOR ASSIGNMENT.—(1) Section 1723(a) of title 10, United States Code, is amended by inserting ", including requirements relating to demonstrated past performance of acquisition duties," in the first sentence after "experience requirements".

(2) Section 1724(a)(2) of such title is amended by inserting before the semicolon at the end the following: "and have demonstrated proficiency in the performance of acquisition duties in the contracting position or positions previously held".

(3) Section 1735 of such title is amended—

(A) in subsection (b)—

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

(ii) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; and"; and

(iii) by adding at the end the following:

"(4) must have demonstrated proficiency in the performance of acquisition duties.";

(B) in subsection (c)—

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

(ii) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; and"; and

(iii) by adding at the end the following:

"(4) must have demonstrated proficiency in the performance of acquisition duties.";

(C) in subsection (d), by inserting before the period at the end the following: ", and have demonstrated proficiency in the performance of acquisition duties"; and

(D) in subsection (e), by inserting before the period at the end the following: ", and have demonstrated proficiency in the performance of acquisition duties".

SEC. 316. ADDITIONAL DEPARTMENT OF DEFENSE PILOT PROGRAMS.

(a) ADDITIONAL PROGRAM AUTHORIZED FOR PARTICIPATION IN DEFENSE ACQUISITION PILOT PROGRAM.—Section 5064 of the Federal Acquisition Streamlining Act of 1994 (P.L. 103-355; 108 Stat. 3359) is amended as follows:

(1) Subsection (a) is amended by adding at the end the following new paragraph:

"(6) JOINT STANDOFF WEAPON UNITARY VARIANT (JSOW-UV).—The Joint Standoff Weapon Unitary Variant program with respect to all contracts directly related to the development and procurement of an air-delivered, standoff weapon that incorporates a global positioning system-aided inertial navigation system, a data link capability, and a unitary warhead.".

(2) Subsection (c) is amended—

(A) by striking out "and" 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) with respect to the program described in subsection (a)(6)—

"(A) to apply any amendment or repeal of a provision of law made in the Federal Acquisition Reform Act of 1995 to the pilot program before the effective date of such amendment or repeal; and

"(B) to apply to a procurement of items other than commercial items under such program any waiver or exception applicable under the Federal Acquisition Streamlining Act of 1994 (Public Law 103-355) or the Federal Acquisition Reform Act of 1995 (or an amendment made by a provision of either Act) in the case of commercial items before the effective date of such provision (or amendment), to the extent that the Secretary determines necessary to test the application of such waiver or exception to procurements of items other than commercial items.".

(b) DEFENSE ACQUISITION FACILITY-WIDE PILOT PROGRAM.—

(1) AUTHORITY TO CONDUCT FACILITY-WIDE PILOT PROGRAM.—The Secretary of Defense may conduct a pilot program, to be known as the "defense facility-wide pilot program", for the purpose of determining the potential for increasing the efficiency and effectiveness of the acquisition process in facilities.

(2) SCOPE OF PROGRAM.—At a facility designated as a participant in the pilot program, the pilot program shall consist of the following:

(A) All contracts and subcontracts for defense supplies and services that are performed at the facility.

(B) All contracts and subcontracts performed elsewhere that the Secretary determines are directly and substantially related to the production of defense supplies and services at the facility and are necessary for the pilot program.

(3) DESIGNATION OF PARTICIPATING FACILITIES.—(A) The Secretary may designate up to three facilities as participants in the defense facility-wide pilot program.

(B) Subject to paragraph (7), the Secretary may determine the scope and duration of a designation made under this paragraph.

(4) CRITERIA FOR DESIGNATION.—The Secretary may designate a facility under paragraph (3) only if the Secretary determines that all or substantially all of the contracts to be awarded and performed at the facility after the designation, and all or substantially all of the subcontracts to be awarded under those contracts and performed at the facility after the designation, will be—

(A) for the production of supplies or services on a firm-fixed price basis;

(B) awarded without requiring the contractors or subcontractors to provide certified cost or pricing data pursuant to section 2306a of title 10, United States Code; and

(C) awarded and administered without the application of cost accounting standards under section 26(f) of the Office of Federal Procurement Policy Act (41 U.S.C. 422(f)).

(5) EXEMPTION FROM CERTAIN REQUIREMENTS.—In the case of a contract or subcontract that is to be performed at a facility designated for participation in the defense facility-wide pilot program and that is subject to section 2306a of title 10, United States Code, or section 26(f) of the Office of Federal Procurement Policy Act (41 U.S.C. 422(f)), the Secretary of Defense may exempt such contract or subcontract from the requirement to obtain certified cost or pricing data under such section 2306a or the requirement to apply mandatory cost accounting standards under such section 26(f) if the Secretary determines that the contract or subcontract—

(A) is within the scope of the pilot program (as described in paragraph (2)); and

(B) is fairly and reasonably priced based on information other than certified cost and pricing data.

(6) SPECIAL AUTHORITY.—The authority provided under paragraph (1) may include authority for the Secretary of Defense—

(A) to apply any amendment or repeal of a provision of law made in this Act to the pilot program before the effective date of such amendment or repeal; and

(B) to apply to a procurement of items other than commercial items under such program—

(i) any authority provided in the Federal Acquisition Streamlining Act of 1994 (Public Law 103-355) (or in an amendment made by a provision of that Act) to waive a provision of law in the case of commercial items, and

(ii) any exception applicable under this Act or the Federal Acquisition Streamlining Act of 1994 (Public Law 103-355) (or an amendment made by a provision of either Act) in the case of commercial items,

before the effective date of such provision (or amendment) to the extent that the Secretary determines necessary to test the application of such waiver or exception to procurements of items other than commercial items.

(7) APPLICABILITY.—(A) Paragraphs (5) and (6) apply with respect to—

(i) a contract that is awarded or modified during the period described in subparagraph (B); and

(ii) a contract that is awarded before the beginning of such period and is to be performed (or may be performed), in whole or in part, during such period.

(B) The period referred to in subparagraph (A) is the period that begins 45 days after the date of the enactment of this Act and ends on September 30, 1998.

(8) COMMERCIAL PRACTICES ENCOURAGED.—With respect to contracts and subcontracts within the scope of the defense facility-wide pilot program, the Secretary of Defense may, to the extent the Secretary determines appropriate and in accordance with the law, adopt commercial practices in the administration of contracts and subcontracts. Such commercial practices may include elimination of Government audit and access to records provisions; incorporation of commercial oversight, inspection, and acceptance procedures; use of alternative dispute resolution techniques (including arbitration); and elimination of contract provisions authorizing the Government to make unilateral changes to contracts.

SEC. 317. VALUE ENGINEERING FOR FEDERAL AGENCIES.

(a) USE OF VALUE ENGINEERING.—The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), as amended by section 310, is further amended by adding at the end the following new section:

"SEC. 37. VALUE ENGINEERING.

"(a) IN GENERAL.—Each executive agency shall establish and maintain effective value engineering procedures and processes.

"(b) THRESHOLD.—The procedures and processes established pursuant to subsection (a) shall be applied to those programs, projects, systems, and products of an executive agency that, in a ranking of all programs, projects, systems, and products of the agency according to greatest dollar value, are within the highest 20th percentile.

"(c) DEFINITION.—As used in this section, the term 'value engineering' means a team effort, performed by qualified agency or contractor personnel, directed at analyzing the functions of a program, project, system, product, item of equipment, building, facility, service, or supply for the purpose of achieving the essential functions at the lowest life-cycle cost that is consistent with required or improved performance, reliability, quality, and safety.".

(b) CLERICAL AMENDMENT.—The table of contents for such Act, contained in section 1(b), is amended by adding at the end the following new item:

"Sec. 37. Value engineering.".

SEC. 318. ACQUISITION WORKFORCE.

(a) ACQUISITION WORKFORCE.—(1) The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), as amended by section 317, is further amended by adding at the end the following new section:

"SEC. 38. ACQUISITION WORKFORCE.

"(a) APPLICABILITY.—This section does not apply to an executive agency that is subject to chapter 87 of title 10, United States Code.

"(b) MANAGEMENT POLICIES.—

"(1) POLICIES AND PROCEDURES.—The head of each executive agency, after consultation with the Administrator for Federal Procurement Policy, shall establish policies and procedures for the effective management (including accession, education, training, career development, and performance incentives) of the acquisition workforce of the agency. The development of acquisition workforce policies under this section shall be carried out consistent with the merit system principles set forth in paragraphs (1) and (2) of section 2301(b) of title 5, United States Code.

"(2) UNIFORM IMPLEMENTATION.—The head of each executive agency shall ensure that, to the maximum extent practicable, acquisition workforce policies and procedures established are uniform in their implementation throughout the agency.

"(3) GOVERNMENT-WIDE POLICIES AND EVALUATION.—The Administrator shall issue policies to

promote uniform implementation of this section by executive agencies, with due regard for differences in program requirements among agencies that may be appropriate and warranted in view of the agency mission. The Administrator shall coordinate with the Deputy Director for Management of the Office of Management and Budget to ensure that such policies are consistent with the policies and procedures established and enhanced system of incentives provided pursuant to section 5051(c) of the Federal Acquisition Streamlining Act of 1994 (41 U.S.C. 263 note). The Administrator shall evaluate the implementation of the provisions of this section by executive agencies.

"(c) SENIOR PROCUREMENT EXECUTIVE AUTHORITIES AND RESPONSIBILITIES.—Subject to the authority, direction, and control of the head of an executive agency, the senior procurement executive of the agency shall carry out all powers, functions, and duties of the head of the agency with respect to implementation of this section. The senior procurement executive shall ensure that the policies of the head of the executive agency established in accordance with this section are implemented throughout the agency.

"(d) MANAGEMENT INFORMATION SYSTEMS.—The Administrator shall ensure that the heads of executive agencies collect and maintain standardized information on the acquisition workforce related to implementation of this section. To the maximum extent practicable, such data requirements shall conform to standards established by the Office of Personnel Management for the Central Personnel Data File.

"(e) ACQUISITION WORKFORCE.—The programs established by this section shall apply to all employees in the General Schedule Contracting series (GS–1102) and the General Schedule Purchasing series (GS–1105), and to any employees regardless of series who have been appointed as contracting officers whose authority exceeds the micro-purchase threshold, as that term is defined in section 32(g). The head of each executive agency may include employees in other series who perform acquisition or acquisition-related functions.

"(f) CAREER DEVELOPMENT.—

"(1) CAREER PATHS.—The head of each executive agency shall ensure that appropriate career paths for personnel who desire to pursue careers in acquisition are identified in terms of the education, training, experience, and assignments necessary for career progression to the most senior acquisition positions. The head of each executive agency shall make information available on such career paths.

"(2) CRITICAL DUTIES AND TASKS.—For each career path, the head of each executive agency shall identify the critical acquisition-related duties and tasks in which, at minimum, employees of the agency in the career path shall be competent to perform at full performance grade levels. For this purpose, the head of the executive agency shall provide appropriate coverage of the critical duties and tasks identified by the Director of the Federal Acquisition Institute.

"(3) MANDATORY TRAINING AND EDUCATION.—For each career path, the head of each executive agency shall establish requirements for the completion of course work and related on-the-job training in the critical acquisition-related duties and tasks of the career path. The head of each executive agency shall also encourage employees to maintain the currency of their acquisition knowledge and generally enhance their knowledge of related acquisition management disciplines through academic programs and other self-developmental activities.

"(4) PERFORMANCE INCENTIVES.—The head of each executive agency, acting through the senior procurement executive for the agency, shall provide for an enhanced system of incentives for the encouragement of excellence in the acquisition workforce which rewards performance of employees that contribute to achieving the agency's performance goals. The system of incentives shall include provisions that—

"(A) relate pay to performance;

"(B) provide for consideration, in personnel evaluations and promotion decisions, of the extent to which the performance of personnel contributed to achieving the agency's performance goals; and

"(C) provide pay and promotion incentives to be awarded, and unfavorable personnel actions to be imposed, under the system on the basis of the contributions of personnel to achieving the agency's performance goals.

"(g) QUALIFICATION REQUIREMENTS.—

"(1) GENERAL SCHEDULE CONTRACTING SERIES (GS–1102).—

"(A) ENTRY LEVEL QUALIFICATIONS.—The Director of the Office of Personnel Management shall require that, after October 1, 1996, a person may not be appointed to a position in the GS–1102 occupational series unless the person—

"(i) has received a baccalaureate degree from an accredited educational institution authorized to grant baccalaureate degrees,

"(ii) has completed at least 24 semester credit hours (or the equivalent) of study from an accredited institution of higher education in any of the following disciplines: accounting, business finance, law, contracts, purchasing, economics, industrial management, marketing, quantitative methods, or organization and management, or

"(iii) has passed a written test determined by the Administrator for Federal Procurement Policy, after consultation with the Director of the Office of Personnel Management, to demonstrate the judgmental skills necessary for positions in this series.

"(B) QUALIFICATIONS FOR SENIOR CONTRACTING POSITIONS.—The Director of the Office of Personnel Management shall require that, after October 1, 1996, persons may be appointed to positions at and above full performance grade levels in the GS–1102 occupational series only if those persons—

"(i) have satisfied the educational requirement either of subparagraph (A)(i) or (A)(ii),

"(ii) have successfully completed all training required for the position under subsection (f)(3), and

"(iii) have satisfied experience and other requirements established by the Director for such positions.

However, this requirement shall apply to persons employed on October 1, 1996, in GS–1102 positions at those grade levels only as a prerequisite for promotion to a GS–1102 position at a higher grade.

"(2) GENERAL SCHEDULE PURCHASING SERIES (GS–1105).—The Director of the Office of Personnel Management shall require that, after October 1, 1996, a person may not be appointed to a position in the GS–1105 occupational series unless the person—

"(A) has successfully completed 2 years of course work from an accredited educational institution authorized to grant degrees, or

"(B) has passed a written test determined by the Administrator for Federal Procurement Policy, after consultation with the Director of the Office of Personnel Management, to demonstrate the judgmental skills necessary for positions in this series.

"(3) CONTRACTING OFFICERS.—The head of each executive agency shall require that, beginning after October 1, 1996, a person may be appointed as a contracting officer with authority to award or administer contracts for amounts above the micro-purchase threshold, as that term is defined in section 32(g), only if the person—

"(A) has successfully completed all mandatory training required of an employee in an equivalent GS–1102 or 1105 position under subsection (f)(3); and

"(B) meets experience and other requirements established by the head of the agency, based on the dollar value and complexity of the contracts that the employee will be authorized to award or administer under the appointment as a contracting officer.

"(4) EXCEPTIONS.—(A) The requirements set forth in paragraphs (1) and (2), as applicable, shall not apply to any person employed in the GS–1102 or GS–1105 series on October 1, 1996.

"(B) Employees of an executive agency who do not satisfy the full qualification requirements for appointment as a contracting officer under paragraph (3) may be appointed as a contracting officer for a temporary period of time under procedures established by the agency head. The procedures shall—

"(i) require that the person have completed a significant portion of the required training,

"(ii) require a plan be established for the balance of the required training,

"(iii) specify a period of time for completion of the training, and

"(iv) include provisions for withdrawing or terminating the appointment prior to the scheduled expiration date, where appropriate.

"(5) WAIVER.—The senior procurement executive for an executive agency may waive any or all of the qualification requirements of paragraphs (1) and (2) for a person if the person possesses significant potential for advancement to levels of greater responsibility and authority, based on demonstrated job performance and qualifying experience. This authority may not be redelegated by the senior procurement executive. With respect to each waiver granted under this subsection, the senior procurement executive shall set forth in writing the rationale for the decision to waive such requirements.

"(h) PROGRAM ESTABLISHMENT AND IMPLEMENTATION.—

"(1) FUNDING LEVELS.—(A) The head of an executive agency shall request in the budget for a fiscal year for the agency—

"(i) for education and training under this section, an amount equal to no less than 2.5 percent of the base aggregate salary cost of the acquisition workforce subject to this section for that fiscal year; and

"(ii) for salaries of the acquisition workforce, an amount equal to no more than 97.5 percent of such base aggregate salary cost.

"(B) The head of the executive agency shall set forth separately the funding levels requested in the budget justification documents submitted in support of the President's budget submitted to Congress under section 1105 of title 31, United States Code.

"(C) Funds appropriated for education and training under this section may not be obligated or used for any other purpose.

"(2) INTERAGENCY AGREEMENTS.—The head of an executive agency may enter into a written agreement with another agency to participate in programs established under this section on a reimbursable basis.

"(3) TUITION ASSISTANCE.—Notwithstanding the prohibition in section 4107(b) of title 5, United States Code, the head of each executive agency may provide for tuition reimbursement and education (including a full-time course of study leading to a degree) for acquisition personnel in the agency related to the purposes of this section.

"(4) INTERN PROGRAMS.—The head of each executive agency may establish intern programs in order to recruit highly qualified and talented individuals and provide them with opportunities for accelerated promotions, career broadening assignments, and specified training for advancement to senior acquisition positions. For such programs, the head of an executive agency,

without regard to the provisions of title 5, United States Code, may appoint individuals to competitive GS–5, GS–7, or GS–9 positions in the General Schedule Contracting series (GS–1102) who have graduated from baccalaureate or master's programs in purchasing or contracting from accredited educational institutions authorized to grant baccalaureate and master's degrees.

"(5) COOPERATIVE EDUCATION PROGRAM.—The head of each executive agency may establish an agencywide cooperative education credit program for acquisition positions. Under the program, the head of the executive agency may enter into cooperative arrangements with one or more accredited institutions of higher education which provide for such institutions to grant undergraduate credit for work performed in such position.

"(6) SCHOLARSHIP PROGRAM.—

"(A) ESTABLISHMENT.—Where deemed appropriate, the head of each executive agency may establish a scholarship program for the purpose of qualifying individuals for acquisition positions in the agency.

"(B) ELIGIBILITY.—To be eligible to participate in a scholarship program established under this paragraph by an executive agency, an individual must—

"(i) be accepted for enrollment or be currently enrolled as a full-time student at an accredited educational institution authorized to grant baccalaureate or graduate degrees (as appropriate);

"(ii) be pursuing a course of education that leads toward completion of a bachelor's, master's, or doctor's degree (as appropriate) in a qualifying field of study, as determined by the head of the agency;

"(iii) sign an agreement described in subparagraph (C) under which the participant agrees to serve a period of obligated service in the agency in an acquisition position in return for payment of educational assistance as provided in the agreement; and

"(iv) meet such other requirements as the head of the agency prescribes.

"(C) AGREEMENT.—An agreement between the head of an executive agency and a participant in a scholarship program established under this paragraph shall be in writing, shall be signed by the participant, and shall include the following provisions:

"(i) The agreement of the head of the agency to provide the participant with educational assistance for a specified number of school years, not to exceed 4, during which the participant is pursuing a course of education in a qualifying field of study. The assistance may include payment of tuition, fees, books, laboratory expenses, and a stipend.

"(ii) The participant's agreement—

"(I) to accept such educational assistance,

"(II) to maintain enrollment and attendance in the course of education until completed,

"(III) while enrolled in such course, to maintain an acceptable level of academic standing (as prescribed by the head of the agency), and

"(IV) after completion of the course of education, to serve as a full-time employee in an acquisition position in the agency for a period of time of one calendar year for each school year or part thereof for which the participant was provided a scholarship under the program.

"(D) REPAYMENT.—(i) Any person participating in a program established under this paragraph shall agree to pay to the United States the total amount of educational assistance provided to the person under the program if the person is voluntarily separated from the agency or involuntarily separated for cause from the agency before the end of the period for which the person has agreed to continue in the service of the agency in an acquisition position.

"(ii) If an employee fails to fulfill the agreement to pay to the Government the total amount of educational assistance provided to the person under the program, a sum equal to the amount of the educational assistance may be recovered by the Government from the employee (or the estate of the employee) by setoff against accrued pay, compensation, amount of retirement credit, or other amount due the employee from the Government; and by such other method as is provided by law for the recovery of amounts owing to the Government.

"(iii) The head of an executive agency may waive in whole or in part a repayment required under this paragraph if the head of the agency determines the recovery would be against equity and good conscience or would be contrary to the best interests of the United States.

"(E) TERMINATION OF AGREEMENT.—There shall be no requirement that a position be offered to a person after such person successfully completes a course of education required by an agreement under this paragraph. If no position is offered, the agreement shall be considered terminated.".

(2) The table of contents for such Act, contained in section 1(b), is amended by adding at the end the following new item:

"Sec. 38. Acquisition workforce.".

(b) ADDITIONAL AMENDMENTS.—Section 6(d)(5) of the Office of Federal Procurement Policy Act (41 U.S.C. 405), is amended—

(1) in subparagraph (A), by striking out "Government-wide career management programs for a professional procurement work force" and inserting in lieu thereof "the development of a professional acquisition workforce Government-wide";

(2) in subparagraph (B)—

(A) by striking out "procurement by the" and inserting in lieu thereof "acquisition by the"; and

(B) by striking out "and" at the end of the subparagraph; and

(3) by striking out subparagraph (C) and inserting in lieu thereof the following:

"(C) administer the provisions of section 38;

"(D) collect data and analyze acquisition workforce data from the Office of Personnel Management, the heads of executive agencies, and, through periodic surveys, from individual employees;

"(E) periodically analyze acquisition career fields to identify critical competencies, duties, tasks, and related academic prerequisites, skills, and knowledge;

"(F) coordinate and assist agencies in identifying and recruiting highly qualified candidates for acquisition fields;

"(G) develop instructional materials for acquisition personnel in coordination with private and public acquisition colleges and training facilities;

"(H) evaluate the effectiveness of training and career development programs for acquisition personnel;

"(I) promote the establishment and utilization of academic programs by colleges and universities in acquisition fields;

"(J) facilitate, to the extent requested by agencies, interagency intern and training programs; and

"(K) perform other career management or research functions as directed by the Administrator.".

Mr. CLINGER. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. LAHOOD) having assumed the chair, Mr. WELLER, 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. 1670) to revise and streamline the acquisition laws of the Federal Government, to reorganize the mechanisms for resolving Federal procurement disputes, and for other purposes, had come to no resolution thereon.

APPOINTMENT OF CONFEREES ON H.R. 2126, DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 1996

Mr. YOUNG of Florida. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 2126) making appropriations for the Department of Defense for the fiscal year ending September 30, 1996, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida? The Chair hears none, and without and objection appoints the following conferees: Messrs. YOUNG of Florida, MCDADE, LIVINGSTON, LEWIS of California, SKEEN, HOBSON, BONILLA, NETHERCUTT, NEUMANN, MURTHA, DICKS, WILSON, HEFNER, SABO, and OBEY.

There was no objection.

MOTION TO CLOSE PORTIONS OF CONFERENCE COMMITTEE MEETINGS ON H.R. 2126, DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 1996

Mr. YOUNG of Florida. Mr. Speaker, I offer a motion.

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

The Clerk read as follows:

Mr. YOUNG of Florida moves, pursuant to rule xxviii (28), clause 6(a) of the House rules, that the conference meetings between the House and the Senate on the bill, H.R. 2126, making appropriations for the Department of Defense for the fiscal year ending September 30, 1996, and for other purposes, be closed to the public at such times as classified national security information is under consideration; provided, however, that any sitting Member of Congress shall have a right to attend any closed or open meeting.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida [Mr. YOUNG].

Under the rule on this motion, the vote must be taken by the yeas and nays.

The vote was taken by electronic device, and there were—yeas 414, nays 2, not voting 18, as follows:

[Roll No. 661]

YEAS—414

Abercrombie	Baker (CA)	Barrett (WI)
Allard	Baker (LA)	Bartlett
Andrews	Baldacci	Barton
Archer	Ballenger	Bass
Armey	Barcia	Bateman
Bachus	Barr	Becerra
Baesler	Barrett (NE)	Beilenson

Bentsen
Bereuter
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Brownback
Bryant (TN)
Bryant (TX)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cardin
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Coburn
Coleman
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Cooley
Costello
Coyne
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
Davis
Deal
DeLauro
DeLay
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Durbin
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Eshoo
Evans
Everett
Ewing
Farr
Fattah
Fawell
Fazio
Fields (LA)
Fields (TX)
Filner
Flake
Flanagan
Foglietta
Foley
Forbes
Ford
Fowler
Fox
Frank (MA)
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Green
Greenwood
Gunderson
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hilliard
Hinchey
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson-Lee
Jacobs
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Johnston
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Lantos
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lightfoot
Lincoln
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Longley
Lowey
Lucas
Luther
Maloney
Manton
Manzullo
Markey
Martinez
Martini
Mascara
Matsui
McCarthy
McCollum
McCrery
McDade
McDermott
McHale
McHugh
McInnis
McIntosh
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Metcalf
Meyers
Mfume
Mica
Miller (CA)
Miller (FL)
Mineta
Minge
Mink
Molinari
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Rahall
Ramstad
Rangel
Reed
Regula
Richardson
Riggs
Rivers
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Roybal-Allard
Royce
Rush
Sabo
Salmon
Sanders
Sanford
Sawyer
Saxton
Scarborough
Schaefer
Schiff
Schumer
Scott
Seastrand
Sensenbrenner
Serrano
Shadegg
Shaw
Shays
Shuster
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stark
Stearns
Stenholm
Stockman
Stokes
Studds
Stump
Stupak
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Thornton
Thurman
Tiahrt
Torkildsen
Torres
Towns
Traficant
Upton
Velazquez
Vento
Visclosky
Vucanovich
Walker
Walsh
Wamp
Ward
Waters
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Williams
Wilson
Wise
Wolf
Woolsey
Wyden
Wynn
Young (AK)
Young (FL)
Zeliff
Zimmer

NAYS—2

DeFazio
Schroeder

NOT VOTING—18

Ackerman
Berman
Collins (GA)
Cox
de la Garza
Frost
Gillmor
Moakley
Mollohan
Pelosi
Reynolds
Rose
Sisisky
Torricelli
Tucker
Volkmer
Waldholtz
Yates

□ 2045

So the motion was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

HOUR OF MEETING ON TOMORROW

Mr. GOSS. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 1 p.m. tomorrow, Thursday, September 14, 1995.

The SPEAKER pro tempore (Mr. LAHOOD). Is there objection to the request of the gentleman from Florida?

There was no objection.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

OFFICE OF THE CLERK,
U.S. HOUSE OF REPRESENTATIVES,
Washington, DC, September 12, 1995.

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

DEAR MR. SPEAKER: This is to notify you pursuant to Rule L (50) of the Rules of the House I have been served with a subpoena issued by the United States District Court for the Central District of California.

The General Counsel has determined that compliance with the subpoena is not inconsistent with the privileges and precedents of the House.

With warm regards,

Sincerely,

ROBIN H. CARLE,
Clerk, House of Representatives.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 534

Mr. INGLIS of South Carolina. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 534.

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

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 899

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 899.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Texas?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 359

Mr. FOX of Pennsylvania. Mr. Chairman, I ask unanimous consent that my name be removed as a cosponsor of H.R. 359.

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

There was no objection.

IT IS TIME FOR ACTION ON WOMEN'S ISSUES

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

Mrs. MORELLA. Mr. Speaker, last week I, and three of my colleagues, attended the U.N. Fourth World Conference on Women. As Conference Secretary-General Gertrude Mongella of Tanzania said, "The problems (of women) are not different from country to country. They only differ in intensity." And she is exactly right.

Women the world over are concerned about the prevalence of violence in their lives, the quality of their children's schooling, the challenges of pregnancy and childbirth, and economic security for themselves and their families.

This conference presents an important opportunity to strengthen the world's families, to increase the numbers of women in decisionmaking positions in government and business, and to ensure access for girls and women to education and health care.

This conference is not about adding genders, redefining families, denigrating motherhood, or tearing down capitalism. And it is certainly not about ignoring China's dismal record on human rights—if anything, the conference has focused the world's attention

on the terror the Chinese people, particularly women, suffer day in and day out.

Mrs. Clinton clearly spoke to this issue when she addressed the conference. She stressed that women's rights are human rights, that human rights are women's rights. I submit her entire speech for the RECORD.

As the conference concludes this week, let us put the words of the Platform for Action into action, let's turn the rhetoric into words.

Mr. Speaker, I submit the following speech for the RECORD.

FIRST LADY HILLARY RODHAM CLINTON, REMARKS FOR THE UNITED NATIONS FOURTH WORLD CONFERENCE ON WOMEN, BEIJING, CHINA

Mrs. Mongalla, distinguished delegates and guests:

I would like to thank the Secretary General of the United Nations for inviting me to be part of the United Nations Fourth World Conference on Women. This is truly a celebration—a celebration of the contributions women make in every aspect of life: in the home, on the job, in their communities, as mothers, wives, sisters, daughters, learners, workers, citizens and leaders.

It is also a coming together, much the way women come together every day in every country.

We come together in fields and in factories. In village markets and supermarkets. In living rooms and board rooms.

Whether it is while playing with our children in the park, or washing clothes in a river, or taking a break at the office water cooler, we come together and talk about our aspirations and concerns. And time and again, our talk turns to our children and our families.

However different we may be, there is far more that unites us than divides us. We share a common future. And we are here to find common ground so that we may help bring new dignity and respect to women and girls all over the world—and in so doing, bring new strength and stability to families as well.

By gathering in Beijing, we are focusing world attention on issues that matter most in the lives of women and their families: access to education, health care, jobs, and credit, the chance to enjoy basic legal and human rights and participate fully in the political life of their countries.

There are some who question the reason for this conference. Let them listen to the voices of women in their homes, neighborhoods, and workplaces.

There are some who wonder whether the lives of women and girls matter to economic and political progress around the globe. . . . Let them look at the women gathered here and at Hairou. . . . the homemakers, nurses, teachers, lawyers, policymakers, and women who run their own businesses.

It is conferences like this that compel governments and peoples everywhere to listen, look and face the world's most pressing problems.

Wasn't it after the woman's conference in Nairobi ten years ago that the world focused for the first time on the crisis of domestic violence?

Earlier today, I participated in a World Health Organization forum, where government officials, NGOs, and individual citizens are working on ways to address the health problems of women and girls.

Tomorrow, I will attend a gathering of the United Nations Development Fund for Women. There, the discussion will focus on local—and highly successful—programs that give hard-working women access to credit so they can improve their own lives and the lives of their families.

What we are learning around the world is that, if women are healthy and educated, their families will flourish. If women are free from violence, their families will flourish. If women have a chance to work and earn as full and equal partners in society, their families will flourish.

And when families flourish, communities and nations will flourish.

That is why every woman, every man, every child, every family, and every nation on our planet has a stake in the discussion that takes place here.

Over the past 25 years, I have worked persistently on issues relating to women, children and families. Over the past two-and-a-half years, I have had the opportunity to learn more about the challenges facing women in my own country and around the world.

I have met new mothers in Jojakarta, Indonesia, who come together regularly in their village to discuss nutrition, family planning, and baby care.

I have met working parents in Denmark who talk about the comfort they feel in knowing that their children can be cared for in creative, safe, and nurturing after-school centers.

I have met women in South Africa who helped lead the struggle to end apartheid and are now helping build a new democracy.

I have met with the leading women of the Western Hemisphere who are working every day to promote literacy and better health care for the children of their countries.

I have met women in India and Bangladesh who are taking out small loans to buy milk cows, rickshaws, thread and other materials to create a livelihood for themselves and their families.

I have met doctors and nurses in Belarus and Ukraine who are trying to keep children alive in the aftermath of Chernobyl.

The great challenge of this conference is to give voice to women everywhere whose experiences go unnoticed, whose words go unheard.

Women comprise more than half the world's population. Women are 70 percent of the world's poor, and two-thirds of those who are not taught to read and write.

Women are the primary caretakers for most of the world's children and elderly. Yet much of the work we do is not valued—not by economists, not by historians, not by popular culture, not by government leaders.

At this very moment, as we sit here, women around the world are giving birth, raising children, cooking meals, washing clothes, cleaning houses, planting crops, working on assembly lines, running companies, and running countries.

Women also are dying from diseases that should have been prevented or treated; they are watching their children succumb to malnutrition caused by poverty and economic deprivation; they are being denied the right to go to school by their own fathers and brothers; they are being forced into prostitution, and they are being barred from the ballot box and the bank lending office.

Those of us who have the opportunity to be here have the responsibility to speak for those who could not.

As an American, I want to speak up for women in my own country—women who are raising children on the minimum wage, women who can't afford health care or child care, women whose lives are threatened by violence, including violence in their own homes.

I want to speak up for mothers who are fighting for good schools, safe neighborhoods, clean air and clean airwaves, for older women, some of them widows, who have raised their families and now find that their skills and life experiences are not valued in the workplace . . . for women who are working all night as nurses, hotel clerks, and fast food chefs so that they can be at home during the day with their kids, and for women everywhere who simply don't have time to do everything they are called upon to do each day.

Speaking to you today, I speak for them, just as each of us speaks for women around the world who are denied the chance to go to school, or see a doctor, or own property, or have a say about the direction of their lives, simply because they are women.

The truth is that most women around the world work both inside and outside the home, usually by necessity.

We need to understand that there is no formula for how women should lead their lives. That is why we must respect the choices that each woman makes for herself and her family. Every woman deserves the chance to realize her God-given potential.

We also must recognize that women will never gain full dignity until their human rights are respected and protected.

Our goals for this conference, to strengthen families and societies by empowering woman to take greater control over their own destinies, cannot be fully achieved unless all governments—here and around the world—accept their responsibility to protect and promote internationally recognized human rights.

The international community has long acknowledged—and recently affirmed at Vienna—that both woman and man are entitled to a range of protections and personal freedoms, from the right of personal security to the right to determine freely the number and spacing of the children they bear.

No one should be forced to remain silent for fear of religious or political persecution, arrest, abuse or torture.

Tragically, women are most often the ones whose human rights are violated. Even in the late 20th century, the rape of women continues to be used as an instrument of armed conflict. Women and children make up a large majority of the world's refugees. And when women are excluded from the political process, they become even more vulnerable to abuse.

I believe that, on the eve of a new millennium, it is time to break our silence. It is time for us to say here in Beijing, and the world to hear, that it is no longer acceptable to discuss women's rights as separate from human rights.

These abuses have continued because, for too long, the history of women has been a history of silence. Even today, there are those who are trying to silence our words.

The voices of this conference and of the women at Hairou must be heard loud and clear.

It is a violation of human rights when babies are denied food, or drowned, or suffocated, or their spines broken, simply because they are born girls.

It is a violation of human rights when women and girls are sold into the slavery of prostitution.

It is a violation of human rights when women are doused with gasoline, set on fire and burned to death because their marriage dowries are deemed too small.

It is a violation of human rights when individual women are raped in their own communities and when thousands of women are subjected to rape as a tactic or prize of war.

It is a violation of human rights when a leading cause of death worldwide among women ages 14 to 44 is the violence they are subjected to in their own homes.

It is a violation of human rights whey young girls are brutalized by the painful and degrading practice of genital mutilation.

It is a violation of human rights when women are denied the right to plan their own families, and that includes being forced to have abortions or being sterilized against their will.

If there is one message that echoes forth from this conference, it is that human rights are women's rights and women's rights are human rights.

Let us not forget that among those rights are the right to speak freely. And the right to be heard.

Women must enjoy the right to participate fully in the social and political lives of their countries if we want freedom and democracy to thrive and endure.

It is indefensible that many women in nongovernmental organizations who wished to participate in this conference have not been able to attend—or have been prohibited from fully taking part.

Let me be clear. Freedom means the right of people to assemble, organize, and debate openly. It means respecting the views of those who may disagree with the views of their governments. It means not taking citizens away from their loved ones and jailing them, mistreating them, or denying them their freedom or dignity because of the peaceful expression of their ideas and opinions.

In my country, we recently celebrated the 75th anniversary of women's suffrage. It took 150 years after the signing of our Declaration of Independence for women to win the right to vote. It took 72 years of organized struggle on the part of many courageous women and men.

It was one of America's most divisive philosophical wars. But it was also a bloodless war. Suffrage was achieved without a shot fired.

We have also been reminded, in V–J Day observance last weekend, of the good that comes when men and women join together to combat the forces of tyranny and build a better world.

We have seen peace prevail in most places for a half century. We have avoided another world war.

But we have not solved older, deeply-rooted problems that continue to diminish the potential of half the world's population.

Now it is time to act on behalf of women everywhere.

If we take bold steps to better the lives of women, we will be taking bold steps to better the lives of children and families too. Families rely on mothers and wives for emotional support and care; families rely on women for labor in the home; and increasingly, families rely on women for income needed to raise healthy children and care for other relatives.

As long as discrimination and inequities remain so commonplace around the world—as long as girls and woman are valued less, fed less, fed last, overworked, underpaid, not schooled and subjected to violence in and out of their homes—the potential of the human family to create a peaceful, prosperous world will not be realized.

Let this conference be our—and the world's—call to action.

And let us heed the call so that we can create a world in which every woman is treated with respect and dignity, every boy and girl is loved and cared for equally, and every family has the hope of a strong and stable future.

Thank you very much.

God's blessings on you, your work and all who will benefit from it.

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. BUNN of Oregon). Under the Speaker's announced policy of May 12, 1995, and under a previous order of the House, the following Members will be recognized for 5 minutes each:

DOUBLE STANDARD APPLIED TO PEOPLE IN GOVERNMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana [Mr. BURTON] is recognized for 5 minutes.

Mr. BURTON of Indiana. Mr. Speaker, an unfortunate incident occurred this past week. A distinguished Member of the other body resigned from the Congress of the United States because of alleged sexual improprieties and advances toward members of the staff of the Congress of the United States. I think people who watched what happened in the news media over the past year to 2 years agree that that was the right thing for him to do, to resign.

Mr. Speaker, one of the things that concerns me is that other cases of this kind have occurred in the past and nothing has been done about them. For instance, a former Governor of the State of Arkansas allegedly had a young State employee come up to his hotel room and not only made sexual advances, but they were very, very overt sexual advances. That gentleman has now advanced to a very high office in this land, and there has been almost no investigation. The lady in question has asked that her case be taken to court and because of this gentleman's position in our Government, she cannot even get a court case. That is not the only instance that happened with this individual.

So I would just like to say to my friends in the media, and I think they probably know to whom I am referring, Mr. PACKWOOD resigned, he should have resigned, he did something that should not have been done, obviously. But why, I ask, are we excusing or ignoring similar behavior?

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The gentleman is reminded not to make remarks about particular Members of the Senate.

Mr. BURTON of Indiana. I stand corrected. But I would just like to ask the question, why is there this double standard? This double standard should not occur. People who are held to a high standard in one body of this government should not be singled out when people in other areas of our Government are able to get away with these things, or at least not be allowed, the people who accuse them, to have their day in court or have hearings on the alleged improprieties.

The media in this country in my opinion should show some balance. No one, regardless of what party they serve, no one, regardless of what branch of government they serve, should be allowed to get away with these alleged sexual improprieties, and yet it is obvious to me, and I think to other Members of this body, that a double standard does exist.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The gentleman is also reminded that he is not to make personal references to the President as well.

Mr. BURTON of Indiana. I did not make any reference to the President, I do not believe, did I?

The SPEAKER pro tempore. Any obvious references to the person are not to be made.

Mr. BURTON of Indiana. I would ask for you to read the RECORD then and show me the obvious reference.

The SPEAKER pro tempore. The gentleman made references that could only apply to the President.

Mr. BURTON of Indiana. I think that if you check, you would find that I did not make any direct reference to the President.

The SPEAKER pro tempore. The Chair will check the RECORD.

Mr. BURTON of Indiana. Be that as it may, Mr. Speaker, I think there is a double standard and it should be reviewed.

DISCRETIONARY SPENDING REDUCTION AND CONTROL ACT OF 1995

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, I wonder how many Americans really think that the Members of this body will have the gumption to balance the budget 7 years from now. Mr. Speaker, I wonder how many Members of this Chamber think that we are really going to make the hard cuts that are going to be required that are called upon by the budget resolution that we passed earlier this year to balance the budget 7 years from now.

I want to talk about the bill that I have just introduced, H.R. 2295, that will help assure that we reach that balanced budget by the year 2002. Mr. Speaker, the vacation is over, it is time for us to do what we were sent here to do, and that is balance the budget. In June we passed a historic piece of budget legislation, House Concurrent Resolution 67.

This budget resolution starts us on a glidepath to a balanced budget by the year 2002. If we reach that goal, it will be for the first time since 1969. But there is a problem. This glidepath is a resolution and it is not a binding law signed by the President. That means in effect, it is only a suggestion to future sessions of Congress.

In 1985, Congress passed Gramm-Rudman-Hollings, tying discretionary spending to deficit reduction. Unfortunately, the good intentions of that bill did not do much to reduce the deficit.

In 1990 we had another confrontation. In fact, in the 1990 confrontation with President George Bush, we increased the debt ceiling six times in about a 2-month period to encourage the administration to sign on to that particular agreement. That agreement did place caps on discretionary spending. Those caps are set to expire in 1998, and those caps are too high to allow us to achieve a balanced budget by the year 2002.

If we are serious about balancing the budget, let us put into law the spending caps of this year's budget resolution. That is what H.R. 2295 does. H.R. 2295 is my bill and we call it the Discretionary Spending Reduction and Control Act of 1995. H.R. 2295 amends the Congressional Budget Act of 1974, it amends the Gramm-Rudman-Hollings amendments by updating and extending discretionary spending caps and the pay-go requirements laid out in this year's budget resolution. It establishes into law this year's budget resolution targets for spending. These caps required by law will help ensure that we will stay on target toward a balanced budget by the year 2002.

Mr. Speaker, is Congress going to have the willingness to continue to cut spending? Let me give you a verbal description of the glidepath to a balanced budget. We are asking for a reduction in spending, somewhat slight, not very much reduction, in the first year and second year. The big cuts in spending and those requirements and pressures on Congress will be in the outyears of the fifth, sixth, and seventh year. I mean with the complaints and the criticisms and the agony that we have seen this Chamber exhort with the slight budget cuts this year, it is going to be absolutely tough in those outyears.

We have to have legislation that keeps us on that glidepath. I ask my colleagues to support H.R. 2295 that will put into law this year's budget resolution.

ON ACHIEVING A BALANCED BUDGET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. GOODLING] is recognized for 5 minutes.

Mr. GOODLING. Mr. Speaker, I rise today with some sense of sadness, and probably quite a bit of outrage. The administration, in its zeal to protect the President's direct student loan program and hide their failure to really do anything about balancing the budget, has been using scare tactics to frighten and mislead the American people in order to, I suppose, to strap them from the need to balance the budget.

□ 2100

To do this, the administration has pulled out all stops. It has used Presidential public relation mechanisms at the taxpayers' expense to spread misinformation about our plans to balance the budget in 7 years.

Even the President has gone on the road with many of these misinterpretations of what it is we plan to do to balance the budget. So in an effort to set the record straight, I have sent a letter to the President asking that he publicly apologize to the America people for his scare tactics, and urging that he use all the methods at his disposal to set the records straight and level with the America people about what we are and are not going to do.

Mr. Speaker, I want to set the record straight at this time. Republicans are preserving, I repeat, preserving the in-school interest subsidy for undergraduate and graduate students, even though its elimination was recommended by the President's Budget Director, Alice Rivlin, in her suggestions as to how to balance the budget. We plan to only touch the interest subsidy for the 6 month grace period following graduation, and during that time no payments are made. The grace period will remain intact. The borrower will repay the interest accrued during that 6 month period, which will add about $4 a month to an average monthly student loan.

Republicans, on the other hand, are asking the private lenders to carry much of the burden for reforms in the loan program in order to achieve a balanced budget in 7 years. In fact, reforms to the student loan industry will save the taxpayers nearly $5 billion. We will eliminate the President's direct student loan program in order to save the American taxpayers more than $1.5 billion over 7 years, according to the Congressional Budget Office, which was the group that the President in his speech here on the floor told us we should be paying attention to.

We will not increase, I repeat, not increase, the origination loan fee paid by students, nor will we increase the interest rates on loans for students. We do not take away the interest rate reductions students are to receive for new loans effective July, 1988. We keep the President's budget proposal on Perkins loans, a revolving fund that perpetuates itself, adding no new funds, and therefore encouraging lower default rates by tougher collection efforts. Pell grant awards will be the largest in history in 1996 under our plan. The Supplemental Education Opportunity Grant Program, the work study program, will be funded at last year's level; no cuts.

We all know that the direct lending is a sacred cow to the administration. However, we cannot cling to a gold-plated direct student loan program and put welfare for the benefit of bureaucrats ahead of the needs of students.

One of the most outrageous statements I heard was that if we do not go the direct lending route, the Government will have to pick up 100 percent of the risk. Who in the world picks up 100 percent of the risk when you do direct lending? We not only pick up 100 percent of the risk, but we also have to borrow the money up front. We do not guarantee the loan, we borrow the money up front. We pay interest on the money we borrow so we increase what it is the American taxpayer has to do to carry that load.

We keep the President's budget proposal, as I said, on Perkins loans. Now, what is the administration so afraid of that it would resort to these scare tactics? Well, again, I want to review one more time what we do, so that the students out there and the parents are not misled.

If the Congress fails to act now, by the year 2002 the national debt will exceed $6.5 trillion. That is a fact.

Another fact: Unless growth rates and mandatory spending are slowed, all Federal revenues will be consumed by a handful of programs.

Fact: Under the Republican budget resolution, the Federal budget will be running a surplus of $6.4 billion in the year 2002.

Fact: According to the President's 1995 budget, unless we gain control of spending, the lifetime tax rate for children born after 1993 will exceed 82 percent. The most important thing we can do for the children of today is to balance the budget. If we do that, we can reduce interest rates by 2 percent. That affects everyone. That affects those who have student loans; that affects those who have a mortgage; that affects those who are buying an automobile on time.

Fact: While balancing the budget, the maximum Pell grant award will increase from $2,340 in 1995 to $2,444 in 1996. Even while balancing the budget, annual student loan volume will increase from $24.5 billion in 1995 to $36 billion in the year 2002, a 47-percent increase.

Fact: Even while balancing the budget, the average student loan amount increases from $3,646 in 1995 to $4,300 in the year 2000.

Fact: In order to balance the budget, Congress does not eliminate the in-school interest subsidy for college students.

Fact: In order to balance the budget, Congress does not increase loan origination fees.

Fact: In order to balance the budget, Congress does not cut college work study.

Fact: In order to balance the budget, Congress does not cut supplemental education opportunity grants.

Fact: In order to balance the budget, Congress does not cut the TRIO program.

Fact: The President continues to claim that the direct student loan program saves the taxpayers $5.2 billion, while lowering interest rates and fees to students. But the Congressional Budget Office, who the President said we should listen to, says that the direct student loan program costs taxpayers over $1.5 billion, adding to the Niagara-size leak in Federal spending.

Mr. Speaker, I did not pick this fight on direct lending. I was here to cooperate, as we generally do on education issues. No one from the White House has ever contacted me in relationship to direct lending. What we said in direct lending was we would do a pilot program, and we would do a pilot program to see at the end of perhaps 7 years what is the best approach to the student loan program.

All of a sudden, the budget comes up from the White House, 2-year budget, direct lending, 100 percent in 2 years. We will not find out for 7 years whether anybody had the ability to collect. Oh, it is easy. Certainly certain universities and colleges love this business. All they have to do is give out the money. Who collects it? The Department of Education? I would be surprised if that would be successful.

But we are willing to do the pilot program. We did not change the rules. We did not change the direction we were going.

Fact: The Federal deficit results in up to a 2-percent higher interest rate for all Americans, including students.

Mr. Speaker, I want to get the facts straight so that the American people will not be frightened by scare tactics.

FACTS ON STUDENT LOANS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from West Virginia [Mr. WISE] is recognized for 5 minutes.

Mr. WISE. Mr. Speaker, I appreciate the opportunity to address the House. I was listening to the distinguished chairman, and I just have to present the counterpoint to that, because I think this is going to be one of the most important issues that this Congress joins on the issue of student loans. I know that I participated in a rally this week at West Virginia University, and I am afraid that people are not quite as sanguine there about what the implications are. I am glad to hear some of the statements that were made, but, at the same time, I think we also ought to talk about what the implications are of this decision.

I know when I first raised these concerns just a few months ago, I was dismissed by those on the other side as well. There are no cuts intended. We know now, of course, that is not the case.

Let us talk about, for instance, what the elimination of deferral of interest even for graduate students can mean. It is estimated it can cost starting $6,000 adding to the lifetime cost of a loan and go up past that. Certainly someone trying to go to medical school or some of the other graduate level professions can incur large costs.

But let me say this: I heard a lot about balancing the budget. We are talking about $10 billion. I have had it up to here with everybody who wants to balance the Federal budget and then points to the family budget, and meanwhile they are unbalancing that. In West Virginia the tax cut proposed yields that much. You cannot see it, because it is 2 dimes; 20 cents a day is what the average cut will yield to two-thirds of the taxpayers in West Virginia. To those making over $100,000 a year, it will bring $7 a day. I do not have enough dollar bills to put in this hand to make the $7 a day.

What will be lost for a middle-income person, the student loan, for instance, it will be their ability to defer that interest that will be lost. What do we lose as a Federal Government? What do we lose as a Treasury? What do we lose as a society? What do we lose as an economy, besides the fact we may lose that student who might have found the cure for AIDS, or opened up the primary care clinic in rural West Virginia.

What we will lose as well is we will lose the ability of many people who are in college, if they are college graduates, to earn on the average 60 percent more than the non-4-year graduate. We will lose their ability. Yes, I understand we have been assured this will not affect the undergraduate student.

Where do the rest of the cuts come from? It is $10 billion, of which I understand $3 billion comes from the graduate student provision. Where does the rest come from, if it is so halcyon?

Mr. MCKEON. Mr. Speaker will the gentleman yield?

Mr. WISE. I yield to the gentleman from California.

Mr. MCKEON. Mr. Speaker, I really appreciate the opportunity to engage in this dialog, because what the gentleman is saying just is not true. I think it is probably just because the gentleman has not had a chance to see our proposal. But there is no elimination of the in-school interest subsidy for graduate students or undergraduate students.

Mr. WISE. The gentleman is now saying you are not going to affect the interest deferral on either graduate or undergraduate?

Mr. MCKEON. Correct.

Mr. WISE. Where do you make up your $10 billion?

Mr. MCKEON. OK. $1.2 billion comes from the termination of the direct loan program. $4.9 billion, and this is what is really interesting, because the other night the President in his speech said that we were cutting to help the bankers. In reality, we are going after the bankers and the lenders for half of this. $4.9 billion, we are decreasing their profit to make up half of the $10 billion. $3.5 billion comes from the subsidy for the interest from the time that they graduate until they have to begin paying the loan.

Mr. WISE. The 6-month period.

Mr. MCKEON. Right now, any student that wants, and this is really important, because I think some of this rhetoric is scaring parents and students needlessly, because as the President commented the other day, he said this should be a nonpartisan issue. It really should be. We should be working together on this.

We were talking about eliminating those subsidies. We found other ways to do it. The President was talking about eliminating those subsidies. This probably was first suggested in the memo from Ms. Rivlin. But we found ways to do it without eliminating those subsidies.

Mr. WISE. But then there is still a balance that has to be reached. There is not only $10 billion, as I understand it, that was originally considered out of higher education, then the Head Start, Title I and all of that, which is part of an overall pot. I am here keep it to higher education at this point. If the gentleman will continue on with where the balance of the cuts come from?

Mr. MCKEON. $3.5 billion from eliminating the interest subsidy for the 6-month period. In other words, right now a student, any student, can get a loan to go to school. Any student. If they meet the requirements, if their income is low enough and they meet the requirement, the Government will subsidize the interest while they are in school. That is the current law.

Mr. WISE. If the gentleman would let me recapture my time, let me just close by saying I will examine this. I do feel that these changes, assuming they are coming about in this way, show the power of grassroots pressure. I think it has been the reaction. I think we are going to need to talk about this some more, because we can agree on this: There are a lot of parents concerned, and justifiably so, about what the impact of these cuts will be.

FEDERAL ASSISTANCE WITH STUDENT LOANS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. MCKEON] is recognized for 5 minutes.

Mr. McKEON. Mr. Speaker, if the gentleman would like to continue this, what the program is, any student can have a loan and the Government will subsidize their interest while they are in school. Then when they graduate, if they do not go on to graduate school, or, if they do, they have a 6-month period where they do not have to repay the loan. Then they begin repaying the loan. They have 10 years to do that. During that 6-month period, their interest at current law is also subsidized. If they go on to graduate school they can continue to borrow money and also receive an interest subsidy.

□ 2115

The undergraduate and the graduate subsidy will not be touched. What we are talking about is eliminating, as part of this, about a third of it, the interest subsidy for the 6-month period. And what that works out to be is a student that over the next 4 years borrows the maximum, little over $17,000, when they do begin repaying it, the maximum that that could be is about $9 a month. And we feel that that is fair, from $4 to $9 a month; we think that is a fair return considering that there are a lot of young people that are not able to go to school and their taxes are helping to subsidize those that do.

Does that kind of answer that?

Mr. WISE. Mr. Speaker, if the gentleman will yield, I would be delighted tomorrow to look at the statistics. I am just surprised, $3.5 billion sounds like a lot coming out of just ending the deferral for the 6-month period. That sounds like a large amount of savings being scored to that. But I am not going to contest that.

Mr. McKEON. The numbers are there.

Mr. WISE. Is that a CBO scoring?

Mr. McKEON. Yes. That is over a 7-year period. And that gets us to the $10 billion that we need to save.

I think what we really need to keep sight of is to stick with the facts. That is really important. I think they are bad enough as they are. There are going to be cuts, but we do not need to scare people needlessly.

The other night when I heard the President talking, again saying that we were eliminating the subsidy for students, it is just not so. I think really for the office of the President, he really should stick with the facts. He has enough to talk about on his side of the issue without distorting the facts.

Mr. WISE. Has this been reported from the Committee on Economic and Educational Opportunities?

Mr. McKEON. We held a news conference on July 27 and indicated that we would not be going after the in-school subsidy or the graduate school subsidy. So that information has been out over 1 month. The Presdient certainly should have it. I can get you a copy of this tonight.

Mr. WISE. On Pell grants, the chairman had said this would be the highest number ever. I understand that the level of the dollar amount to an individual will be the highest ever. I have understood that.

Mr. McKEON. We raised it $100 per individual.

Mr. WISE. But that some individuals will not be, while we have got individuals able to get a higher level of Pell grant, there will not be as many individuals able to qualify for the Pell grant; is that true?

Mr. McKEON. No. What it is is we raised the lower limit so those who were borrowing a very small amount, up to $600, not as many of them would be able to borrow. We went to the higher amount so that those who were the neediest could get the full amount.

This has been, I think, healthy to have a discussion. There is a lot that we can talk about just on the actual merits of what the real numbers are.

I think that the purpose of this whole debate is, I am new here in Congress. I have been here now, this is just starting my second term. It has been a real education to me. I came out of private industry. I was a businessman. I really did not know how the Federal budget worked or what the process was. I am still learning, every day I am learning.

But the big thing I have learned is that we have a debt of almost $5 trillion. And these young people in school and their children and their grandchildren are going to be paying this debt. It used to be, when I was a young person, our parents worked all their lives to pay off the mortgage and then leave the farm to the children. And now it seems like what we are doing is spending our entire lives mortgaging the farm and the Government takes the farm and the children are left with the debt. We need to turn that around.

This is just one of the things that we are looking at to save a little money. I think as we spread this across the board, spread the pain of arriving at this balanced budget over a 7-year period, we will all benefit.

SACRIFICE

The SPEAKER pro tempore (Mr. BUNN of Oregon). Under a previous order of the House, the gentleman from Indiana [Mr. McINTOSH] is recognized for 5 minutes.

Mr. McINTOSH. Mr. Speaker, sacrifice, we all know the word. Our Founding Fathers understood the need for sacrifice. They concluded in the Declaration of Independence: We mutually pledge to each other our lives, our fortunes and our sacred honor.

Few members of our society understand the word sacrifice more than our beloved veterans. Mr. Speaker, it is our Nation's heroic veterans that bring me to the floor of the House tonight. I rise to provide this House and this Nation with an update from Indiana on the efforts over the summer in my district to honor our veterans.

I proudly report over the past several months that Hoosiers in Indiana have rightly commemorated the sacrifice that our veterans have made. I would like to mention their efforts as well as single out a few veterans whose sacrifice demonstrates the essence of that word. There is a renewal of the American sense of sacrifice, and it is being rekindled in my home town of Muncie, IN.

After a lapse of nearly 20 years, the citizens of my home town of Muncie held a Memorial Day parade to honor the veterans. My wife Ruthie and I had the honor of joining them in this expression of devotion to the men and women who have served our country in the armed services.

I mean men such as Muncie veterans Jack Reichart who served valiantly on the USS *Missouri*. Jack had the privilege of watching the Japanese premier surrender to the United States on VJ Day over 50 years ago.

In Anderson, where Hoosiers celebrate the 4th of July each year with a midnight parade, thousands lined the streets to honor those who have served their country, and honor those who gave their lives for our freedom.

Harry Mullins, one of most decorated veterans of the United States, was part of that celebration. During the Korean war, Harry's division was asked to do the impossible, they were given the task of retaining Pork Chop Hill. They did, and they did with the utmost of sacrifice. Only nine men survived that mission, and Harry was lucky enough to be one of them.

In July the citizens of Columbus held a parade to celebrate the anniversary of the end of World War II and to pay tribute to veterans. The city of Richmond held a special celebration for all veterans at the Earlham Field of Honor to recognize the special veterans in their community.

Men such as John Connelly, who was decorated for his heroic actions, John's aircraft crashed behind enemy lines in World War II. He had to hide in the ditches as the German Army platoons marched perilously close to his hiding place. Finally, John managed to find his way back to safety, back to his colleagues and the American troops who were marching through Germany.

His amazing tale was later retold in the movie "A Bridge Too Far."

Ralph Pyle, of Richmond, served in the Army during both World War II and the Korean war. Ralph earned a Bronze Star for flying 35 reconnaissance missions. Today he is a renowned photographer, and all of us cherish his photographs that bring that war so much to life in our mind's eye.

The homage to veterans began in Shelby County where they dedicated a new park, Honor Park, in honor of those men who served from their country in the defense of this country.

Mr. Speaker, today we must make a commitment. We must follow in the

footsteps of Hoosiers in the Second District and remember their sacrifice, the sacrifice that more than 1 million Americans made who died to protect our inalienable rights. We must not only honor our veterans, but we must learn from their example. Now is the time for my generation to renew our commitment to this country, to remake a commitment that if we are called upon to sacrifice, we will be ready to defend the liberties that this Nation stands for.

We must renew that pledge. We must mutually pledge to each other our lives, our fortunes, and our sacred honor so that, if we are called upon to defend America, we will stand ready.

I am proud to say last week this House took an important step and passed the military appropriations bill that will provide the funding necessary for those young men and women who are today called upon to be the front line of defense of our freedoms.

Mr. Speaker, I include the following letter for the RECORD:

Sacrifice. It's a word we all know. Our Founding Fathers understood the need for sacrifice—they concluded the declaration of independence with the words: "We mutually pledge to each other our lives, our fortunes, and our sacred honor." I, myself, grew up with the notion that sacrifice was part of the American experience. I can recall my grandmother, Lilian Slyle, telling me stories of her experiences in world war I. She was an army nurse during the war, and she told me countless tales of the hardships of that terrible conflict, marching across Europe with General Pershing. She was profoundly affected by these experiences. And so was I. 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. Members in the armed forces make many sacrifices great and small, and over one million Americans have given their lives, the ultimate sacrifice, while serving to defend our country. Many of us here today can remember the long, lonely hours of sacrifice that service in the army, navy, air force, or marine corps requires—standing watch on the bridge of a warship through the night, patrolling alone in a dark forest, or working into the night on an aircraft in preparation for the next flight. Some of those sacrifices go unseen, but never unrecognized by those who depend on them. Americans across the country gather each year on this day to honor such sacrifices, and remember the contributions of American servicemen. Throughout history, members of the armed forces have risked their lives not merely for their family or their co-workers, but for a cause represented by the American flag and the liberty to succeed or fail 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 the great World Wars, about Korea, Vietnam, and more recent conflicts. We should not, however, allow the memory, the lessons, and the sacrifices of our tragic wars to fade. Proud veterans of those wars are among us today. Their presence bears witness to sacrifice. Battlefields and cemeteries remind us of the terrible sacrifices and loss of life in war. Many of us remember all too directly the experience of war. The United States asked the sacrifice of our citizens, a sacrifice that was necessary to fight Nazism in Europe, Japan, and Asia, it was a sacrifice offered in the cause of freedom. To protect our God-given liberties for both this country, and for our fellow men and women abroad. Americans today would do well to remember that throughout history the freedom that we now enjoy was created and maintained by blood and iron, and many tears. The lives and dreams of thousands of men and women who fought for democratic ideals were sacrificed because those men and women believed that these ideals were worth fighting for and dying for. It is fitting that today we honor those men and women who made that sacrifice. It is the duty of our generation to preserve the freedom that earlier generations fought to secure. Unhappily, many now call for America to disarm. I, however, am reminded of what George Washington said over 200 years ago: "To be prepared for war is on of the most effectual means of preserving peace." The cost of freedom is eternal vigilance. Conflicts rage around the globe. Dictators with pernicious designs are at this moment committed to building their military power. Let us think twice about downsizing our military forces too quickly in the wake of the end of the Cold War—those before us here today understand all too well that there is no substitute for military preparedness. And they know that military preparedness does not come cheap, does not come without sacrifice. Remembering what memorial day is for, and what gives it meaning is how each of us remembers the great sacrifices which have made possible the blessings we share as Americans today. But when we consider those blessings, we must remember that men and women do not give their lives in the field of battle so that their loved ones who they leave behind live in a society that no longer respects their freedoms. The courageous veterans that are here with us today understand exactly how precious those freedoms are. You understand what is meant by civic duty, and the responsibilities of citizenship in a world desperate for heroes. I wish to salute you and honor you for that sacrifice. Your courage is an inspiration to me and to my generation, because courage in the face of danger and in the face of an uncertain future is going to be the key difference between what makes this country great and what could lead to failure as we struggle with the difficulties that we have today in our communities. To all of you who are veterans, I am deeply honored to recognize your sacrifices in the cause of freedom. Our country thanks you for your patriotism. We will not forget. And when we are called upon a defend liberty, we will rise to the challenge in the noble American tradition of our forbears. And on behalf of my generation, let me renew the pledge of Jefferson, Madison, Hamilton, and John Jay: "We stand ready, if our nation, and the freedoms we stand for, are attacked—we will make the sacrifice to preserve our cherished liberty for our children. This we pledge: our lives, our fortunes, and our sacred honor. May God bless you, and may God bless the United States of America!

FINANCIAL AID

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey [Mr. ANDREWS] is recognized for 5 minutes.

Mr. ANDREWS. Mr. Speaker, I rise tonight after listening with great interest to the colloquy which took place between and among my friends, the gentleman from Pennsylvania [Mr. GOODLING], the gentleman from California [Mr. MCKEON] and the gentleman from West Virginia [Mr. WISE], with respect to the issue of financial aid for people wanting to go to college or to pursue higher education in the country.

First let me say as a matter of record that I know and I accept that the intentions, particularly of the gentleman from Pennsylvania [Mr. GOODLING] and the gentleman from California [Mr. MCKEON], are entirely positive in promoting higher education. It has been their record. It has been their personal commitment, and I am very honored to serve with them on the Committee on Economic and Educational Opportunities. Having said that, I think that the plan that is being put forward is a serious assault on the ability of Americans, particularly middle-class Americans, to go to college or to pursue a higher education.

First let me say that the first time that we heard about this plan was tonight. As a member of the Committee on Economic and Educational Opportunities, I would expect that there would be more opportunities for both Republicans and Democrats to learn about the plan, debate its merits, and propose alternatives.

I am, finally, glad to hear something from the majority as to how it plans to reduce higher education spending by $10 billion over the next 5 years, but I think that the proper way to do this would be to have hearings and a debate within the committee, not do it this way.

Having said that, it is my understanding that there are three ways that the committee is considering proposing to meet this $10 billion target. Numbers, Mr. Speaker, fly around here freely. And if our constituents are listening to us, numbers like $10 billion and 5-year appropriations and all of this is very, very confusing.

I would like to attempt to cut through that and talk about my understanding as to what the majority is, in fact, proposing and how it would affect students of all ages trying to get a higher education in the country. First of all, they propose the abolition of the direct loan program and claim that it will save $1.2 billion. There is only one way that the abolition of the direct loan program saves money, and that is if you cook the books. With all due respect, that is what the Congressional Budget Office is doing with the direct loan program. It simply makes no sense whatsoever to argue that the taxpayers will spend less money by borrowing it at 5 percent than they will paying a bank to lend it at 8 percent. You do not have to go very far in school to figure that out.

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In the next couple of days we will be revealing specific evidence which shows that the Congressional Budget Office for partisan political reasons has chosen to distort this issue and to distort the real economic impact of direct lending. It does not save money to abolish direct lending. It costs money. What it does is to take a program that is working successfully on college campuses across this country and turn it back to the maze of banks and guarantee agencies, and, Mr. Speaker, our constituents understand this.

□ 2130

They bounce from bank to guaranty agency to financial aid office and back all over again. You sometimes need a degree in educational administration to figure out how to apply for a student loan and to pay one. It will not save money to abolish direct loans, it will cost money.

Second, the plan apparently says they are going to take profits from the bank, I think I heard the number $4.7 billion, from the banks and the guaranty agencies. I find this remarkable for two reasons. First, for the last 10 years every time someone has proposed taking money from the banks in the student loan program by reducing the rate of interest that they are paying, the banks come tripping up to Capitol Hill and say, "We will not stay in the program anymore if you take profit away from us. It will no longer become profitable." Frankly, it has been the very same Republican defenders of the banks on this issue who are now proposing taking profits away from the interest rate that the banks earn.

The question I would raise, Mr. Speaker, is were they wrong in 1990 and 1992, or are they wrong now? Because for two decades the banks have said if you take anything away from their subsidy in this program, they will leave the program. They will not make any more loans. I find it miraculous that now all of a sudden that argument has changed. It has not changed, and some of the banks will in fact leave the program.

Where do you think the guaranty agencies are going to get part of this $4.7 billion? Mr. Speaker, here is where. When an American student applies for a student loan, he or she usually pays 5 percent of their loan principle as a guarantee fee. That fee will go up, inevitably, under this.

Let me say this. The plan apparently proposes that we will end the deferment of payments after graduation. Here is what that means in English. It means the day after you graduate, Mr. Speaker, the day after a student graduates he or she will have to start to pay their loan back before they get a job, whether or not they get a job. If you want a surefire recipe to increase defaults that the taxpayers are liable for, that is the way to do it. This is a plan that hurts students. In the future I will be happy to outline specific ways to save even more money. This is not the way to go.

SALMON REHABILITATION IN THE COLUMBIA RIVER

The SPEAKER pro tempore (Mr. BUNN). Under a previous order of the House, the gentleman from Washington [Mr. METCALF] is recognized for 5 minutes.

Mr. METCALF. Mr. Speaker, we have a critical issue in the West, the salmon rehabilitation in the Columbia River. A model has been developed, a computer model called the FLUSH Model. It has been developed and accepted for this rehabilitation plan. Because public policy is based on this model and public policy will be spent on this, using this model to rehabilitate the Columbia River, I requested the details on which the FLUSH Model is based. I have been trying to get the details, the assumptions, and all of the information upon which it was based.

We are about to begin spending $200 million to $300 million of public money on salmon rehabilitation, but information on the FLUSH Model is not forthcoming. At a hearing before the Committee on Resources, I asked Rollie Schmitten, Director of the National Marine Fisheries Service, about this, if he could get this information for me. He agreed that the Committee on Resources must have this information, but despite his good faith efforts, and that is Rollie Schmitten, Director of the National Marine Fisheries Service, despite his good faith efforts, despite my repeated requests to several entities, including the Wasington and Oregon Departments of Fisheries and others, the Committee on Resources still does not have any details on the FLUSH Model. I think that is unacceptable.

Instead, my request and the other requests have been met with delays and excuses, silly arguments that the model may not be usable, or it might be misunderstood. We obviously have a problem, and that problem must be solved.

This is the problem: Sound science and peer review must be part of the recovery process. Let me repeat that. Sound science and peer review must be part of the recovery process, especially a process that costs hundreds of millions of dollars of public money. Public confidence is being undermined by the appearance that this information is being hidden from review. That is unacceptable.

I still do not have a copy of this model. I believe that the Committee on Resources of the Congress needs and, in fact, must have this information for peer review before the expenditure of public dollars. I brought this up before the Committee on Resources today, and the chairman said if we do not get this in the near future we will seek a committee subpoena for this information.

I just bring this to the attention of the Congress because this is something that must be handled in the short run, and we must get this information upon which public policy and expenditure of public funds is based.

DEVELOPMENTS AND PROGRESS OF THE FIRST SESSION OF THE 104TH CONGRESS

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Pennsylvania [Mr. FOX] is recognized for 60 minutes as the designee of the majority leader.

Mr. FOX of Pennsylvania. Mr. Speaker, my colleagues tonight join me from the Committee on Government Reform and Oversight to discuss many of the developments and progress of the 104th Congress in this first session. With me I have tonight the gentleman from Minnesota, GIL GUTKNECHT, the gentleman from New Jersey, BILL MARTINI, and the gentleman from Washington State, RANDY TATE, each of whom has been a leader in their own right, not only in the freshman class but in their own committee.

Just recently, this past weekend in the Eighth District of New Jersey, the gentleman from New Jersey, BILL MARTINI, who has been at the forefront of reform in the Committee on Government Reform and Oversight, held a hearing in his district along with five other colleagues, including the gentleman from Washington, Mr. TATE, and if he can tell us tonight, I would ask the gentleman from New Jersey what was the orientation for the hearing he held in his district, what was the purpose, and what was accomplished, so we can look to improvements and legislation and other reforms as Congress moves to further agenda items.

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

Mr. FOX of Pennsylvania. I yield to the gentleman from New Jersey.

Mr. MARTINI. Mr. Speaker, I thank the gentleman for yielding to me, and I thank him for allowing me this opportunity to share with the Members the mission this hearing was designated to do.

First I have a little background about the field hearing itself. The field hearing that we in the Eighth Congressional District in New Jersey were honored to have and to bring to people in our district was a field hearing of the Committee on Government Reform and Oversight, chaired by our good chairman, the gentleman from Pennsylvania, BILL CLINGER. This committee had been designated by the Speaker of the House to conduct a series of national

field hearings on the topic of the 21st century Federal Government. Obviously, it is a broad topic, but the real purpose of having the hearing was to go out into the field, to get out of the Beltway, and to listen to the people as to how they envision a 21st century Federal Government.

We had, and I am pleased to say, several of my colleagues from the House here join me on the panel, along with the chairman, the gentleman from Pennsylvania [Mr. CLINGER]. We had the distinguished gentleman from Washington, RANDY TATE, who was there, along with several other panelists. We also had the benefit of listening to testimony from a number of people, including the great Governor of our State, Governor Whitman, as well as other officials, bipartisan in nature, I might add, as well as people from the private sector, all of whom already have embarked on the road that we here in Washington have been embarking on in the last 8 months, the road to try to make the respective institutions, of which they have jurisdiction over, more efficient and still provide the necessary service and meet the goals that they are intended to meet.

We were pleased to hear from a number of those witnesses in the government sector who have been down this road for some time. Our Governor for 2 years has been down the road of making the State of New Jersey more efficient, more effective, and still meet its goals, and some local officials who have also been down this road for some time now and are achieving the goals that we are so hopeful that we will achieve in the very near future.

Mr. FOX of Pennsylvania. Mr. Speaker, the Governor of the State of New Jersey has downsized the number of employees through efficiency and through attrition, is that correct?

Mr. MARTINI. I think the important point is that the purpose of the hearing is not just to deal with the items that we here have been dealing with for 8 months. Obviously I think most of us know and most of the American people understand by now that this Congress is poised and ready to turn the corner to what I believe will be bringing fiscal responsibility and accountability to the Federal Government. I know many of us are excited about the prospect.

We know there are going to be obstacles to meet that goal in the next several months, but that is the goal for now. The real purpose of this committee, as well, is to talk about what we do from that point on and not to lose sight of the fact that what we accomplish this fall, which I am confident and hopeful we will accomplish, is the beginning of a process that will lead this Federal Government into the 21st century in a way that will preserve fiscal accountability and responsibility for not just the immediate future, but for generations to come.

We listened to people who talked about both the immediate obstacles they were faced with and their challenge, as well as the bigger picture, what to expect in the future, such as some of the things we were dealing with here today on the very floor of this House, tools like a lockbox, tools with procurement reform, which are not simply cutting spending or reducing growth of spending, but more importantly, are tools which will assure that future Congresses will be fiscally accountable and responsible. We also liked hearing about that.

Let me, before I allow others here who have some topics to share and thoughts to share on the hearing, let me just say that I think we will realize how important this 3-month period is, but I think we also realize how important it is that as much as we accomplish in the next 3 months in getting to a budget reconciliation bill that will once and for all put us on the path for a fiscally responsible Federal Government, the process should not and must not end there. The process is one which will require a commitment to stay focused on that obligation, to stay fiscally sound, and to find new ways to accomplish that goal. That was the purpose of the hearings. We heard many good things.

The final point I would like to make for this moment is that overwhelmingly everyone who has been down this road shared with us on Saturday that there is certainly this aspect of fear by the people involved in the process. Fear is obviously something many people share when it comes to any type of a change, and it is something that they had to meet, and it certainly began as something that they had to manage in order to achieve their goals. After they have achieved their goals, if they manage that fear and that potential misunderstanding that exists, they were successful in achieving goals.

I just regret that as we are on the brink of once and for all bringing fiscal responsibility and accountability to the Federal Government, we are seeing more tactics only to heighten fears rather than efforts by all of us to reduce the fears of the adjustments that will have to be made, the small adjustments, in comparison to the overall goal of achieving fiscal responsibility.

Those were some of the things I am sure some of my other colleagues, particularly the gentleman from Washington [Mr. TATE], who was there and who shared with me on the panel, listening to the different witnesses, heard, and I am sure he has some things he would like to add to this dialog.

Mr. FOX of Pennsylvania. Mr. Speaker, I yield to the gentleman from Washington [Mr. TATE] to share some of his visions of what he learned at the hearing of the gentleman from New Jersey [Mr. MARTINI] with regard to government reform and oversight.

Mr. TATE. First of all, Mr. Speaker, I would like to thank the gentleman from Pennsylvania for his work in organizing this event tonight and his dedication every week to be out here letting the people know exactly what we are working on in Congress. That is why I was so excited when I had the opportunity to serve on the Committee on Government Reform and Oversight. That has really, for me, been the hotbed for reforms in the Congress, whether it be the unfunded mandates reforms or the line-item-veto.

We had several hearings in our subcommittee, for example, on welfare for lobbyists, and just recently passed and are working on today the procurement reform legislation. The biggest issue we are dealing with this year is balancing the budget and creating a 21st century government.

All wisdom does not reside in Washington, DC. I am not a rocket scientist, that I am pretty positive that is true. In fact, I know it is true. That is why I think it is so important for us to get out of the Beltway, as the gentleman from New Jersey said, and go out and talk to real people. That is what we did on Saturday. We had a chance to talk to people and elected officials that are out there in the trenches making the kind of changes we are trying to make this year. They balance their budgets every year. State Governors do that very year. County commissioners do that every year. Local city councils do that every year. We got a change to hear some great speakers: The mayor of New Jersey, the county executive of Essex County. We talked about privatization and tried to determine what area of government can best be done in the private sector.

We also had a long discussion about block grants, and they were willing and able and looking forward to the opportunity of making more decisions. The best example I can give of that is we are trying to make decisions for cities back in our hometown. I live in a city named Puyallup. Most of the bureaucrats back here not only cannot pronounce it but do not have a clue whether it is, so why the heck are they making decisions regarding the people who live in my hometown of Puyallup?

The point is that a government that governs closest to home is a government that governs best. The people who testified at the particular meeting of the gentleman from New Jersey, the hearing, were ready and willing to get started on that. That is what really impressed me, that our idea of block grants is something that is popular out there. They are willing to do it. They are closer to home. If you live in Washington State, it is a heck of a lot easier to drive to the local city council, to drive down the freeway of Olympia, where our State capital is, than to get in an airplane and fly 3,000 miles and come back to lobby and try to talk to your elected officials.

□ 2145

It makes more sense to have a government closest to home. That is what I heard from these people. They are ready and willing to get started. I am looking forward to the hearings to come out to Washington State, across this country, we are going to have in the coming months.

I just want to thank the gentleman from New Jersey [Mr. MARTINI] for his great work in setting up speakers from all sides of the issue. It was not slanted in one direction. It was very bipartisan and worthwhile to some of us.

Mr. FOX of Pennsylvania. We are looking forward to having future hearings in Congressman MARTINI's district and State, because I think what he is doing for us here is trying to give the leadership, give the vision where should Government be, how can we make it less expensive, as was said, more accountable, closer to home.

I would like to call on the gentleman from Minnesota [Mr. GUTKNECHT], if I can, for a minute. I think one of his cries has been for us to have more common sense in Government, to do the things that those in the private sector have done so well and adopt some of those ideas.

I guess the lock-box that we just passed today, the Deficit Reduction Lock-box Act which the gentleman from New Jersey [Mr. MARTINI] and the gentleman from Washington [Mr. TATE] have been working with the gentleman from Minnesota [Mr. GUTKNECHT], and of course the gentleman from Idaho [Mr. CRAPO] had a lot to do with its passage.

Could you tell us what motivated you to be involved with the Deficit Reduction Lock-box Act?

Mr. GUTKNECHT. I thank the gentleman for yielding. I was sitting here listening. The comments have been excellent, but it is interesting, even our speaker tonight is a fellow freshman colleague. As freshmen, I think it is exciting.

I remember just a few years ago one of the Members of the House came before the House and put a paper bag over his head and in effect said, "I am embarrassed to be a Member of this body." But I must tell you I am proud to be a Member of this Congress, the 104th Congress, and even more proud to be a part of this freshman class.

I apologize I was not able to make it to the hearing in New Jersey. I hear that it was an excellent hearing, that the testimony was excellent.

The other thing that I think that has come back in some of the comments we were talking about earlier, that there is so much common sense out there among the American people, and sometimes they wonder why they cannot see more common sense coming from Washington.

One of the things I did was, I heard about this article that was in Reader's Digest a few months ago, "The Death of Common Sense." I bought a whole lot of reprints. If anybody, any of my colleagues are watching and would like a copy, if they will get a hold of my office at the U.S. House of Representatives, Washington, D.C. 20515, we will send them a copy because in my own district I have had 33 town meetings.

We had the Regulatory Reform Subcommittee of the full Committee on Government Reform and Oversight come out to Minnesota, and Representative MCINTOSH and a number of other members of that subcommittee had hearings about regulatory reform. Frankly, I think that is something that is crying out. The American people are saying we just want some common sense.

There are so many great examples. If the gentleman from Pennsylvania [Mr. FOX] could let me just have a minute and give a couple of examples that are in this short article from Reader's Digest. One of them that our Speaker tonight, the gentleman from Oregon [Mr. BUNN], would appreciate says:

> Until recently, Dutch Noteboom, 73, owned a small meat packing plant in Springfield, Oregon. The U.S. Department of Agriculture had one full-time inspector on the premises and one supervisor who visited regularly. This level of attention is somewhat surprising, since Noteboom had only 4 employees. But the rules required it. Every day the inspector sat there, "often talking on the phone," says Noteboom. But they always found time to cite him for a violation: one was for "loose paint located 20 feet from any animal."
>
> "I was swimming in paperwork," said Noteboom. "You should have seen all the USDA manuals. The regulations drove me out of business."

Those kinds of examples are repeated again and again, and what the American people I think are demanding from this Government, from this Congress, is common sense. If we are going to create a vision of what kind of government, what kind of a country we are going to live in in the 21st century, I think we have to start with the basic premise that we ought to have some common sense. The same common sense that the American people have ought to be permeating things here in Washington.

I think the idea of field hearings like yours, and I would like to hear a little more from the gentleman from New Jersey [Mr. MARTINI] about the field hearing in New Jersey. But I just want to say that I am happy to participate in these special orders.

I appreciate what the gentleman from Pennsylvania [Mr. FOX] has done, because I think the American people need to know that we are making a difference, we are making a contribution, and even more importantly, we are listening to the American people.

Mr. MARTINI. If I may, if the gentleman would yield on that point of common sense, I think that was probably first and foremost the message that we heard on Saturday. Of all of the messages, I think if you boiled it down into one overwhelming message, it was the need to bring some common sense into the Federal Government process.

I think listening to the individual stories that we had the benefit of listening to and then listening to the testimony, we realize that the impression that I received, and the impression that I have had since being a new Member of this great body, has been that really the Federal Government has grown in large part over many years without a plan, without a design, and without a system. It is more or less a haphazard growth of programs.

If there is a need for something, someone will propose a bill, they will implement that bill. No one looks back, and will determine whether or not there was another program that maybe could have just been modified but instead we have had another new program to try to implement that particular need.

I think one of the reasons we are where we are today is because there was not as much thought being given to the growth of the Federal Government over many years. I think what we are doing now as a body is looking back and saying, what works, what does not work; what works, we should keep, improve, strengthen, fund. What is not working, for whatever reasons, stop it once and for all, and bring some common sense into this process of reviewing the existence of the present government so we can plan for the future and come up with a plan and try to adhere to that as difficult as that may be. When you serve here, you begin to realize how difficult it so often is to stay focused on a particular goal. But I think it is very important and that is one of the main thrusts of these hearings, is to stress the importance of having a game plan, shall we say, for the future. And then as we develop that game plan, make sure it is consistent with the overall goals that we set forth.

So the gentleman is right, if I may say, right on point, with what we heard on Saturday. That was bringing common sense into the process.

We talked in terms of not only regulatory reform which certainly was a topic brought up, about the need to bring some reasonableness into the regulatory process once again. No one certainly in my district and in the State of New Jersey is advocating abandoning the principles of meeting the goals of things like a good environment and things like achieving the necessary goals of the programs, however we set them out to be. But the regulatory process is something that many people are aware has gotten to the point where it is almost working against meeting the goals.

So I think once again I like to draw the analogy of what we are trying to do

is bring the pendulum back into a balanced position in the regulatory process area. But I know the representative here from Washington probably will share with me, we heard about privatization, the block grants, pros and cons because there were people who spoke out on each of these. Then obviously the need to stay on track in order to achieve fiscal responsibility. I see my colleague here I think wants to add something to my thoughts.

Mr. TATE. A couple of quick points as we finish up on this particular part of our special order, is the fact that as I was leaving, an older gentleman came up to me. He said, "I just wanted to thank you for the breath of fresh air that the freshmen have brought to Congress." I hear that everywhere I go. Not just meetings in New Jersey but whether I am standing in line, flying back and forth back to my home in Washington State, whether I am at the Safeway store buying groceries late at night, I run into people saying, "We appreciate you staying the course."

Why? Because we are bringing common sense back to government as we recently said, especially in our committee as we worked on regulatory reforms, and we heard it on Saturday as well, is that there is a need for government regulation. No one is doubting it. But it has gone too far.

When you talk to small businesspeople, I think it was the NFIB, the National Federation of Independent Business, came out with a study. They asked what was the biggest threat to you as small businesspeople in this questionnaire. Taxes was up there, they were all concerned about taxes. They were all concerned about high cost of health care. Their biggest concern was overregulation, regulations they could not understand, let alone explain.

What we are trying to do is make sure new regulations are based on science, not on fad, on fact, not on fiction. We are trying to come up with a common-sense approach. That is what the people are asking.

In our State I hear stories all the time about regulations that made the difference of whether a business stayed in business or did not. That new regulation was the thing that put them out of business. That is what we are trying to change.

The key point about these hearings that we have had, I think, is the point that these are the first steps. That creating a 21st century government is not going to happen overnight and that this year we bit the bullet, we passed a resolution that will balance the budget, the first time since 1969. That is itself is huge achievement.

But these hearings, we are going to have hearings over the next year or so. It is the beginning of the process. We are going to learn in those great experiments called the States on how they have learned to do these things and we are going to continue to learn from them. We are going to make mistakes along the way, granted. You make mistakes when you are trying to make real changes. But I would rather make mistakes, learn and continue to grow instead of continue the status quo which means we will not have a balanced budget, which means we will not have a 21st century government.

Mr. MARTINI. If the gentleman will yield on that point about mistakes. I think certainly in an effort of this magnitude and size and a review of an institution of this nature which has been growing for many, many years, obviously the adjustments that need to be made will not be perfect in every instance. I think that we heard, and we had people who were advocating the status quo on Saturday, an elected official and some others, a minority point of view, but it certainly was a point of view. Each time we talked of a new mechanism or a new idea to accomplish the goal of making governments more effective and more efficient and less costly, such as the idea of at least considering privatization where appropriate, the idea of block grants where appropriate and where we think they can work, each time one of these ideas was espoused, unfortunately, there were still some in my opinion who still have not realized or have not come to grips with the reality.

As they would oppose each one of those ideas or say things like, and you heard them, "Well, that's a good idea, but it's not going to work in this particular area," or "There's going to be problems with this," et cetera, it only made me think that if we succumb to that mentality, it is really succumbing to the status quo, because if we do not have the courage to take some risk, minimal, I think, overall compared to the goals that we could attain of bringing fiscal accountability to the great Government, if we do not take some risk, a reasoned risk, of course, we will never get there.

I think that is one of the reasons past Congresses have never been able to get out of this rut of growth without planning, without design, and into a pattern of some real thoughtful government with common sense as my good colleague here from Minnesota said, and accomplish the overriding goal and not look at any one particular thing and let this distract you from the real goals at hand and the real accomplishments we can achieve.

Mr. FOX of Pennsylvania. If the gentleman will yield, I think just today the gentleman from Minnesota [Mr. GUTKNECHT] was involved with other members of the Committee on Government Reform and Oversight of which the gentleman from New Jersey [Mr. MARTINI] and the gentleman from Washington [Mr. TATE] are members, with the Government procurement reform. Perhaps you could enlighten our colleagues about what that legislation will do as it relates to government getting products and services less expensively acquired than they have in the past. Could the gentleman from Minnesota respond to that?

Mr. GUTKNECHT. I thank the gentleman from Pennsylvania [Mr. FOX]. We have sort of lived under this illusion and I just want to comment because one of our favorite expressions in this freshman class is that "The status quo doesn't live here anymore."

I think we came to Washington to make a difference and I think the American people said last November that the status quo was not acceptable and they wanted some real changes. One of the bills we worked on today and worked through the committee that we all serve on is procurement reform. Earlier this spring I was visiting with Congressman DUNCAN HUNTER from California about the Department of Defense. I think we all believe in a strong national defense.

I think once we are sworn in, we put on these pins, we do take a special responsibility for those young men and women who serve in our armed forces. I think we want to make certain that they have the best technology, the best training, the best equipment that we possibly can give them, particularly if we have to make a vote to send them into situations where they can get shot at and killed. So we want a strong defense.

But let me just give one example that he gave me or a couple of examples. In the Department of Defense, we buy everything from paper clips to F-16 fighter aircraft. To do that, we have people who buy those things. We have people who are called buyers. I am told according to last count, we had something like 106,000 buyers. That is the bad news, but the news gets worse. Those 106,000 buyers have something like 200,000 managers. We buy about one F-16 fighter aircraft a week. To do that we have 1,646 buyers. I met with some electronics guys earlier in the session and they showed me this little circuit board. This circuit board goes in an M-1 Abrams tank. It helps control the fuel supply in an M-1 Abrams tank. They told me this cost them about $2 to make. Yet they sell it to the Department of Defense for about $15. Part of the reason they do is because they have to deal with a mountain of regulations to get through it. So what we passed today and worked its way through the Committee on Government Reform and Oversight was a procurement reform to eliminate some of the paperwork, to make it a little bit easier. Long-term hopefully there will be more money available to buy the equipment, to buy the technology, to do the things we need to get done in government to protect our shores and carry out our foreign policy

but at a much lower cost. As a matter of fact, the estimates are the bill we passed today may save as much as $2 million off the cost of an F–16. That is a lot of money. And it applies to buying these kinds of things and paper clips and everything else. That is what I think the American people want. That is what they have asked for. That is what they have demanded. And I think that is what this Congress is delivering.

Mr. TATE. If the gentleman would yield, one of the points that was made at our hearing was the public definitely did not want more of the same but they definitely did not want less of the same. I think the point being made is if we are going to spend less or change things, we need to do things better. Not just do the same thing and just be cheaper. I think that is what we did today in our procurement reforms and I think those are the kind of changes that the American people are looking for.

□ 1300

That was the point I wanted to make.

Mr. MARTINI. If the gentleman would continue to yield for a moment. To follow up on that, I think it is an important point the gentleman makes. The sentiment was that we should, obviously, not be looking at just this system intending to keep it intact, rather we are looking for a new structure. What is good in this system, maintain; and what needs to be abandoned, abandon; or what needs to be modified, modified.

So it is not simply maintaining the current system and just simply reducing funding across the board, but maintaining all of the programs and the manner in which we deliver services to the American people, but rather rethinking how we meet the goals, such as, for instance, obviously, block grants. The concept of block grants would work, in my opinion, in many instances and may not work in some instances. The important thing was, listening to the local officials, each one of them on the point of having more authority and control were in agreement. They each wanted more authority and control over their own jurisdictions and to govern their own respective entities. However, there was some difference between those who were willing to accept the concept of block grants recognizing that block grants will do exactly that, it will put more authority, flexibility and responsibility in the hands of the local officials and give them the flexibility they want, and yet in almost a contradictory way there were one or two elected officials who still were protesting block grants. So they cannot have it both ways. As an elected official they cannot have all that flexibility and——

Mr. FOX of Pennsylvania. If the gentleman would again yield.

Mr. MARTINI. I would certainly yield.

Mr. FOX of Pennsylvania. Just recently in the Congress we took the WIC, the Women, Infant and Children program, the food nutrition programs, and in our proposal that we had in the House we said to the States, because the Governors asked for it, give us the block grants and those food programs, and while we spend 15 percent in the Federal Government to administer those programs administratively, the States can only have 5 percent, but with the other 10 percent they must feed more children more meals. So the block grants can work when we put the restrictions on the State governments so that we get more services and less bureaucracy.

One of the problems I think the three of us have faced here in Congress for the time we have been here in our first term, we have seen that what has happened is we have a cottage industry of bureaucrats. We pass a law and then bureaucrats make regulations that are expensive, that duplicate, that slow up the process. Talk about regulatory reform, I have a gentleman back home who has a business who wanted to deal with the Government, but we are not business friendly. He had 187 pages, much like Mr. GUTKNECHT was speaking earlier about the defense contract, this was a nondefense contract, 187 pages to fill out. He would need an engineer, an architect and an attorney. By the time he paid for them, he would have no profit left. He said he would rather deal with private companies.

So we have go get down to the basics where we do not have so much authority delegated to bureaucrats, and we have more authority and more funds going to the States and local governments, so we have more services to people and less overburdensome taxes and regulations. That is what this Congress has been doing. And your committee and your hearing, Congressman MARTINI is setting the tone for what can happen in the States.

Mr. MARTINI. If the gentleman would yield.

Mr. FOX of Pennsylvania. Yes.

Mr. MARTINI. I think it is very important, however, as we are having this interchange and this dialogue, that we not give the misimpression that the purpose of this committee is simply for the future, and that this Congress and the majority body in the Congress is not working right now and has been working for eight months and has accomplished so much already towards that goal.

Interestingly enough, we had a list at the hearing of the list of programs, in a single space listing, typed, of all of the agencies, departments, programs, et cetera, that in some way already had been modified, changed and it is about six pages long or more than that. So I think it is important that we make it clear that this Congress already has accomplished so much towards this effort of getting a more effective, less costly government.

The point of these committee hearings is, once again, to make sure that there is so much more to do and that we not just end that process this fall, as, unfortunately, in the past maybe has happened.

Mr. FOX of Pennsylvania. As a point of clarification, the gentleman is speaking of the balanced budget amendment, line-item veto, a prohibition of unfunded mandates and also the regulatory moratorium?

Mr. MARTINI. If the gentleman would yield once again.

Mr. FOX of Pennsylvania. Certainly.

Mr. MARTINI. Those are all the items, but, obviously, I happen to think that right now, as we go into this fall, and I am sure this is shared by all of us, there are three very important things, any one of which is monumental in its own right: Things like making sure we pass a balanced budget reconciliation bill, which I think we are poised to do; things like including in that real welfare reform, to make it workfare and not welfare; and also things like strengthening and saving our Medicare Program.

Any one of those items in prior Congresses would have been a monumental task and would have occupied perhaps a good portion of a term of Congress, and I feel very privileged to be in a position to be a part of a Congress that this year, in the next 3 months, we are on the verge of addressing those three areas, which I know in my district the people, at least with respect to welfare reform and fiscal responsibility, have, obviously, been calling out for that for some time now.

So I feel privileged to represent those people and being in the position where I believe we will accomplish that goal after facing some obstacles. And that is the other point we heard so well. There were many obstacles that we had to meet in order to achieve our goal, and every one of the witnesses who had been down this path already had said to us that day, stay focused, persist in your goal, and if we accomplish our goal, the people will recognize that. So these are people both from the private sector and in other Government entities that have been down this path, and I thought it was very refreshing to hear from them, and particularly our Governor who has been down this path for 2 years.

There have been naysayers in New Jersey who said the sky will fall in, et cetera. What has happened by some of her policies already is a breath of fresh air to the State of New Jersey and our economy.

Mr. TATE. Will the gentleman yield?

Mr. MARTINI. Certainly.

Mr. TATE. Is the sky still there?

Mr. MARTINI. The sky is still there, and more than that, our businesses are

staying there and we have accomplished that, even with a tax reduction that was implemented by our Governor and legislature. So it can be done. It has to be done, because if we think of the alternative, the alternative is more of the same, more growth, more taxes, and what we are doing is indebting our children and getting no services for the interest we pay on the great debt that we have.

Mr. GUTKNECHT. If the gentleman would yield.

Mr. MARTINI. Certainly would.

Mr. GUTKNECHT. Isn't that really the story of America? The naysayers and the pessimists and the cynics have never prevailed. In the long run, it is the optimists, the believers, the ones who really get out, roll up their sleeves and get it done.

I know there are a lot of pessimists and naysayers here in Washington We read about them in some of the media sometimes. But the truth of the matter is, the American people believe that it can, and will, and must be done. There are people in this town who think it is absolutely impossible for this Congress to pass a balanced budget reconciliation this fall. They think it is impossible for us to save Medicare. They think it is impossible for us to pass a welfare reform that is really built on work and personal responsibility and strengthening families.

They say it cannot be done, but the American people, the interesting thing in the town meetings I have had, they know it can be done. They believe it can be done. That is what has made this country work. It is that spirit that I think is not only going to help us get through this particular period in our history, but will help us chart our course in the 21st century.

What the American people want is to get back to some of those old-fashioned things, as was mentioned earlier. They want more personal responsibility and less Government responsibility. They want more personal control and they want less Government control. They want a Government that works with them rather than a Government that comes at them. I think that has been the theme of this Congress and that is what will lead us into the 21st century.

The interesting thing is, and I start my town meetings with the three most important words in this Democratic experiment, and they are the first three, "We the people." I think as long as we continue to have these meetings and this dialog with the American people, I know I get my batteries charged every time I have a town meeting because there is lots of optimism. There is a lot of can-do attitude out there, and that is the attitude out there, and that is the attitude that will give us strength. And if we stay at it, I think we cannot fail.

Mr. FOX of Pennsylvania. If the gentleman would yield, I think what the gentleman just said, Congressman GUTKNECHT, dovetails with what Congressman MARTINI and Congressman TATE have been doing, and I think it is a whole change in culture in Washington. We saw a few weeks ago one of our fellow freshman, Congressman FOLEY, work hard in the committee to remove $50 million of waste, fraud, and abuse from a program that was really a boondoggle. Citizens Against Government Waste identified it. It was definitely not needed and he had it removed in committee. He was proud of that fact. By the next day, the $50 million was moved to another pork barrel project.

That is what brought forth, ladies and gentlemen, the Deficit Reduction Act, which we cosponsored and helped pass today. That will have, for the first time, any savings we can find in committee or on this floor for pork barrel projects and those that do not have permanent value that help all American people, that will be put in a lockbox. Those savings will go to deficit reduction. If we have deficit reduction, that means we have less taxes to pay by interest. That will help make sure our economy is strong, that we have more jobs, and that we have more people working and that we have a stable economy.

So we think this Deficit Lockbox Act is just one more kind of reform that I am sure at Congressman MARTINI's hearing was probably discussed and will probably be emulated other places. But I would ask the gentleman from New Jersey [Mr. MARTINI], where does the gentleman think we go from here, as far as Government reform and oversight and what the gentleman and Congressman TATE did this weekend, and where we can expect to go?

Mr. MARTINI. I thank the gentleman, and I certainly am looking forward to attending at least a couple of the other field hearings that will be held throughout the country, and I am interested to hear other points of view from people elsewhere in the country, and I think that is an important part of the process that we have to undertake.

I think if New Jersey's hearing was any indication, there is a strong support out there and commitment for us to do what we are doing, and that is to bring fiscal responsibility. And that is how I like to refer to it. We can call it balanced budget, but I think what we passed today by way of the lockbox legislation and the budget reconciliation bill, and the process that we are in now leading up to a final budget reconciliation bill vote, all is really intended to get us on to a path of fiscal responsibility and accountability. So I sense there was overwhelming support for that.

Now, there is no question, and even amongst the majority and amongst all the Members here in this House, there are differences on specific funding levels for specific programs or agencies or departments. I think that is to be expected. The overriding important goal, in my opinion, is that each of us, as Members of this great House, will also have to adjust somewhat and accept something that maybe we do not like in our own district or in our own State in order to accomplish the overwhelming, the important and more essential goal of having a national policy of sound fiscal Government. I think that is what will enable us in the end to achieve the goal.

All too often in the past what has happened is Congress people have been unwilling to accept something that maybe they would have preferred to be done a little differently; and, therefore, the bigger goal, the goal that is important to our Nation as a whole, would often be lost in that process. I am confident that this year that there is enough of a commitment, and it is being driven by the American people, who are telling us it is time to bring your fiscal House in order.

I might add, of all of the entities and institutions out there, if I had to assess it, we are probably the last one to undertake this process. We heard from a State Governor, we heard from a local county official, we heard from several mayors, and we heard from people in the private sector. Each one have started this process of looking at their institution or their body that they govern and have asked these questions and have begun the process of right sizing, is how I like to refer to it, their institutions.

Mr. TATE. Would the gentleman yield?

Mr. MARTINI. I certainly would.

Mr. TATE. The gentleman hit it right on the nose. When I am home, as I said earlier, people are always coming up and saying, stay the course, do not give up, keep fighting, stick to the promises that were made. As far as ahead as we believe we are as a freshman class, the public is even further. They want the changes today. They do not want to hear about it even 7 years ago. They want to hear about how we are going to balance the budget.

So the things to keep in mind, and I guess it was Ross Perot that coined this phrase, the freshman class is the new third party. We are making the kind of changes that people want to see, but we have to continue to fight that battle.

And the gentleman touched on another key point that I think that we really need to drive home. If we just did welfare reform this year, it would be a monumental year. If we just balanced the budget this year, that would be incredibly monumental. If we just provided tax relief for working families, there could be nothing more important. If we saved Medicare, that is going bankrupt, I can think of nothing more important. We are going to do all of those before we leave this place.

□ 2215

Mr. FOX of Pennsylvania. The fact is that this is a bipartisan issue. Americans want to make sure they have the quality drugs they need, while the FDA makes sure we have the quality standards and the purity. The fact is that this country, with its great biotechnical and pharmaceutical companies that have made the first discoveries here, but our patients sometimes are the last to get the receipt of those drugs or medical devices. Under our bill, H.R. 1995, it will speed up that process. Because right now companies spend about $100 million in 10 years waiting because of the bureaucratic maze of FDA.

So with this legislation and the reforms that the gentleman from New Jersey [Mr. MARTINI] and the gentleman from Washington [Mr. TATE] and the gentleman from Minnesota [Mr. GUTKNECHT] are working with me, we really will be able to speed up the process, get drugs to market faster, and not only will we get people living longer and living better because of the drugs and the medical devices, we will keep the jobs here in America too.

Mr. GUTKNECHT. Mr. Speaker, if the gentleman will yield, we will save billions of dollars for consumers.

Mr. FOX of Pennsylvania. Mr. Speaker, the fact is that this class of freshmen has been anti-tax, pro people and pro business. When I say pro business I mean pro jobs. I think if we keep that orientation, we will make some positive changes.

When we speak of Medicare reform, there is some legislation that we are involved with in making sure we root out the fraud. There is $30 billion right now in Medicare fraud.

Mr. GUTKNECHT. If the gentleman will yield, it is $44 billion, but who is counting.

Mr. FOX of Pennsylvania. That is for Medicare and Medicaid together. But there are different publications that have different articles about what Congress is working on. It is $30 billion in one article, anyhow, for Medicare reform, and it deals with the fraud, abuse and waste of different people who are impersonating doctors, sending these duplicate bills, having a 14-year-old read x-rays for which they are not qualified, and the list goes on and on. The legislation that we are cosponsoring is going to dispute the process of those prosecutions and make sure that the penalties are increased so that we make sure the dollars for care are going back to our seniors, that they get the quality service and they can live longer and live better. We are going to save Medicare because we want to make sure our seniors are protected, whether it is a mother, grandmother, sister, whoever it is, and we are going to make sure that Medicare is saved.

Mr. Speaker, as freshman we have had 18 hour days and I think that is just part of being here in Washington and trying to make a difference.

Mr. MARTINI. If the gentleman would yield, you are absolutely right about the need for FDA reform. It is something that the Committee on Government Reform and Oversight is certainly involved with, and there is a hearing tomorrow, by the way.

Mr. Speaker, before we conclude our remarks for this evening, I would like to just comment for a moment on the process that has been taking place this week with respect to the politics of this whole issue of trying to get a better handle on the government in terms of passing a balanced budget. I will use as an example the student loan issue which we have been hearing from those who are opposed to our achieving a balanced budget alluding to and saying that the budget will reduce, et cetera, or drastically change the student loan program.

Now, the facts speak for themselves as to just how that program has been adjusted. There are not drastic cuts in that program, so the facts speak for themselves. The point I would like the make, though, is that we are seeing the politics on this issue unfortunately scaring another segment of the population. I do not think it is reverberating out there, but I think for every one of those issues, and it is important that the American people understand this, for every one of those issues where we talk about a specific item in this entire budget, there is another argument to be made, and I thought of it today sitting in my office as I was contemplating the debate going on on the student loan issue. You know, I said to myself, if we are spending inappropriately, because there is very few major changes in that program, now that all is said and done, there is very few changes in that program whatsoever, but whatever they are, the few that are there are minor adjustments. But somebody should also speak for the young grammar school children whose futures are ahead of them, and because of our reckless practices in the past of not being able to control reasonably the growth of this great government, we are indebting the children that are in the first, second, third grades who futures are well ahead of them.

So when you sit here and argue for the student who is in college, which frankly is not being dramatically changed in terms of their abilities to get loans for school in any meaningful way, you have to also think about the impact on others in our communities in our society, and I like to think of the younger people who already today are being burdened with this overwhelming debt before they even go out into the work force and make a living and start to pay taxes. So they are already beginning behind the eight ball, and that is also part of what this entire process is all about. Somebody has to speak for those in society who cannot speak for themselves, and that is what I think we are doing with this budget progress.

Mr. TATE. If the gentleman would yield, that point really hits what balancing the budget is all about. I have a daughter and her name is Madeleine, and in her lifetime she will spend $187,150 just in taxes, just to the Federal Government, just to finance the national debt, if we do not balance the budget. That is outrageous. If you want to help out college students and make sure there are jobs out there, balance the budget. If you want to make loans more affordable, balance the budget. That will lower interest rates. That will make college more affordable. That is what we are really talking about, allowing people to keep more of their own money in their own pockets to make their own decisions, to pay for higher education, to pay for health care if they need it, to go on vacation if they desire it, and I am sure they do; to make those kinds of changes, and that is what balancing the budget means to real people. That is what we have to keep in perspective. It is not all of the bill numbers we throw out, it is working people who live in the ninth district of Washington or in New Jersey or Pennsylvania or in Minnesota that sit around the kitchen table every month or sometimes every night trying to figure out how they are going to spend their money because the Government takes more and more of their money away.

We need to weed out the fraud and abuse, such as $6 for one aspirin, $12 for one aspirin for somebody else. That is outrageous. That is ripping off the taxpayers. That is wrong. That is what we are trying to change. That is why I am so excited to be putting a human face on the balanced budget. It means real people are going to keep real money in their own pockets to decide how they want to spend it. That is the exciting part about it. That is why I am working on this. You mentioned those people that do not get to talk to us, those newborn kids that are stuck with this huge debt. That is what this is all about. It is about the kids.

Mr. GUTKNECHT. I think this speaks to it all. One of our colleagues in the other body recently said, you know, some of the cynics and the critics here in Washington are saying that this is a debate about how much we are going to spend on children and how much we are going to spend on education and how much we are going to spend on nutrition. It is not a debate about how much we are going to spend on children, nutrition or education. It is a debate about who is going to do the spending.

So as we downsize the Government and as we allow individuals and families to make those kinds of decisions, as we give them some of their money

back to spend, we know they can spend it more efficiently, that is really what this debate is about. As we move into the 21st century, we want a country that allows more personal freedom, gives more personal responsibility, but gives families more control on how they are going to spend their money.

When the average family is giving over half of their annual income to government one way or another, it has gotten too big and they do not spend it more efficiently. They are more efficient at the local level than at the Federal level, but that is the debate we are having and we have to win it, not just to win, not as an accounting exercise; that is a good point. We have to win it for today's children because otherwise we are going to leave them a debt they will never be able to pay off.

Mr. Speaker, I want to thank the gentleman from Pennsylvania [Mr. FOX] for putting this together.

Mr. FOX of Pennsylvania. Let me just add to what the gentleman from New Jersey [Mr. MARTINI] just talked about. The fact is, there has been a big lie on campus about what is actually going to happen, and there is a student loan scare campaign by the other side of the aisle. But the facts are very much different as we know them.

Student loans are going to be increased. The Congress' billion dollar budget proposal does not cut a single student loan. In fact, under the GOP plan to balance the budget, we save student loans. More loans will be available from the 6.6 million loans to 7.1 million the following year. The in-school interest subsidy program will remain; loan fees are not increased. The GOP funds the biggest Pell grant ever to $2,440, its highest level in the history of the program. There will maintain a 6-month grace period for the loans. The Perkins loans total will be $6 billion and the student aid will not be cut. The college work study program will be maintained, the supplemental education opportunity grants will be fully funded, and the TRIO Program, which benefits minority and disadvantaged students, is fully funded at its current level of $463 million.

So the facts are different than what you have heard. The fact is, we will not let students, seniors, those who are families, be left out in any program. We are working on making sure that they are more accountable, though, that the bureaucracy costs, the duplication costs, the overregulation costs and all of the waste, fraud and abuse is removed, and direct service to those who need them is what we are fighting for. That is important, and that is the key to what we are trying to do. I would ask the gentleman from New Jersey [Mr. MARTINI] to sum up about where we go from here again back to his hearings.

Mr. MARTINI. I thank the gentleman from Pennsylvania, and I thank him for his efforts in putting together this evening's exchange and dialog. I think it is very helpful, especially after a hearing where we learned from our constituents what was on their mind, particularly on this very issue.

I think in sum what I learned was that the process that we are undertaking right now is not simply downsizing, but it is really smart-sizing and right-sizing the Federal Government, because there is more to it than just reducing spending. There is also things, like we undertook today adoption of the lockbox legislation, like procurement reform, all of which lead to just more efficient, more effective, and less costly Government. So the undertakings that we are in the process of doing really are all geared toward that.

We have to continue to listen and learn from our constituents, and then, of course, lead. I think it is important that we stay on our mission of finding a fiscally responsible and accountable Federal Government and keep our eye on the ball as we go along.

Let me just share with you something that happened that I thought was a good analogy perhaps to the comparisons of what we are doing. There was one gentleman who spoke at our hearing who was somewhat critical of the efforts we are taking to become more fiscally responsible, and implied that this Congress was only cutting from the bottom and not really serious in its effort to find ways to save money throughout the Government at all levels of Government.

This gentleman compared it to a wedding cake. He said that if you had a wedding cake, what we are doing is simply taking pieces from the bottom of the wedding cake. He said that he would rather, or the Democrats he compared it to, if they had their way, they would take it from the top to the bottom.

I think you recall very well what I said then, and I think it is very applicable, that some would argue that for 40 years the wedding cake was purchased by the taxpayers and then eaten by the process that had been set up by the majority that ruled this Congress for 40 years, and left nothing really for the future of America.

So it was something that stays in my mind. I think it sums up the differences to where we are trying to go. We are concerned about the future of America. We want to make sure there is some wedding cake for future generations, and that we do not do the irresponsible thing and spend beyond our means and leave a great debt for Americans to come.

Mr. FOX of Pennsylvania. That is a very good sentiment. I will say this, I am sorry I did not join you on Saturday, because I had a conflict. What I would say to that gentleman is you have been in the leadership on these issues, important issues, of getting our own house in order and leading by example. We have cut out 3 committees and 25 subcommittees. We released one-third of our committee staff, saving over $100 million just in the cost of running Congress. As well, we have a gift ban we are now going to move toward passage, lobbying reform. We have already cut by one-third our franking privileges on mail. We are certainly becoming more accountable with the adoption of the Shays Act, making all the laws we pass also apply to the management of Congress, whether it be OSHA or Fair Labor Standards or civil rights.

The gentleman from New Jersey [Mr. MARTINI] has been at the forefront of that, and I am sorry I could not tell your friend from your district, the 8th district of New Jersey, just how much you have been doing in leading by example, in making sure that this Congress, this freshman class, in a bipartisan fashion, both sides of the aisle, works to move us to the kind of new America that we think is emerging.

Mr. TATE. I guess I would have added, to tell that gentleman, following on this marriage analogy, the honeymoon is over for the big spenders. That is what this Congress has been about. We have changed the culture of Washington. We are going to continue to do it. As the gentleman you stated, on day one, to me the reform that meant the most to me was making sure that Congress lived by the same laws as every other American.

□ 2230

When we live under these laws, we may be a little less likely to want to pass all these great ideas, so-to-speak, and bring back common sense as the gentleman from Minnesota has clearly stated.

This has been a great session so far this year. We are going to continue to keep fighting. I think the things to keep in mind over the next month or two are the fact that we are going to balance the budget, we are going to reform welfare, we are going to provide tax relief for working families, and we are going go save Medicare, and do those things. Promises made, promises kept. We kept our Contract With America. Now we are going to keep our contract with our senior citizens and keep our contract with those working families, and keep the contract with my daughter Madeleine to make sure her future is brighter, she is not saddled with this huge debt. And the hearings reinforced that. It has been a pleasure working with you two gentlemen, and I look forward to getting started tomorrow morning and working on the two issues.

Mr. FOX of Pennsylvania. The fact is we need your enthusiasm and optimism. I would say to the gentleman from Minnesota [Mr. GUTKNECHT], the

gentleman from New Jersey [Mr. MARTINI], and the gentleman from Washington [Mr. TATE], we appreciate your leadership on the Committee on Government Reform and Oversight, and look forward to your continued driving the engine for this Contract With America and the reforms to really right the course for America. I thank you very much for joining us tonight.

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. WISE) to revise and extend their remarks and include extraneous material:)

Ms. KAPTUR, for 5 minutes, today.

Mr. OWENS, for 5 minutes, today.

(The following Members (at the request of Mr. FOX of Pennsylvania) to revise and extend their remarks and include extraneous material:)

Mr. BURTON of Indiana, for 5 minutes, today.

Mr. SMITH of Michigan, for 5 minutes, today.

Mrs. MORELLA, for 5 minutes, today.

Mr. ALLARD, for 5 minutes, on September 14.

Mr. MCINTOSH, for 5, minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. MCINTOSH, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. WISE, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. EMERSON and to include extraneous material notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $1,540.

(The following Members (at the request of Mr. WISE) and to include extraneous matter:)

Mr. FROST.

Mr. TORRES.

Mr. HAMILTON in two instances.

Mr. DE LA GARZA.

Mr. BONIOR.

Mr. MORAN.

Mr. BEILENSON.

Mr. FILNER.

Mr. FAZIO.

Mr. LIPINSKI.

Mr. PALLONE.

Miss COLLINS of Michigan.

Mr. MCDERMOTT.

Mr. BARCIA.

(The following Members (at the request of Mr. FOX of Pennsylvania) and to include extraneous matter:)

Mr. PETRI.

Mr. WELDON of Pennsylvania.

Mr. PACKARD.

Mr. BURTON of Indiana.

Mrs. JOHNSON of Connecticut.

Mr. ENSIGN.

ADJOURNMENT

Mr. FOX of Pennsylvania. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 32 minutes p.m.), under its previous order, the House adjourned until tomorrow, Thursday, September 14, 1995, at 1 p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1425. A letter from the Director, Defense Security Assistance Agency, transmitting the Department of the Navy's proposed lease of defense articles to New Zealand (Transmittal No. 31-95), pursuant to 22 U.S.C. 2796a(a); to the Committee on International Relations.

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. LIPINSKI:

H.R. 2318. A bill to provide for additional diversity immigrant visas for certain natives of Poland; to the Committee on the Judiciary.

By Mrs. LOWEY:

H.R. 2319. A bill to amend title 23, United States Code, to establish a national standard to prohibit the operation of motor vehicles by intoxicated minors; to the Committee on Transportation and Infrastructure.

By Mr. HERGER (for himself, Mr. CLEMENT, Mr. SHAW, Mr. BURR, Mr. KLECZKA, Mr. COLLINS of Georgia, Mr. FOX, Mr. BEREUTER, Mrs. JOHNSON of Connecticut, Mr. HEFLEY, Mr. CONDIT, Mr. COOLEY, Mr. GORDON, Mr. HOLDEN, Mr. BRYANT of Texas, Mr. BOEHNER, Mr. LAUGHLIN, and Mr. CAMP):

H.R. 2320. A bill to provide for the more effective implementation of the prohibition against the payment to prisoners of supplemental security income benefits under title XVI of the Social Security Act or monthly insurance benefits under title II of such act, and to deny such supplemental security income benefits for 10 years to a person found to have fraudulently obtained such benefits while in prison; to the Committee on Ways and Means.

By Mr. NADLER:

H.R. 2321. A bill to direct the Secretary of Transportation to make a grant for improvements to the New York City subway system, and for other purposes; to the Committee on Transportation and Infrastructure.

By Mr. NETHERCUTT (for himself, Ms. DUNN of Washington, Mr. HASTINGS of Washington, Mr. METCALF, Mrs. SMITH of Washington, Mr. TATE, Mr. WHITE, Mr. DICKS, and Mr. MCDERMOTT):

H.R. 2322. A bill to designate the Walla Walla Veterans Medical Center located at 77 Wainwright Drive, Walla Walla, WA, as the "Jonathan M. Wainwright Memorial VA Medical Center"; to the Committee on Veterans' Affairs.

By Mr. OXLEY (for himself, Mr. GILLMOR, Mr. GREENWOOD, Mr. CLINGER, Mr. HAMILTON, Mr. PORTMAN, Ms. KAPTUR, and Mrs. JOHNSON of Connecticut):

H.R. 2323. A bill to amend the Solid Waste Disposal Act to authorize State and local governments to prohibit or restrict the receipt of out-of-State municipal solid waste, to authorize local governments to control and direct the movement of certain solid waste, and for other purposes; to the Committee on Commerce.

By Mr. PETRI:

H.R. 2324. A bill to terminate marketing orders regulating the price of milk at the end of 1995 and to provide for the gradual reduction and eventual elimination of the price support program for milk; to the Committee on Agriculture.

By Mr. ROTH (for himself, Mr. BEREUTER, Mrs. JOHNSON of Connecticut, Mr. HOUGHTON, and Mr. MANZULLO):

H.R. 2325. A bill to establish a Department of Trade; to the Committee on Government Reform and Oversight, and in addition to the Committees on National Security, International Relations, Banking and Financial Services, and Ways and Means, 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.

By Mr. SCHIFF (for himself, Mr. SHAYS, Mr. CLINGER, Mr. FOX, Mr. SCHUMER, and Mr. TOWNS):

H.R. 2326. A bill to improve Federal efforts to combat fraud and abuse against health care programs, and for other purposes; to the Committee on the Judiciary, and in addition to the Committees on Government Reform and Oversight, Ways and Means, and Commerce, 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.

By Mr. SENSENBRENNER (for himself, Mr. BARRETT of Wisconsin, Mr. NEUMANN, Mr. KLUG, and Mr. KLECZKA):

H.R. 2327. A bill to allow for a waiver during nonozone season of certain reformulated gas requirements; to the Committee on Commerce.

By Mr. STOCKMAN:

H.R. 2328. A bill to amend title 23, United States Code, relating to the sale of alcoholic beverages to persons who are less than 21 years of age; to the Committee on Transportation and Infrastructure.

By Mr. GEPHARDT (for himself, Mr. BONIOR, Mr. DINGELL, Mr. GIBBONS, Mr. WAXMAN, Mr. STARK, Mr. ABERCROMBIE, Mr. ACKERMAN, Mr. ANDREWS, Mr. BAESLER, Mr. BALDACCI, Mr. BARCIA of Michigan, Mr. BARRETT of Wisconsin, Mr. BECERRA, Mr. BEILENSON, Mr. BENTSEN, Mr. BERMAN, Mr. BEVILL, Mr. BISHOP, Mr. BORSKI, Mr. BOUCHER, Mr. BROWDER, Ms. BROWN of Florida, Mr. BROWN of Ohio, Mr. BROWN of California, Mr. BRYANT of Texas, Mr. CARDIN, Mr. CHAPMAN, Mr. CLAY, Mrs. CLAYTON, Mr. CLEMENT, Mr. CLYBURN, Mr. COLEMAN, Mrs.

COLLINS of Illinois, Miss COLLINS of Michigan, Mr. CONDIT, Mr. CONYERS, Mr. COSTELLO, Mr. COYNE, Mr. CRAMER, Ms. DANNER, Mr. DE LA GARZA, Mr. DEFAZIO, Ms. DELAURO, Mr. DELLUMS, Mr. DEUTSCH, Mr. DICKS, Mr. DIXON, Mr. DOGGETT, Mr. DOOLEY, Mr. DOYLE, Mr. DURBIN, Mr. EDWARDS, Mr. ENGEL, Ms. ESHOO, Mr. EVANS, Mr. FALEOMAVAEGA, Mr. FARR, Mr. FATTAH, Mr. FAZIO of California, Mr. FIELDS of Louisiana, Mr. FILNER, Mr. FLAKE, Mr. FOGLIETTA, Mr. FORD, Mr. FRANK of Massachusetts, Mr. FRAZER, Mr. FROST, Ms. FURSE, Mr. GEJDENSON, Mr. PETE GEREN of Texas, Mr. GONZALEZ, Mr. GORDON, Mr. GENE GREEN of Texas, Mr. GUTIERREZ, Mr. HALL of Ohio, Mr. HALL of Texas, Mr. HAMILTON, Ms. HARMAN, Mr. HASTINGS of Florida, Mr. HEFNER, Mr. HILLIARD, Mr. HINCHEY, Mr. HOLDEN, Mr. HOYER, Ms. JACKSON-LEE, Mr. JACOBS, Mr. JEFFERSON, Mr. JOHNSON of South Dakota, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. JOHNSTON of Florida, Mr. KANJORSKI, Ms. KAPTUR, Mr. KENNEDY of Rhode Island, Mr. KENNEDY of Massachusetts, Mrs. KENNELLY, Mr. KILDEE, Mr. KLINK, Mr. LAFALCE, Mr. LANTOS, Mr. LEVIN, Mr. LEWIS of Georgia, Mrs. LINCOLN, Mr. LIPINSKI, Ms. LOFGREN, Mrs. LOWEY, Mr. LUTHER, Mrs. MALONEY, Mr. MANTON, Mr. MARKEY, Mr. MARTINEZ, Mr. MASCARA, Mr. MATSUI, Ms. MCCARTHY, Mr. MCDERMOTT, Mr. MCHALE, Ms. MCKINNEY, Mr. MCNULTY, Mr. MEEHAN, Mrs. MEEK of Florida, Mr. MENENDEZ, Mr. MFUME, Mr. MILLER of California, Mr. MINETA, Mr. MINGE, Mrs. MINK of Hawaii, Mr. MOAKLEY, Mr. MOLLOHAN, Mr. MONTGOMERY, Mr. MORAN, Mr. MURTHA, Mr. NADLER, Mr. NEAL of Massachusetts, Ms. NORTON, Mr. OBERSTAR, Mr. OBEY, Mr. OLVER, Mr. ORTIZ, Mr. ORTON, Mr. OWENS, Mr. PALLONE, Mr. PASTOR, Mr. PAYNE of New Jersey, Mr. PAYNE of Virginia, Ms. PELOSI, Mr. PETERSON of Florida, Mr. PETERSON of Minnesota, Mr. PICKETT, Mr. POMEROY, Mr. POSHARD, Mr. RAHALL, Mr. RANGEL, Mr. REED, Mr. RICHARDSON, Ms. RIVERS, Mr. ROEMER, Mr. ROMERO-BARCELO, Mr. ROSE, Ms. ROYBAL-ALLARD, Mr. RUSH, Mr. SABO, Mr. SANDERS, Mr. SAWYER, Mrs. SCHROEDER, Mr. SCHUMER, Mr. SCOTT, Mr. SERRANO, Mr. SKAGGS, Mr. SKELTON, Ms. SLAUGHTER, Mr. SPRATT, Mr. STENHOLM, Mr. STOKES, Mr. STUDDS, Mr. STUPAK, Mr. TANNER, Mr. TAYLOR of Mississippi, Mr. TEJEDA, Mr. THOMPSON, Mr. THORNTON, Mrs. THURMAN, Mr. TORRES, Mr. TORRICELLI, Mr. TOWNS, Mr. TRAFICANT, Mr. TUCKER, Mr. UNDERWOOD, Ms. VELAZQUEZ, Mr. VENTO, Mr. VISCLOSKY, Mr. VOLKMER, Mr. WARD, Ms. WATERS, Mr. WATT of North Carolina, Mr. WILLIAMS, Mr. WILSON, Mr. WISE, Ms. WOOLSEY, Mr. WYDEN, Mr. WYNN, and Mr. YATES):

H. Res. 221. Resolution providing that consideration in the House of Representatives and its committees and subcommittees thereof of any legislation changing existing law with respect to Medicare or Medicaid pursuant to the reconciliation instructions of the concurrent resolution on the budget for fiscal year 1996 shall be preceded by adequate time for public examination of such legislation and public hearings thereon, and expressing the sense of the House that the Senate should similarily provide for such public examination and hearings; to the Committee on Rules.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 65: Mr. FOX.
H.R. 103: Mr. WARD and Mr. SCARBOROUGH.
H.R. 104: Mr. BEREUTER.
H.R. 109: Mr. DELLUMS.
H.R. 127: Mr. DAVIS, Mr. SPRATT, Mr. JOHNSTON of Florida, Mr. MANTON, Mr. FUNDERBURK, Mr. DOOLITTLE, Mr. LIGHTFOOT, Mr. DEUTSCH, Mr. HEFLEY, Ms. NORTON, Ms. DELAURO, Miss COLLINS of Michigan, Mr. HEFNER, Mr. YATES, Mr. VISCLOSKY, Mr. LAHOOD, Mr. MENENDEZ, and Ms. ESHOO.
H.R. 218: Mr. COX, Mr. DORNAN, Mr. HALL of Ohio, and Mr. POSHARD.
H.R. 248: Mrs. MORELLA and Mr. HAMILTON.
H.R. 249: Mr. FOX.
H.R. 351: Mr. ROTH.
H.R. 390: Mr. MCINTOSH.
H.R. 468: Mr. SAXTON and Mr. CRAMER.
H.R. 528: Mr. DICKEY, Mr. MONTGOMERY, and Mr. CALLAHAN.
H.R. 580: Mr. COBURN.
H.R. 743: Mr. PAXON, Mr. DICKEY, Mr. CALLAHAN, Mr. BLILEY, and Mr. HILLEARY.
H.R. 789: Mr. HILLIARD, Mr. MORAN, and Mr. MCNULTY.
H.R. 820: Mr. PAXON and Mr. DREIER.
H.R. 833: Mr. WYDEN.
H.R. 911: Mrs. MALONEY.
H.R. 922: Mr. GANSKE.
H.R. 969: Mr. DURBIN.
H.R. 1023: Mr. MATSUI.
H.R. 1114: Mr. TANNER and Mr. BASS.
H.R. 1127: Mr. BEREUTER and Mr. SANDERS.
H.R. 1279: Mr. COBLE, Mr. ARCHER, Mr. MCCOLLUM, and Mr. CALVERT.
H.R. 1386: Mr. HANSEN, Mr. BARTON of Texas, Mr. TORKILDSEN, Mr. SALMON, Mr. PETRI, Mr. COBURN, and Mr. HAYES.
H.R. 1406: Mr. KINGSTON.
H.R. 1458: Mr. CRAMER.
H.R. 1484: Mrs. MEEK of Florida, Mr. VISCLOSKY, Mr. KLECZKA, and Mr. FROST.
H.R. 1488: Mr. HANCOCK, Mr. RAHALL, Mr. PETERSON of Minnesota, Mr. BAKER of Louisiana, Mr. CHAMBLISS, Mr. MURTHA, Mr. FRANKS of Connecticut, Mr. KINGSTON, Mr. TIAHRT, and Mr. SHUSTER.
H.R. 1618: Mr. ZIMMER, Mr. WATTS of Oklahoma, and Mr. CANADY.
H.R. 1687: Mr. STOCKMAN, Mr. NEAL of Massachusetts, and Mr. HOSTETTLER.
H.R. 1713: Mr. DICKEY.
H.R. 1758: Mr. MARKEY.
H.R. 1774: Mrs. MALONEY.
H.R. 1818: Mr. FOLEY, Mr. BONO, Mrs. MEYERS of Kansas, Mr. LEWIS of Kentucky, and Mr. HASTINGS of Washington.
H.R. 1872: Mr. PAYNE of New Jersey.
H.R. 1918: Mr. CUNNINGHAM, Mr. BILBRAY, Mr. KLUG, and Mr. MCCOLLUM.
H.R. 1960: Mr. ANDREWS.
H.R. 2011: Mr. SERRANO, Mr. SANDERS, Mr. FORD, Mr. MANTON, Mr. MATSUI, Mr. DELLUMS, Mr. COLEMAN, Mr. KENNEDY of Rhode Island, Mr. JOHNSTON of Florida, Mrs. THURMAN, and Mr. GEJDENSON.
H.R. 2072: Mr. ROYCE, Mr. SANFORD, Mr. SCARBOROUGH, Mr. FORBES, Mr. DAVIS, and Mr. HORN.
H.R. 2090: Mr. MEEHAN, Mrs. MEYERS of Kansas, and Mr. HOKE.
H.R. 2105: Mr. OBERSTAR, Mr. BROWN of Ohio, Mr. FORBES, Mr. LOBIONDO, Mr. BARCIA of Michigan, and Mr. GEJDENSON.
H.R. 2190: Mr. DUNCAN, Mr. DEUTSCH, Mr. GILCHREST, Mr. FIELDS of Texas, and Mr. FOLEY.
H.R. 2200: Mr. FIELDS of Texas, Mr. ROHRABACHER, Mr. CAMP, and Mr. STUPAK.
H.R. 2202: Mr. BUYER and Mr. CRAMER.
H.R. 2271: Ms. KAPTUR.
H. Con. Res. 21: Mr. MEEHAN.
H. Con. Res. 50: Mr. FRANKS of Connecticut.
H. Con. Res. 80: Mr. OLVER, Mr. LEVIN, Mr. FROST, Mr. MEEHAN, Mr. FRANK of Massachusetts, Mr. LUTHER, and Mr. SABO.
H. Res. 200: Ms. ROYBAL-ALLARD.

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. 359: Mr. STUDDS and Mr. FOX.
H.R. 534: Mr. INGLIS of South Carolina.
H.R. 899: Ms. EDDIE BERNICE JOHNSON of Texas.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 1670

OFFERED BY: MR. SPENCE

AMENDMENT NO. 6: (1) Strike out title IV (page 100, starting on line 13, and all that follows through line 18 on page 143) and insert in lieu thereof the following:

TITLE IV—STREAMLINING OF DISPUTE RESOLUTION

Subtitle A—General Provisions

SEC. 401. DEFINITIONS.

(a) IN GENERAL.—The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.) is amended by adding at the end the following:

"TITLE II—DISPUTE RESOLUTION

"Subtitle A—General Provisions

"SEC. 201. DEFINITIONS.

"In this title:

"(1) The term 'Defense Board' means the Department of Defense Board of Contract Appeals established pursuant to section 8(a) of the Contract Disputes Act of 1978 (41 U.S.C. 607).

"(2) The term 'Civilian Board' means the Civilian Board of Contract Appeals established pursuant to section 8(b) of the Contract Disputes Act of 1978 (41 U.S.C. 607).

"(3) The term 'Board judge' means a member of the Defense Board or the Civilian Board, as the case may be.

"(4) The term 'Chairman' means the Chairman of the Defense Board or the Civilian Board, as the case may be.

"(5) The term 'Board concerned' means—

"(A) the Defense Board with respect to matters within its jurisdiction; and

"(B) the Civilian Board with respect to matters within its jurisdiction.

"(6) The term 'executive agency'—

"(A) with respect to contract disputes and protests under the jurisdiction of the Defense Board, means the Department of Defense, the Department of the Army, the Department of the Navy, or the Department of the Air Force; and

"(B) with respect to contract disputes and protests under the jurisdiction of the Civilian Board, has the meaning given by section 4(1) of this Act except that the term does not include the Department of Defense, the Department of the Army, the Department of

the Navy, and the Department of the Air Force.

"(7) The term 'alternative means of dispute resolution' has the meaning given by section 571(3) of title 5, United States Code.

"(8) The term 'protest' means a written objection by an interested party to any of the following:

"(A) A solicitation or other request by an executive agency for offers for a contract for the procurement of property or services.

"(B) The cancellation of such a solicitation or other request.

"(C) An award or proposed award of such a contract.

"(9) The term 'interested party', with respect to a contract or a solicitation or other request for offers, means an actual or prospective bidder or offeror whose direct economic interest would be affected by the award of the contract or by failure to award the contract.

"(10) The term 'prevailing party', with respect to a determination of the Board under section 214(h)(2) that a decision of the head of an executive agency is arbitrary or capricious or violates a statute or regulation, means a party that showed that the decision was arbitrary or capricious or violated a statute or regulation.".

(b) CONFORMING AMENDMENTS.—The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.) is further amended—

(1) by inserting the following before section 1:

"TITLE I—FEDERAL PROCUREMENT POLICY GENERALLY";

and

(2) in section 4, by striking out "As used in this Act:" and inserting in lieu thereof "Except as otherwise specifically provided, as used in this Act:".

Subtitle B—Establishment of Civilian and Defense Boards of Contract Appeals

SEC. 411. ESTABLISHMENT.

Subsections (a) and (b) of section 8 of the Contract Disputes Act of 1978 (41 U.S.C. 607) are amended to read as follows:

"(a) There is established in the Department of Defense a board of contract appeals to be known as the Department of Defense Board of Contract Appeals.

"(b) There is established in the General Services Administration a board of contract appeals to be known as the Civilian Board of Contract Appeals.".

SEC. 412. MEMBERSHIP.

The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), as amended by section 401, is further amended by adding at the end the following:

"SEC. 202. MEMBERSHIP.

"(a) APPOINTMENT.—(1)(A) The Defense Board shall consist of judges appointed by the Secretary of Defense from a register of applicants maintained by the Defense Board, in accordance with rules issued by the Defense Board for establishing and maintaining a register of eligible applicants and selecting Defense Board judges. The Secretary shall appoint a judge without regard to political affiliation and solely on the basis of the professional qualifications required to perform the duties and responsibilities of a Defense Board judge.

"(B) The Civilian Board shall consist of judges appointed by the Administrator of General Services from a register of applicants maintained by the Civilian Board, in accordance with rules issued by the Civilian Board for establishing and maintaining a register of eligible applicants and selecting Civilian Board judges. The Administrator shall appoint a judge without regard to political affiliation and solely on the basis of the professional qualifications required to perform the duties and responsibilities of a Civilian Board judge.

"(2) The members of the Defense Board and the Civilian Board shall be selected and appointed to serve in the same manner as administrative law judges appointed pursuant to section 3105 of title 5, United States Code, with an additional requirement that such members shall have had not fewer than five years of experience in public contract law.

"(3) Notwithstanding paragraph (2) and subject to subsection (b), the following persons shall serve as Board judges:

"(A) For the Defense Board, any full-time member of the Armed Services Board of Contract Appeals serving as such on the day before the effective date of this title.

"(B) For the Civilian Board, any full-time member of any agency board of contract appeals other than the Armed Services Board of Contract Appeals serving as such on the day before the effective date of this title.

"(C) For either the Defense Board or the Civilian Board, any person serving on the day before the effective date of this title in a position at a level of assistant general counsel or higher with authority delegated from the Comptroller General to decide bid protests under subchapter V of chapter 35 of title 31, United States Code.

"(b) REMOVAL.—Members of the Defense Board and the Civilian Board shall be subject to removal in the same manner as administrative law judges, as provided in section 7521 of title 5, United States Code.

"(c) COMPENSATION.—Compensation for the Chairman of the Defense Board and the Chairman of the Civilian Board and all other members of each Board shall be determined under section 5372a of title 5, United States Code.".

SEC. 413. CHAIRMAN.

The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), as amended by section 412, is further amended by adding at the end the following:

"SEC. 203. CHAIRMAN.

"(a) DESIGNATION.—(1)(A) The Chairman of the Defense Board shall be designated by the Secretary of Defense to serve for a term of five years. The Secretary shall select the Chairman from among sitting judges each of whom has had at least five years of service—

"(i) as a member of the Armed Services Board of Contract Appeals; or

"(ii) in a position at a level of assistant general counsel or higher with authority delegated from the Comptroller General to decide bid protests under subchapter V of chapter 35 of title 31, United States Code (as in effect on the day before the effective date of this title).

"(B) The Chairman of the Civilian Board shall be designated by the Administrator of General Services to serve for a term of five years. The Administrator shall select the Chairman from among sitting judges each of whom has had at least five years of service—

"(i) as a member of an agency board of contract appeals other than the Armed Services Board of Contract Appeals; or

"(ii) in a position at a level of assistant general counsel or higher with authority delegated from the Comptroller General to decide bid protests under subchapter V of chapter 35 of title 31, United States Code (as in effect on the day before the effective date of this title).

"(2) A Chairman of a Board may continue to serve after the expiration of the Chairman's term until a successor has taken office. A Chairman may be reappointed any number of times.

"(b) RESPONSIBILITIES.—The Chairman of the Defense Board or the Civilian Board, as the case may be, shall be responsible on behalf of the Board for the executive and administrative operation of the Board, including functions of the Board with respect to the following:

"(1) The selection, appointment, and fixing of the compensation of such personnel, pursuant to part III of title 5, United States Code, as the Chairman considers necessary or appropriate, including a Clerk of the Board, a General Counsel, and clerical and legal assistance for Board judges.

"(2) The supervision of personnel employed by or assigned to the Board, and the distribution of work among such personnel.

"(3) The operation of an Office of the Clerk of the Board, including the receipt of all filings made with the Board, the assignment of cases, and the maintenance of all records of the Board.

"(4) The prescription of such rules and regulations as the Chairman considers necessary or appropriate for the administration and management of the Board.

"(c) VICE CHAIRMEN.—The Chairman of the Defense Board or the Civilian Board, as the case may be, may designate up to four other Board judges as Vice Chairmen. The Chairman may divide the Board into two divisions, one for handling contract disputes and one for handling protests, and, if such division is made, shall assign a Vice Chairman to head each division. The Vice Chairmen, in the order designated by the Chairman, shall act in the place and stead of the Chairman during the absence of the Chairman.".

SEC. 414. RULEMAKING AUTHORITY.

The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), as amended by section 413, is further amended by adding at the end the following:

"SEC. 204. RULEMAKING AUTHORITY.

"(a) IN GENERAL.—Except as provided by section 452 of the Federal Acquisition Reform Act of 1995, the Chairman of the Defense Board and the Chairman of the Civilian Board shall jointly issue and maintain—

"(1) such procedural rules and regulations as are necessary to the exercise of the functions of the Boards under sections 213 and 214; and

"(2) statements of policy of general applicability with respect to such functions.

"(b) BOARD PROCEDURES.—In issuing procedural rules and regulations for the exercise of the Boards' protest function under section 214, the Chairmen shall take due notice of executive agency procedures for the resolution of protests as a discretionary alternative to resolution of protests by the Boards and shall ensure that the rules and regulations governing the time for filing protests with the Boards make appropriate allowance for the use of such executive agency procedures by interested parties.".

SEC. 415. AUTHORIZATION OF APPROPRIATIONS.

The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), as amended by section 414, is further amended by adding at the end the following:

"SEC. 205. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated for fiscal year 1997 and each succeeding fiscal year such sums as may be necessary to carry out the provisions of this title. Funds for the activities of each Board shall be separately appropriated for such purpose. Funds appropriate pursuant to this section shall remain available until expended.".

Subtitle C—Functions of Defense and Civilian Boards of Contract Appeals

SEC. 421. ALTERNATIVE DISPUTE RESOLUTION SERVICES.

The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), as amended by section 415, is further amended by adding at the end the following:

"Subtitle B—Functions of the Defense and Civilian Boards of Contract Appeals

"SEC. 211. ALTERNATIVE DISPUTE RESOLUTION SERVICES.

"(a) REQUIREMENT TO PROVIDE SERVICES UPON REQUEST.—The Defense Board and the Civilian Board shall each provide alternative means of dispute resolution for any disagreement regarding a contract or prospective contract of an executive agency upon the request of all parties to the disagreement.

"(b) PERSONNEL QUALIFIED TO ACT.—Each Board judge and each attorney employed by the Board concerned shall be considered to be qualified to act for the purpose of conducting alternative means of dispute resolution under this section.

"(c) SERVICES TO BE PROVIDED WITHOUT CHARGE.—Any services provided by the Board concerned or any Board judge or employee pursuant to this section shall be provided without charge.

"(d) RECUSAL OF CERTAIN PERSONNEL UPON REQUEST.—In the event that a matter which is presented to the Board concerned for alternative means of dispute resolution, pursuant to this section, later becomes the subject of formal proceedings before such Board, any Board judge or employee who was involved in the alternative means of dispute resolution shall, if requested by any party to the formal proceeding, take no part in that proceeding.".

SEC. 422. ALTERNATIVE DISPUTE RESOLUTION OF DISPUTES AND PROTESTS SUBMITTED TO BOARDS.

The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), as amended by section 421, is further amended by adding at the end the following:

"SEC. 212. ALTERNATIVE DISPUTE RESOLUTION OF DISPUTES AND PROTESTS SUBMITTED TO BOARDS.

"With reasonable promptness after the submission to the Defense Board or the Civilian Board of a contract dispute under section 213 or a bid protest under section 214, a Board judge to whom the contract dispute or protest is assigned shall request the parties to meet with a Board judge, or an attorney employed by the Board concerned, for the purpose of attempting to resolve the dispute or protest through alternative means of dispute resolution. Formal proceedings in the appeal shall then be suspended until such time as any party or a Board judge to whom the dispute or protest is assigned determines that alternative means of dispute resolution are not appropriate for resolution of the dispute or protest.".

SEC. 423. CONTRACT DISPUTES.

The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), as amended by section 422, is further amended by adding at the end the following:

"SEC. 213. CONTRACT DISPUTES.

"The Defense Board shall have jurisdiction as provided by section 8(a) of the Contract Disputes Act of 1978 (41 U.S.C. 601–613). The Civilian Board shall have jurisdiction as provided by section 8(b) of such Act.".

SEC. 424. PROTESTS.

The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), as amended by section 423, is further amended by adding at the end the following:

"SEC. 214. PROTESTS.

"(a) REVIEW REQUIRED UPON REQUEST.—Upon request of an interested party in connection with any procurement conducted by an executive agency, the Defense Board or the Civilian Board, as the case may be, shall review, as provided in this section, any decision by the head of the executive agency alleged to be arbitrary or capricious or to violate a statute or regulation. A decision or order of the Board concerned pursuant to this section shall not be subject to interlocutory appeal or review.

"(b) STANDARD OF REVIEW.—In deciding a protest, the Board concerned may consider all evidence that is relevant to the decision under protest. The protester may prevail only by showing that the decision was arbitrary or capricious or violated a statute or regulation.

"(c) NOTIFICATION.—Within one day after the receipt of a protest, the Board concerned shall notify the executive agency involved of the protest.

"(d) SUSPENSION OF CONTRACT AWARD.—(1) Except as provided in paragraph (2) of this subsection, a contract may not be awarded in any procurement after the executive agency has received notice of a protest with respect to such procurement from the Board concerned and while the protest is pending.

"(2) The head of the procuring activity responsible for award of a contract may authorize the award of the contract (notwithstanding a protest of which the executive agency has notice under this section)—

"(A) upon a written finding that urgent and compelling circumstances which significantly affect interests of the United States will not permit waiting for the decision of the Board concerned under this section; and

"(B) after the Board concerned is advised of that finding.

"(3) A finding may not be made under paragraph (2)(A) of this subsection unless the award of the contract is otherwise likely to occur within 30 days after the making of such finding.

"(4) The suspension of the award under paragraph (1) shall not preclude the executive agency concerned from continuing the procurement process up to but not including the award of the contract.

"(e) SUSPENSION OF CONTRACT PERFORMANCE.—(1) A contractor awarded an executive agency contract may, during the period described in paragraph (4), begin performance of the contract and engage in any related activities that result in obligations being incurred by the United States under the contract unless the contracting officer responsible for the award of the contract withholds authorization to proceed with performance of the contract.

"(2) The contracting officer may withhold an authorization to proceed with performance of the contract during the period described in paragraph (4) if the contracting officer determines in writing that—

"(A) a protest is likely to be filed; and

"(B) the immediate performance of the contract is not in the best interests of the United States.

"(3)(A) If the executive agency awarding the contract receives notice of a protest in accordance with this section during the period described in paragraph (4)—

"(i) the contracting officer may not authorize performance of the contract to begin while the protest is pending; or

"(ii) if authorization for contract performance to proceed was not withheld in accordance with paragraph (2) before receipt of the notice, the contracting officer shall immediately direct the contractor to cease performance under the contract and to suspend any related activities that may result in additional obligations being incurred by the United States under that contract.

"(B) Performance and related activities suspended pursuant to subparagraph (A)(ii) by reason of a protest may not be resumed while the protest is pending.

"(C) The head of the procuring activity may authorize the performance of the contract (notwithstanding a protest of which the executive agency has notice under this section)—

"(i) upon a written finding that urgent and compelling circumstances that significantly affect interests of the United States will not permit waiting for the decision concerning the protest by the Board concerned; and

"(ii) after the Board concerned is notified of that finding.

"(4) The period referred to in paragraphs (2) and (3)(A), with respect to a contract, is the period beginning on the date of the contract award and ending on the later of—

"(A) the date that is 10 days after the date of the contract award; or

"(B) the date that is 5 days after the debriefing date offered to an unsuccessful offeror for any debriefing that is requested and, when requested, is required.

"(f) The authority of the head of the procuring activity to make findings and to authorize the award and performance of contracts under subsections (d) and (e) of this section may not be delegated.

"(g) PROCEDURES.—

"(1) PROCEEDINGS AND DISCOVERY.—The Board concerned shall conduct proceedings and allow discovery to the minimum extent necessary for the expeditious, fair, and cost-effective resolution of the protest. The Board shall allow discovery only in a case in which the Board determines that the written submissions of the parties do not provide an adequate basis for a fair resolution of the protest. Such discovery shall be limited to material which is relevant to the grounds of protest or to such affirmative defenses as the executive agency involved, or any intervenor supporting the agency, may raise.

"(2) PRIORITY.—The Board concerned shall give priority to protests filed under this section over contract disputes and alternative dispute services. Except as provided in paragraph (3), the Board concerned shall issue its final decision within 65 days after the date of the filing of the protest, unless the Chairman determines that the specific and unique circumstances of the protest require a longer period, in which case the Board concerned shall issue such decision within the longer period determined by the Chairman. An amendment that adds a new ground of protest should be resolved, to the maximum extent practicable, within the time limits established for resolution of the initial protest.

"(3) THRESHOLD.—(A) Except as provided in subparagraph (B), any protest in which the anticipated value of the contract award that will result from the protested procurement, as estimated by the executive agency involved, is less than $30,000,000 shall be considered under simplified rules of procedure. Such simplified rules shall provide that discovery in such protests shall be in writing only. Such written discovery shall be the minimum necessary for the expeditious, fair, and cost-effective resolution of the protest and shall be allowed only if the Board determines that the written submissions of the parties do not provide an adequate basis for a fair resolution of the protest. Such protests shall be decided by a single Board

judge. The Board concerned shall issue its final decision in each such protest within 45 days after the date of the filing of the protest, unless the Chairman determines that the specific and unique circumstances of the protest require a longer period, in which case the Board concerned shall issue such decision within the longer period determined by the Chairman.

"(B) If the Chairman of the Board concerned determines that special and unique circumstances of a protest that would otherwise qualify for the simplified rules described in subparagraph (A), including the complexity of a protest, requires the use of full procedures as described in paragraphs (1) and (2), the Chairman shall use such procedures in lieu of the simplified rules described in subparagraph (A).

"(4) CALCULATION OF TIME FOR ADR.—In calculating time for purposes of paragraph (2) or (3) of this subsection, any days during which proceedings are suspended for the purpose of attempting to resolve the protest by alternative means of dispute resolution, up to a maximum of 20 days, shall not be counted.

"(5) DISMISSAL OF FRIVOLOUS PROTESTS.—The Board concerned may dismiss a protest that the Board concerned determines—

"(A) is frivolous,

"(B) has been brought or pursued in bad faith; or

"(C) does not state on its face a valid basis for protest.

"(6) PAYMENT OF COSTS FOR FRIVOLOUS PROTESTS.—(A) If the Board concerned expressly finds that a protest or a portion of a protest is frivolous or has been brought or pursued in bad faith, the Board concerned shall declare that the protester or other interested party who joins the protest is liable to the United States for payment of the costs described in subparagraph (B) unless—

"(i) special circumstances would make such payment unjust; or

"(ii) the protester obtains documents or other information after the protest is filed with the Board concerned that establishes that the protest or a portion of the protest is frivolous or has been brought or pursued in bad faith, and the protester then promptly withdraws the protest or portion of the protest.

"(B) The costs referred to in subparagraph (A) are all of the costs incurred by the United States of reviewing the protest, or of reviewing that portion of the protest for which the finding is made, including the fees and other expenses (as defined in section 2412(d)(2)(A) of title 28, United States Code) incurred by the United States in defending the protest.

"(h) DECISIONS AND CORRECTIVE ACTIONS ON PROTESTS.—(1) In making a decision on protests filed under this section, the Board concerned shall accord due weight to the goals of economic and efficient procurement, and shall take due account of the rule of prejudicial error.

"(2) If the Board concerned determines that a decision of the head of the executive agency is arbitrary or capricious or violates a statute or regulation, the Board concerned may order the agency (or its head) to take such corrective action as the Board concerned considers appropriate. Corrective action includes requiring that the executive agency—

"(A) refrain from exercising any of its options under the contract;

"(B) recompete the contract immediately;

"(C) issue a new solicitation;

"(D) terminate the contract;

"(E) award a contract consistent with the requirements of such statute and regulation;

"(F) implement any combination of requirements under subparagraphs (A), (B), (C), (D), and (E); or

"(G) implement such other actions as the Board concerned determines necessary.

"(3) If the Board concerned orders corrective action after the contract award, the affected contract shall be presumed valid as to all goods or services delivered and accepted under the contract before the corrective action was ordered.

"(4) Any agreement that provides for the dismissal of a protest and involves a direct or indirect expenditure of appropriated funds shall be submitted to the Board concerned and shall be made a part of the public record (subject to any protective order considered appropriate by the Board concerned) before dismissal of the protest.

"(i) AUTHORITY TO DECLARE ENTITLEMENT TO COSTS.—(1)(A) Whenever the Board concerned determines that a decision of the head of an executive agency is arbitrary or capricious or violates a statute or regulation, it may, in accordance with section 1304 of title 31, United States Code, further declare an appropriate prevailing party to be entitled to the costs of—

"(i) filing and pursuing the protest, including reasonable attorneys' fees and consultant and expert witness fees, and

"(ii) bid and proposal preparation.

"(B) No party (other than a small business concern (within the meaning of section 3(a) of the Small Business Act)) may be declared entitled under this paragraph to costs for—

"(i) consultant and expert witness fees that exceed the highest rate of compensation for expert witnesses paid by the Federal Government, or

"(ii) attorneys' fees that exceed $150 per hour unless the Board concerned, on a case by case basis, determines that an increase in the cost of living or a special factor, such as the limited availability of qualified attorneys for the proceedings involved, justifies a higher fee.

"(2) Payment of amounts due from an agency under paragraph (1) or under the terms of a settlement agreement under subsection (h)(4) shall be made from the appropriation made by section 1304 of title 31, United States Code, for the payment of judgments. The executive agency concerned shall reimburse that appropriation account out of funds available for the procurement.

"(j) APPEALS.—A final decision of the Board concerned may be appealed as set forth in section 8(g)(1) of the Contract Disputes Act of 1978 by the head of the executive agency concerned and by any interested party, including interested parties who intervene in any protest filed under this section.

"(k) ADDITIONAL RELIEF.—Nothing contained in this section shall affect the power of the Board concerned to order any additional relief which it is authorized to provide under any statute or regulation.

"(l) NONEXCLUSIVITY OF REMEDIES.—Nothing contained in this section shall affect the right of any interested party to file a protest with the contracting agency or to file an action in the United States Court of Federal Claims or in a United States district court.".

SEC. 425. APPLICABILITY TO CERTAIN CONTRACTS.

The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), as amended by section 424, is further amended by adding at the end the following:

"SEC. 215. APPLICABILITY TO CERTAIN CONTRACTS.

"(a) CONTRACTS AT OR BELOW THE SIMPLIFIED ACQUISITION THRESHOLD.—Notwithstanding section 33 of this Act, the authority conferred on the Defense Board and the Civilian Board by this title is applicable to contracts in amounts not greater than the simplified acquisition threshold.

"(b) CONTRACTS FOR COMMERCIAL ITEMS.—Notwithstanding section 34 of this Act, the authority conferred on the Defense Board and the Civilian Board by this title is applicable to contracts for the procurement of commercial items.".

Subtitle D—Repeal of Other Statutes Authorizing Administrative Protests

SEC. 431. REPEALS.

(a) GSBCA PROVISIONS.—Subsection (f) of the Brooks Automatic Data Processing Act (section 111 of the Federal Property and Administrative Services Act of 1949; 40 U.S.C. 759) is repealed.

(b) GAO PROVISIONS.—(1) Subchapter V of chapter 35 of title 31, United States Code (31 U.S.C. 3551-3556) is repealed.

(2) The analysis for chapter 35 of such title is amended by striking out the items relating to sections 3551 through 3556 and the heading for subchapter V.

Subtitle E—Transfers and Transitional, Savings, and Conforming Provisions

SEC. 441. TRANSFER AND ALLOCATION OF APPROPRIATIONS AND PERSONNEL.

(a) TRANSFERS.—

(1) ARMED SERVICES AND CORPS BOARDS OF CONTRACT APPEALS.—The personnel employed in connection with, and the assets, liabilities, contracts, property, records, and unexpended balance of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available to, or to be made available in connection with the functions vested by law in the Armed Services Board of Contract Appeals and the board of contract appeals of the Corps of Engineers established pursuant to section 8 of the Contract Disputes Act of 1978 (41 U.S.C. 607) (as in effect on the day before the effective date described in section 451), shall be transferred to the Department of Defense Board of Contract Appeals for appropriate allocation by the Chairman of that Board.

(2) OTHER BOARDS OF CONTRACTS APPEALS.—The personnel employed in connection with, and the assets, liabilities, contracts, property, records, and unexpended balance of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available to, or to be made available in connection with the functions vested by law in the boards of contract appeals established pursuant to section 8 of the Contract Disputes Act of 1978 (41 U.S.C. 607) (as in effect on the day before the effective date described in section 451) other than the Armed Services Board of Contract Appeals, the board of contract appeals of the Corps of Engineers, and the Postal Service Board of Contract Appeals shall be transferred to the Civilian Board of Contract Appeals for appropriate allocation by the Chairman of that Board.

(3) COMPTROLLER GENERAL.—(A) One-quarter (as determined by the Comptroller General) of the personnel employed in connection with, and one-quarter (as determined by the Comptroller General) of the assets, liabilities, contracts, property, records, and unexpended balance of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available to, or to be made available in connection with the functions vested by law in the

Comptroller General pursuant to subchapter V of chapter 35 of title 31, United States Code (as in effect on the day before the effective date described in section 451), shall be transferred to the Civilian Board of Contract Appeals for appropriate allocation by the Chairman of that Board.

(B) Three-quarters (as determined by the Comptroller General) of the personnel employed in connection with, and three-quarters (as determined by the Comptroller General) of the assets, liabilities, contracts, property, records, and unexpended balance of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available to, or to be made available in connection with the functions vested by law in the Comptroller General pursuant to subchapter V of chapter 35 of title 31, United States Code (as in effect on the day before the effective date described in section 451), shall be transferred to the Department of Defense Board of Contract Appeals for appropriate allocation by the Chairman of that Board.

(b) EFFECT ON PERSONNEL.—Personnel transferred pursuant to this subtitle shall not be separated or reduced in compensation for one year after such transfer, except for cause.

(c) REGULATIONS.—(1) The Department of Defense Board of Contract Appeals and the Civilian Board of Contract Appeals shall each prescribe regulations for the release of competing employees in a reduction in force that gives due effect to—

(A) efficiency or performance ratings;

(B) military preference; and

(C) tenure of employment.

(2) In prescribing the regulations, the Board concerned shall provide for military preference in the same manner as set forth in subchapter I of chapter 35 of title 5, United States Code.

SEC. 442. TERMINATIONS AND SAVINGS PROVISIONS.

(a) TERMINATION OF BOARDS OF CONTRACT APPEALS.—Effective on the effective date described in section 451, the boards of contract appeals established pursuant to section 8 of the Contract Disputes Act of 1978 (41 U.S.C. 607) (as in effect on the day before such effective date) other than the Postal Service Board of Contract Appeals shall terminate.

(b) SAVINGS PROVISION FOR CONTRACT DISPUTE MATTERS PENDING BEFORE BOARDS.—(1) This title and the amendments made by this title shall not affect any proceedings (other than bid protests pending before the board of contract appeals of the General Services Administration) pending on the effective date described in section 451 before any board of contract appeals terminated by subsection (a).

(2) In the case of any such proceedings pending before the Armed Services Board of Contract Appeals or the board of contract appeals of the Corps of Engineers, the proceedings shall be continued by the Department of Defense Board of Contract Appeals, and orders which were issued in any such proceeding by the Armed Services Board of Contract Appeals or the board of contract appeals of the Corps of Engineers shall continue in effect until modified, terminated, superseded, or revoked by the Department of Defense Board of Contract Appeals, by a court of competent jurisdiction, or by operation of law.

(3) In the case of any such proceedings pending before an agency board of contract appeals other than the Armed Services Board of Contract Appeals or the board of contract appeals of the Corps of Engineers, the proceedings shall be continued by the Civilian Board of Contract Appeals, and orders which were issued in any such proceeding by the agency board shall continue in effect until modified, terminated, superseded, or revoked by the Civilian Board of Contract Appeals, by a court of competent jurisdiction, or by operation of law.

(c) BID PROTEST TRANSITION PROVISIONS.—(1) No protest may be submitted to the Comptroller General pursuant to section 3553(a) of title 31, United States Code, or to the board of contract appeals for the General Services Administration pursuant to the Brooks Automatic Data Processing Act (40 U.S.C. 759) on or after the effective date described in section 451.

(2)(A) In the case of bid protest proceedings pending before the board of contract appeals of the General Services Administration on the effective date described in section 451—

(i) with respect to bid protests involving procurements of the Department of Defense, the Department of the Army, the Department of the Navy, and the Department of the Air Force, the proceedings shall be continued by the Defense Board of Contract Appeals; and

(ii) with respect to bid protests involving procurements of any other executive agency (as defined by section 4(1) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(1)), the proceedings shall be continued by the Civilian Board of Contract Appeals.

(B) The provisions repealed by section 431(a) shall continue to apply to such proceedings until the Department of Defense Board of Contract Appeals or the Civilian Board of Contract Appeals, as the case may be, determines such proceedings have been completed.

(3)(A) In the case of bid protest proceedings pending before the Comptroller General on the effective date described in section 451—

(i) with respect to bid protests involving procurements of the Department of Defense, the Department of the Army, the Department of the Navy, and the Department of the Air Force, the proceedings shall be continued by the Defense Board of Contract Appeals;

(ii) with respect to bid protests involving procurements of any other executive agency (as defined by section 4(1) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(1)), the proceedings shall be continued by the Civilian Board of Contract Appeals; and

(iii) with respect to bid protests involving procurements of an entity that is not an executive agency, the proceedings shall be continued by the Comptroller General.

(B) The provisions repealed by section 431(b) shall continue to apply to such bid protest proceedings until the Department of Defense Board of Contract Appeals, the Civilian Board of Contract Appeals, or the Comptroller General, as the case may be, determines that such proceedings have been completed.

SEC. 443. CONTRACT DISPUTES AUTHORITY OF BOARDS.

(a) Section 2 of the Contract Disputes Act of 1978 (41 U.S.C. 601) is amended—

(1) in paragraph (2), by striking out ", the United States Postal Service, and the Postal Rate Commission";

(2) by amending paragraph (6) to read as follows:

"(6) the term 'Defense Board' means the Department of Defense Board of Contract Appeals established under section 8(a) of this Act;";

(3) by redesignating paragraph (7) as paragraph (8); and

(4) by inserting after paragraph (6) the following new paragraph (7):

"(7) the term 'Civilian Board' means the Civilian Board of Contract Appeals established under section 8(b) of this Act; and".

(b) Section 6(c)(6) of the Contract Disputes Act of 1978 (41 U.S.C. 605(c)(6)) is amended—

(1) by striking out "court or an agency board of contract appeals" and inserting in lieu thereof "court, the Defense Board, or the Civilian Board";

(2) by striking out "an agency board of contract appeals" in the third sentence and inserting in lieu thereof "the Defense Board or the Civilian Board"; and

(3) by striking out "agency board" and inserting in lieu thereof "the Board concerned".

(c) Section 7 of the Contract Disputes Act of 1978 (41 U.S.C. 606) is amended by striking out "an agency board of contract appeals" and inserting in lieu thereof "the Defense Board or the Civilian Board".

(d) Section 8 of the Contract Disputes Act of 1978 (41 U.S.C. 607), as amended by section 411, is further amended—

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

"DEFENSE AND CIVILIAN BOARDS OF CONTRACT APPEALS";

(2) by striking out subsection (c);

(3) in subsection (d)—

(A) by striking out the first sentence and inserting in lieu thereof the following:

"The Defense Board shall have jurisdiction to decide any appeal from a decision of a contracting officer of the Department of Defense, the Department of the Army, the Department of the Navy, or the Department of the Air Force relative to a contract made by that department. The Civilian Board shall have jurisdiction to decide any appeal from a decision of a contracting officer of any executive agency (other than the Department of Defense, the Department of the Army, the Department of the Navy, the Department of the Air Force, the United States Postal Service, or the Postal Rate Commission) relative to a contract made by that agency."; and

(B) in the second sentence, by striking out "the agency board" and inserting in lieu thereof "the Board concerned";

(4) in subsection (e), by striking out "An agency board shall provide" and inserting in lieu thereof "The Defense Board and the Civilian Board shall each provide,";

(5) in subsection (f), by striking out "each agency board" and inserting in lieu thereof "the Defense Board and the Civilian Board";

(6) in subsection (g)—

(A) in the first sentence of paragraph (1), by striking out "an agency board of contract appeals" and inserting in lieu thereof "the Defense Board or the Civilian Board, as the case may be,";

(B) by striking out paragraph (2); and

(C) by redesignating paragraph (3) as paragraph (2); and

(7) by striking out subsection (h) and inserting in lieu thereof the following:

"(h) There is established an agency board of contract appeals to be known as the 'Postal Service Board of Contract Appeals'. Such board shall have jurisdiction to decide any appeal from a decision of a contracting officer of the United States Postal Service or the Postal Rate Commission relative to a contract made by either agency. Such board shall consist of judges appointed by the Postmaster General who shall meet the qualifications of and serve in the same manner as judges of the Civilian Board of Contract Appeals. This Act and title II of the Office of Federal Procurement Policy Act shall apply to contract disputes before the Postal Service Board of Contract Appeals in the same

manner as they apply to contract disputes before the Civilian Board."; and

(8) by striking out subsection (i).

(e) Section 9 of the Contract Disputes Act of 1978 (41 U.S.C. 608) is amended—

(1) in subsection (a), by striking out "each agency board" and inserting in lieu thereof "the Defense Board and the Civilian Board"; and

(2) in subsection (b), by striking out "the agency board" and inserting in lieu thereof "the Board concerned".

(f) Section 10 of the Contract Disputes Act of 1978 (41 U.S.C. 609) is amended—

(1) in subsection (a)—

(A) in the first sentence of paragraph (1)—

(i) by striking out "Except as provided in paragraph (2), and in" and inserting in lieu thereof "In"; and

(ii) by striking out "an agency board" and inserting in lieu thereof "the Defense Board or the Civilian Board";

(B) by striking out paragraph (2); and

(C) by redesignating paragraph (3) as paragraph (2), and in that paragraph by striking out "or (2)";

(2) in subsection (b)—

(A) by striking out "any agency board" and inserting in lieu thereof "the Defense Board or the Civilian Board"; and

(B) by striking out "the agency board" and inserting in lieu thereof "the Board concerned";

(3) in subsection (c)—

(A) by striking out "an agency board" and inserting in lieu of each "the Defense Board or the Civilian Board"; and

(B) by striking out "the agency board" and inserting in lieu thereof "the Board concerned"; and

(4) in subsection (d)—

(A) by striking out "one or more agency boards" and inserting in lieu thereof "the Defense Board or the Civilian Board (or both)"; and

(B) by striking out "or among the agency boards involved" and inserting in lieu thereof "one or both of the Boards".

(g) Section 11 of the Contract Disputes Act of 1978 (41 U.S.C. 610) is amended—

(1) in the first sentence, by striking out "an agency board of contract appeals" and inserting in lieu thereof "the Defense Board or the Civilian Board"; and

(2) in the second sentence, by striking out "the agency board through the Attorney General; or upon application by the board of contract appeals of the Tennessee Valley Authority" and inserting in lieu thereof "the Defense Board or the Civilian Board".

(h) Section 13 of the Contract Disputes Act of 1978 (41 U.S.C. 612) is amended—

(1) in subsection (b), by striking out "an agency board of contract appeals" and inserting in lieu thereof "the Defense Board or the Civilian Board"; and

(2) in subsection (d)(2), by striking out "by the board of contract appeals for" and inserting in lieu thereof "by the Defense Board or the Civilian Board from".

SEC. 444. REFERENCES TO AGENCY BOARDS OF CONTRACT APPEALS.

(a) DEFENSE BOARD.—Any reference to the Armed Services Board of Contract Appeals or the board of contract appeals of the Corps of Engineers in any provision of law or in any rule, regulation, or other paper of the United States shall be treated as referring to the Department of Defense Board of Contract Appeals.

(b) CIVILIAN BOARD.—Any reference to an agency board of contract appeals other than the Armed Services Board of Contract Appeals, the board of contract appeals of the Corps of Engineers, or the Postal Service Board of Contract Appeals in any provision of law or in any rule, regulation, or other paper of the United States shall be treated as referring to the Civilian Board of Contract Appeals.

SEC. 445. CONFORMING AMENDMENTS.

(a) TITLE 5.—Section 5372a of title 5, United States Code, is amended—

(1) in subsection (a)(1), by striking out "an agency board of contract appeals appointed under section 8 of the Contract Disputes Act of 1978" and inserting in lieu thereof "the Department of Defense Board of Contract Appeals or the Civilian Board of Contract Appeals appointed under section 202 of the Office of Federal Procurement Policy Act or the Postal Service Board of Contract Appeals appointed under section 8(h) of the Contract Disputes Act of 1978"; and

(2) in subsection (a)(2), by striking out "an agency board of contract appeals" and inserting in lieu thereof "the Department of Defense Board of Contract Appeals, the Civilian Board of Contract Appeals, or the Postal Service Board of Contract Appeals".

(b) TITLE 10.—(1) Section 2305(e) of title 10, United States Code, is amended—

(A) in paragraph (1), by striking out "subchapter V of chapter 35 of title 31" and inserting in lieu thereof "title II of the Office of Federal Procurement Policy Act"; and

(B) by striking out paragraph (3).

(2) Section 2305(f) of such title is amended—

(A) in paragraph (1), by striking out "subparagraphs (A) through (F) of subsection (b)(1) of section 3554 of title 31" and inserting in lieu thereof "section 214(h)(2) of the Office of Federal Procurement Policy Act"; and

(B) in paragraph (2), by striking out "paragraph (1) of section 3554(c) of title 31 within the limits referred to in paragraph (2)" and inserting in lieu thereof "subparagraph (A) of section 214(i)(1) of the Office of Federal Procurement Policy Act within the limits referred to in subparagraph (B)".

(c) FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949.—(1) Section 303B(j) (as redesignated by section 104(b)(2)) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253b(h)) is amended—

(A) in paragraph (1), by striking out "subchapter V of chapter 35 of title 31, United States Code" and inserting in lieu thereof "title II of the Office of Federal Procurement Policy Act"; and

(B) by striking out paragraph (3).

(2) Section 303B(k) (as redesignated by section 104(b)(2)) of such Act (41 U.S.C. 253b(i)) is amended—

(A) in paragraph (1), by striking out "in subparagraphs (A) through (F) of subsection (b)(1) of section 3554 of title 31, United States Code" and inserting in lieu thereof "section 214(h)(2) of the Office of Federal Procurement Policy Act"; and

(B) in paragraph (2), by striking out "paragraph (1) of section 3554(c) of such title within the limits referred to in paragraph (2)" and inserting in lieu thereof "subparagraph (A) of section 214(i)(1) of the Office of Federal Procurement Policy Act within the limits referred to in subparagraph (B)".

(d) OFFICE OF FEDERAL PROCUREMENT POLICY ACT.—The table of contents for the Office of Federal Procurement Policy Act (contained in section 1(b)) is amended—

(1) by inserting the following before the item relating to section 1:

"TITLE I—FEDERAL PROCUREMENT POLICY GENERALLY"; and

(2) by adding at the end the following:

"TITLE II—DISPUTE RESOLUTION

"SUBTITLE A—GENERAL PROVISIONS

"Sec. 201. Definitions.
"Sec. 202. Membership.
"Sec. 203. Chairman.
"Sec. 204. Rulemaking authority.
"Sec. 205. Authorization of appropriations.

"SUBTITLE B—FUNCTIONS OF THE DEFENSE AND CIVILIAN BOARDS OF CONTRACT APPEALS

"Sec. 211. Alternative dispute resolution services.
"Sec. 212. Alternative dispute resolution of disputes and protests submitted to Boards.
"Sec. 213. Contract disputes.
"Sec. 214. Protests.
"Sec. 215. Applicability to certain contracts.".

Subtitle F—Effective Date; Regulations and Appointment of Chairmen

SEC. 451. EFFECTIVE DATE.

Title II of the Office of Federal Procurement Policy Act, as added by this title, and the amendments and repeals made by this title shall take effect 1 year after the date of the enactment of this Act.

SEC. 452. REGULATIONS.

(a) REGULATIONS REGARDING PROTESTS AND CLAIMS.—Not later than 1 year after the date of the enactment of this Act, the Chairman of the Armed Services Board of Contract Appeals and the Chairman of the General Services Board of Contract Appeals, in consultation with the Comptroller General with respect to protests, shall jointly issue—

(1) such procedural rules and regulations as are necessary to the exercise of the functions of the Department of Defense Board of Contract Appeals and the Civilian Board of Contract Appeals under sections 213 and 214 of the Office of Federal Procurement Policy Act (as added by this title); and

(2) statements of policy of general applicability with respect to such functions.

(b) REGULATIONS REGARDING APPOINTMENT OF JUDGES.—Not later than 1 year after the date of the enactment of this Act—

(1) the Chairman of the Armed Services Board of Contract Appeals shall issue rules governing the establishment and maintenance of a register of eligible applicants and the selection of judges for the Department of Defense Board of Contract Appeals; and

(2) the Chairman of the General Services Board of Contract Appeals shall issue rules governing the establishment and maintenance of a register of eligible applicants and the selection of judges for the Civilian Board of Contract Appeals.

SEC. 453. APPOINTMENT OF CHAIRMEN OF DEFENSE BOARD AND CIVILIAN BOARD.

Notwithstanding section 451, not later than 1 year after the date of the enactment of this Act—

(1) the Secretary of Defense shall appoint the Chairman of the Department of Defense Board of Contract Appeals; and

(2) the Administrator of General Services shall appoint the Chairman of the Civilian Board of Contract Appeals.

(2) Page 12, lines 2 and 23, strike out "chapter" and insert in lieu thereof "title".

(3) Page 26, line 18, strike out "and" and insert in lieu thereof "but".

(4) Page 28, line 14, strike out "and" and insert in lieu thereof "but".

(5) Add at the end of section 302 (at the end of page 51) the following:

(c) POLICY OF CONGRESS.—Section 29 of the Office of Federal Procurement Policy Act (41 U.S.C. 425) is further amended by adding after subsection (a) the following new subsection:

"(b) CONSTRUCTION OF CERTIFICATION REQUIREMENTS.—A provision of law may not be construed as requiring a certification by a contractor or offeror in a procurement made or to be made by the Federal Government unless that provision of law specifically refers to this subsection and provides that, notwithstanding this subsection, such a certification shall be required.

Page 50, line 18, strike out "(b)" and insert in lieu thereof "(c)".

(6) Page 52, line 10, strike out "August 1, 1995" and insert in lieu thereof "October 1, 1996".

Page 52, lines 10 and 11, strike out "August 1, 2000" and insert in lieu thereof "October 1, 2000".

(7) Add at the end of section 306 (at the end of page 65) the following new subsection:

(e) REPEAL OF DATA COLLECTION REQUIREMENT.—Subsection (h) of section 111 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 759) is repealed.

(8) Strike out section 316 (page 75, line 15, through the end of page 81) and insert in lieu thereof the following:

SEC. 316. ADDITIONAL DEPARTMENT OF DEFENSE PILOT PROGRAMS.

(a) AUTHORITY TO CONDUCT DEFENSE FACILITY-WIDE PILOT PROGRAM.—The Secretary of Defense may conduct a pilot program, to be known as the "defense facility-wide pilot program", for the purpose of determining the potential for increasing the efficiency and effectiveness of the acquisition process in facilities.

(b) SCOPE OF PROGRAM.—At a facility designated as a participant in the pilot program, the pilot program shall consist of the following:

(1) All contracts and subcontracts for defense supplies and services that are performed at the facility.

(2) All contracts and subcontracts performed elsewhere that the Secretary determines are directly and substantially related to the production of defense supplies and services at the facility and are necessary for the pilot program.

(c) DESIGNATION OF PARTICIPATING FACILITIES.—(1) The Secretary may designate up to two facilities as participants in the defense facility-wide pilot program.

(2) Subject to subsection (g), the Secretary may determine the scope and duration of a designation made under this paragraph.

(d) CRITERIA FOR DESIGNATION.—(1) Not later than 90 days after the date of the enactment of this Act, the Secretary shall provide to the congressional defense committees a detailed description of the proposed criteria to be used in selecting facilities for designation as participants in the defense facility-wide pilot program. The Secretary may not select any facilities for participation in the program until at least 30 days have passed after providing such criteria.

(2) After selecting both facilities for designation as participants in the program, the Secretary shall notify the congressional defense committees of the selection and submit a description—

(A) of the management goals and objectives intended to be achieved for each facility selected; and

(B) of the method by which the Secretary intends to monitor and measure the performance of the selected facilities in meeting such management goals and objectives.

(3)(A) In developing the criteria referred to paragraph (1), the Secretary shall ensure that such criteria reflect the following objectives:

(i) A significant reduction of the cost to the Government for programs carried out at the designated facilities.

(ii) A reduction of the schedule associated with programs carried out at the designated facilities.

(iii) An increased used of commercial practices and procedures for programs carried at the designated facilities.

(iv) That the designation of a facility under subsection (c) does not place a competing domestic manufacturer at a significant competitive disadvantage.

(B) The criteria shall also require that, with respect to any facility designated under subsection (c), all or substantially all of the contracts to be awarded and performed at the facility after the designation, and all or substantially all of the subcontracts to be awarded under those contracts and performed at the facility after the designation, will be—

(i) for the production of supplies or services on a firm-fixed price basis;

(ii) awarded without requiring the contractors or subcontractors to provide certified cost or pricing data pursuant to section 2306a of title 10, United States Code; and

(iii) awarded and administered without the application of cost accounting standards under section 26(f) of the Office of Federal Procurement Policy Act (41 U.S.C. 422(f)).

(e) EXEMPTION FROM CERTAIN REQUIREMENTS.—In the case of a contract or subcontract that is to be performed at a facility designated for participation in the defense facility-wide pilot program and that is subject to section 2306a of title 10, United States Code, or section 26(f) of the Office of Federal Procurement Policy Act (41 U.S.C. 422(f)), the Secretary of Defense may exempt such contract or subcontract from the requirement to obtain certified cost or pricing data under such section 2306a or the requirement to apply mandatory cost accounting standards under such section 26(f) if the Secretary determines that the contract or subcontract—

(1) is within the scope of the pilot program (as described in subsection (b)); and

(2) is fairly and reasonably priced based on information other than certified cost and pricing data.

(f) SPECIAL AUTHORITY.—The authority provided under subsection (a) may include authority for the Secretary of Defense—

(1) to apply any amendment or repeal of a provision of law made in this Act to the pilot program before the effective date of such amendment or repeal; and

(2) to apply to a procurement of items other than commercial items under such program—

(A) any authority provided in the Federal Acquisition Streamlining Act of 1994 (Public Law 103-355) (or in an amendment made by a provision of that Act) to waive a provision of law in the case of commercial items, and

(B) any exception applicable under this Act or the Federal Acquisition Streamlining Act of 1994 (Public Law 103-355) (or an amendment made by a provision of either Act) in the case of commercial items,

before the effective date of such provision (or amendment) to the extent that the Secretary determines necessary to test the application of such waiver or exception to procurements of items other than commercial items.

(g) APPLICABILITY.—(1) Subsections (e) and (f) apply with respect to—

(A) a contract that is awarded or modified during the period described in paragraph (2); and

(B) a contract that is awarded before the beginning of such period and is to be performed (or may be performed), in whole or in part, during such period.

(2) The period referred to in paragraph (1) is the period that begins 45 days after the date of the enactment of this Act and ends on September 30, 1998.

(h) COMMERCIAL PRACTICES ENCOURAGED.—With respect to contracts and subcontracts within the scope of the defense facility-wide pilot program, the Secretary of Defense may, to the extent the Secretary determines appropriate and in accordance with the law, adopt commercial practices in the administration of contracts and subcontracts. Such commercial practices may include elimination of Government audit and access to records provisions; incorporation of commercial oversight, inspection, and acceptance procedures; use of alternative dispute resolution techniques (including arbitration); and elimination of contract provisions authorizing the Government to make unilateral changes to contracts.

(9) In sections 501 and 502 (page 143, line 23, through the end of page 146), strike out "title" each place it appears and insert in lieu thereof "Act".

EXTENSIONS OF REMARKS

AMERICA'S STAKE IN THE UNITED NATIONS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 13, 1995

Mr. HAMILTON. Mr. Speaker, many of us have been critical of the management and efficiency of the United Nations. Despite these shortcomings, on the 50th anniversary of the U.N. Charter it is important to remember the critical role this institution plays.

I therefore commend to my colleagues a recent policy statement by the U.N. Association of the United States of America, "America's Stake in the United Nations and Financing the United Nations." As this statement notes, every U.S. administration has turned to the United Nations for collective action to help maintain or restore peace. The United Nations helps to spread the financial, political, and military burden of interventions. I agree with the policy statement that "Increased reliance on U.N. collective security operations necessarily complements our defense savings."

The United States cannot insulate itself from an interconnected world where transnational threats such as drugs, terrorism, and diseases respect no borders. The United Nations is an imperfect but vital tool which can help respond to those threats. I fully agree with UNA/USA's statement that the U.N. requires reform, but not wrecking. I intend to continue pressing for such reform in the United Nations.

While I do not support providing any kind of tax authority to the United Nations, it seems to me that we cannot hope for a more efficient and effective United Nations so long as its finances remain unreliable. The answer, as the report states, is simple: Nations must pay their assessed contributions on time, and in full. We should not support U.N. budgets for which we do not intend to pay.

I congratulate UNA/USA on this thoughtful policy statement, and request that it be included in the RECORD.

AMERICA'S STAKE IN THE UNITED NATIONS

Fifty years ago we, the people of the United States, joined in common purpose and shared commitment with the people of 50 other nations. The most catastrophic war in history had convinced nations that no country could any longer be safe and secure in isolation. From this realization was born the United Nations—the idea of a genuine world community and a framework for solving human problems that transcend national boundaries. Since then, technology and economics have transformed "world community" from a phrase to a fact, and if the World War II generation had not already established the U.N. system, today's would have to create it.

The founders of the United Nations were clairvoyant in many ways. The Charter anticipated decolonization; called for "respect for human rights and fundamental freedoms for all without distinction as to race, sex, language, or religion"; and set up the institutional framework "for the promotion of the economic and social advancement of all peoples." In meeting the Charter's challenges, we make for a more secure and prosperous world.

Through the U.N. system, many serious conflicts have been contained or concluded. Diseases have been controlled or eradicated, children immunized, refugees protected and fed. Nations have set standards on issues of common concern—ranging from human rights to environmental survival to radio frequencies. Collective action has also furthered particular U.S. government interests, such as averting a widening war in the Middle East into which Washington might otherwise be drawn. After half a century, the U.N. remains a unique investment yielding multiple dividends for Americans and others alike.

The U.N.'s mandate to preserve peace and security was long hobbled by the Cold War, whose end has allowed the institutions of global security to spring to life. The five permanent members of the Security Council now meet and function as a cohesive group, and what the Council has lost in rhetorical drama it has more than gained in forging common policies. Starting with the Reagan Administration's effort to marshal the Security Council to help bring an end to the Iran-Iraq war in 1988, every U.S. administration has turned to the U.N. for collective action to help maintain or restore peace. Common policy may not always result in success, but neither does unilateral policy—and, unlike unilateral intervention, it spreads costs and risks widely and may help avoid policy disasters.

Paradoxically, the end of the Cold War has also given rise in the U.S. to a resurgent isolationism, along with calls for unilateral, go-it-alone policies. Developments in many places that once would have stirred alarm are now viewed with indifference. When they do excite American political interest, the impulse is often to respond unilaterally in the conviction that only Washington can do the job and do it right. Without a Soviet threat, some Americans imagine we can renounce "foreign entanglements." Growing hostility to U.N. peacekeeping in some political circles reflects, in large measure, the shortsighted idea that America has little at stake in the maintenance of a peaceful world. In some quarters, resentment smolders at any hint of reciprocal obligations; but in a country founded on the rule of law, the notion that law should rule among nations ought not to be controversial.

The political impulse to go it alone surges at precisely the moment when nations have become deeply interconnected. The need for international teamwork has never been clearer. Goods, capital, news, entertainment, and ideas flow national boarders with astonishing speed. So do refugees, diseases, drugs, environmental degradation, terrorists, and currency crashes.

The institutions of the U.N. system are not perfect, but they remain our best tools for concerted international action. Just as Americans often seek to reform our own government, we must press for improvement of the U.N. system. Fragmented and of limited power prone to political paralysis, bureaucratic torpor, and opaque accountability, the U.N. system requires reform—but not wrecking. Governments and citizens must press for changes that improve agencies' efficiency, enhance their responsiveness, and make them accountable to the world's publics they were created to serve. Our world institutions can only be strengthened with the informed engagement of national leaders, press, and the public at large.

The American people have not lost their commitment to the United Nations and to the rule of law. They reaffirm it consistently, whether in opinion surveys or UNICEF campaigns. Recognizing the public's sentiment, the foes of America's U.N. commitment—unilateralists, isolationists, or whatever—do not call openly for rejecting the U.N. as they had earlier rejected outright the League of Nations. But the systematic paring back of our commitment to international law and participation in institutions would have the same effect.

In this 50th anniversary year, America's leaders should rededicate the nation to the promise of a more peaceful and prosperous world contained in the U.N. Charter. In that spirit, the United Nations Association of the United States calls on the people and government of the United States, calls on the people and government of the United States, and those of all other U.N. member states, to join in strengthening the United Nations system for the 21st century.

In particular, we call for action in five areas, which will be the top policy priorities of UNA-USA as we enter the U.N.'s second half-century:

Reliable financing of the United Nations system.

Strong and effective U.N. machinery to help keep the peace.

Promotion of broad-based and sustainable world economic growth.

Vigorous defense of human rights and protection of displaced populations.

Control, reduction, or elimination of highly destructive weaponry.

POST-RATIFICATION BY MISSISSIPPI LEGISLATURE OF U.S. CONSTITUTION'S 13TH AMENDMENT—ABOLISHING SLAVERY

HON. BENNIE G. THOMPSON

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 13, 1995

Mr. THOMPSON. Mr. Speaker, I rise to call to the attention of my colleagues and to the attention of the American people, a very historic action taken earlier this year by the Legislature of my State of Mississippi.

A century and three decades ago, in 1865, the 38th Congress proposed an amendment to the U.S. Constitution to end the inhumane practice of slavery—uniformly, throughout the entire Nation. Within a matter of months, the

proposal had received the required approval of the legislatures of three-fourths of the States then in the Union and it resultantly became the Constitution's 13th amendment.

It also was during that pivotal year of 1865, that both houses of the Mississippi Legislature adopted a resolution rejecting, denouncing, and condemning the constitutional amendment to abolish slavery. Thus, the 13th amendment had made its way into the Constitution without Mississippi's official approval. As for the ensuing 130 years, that resolution of rejection remained the Mississippi Legislature's official pronouncement on the 13th amendment. Indeed, for many years, Mississippi's was the only State legislature—in the Union well before and long after that particular constitutional amendment was proposed and ratified—never to approve it. But all of that changed earlier this year. An undotted historical "i" and an uncrossed social "t" were duly dotted and crossed when the Mississippi Legislature adopted Senate Concurrent Resolution 547 on March 16, 1995, to not only postratify the 13th amendment but, also, to finally rescind the embarrassing 1865 resolution of rejection.

TRIBUTE TO REVOLUTIONARY WAR HERO COMMODORE JOHN BARRY SEPTEMBER 13, 1995

HON. CURT WELDON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 13, 1995

Mr. WELDON of Pennsylvania. Mr. Speaker, I rise today to offer a tribute to a great Revolutionary War Hero, Commodore John Barry.

This year we celebrate the 250th anniversary of Commodore Barry's birth. Born in 1745 in Ireland, he moved to Philadelphia approximately 15 years later, where he prospered as a shipmaster and owner. While in Philadelphia, he became a strong supporter of the Revolution, fervently espousing the doctrine of independence from the British Government. When the Revolution broke out, he enthusiastically offered his services to the Continental Congress, which gave him an independent command as captain of the brig *Lexington*. Less than 1 month after his commission, Captain Barry captured the first British warship to be taken under Continental Congress authority.

Recognizing his great service in the fight for independence, the Continental Congress issued him another commission, as captain of the *Effingham*. Despite his eagerness to serve the cause, he was unable to launch the 32 gun vessel owing to the British occupation of Philadelphia. Nevertheless, using his ingenuity, resolve, and dedication to the Colonies, Captain Barry, with four small boats, captured two transports and a schooner during a daring raid in lower Delaware. This gallant effort brought the due praise of General Washington.

Receiving another command aboard the *Raleigh*, Barry stubbornly defended the vessel against superior forces when confronted by the British on September 28, 1778. Outgunned, he was forced to beach the ship, but managed to save most of his crew. In 1781, Barry took command of the *Alliance*, and defeated the sloops H.M.S. *Atalanta* and H.M.S. *Trepassey*. In the last sea battle of the Revolution, Barry defeated the H.M.S. *Sybil*, adding this final victory of his list of successes in fighting for our young Nation.

After the Revolution, in 1794, Barry was named the senior captain of the U.S. Navy. Four years later, President George Washington recognized Barry's enormous contribution to our independence, appointing him commodore. He served as the head of the U.S. Navy until his death, on September 12, 1803.

Commodore Barry's distinguished service to our country reminds us of the challenges that we, as a young nation, faced during our struggle for independence. Now, as we approach the 21st century, we should reflect back upon the heros of our past, to remind ourselves of their efforts to improve our great Nation. By following their example, we can prosper in this new era. Indeed, we face a promising future if we conduct ourselves with the same honor, courage, and dedication as did Commodore John Barry.

HUMAN RIGHTS ACTIVIST ABDUCTED IN INDIA

HON. DAN BURTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 13, 1995

Mr. BURTON of Indiana. Mr. Speaker, once again the Indian Government has shown its blatant disrespect for basic human rights. On September 6, 1995, Mr. Jaswant Singh Khalra, the general secretary of the Human Rights Wing [Shiromani Akali Dal] was washing his car in front of his house in Amritsar, Punjab, when he was taken away by police in a van. The police have refused to reveal Mr. Khalra's whereabouts. He has not been brought before a magistrate. Amnesty International has expressed fear that he may be tortured.

Mr. Khalra had been instrumental in exposing the fact that 25,000 Sikhs have been cremated in Punjab, Khalistan, and then listed as unidentified while their families continue to await any word about them. Some of my colleagues and I have brought these cremations to the attention of this House previously. They are being done to destroy evidence of a campaign of extrajudicial killings in Punjab.

The superintendent of police in the Tarn Taran district of Punjab, Khalistan, has been quoted as saying "We have made 25,000 disappear. It is easy to make one more disappear." According to Amnesty International, this threat was made shortly after Mr. Khalra filed a petition in court on behalf of the cremated Sikhs. This is not an idle threat. The Indian regime is quite capable of making Mr. Khalra disappear without a trace.

Mr. Khalra's "disappearance" appears to be part of a pattern of increased repression instituted by the Indian Government in the wake of the assassination of Punjab Chief Minister Beant Singh. According to newspaper reports and Sikh leader Simranjit Singh Mann, who has himself been a victim of the regime's repression, both the central government and the state government of Punjab have resorted to mass arrests in the wake of the assassination. But Mr. Mann warned that this repression will be counterproductive, and he is correct. Another wave of massive human rights violations against the Sikh people will only produce more suffering and more hatred.

Amnesty International has issued an urgent action bulletin seeking an independent and impartial inquiry to establish Mr. Khalra's whereabouts and assurances that, if in police custody, he be allowed immediate access to lawyers and relatives and be promptly brought before a magistrate. If India is the democracy it claims to be, these actions are the least the regime can do.

Since 1984, the Indian regime has reportedly killed more than 120,000 Sikhs. In addition, the regime has killed over 150,000 Christians in Nagaland since 1947, over 43,000 Kashmiri Muslims since 1988, tens of thousands of Assamese, Manipuris, and others, and thousands of Dalits, or black untouchables. The State Department reported in its country report for 1994 that between 1991 and 1993, the regime paid over 41,000 cash bounties to police officers for killing Sikhs. Mr. Khalra's disappearance is part of a pattern of repression that belies India's claim to be a democracy.

In the face of this kind of repression, leaders of the Sikh Nation declared independence on October 7, 1987, claiming a separate, sovereign country of Khalistan. India's brutal occupation of Khalistan has only led to continued bloodshed and repression. That serves nobody's interest. Mr. Khalra's disappearance demonstrates yet again that the Indian Government has not done anything to bring the human rights abuses to a stop. Only when the repression and bloodshed end can peace, prosperity, and stability be restored to the Indian subcontinent. I urge the Indian regime to release Jaswant Singh Khalra and all other political prisoners.

UNIVERSITY OF TEXAS AT ARLINGTON CELEBRATES 100 YEARS

HON. MARTIN FROST

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 13, 1995

Mr. FROST. Mr. Speaker, the University of Texas at Arlington, which is in the 24th Congressional District of Texas, celebrates its 100th anniversary this year. I'm very proud to represent such a distinguished institution and over the years have formed strong friendships with many of the fine people who work there. I have always been struck by the level of commitment of excellence at UTA. Over the years, this institution has grown from a junior college to university which now offers 55 baccalaureate, 60 masters, and 19 doctoral degrees. UTA is now the second-largest institution within the University of Texas system, with a student enrollment of over 22,000.

UTA, located in the heart of the city of Arlington, is an integral part of the community, contributing vast resources to all citizens of Arlington.

This level of excellence which has brought the university to this centennial celebration will guide it into the 21st century. Top scholars from around the country have come to UTA because of its national and international reputation. Faculty at UTA have always been committed to teaching excellence and fostering student achievement and have excelled at accommodating the returning student, who is starting a new career or building on his current one. This environment is imperative for universities in today's world.

I look forward to working with UTA in the future, and again congratulate the university upon this occasion.

THE CASE FOR AFFIRMATIVE ACTION FROM ONE WHO HAS BEEN THERE

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 13, 1995

Mr. TORRES. Mr. Speaker, I would like to take this opportunity to place in the CONGRESSIONAL RECORD an article that was sent to me by Harriet Blair of Montebello, CA.

Harriet Blair has been involved in community affairs in southern California for many years and knows the valuable role affirmative action has played in our society.

She has asked me to share with my colleagues an open letter written by Prof. Dave Malcolm to the five Supreme Court Justices who voted to place serious limitations on affirmative action. I believe Mr. Malcolm's open letter on the subject of affirmative action should be given strong consideration by my colleagues in the House of Representatives, and I am happy to place it in the RECORD at this time.

AN OPEN LETTER TO FIVE JUSTICES

GENTLEPERSONS: On Monday, June 12, 1995, at 10:50 a.m. I left the office of my cardiologist having just been informed that my aortic valve implant was "leaking" and that replacement surgery would be required sometime within the next three to six months.

At 10:55 a.m., same date, I heard on the radio in my car about two new Supreme Court 5-4 decisions, each apparently placing serious additional limitations on programs of affirmative action. I drove homeward, feeling sick at heart—not from feelings of anxiety about my imminent open-heart surgery but from feelings of dismay at the direction in which my country seems to be moving, especially in regard to affirmative action.

You see, I know a lot about Affirmative Action. I count myself an expert on the subject. After all, I have benefited from it all my life. That is because I am white, I am male, I am Anglo and I am Protestant. We male WASPs have had a great informal affirmative action program going for decades, maybe centuries. I'm not speaking only of the way our "old boy networks" help people like me get into the right colleges or get jobs or get promotions. That's only the surface. Underneath, our real affirmative action is much more than this, much more than just a few direct interventions at key moments in life. The real affirmative action is also indirect and at work twenty-four hours a day, seven days a week, year in and year out. Because it is informal and indirect, we tend to forget or deny just how all-important and all-pervasive it really is.

However, far be it from me to put the direct "old boy" surface stuff down. I was admitted without difficulty to the ivy league college my father had attended. This was back in the days when the only quotas were quotas to keep certain people out, not to help them get in. There were no limits on reasonably bright kids like me—the admissions people spoke of the children of alumni as "legacies", but whether this was because the college was inheriting us as students or because the college hoped to inherit money from our families, I was never quite sure. I got a teaching job right out of college in the heart of the depression—my father was a school superintendent well liked among his colleagues. After World War II, when I became a university professor, I received promotion and tenure in minimum time, more quickly than many of my women colleagues. Of course, the decision makers knew me better—I was part of the monthly poker group and played golf every Friday afternoon. Yes, direct affirmative action, direct prefential treatment because of my gender and my color and good connections has been good to me, there is no question about that.

But, like other white males, I have benefited less obviously but far more significantly from indirect unequal or preferential treatment based on color or gender or nationality or religion or some combination thereof. This indirect aspect of informal affirmative action is subtler and less visible even though it is the really big one and it begins practically from birth. Indirect affirmative action is at work to greater or lesser degree on behalf of virtually all white males, whether one is aware of it or not. Indirect affirmative action is what didn't happen to me, the destructive, painful stuff that I didn't have to endure that so many other folks did. Real early in life I knew that boys were more important than girls—and so did the girls. I never have had to endure the pain of having any of my kids come home crying and asking "Daddy, why can't I be white?" Only quite late in my life did I discover how frequently young black or brown parents have to live with this pain.

I never have had to worry about whether my skin color was light enough or dark enough. My only concern about my skin has been not to get too badly sunburned the first hot day each summer and not to get skin cancer from too much exposure. For two of my long—time colleagues and closest personal friends, it has been a very different story. Raymond was the lightest skinned member of his family. He recalls that he was the only one who could get his hair cut down town—but the family had to drop him off a block away from the barber shop. He once told me that he had probably spent more time worrying about his light skin than any other one thing in life. Would his fellow African-Americans think he was black enough? When whites thought he was East Indian or South American, should he let them think so? Maria had the opposite problem. As a child, she was called "la prieta" ("the little dark one"). Even though she knew the diminutive was a mark of affection, she still was aware that the label was no compliment. When she became a young woman, well-meaning whites told her "You don't look Mexican", meaning that she looked more Spanish and hence almost white. The message always hurt deeply—not simply because the speakers personally so clearly believed that there was something inferior about being Mexican but also because they had unhesitatingly assumed that she did too and hence would consider such a statement to be a compliment.

I never have had to endure "what-is-he-doing-here?" looks any time I walked along a residential street in a suburban area. I have not had to notice white women clutching their purses more tightly when they meet me walking along the street. I never have seen the "For Rent" or "For Sale" signs figuratively snatched out of the window as I walked up to the front door. I cannot even begin to imagine the barrage of insults, large and small, that send a five- or six-year-old running tearfully home to ask Mommy or Daddy "Why can't I be white?"

Out of the dozens of times I have crossed the border from Tijuana to San Diego, the one time I was pulled over to have my car inspected was when returning with Raymond and another African-American male as passengers. I was furious, but they restrained me—assuring me it was no big deal, that it happened to them all the time. That day I got some small sense of the rage and fury and helplessness and frustration that persons different from me experience daily and are forced to smother, to hold bottled up churning around furiously somewhere deep inside.

I have never been so bombarded by negative messages that I began to internalize them, to half-way suspect they might in part be true. I have never had to try to participate in class, all the while holding my anger tightly inside lest it explode. As a professional person, I've never had to carry the burden of knowing that the slightest mispronunciation or grammatical error on my part will be seized upon by some people as validation of their negative stereotypes, not only about me but also about my people. But entire populations of my potential competitors have labored and still are laboring under disadvantages of this very sort as they compete with me. This is white male "affirmative action" at its most effective—the flip side of destructive life-long bombardment by negative messages. [White women benefit at the expense of their darker-skinned sisters from the very same processes that put them at disadvantage compared to white males!]

Yes, affirmative action for some folks remains alive and well and unthreatened by court decisions. I ought to know. All my life I have been an indirect beneficiary because indirect affirmative action has been so effective at crippling or eliminating so many of those who might have been my competitors. As a white male, I never have had to compete with them on a level playing field.

The promise of the American dream is a society which is color-fair, not color-blind. Formal affirmative action programs play a dual role. They make the playing fields a bit more level and they remind us that we still have far to go. It is no solution for society to trash its current formal efforts to make opportunity a little more equal as long as so many powerful informal barriers to equality of opportunity still persist.

Think about it.

DAVE MALCOLM,
San Diego, California.

TRIBUTE TO THE LATE CELIA HARE MARTIN

HON. E de la GARZA

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 13, 1995

Mr. DE LA GARZA. Mr. Speaker, this past weekend my longtime previous administrative assistant, Celia Hare Martin, passed away. I was deeply saddened to hear this news as I know those of you who knew Celia will be too.

In a city where this word is all too loosely used, Celia Hare Martin was an institution. For over 40 years she helped to grease the wheels here in Congress and to make things run smoothly and more efficiently.

She first came to Congress in 1948 when she was employed by then Congressman Lloyd Bentsen, Jr. as his secretary—the top staff position at that time. When Lloyd Bentsen retired, she stayed on with his successor, Joe M. Kilgore, in that same position. When I was elected and came to Congress in January of 1965 I was fortunate to inherit her as my administrative assistant. She worked here when former President Gerald Ford was a neighbor just down the hall, and when an energetic young Congressman named Jack Kennedy greeted her in passing each day. These were the days when dictaphones and typewriters were hi-tech. They were very special times.

Anyone who knew Celia knows how witty, energetic and intelligent she was. She thoroughly understood the legislative process and the workings of this institution, and she met every challenge head on. In fact, the motto by which she operated was that the impossible only takes a bit longer to achieve. When Celia took on a task that usually proved to be true. It is the standard she set for my office—an admirable goal indeed, and one which we have always sought to live up to.

She was above all a woman who knew how to get things done, who never accepted the mediocre and who always believed that we were all here to serve and to make a difference. That is exactly what Celia did. As my administrative assistant she made a difference in the quality of life in the 15th District of Texas which I am privileged to represent. To my constituency back home Celia was known as "our lady in Washington." She lived up to that title and more.

Celia Hare Martin truly was a maverick in her time, and I should add a local legend by virtue of the fact that she has had the longest tenure of any employee in one congressional office. As far as I am concerned there has never been anyone like her and there never will be again. She is going to be greatly missed.

HONORING JOE ALEXANDER

HON. JAMES P. MORAN

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 13, 1995

Mr. MORAN. Mr. Speaker, I rise today to pay tribute to one of the Nation's best known and most revered public transportation professionals, who is retiring after 25 years of service. Joe Alexander resigned from the Washington Metropolitan Area Transit Authority Board of Directors on June 26, 1995. The Metro Board will honor him for his quarter century of service to Metro and the transit industry at a reception on September 15, 1995.

Joe Alexander is synonomous with the planning, financing, and construction of the 103-mile Metrorail system. He was appointed to the Metro Board in 1971 and assumed a leadership role in persuading the citizens of Fairfax County to approve bonds to finance their share of the Metrorail system. He went on to become chairman of the Metro Board four times: 1975, 1981, 1987, and 1993. But those titles only scratch the surface of his achievements.

On his watch, the Metrorail system took shape: the initial opening of service on the Red Line from Farragut North to Union Station (1976), followed by the Blue Line from Stadium-Armory to National Airport (1977); the Orange Line from Rosslyn to Ballston (1979); the Yellow Line from Gallery Place to the Pentagon (1983); the Blue Line from National Airport to Huntington (1983); the Orange Line from Ballston to Vienna (1986); and the Green Line from Ft. Totten to Greenbelt (1993). The Metrorail system now encompasses 89.5 miles and 74 stations and will add 3.3 miles and the Franconia-Springfield Station in 1997. This facility will add the last planned station in Fairfax County and the Commonwealth of Virginia, a 3,600-space parking garage and the only Metrorail station in Joe Alexander's magisterial district. Joe Alexander made sure his job was complete before he decided to move on.

Metrorail has earned the nickname "America's Subway" for its unparallelled design, convenience, and the highest cost recovery ratio of any heavy rail system in the Nation—71 percent. Over 500,000 trips per day, including many Members of Congress, staff and most importantly our constituents, are taken on Metrorail. It represents among the highest level of accomplishment to which elected officials can aspire and is embodied by the career of Joe Alexander.

Joe Alexander was not content, however, to confine his activities in the transit industry to Metro. He was a founding member of the Northern Virginia Transportation Commission [NVTC] in 1964. NVTC consists of the cities of Alexandria, Fairfax, and Falls Church and the counties of Arlington, Fairfax, and Loudoun and is responsible for coordinating the financial and service plans of these localities who are included in the Metro service area. He served as chairman of NVTC in 1970, 1971 and 1972. His chairmanship was highlighted by NVTC's receipt of the Shirley Highway Demonstration Project grant from U.S. DOT in 1971. This project was the first of its kind in the Nation to demonstrate the enormous benefits of express bus service on grade-separated high-occupancy-vehicle lanes and is now a common transportation demand management strategy in metropolitan areas around the country.

In 1974, Joe Alexander was among the regional leaders to organize and implement the takeover of four private bus companies to form the Metrobus system. The Metro board acquired 600 new buses, restructured routes and fares and delivered great improvements for the regional bus system in a few short years.

Joe Alexander was a major player at the State level, also. He served as chairman of the Virginia Association of Public Transit Officials [VAPTO] for 4 years. His tenure was highlighted by the VAPTO-created Commonwealth Mass Transit Fund at the 1986 Virginia General Assembly. This fund guarantees mass transit a fixed percentage of the Transportation Trust Fund and for the first time created a stable and reliable source of State funds for Metro and transit systems throughout Virginia.

Joe Alexander did not stop there. He has been very active at the American Public Transit Association [APTA], serving as chairman from 1982 to 1984. There is no person in this country who knows, has worked with or enjoys the respect of as many people in the transit industry as Joe Alexander.

And if all of this is not enough, Joe Alexander will finish out his term on the Fairfax County Board of Supervisors in January, 1996, after serving 32 years as supervisor of Lee District. When Joe Alexander took office in Fairfax, the beltway did not exist and Fairfax had more cows than people. Today, Fairfax is approaching 1 million in population and is the home of one of the highest-rated public education systems and high-technology business sectors in the country.

Joe Alexander is an icon in the transit industry locally and nationally. His service has been marked by dedication; a commitment to excellence; and an unswerving determination to achieve the highest goals for public transit and government service. We recently celebrated the lifelong achievement of Cal Ripken, Jr. as he broke Lou Gehrig's record for consecutive games played in Major League Baseball. Joe Alexander's lifetime record in the transit field is no less worthy of the same recognition accorded Cal Ripken.

Mr. Speaker, I know my colleagues join me in honoring Joe Alexander for his many years of service and contributions to the transit industry. We wish him and his family continued success in the years ahead.

A TRIBUTE TO JACK STONE, AGRICULTURALIST OF THE YEAR

HON. CALVIN M. DOOLEY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 13, 1995

Mr. DOOLEY. Mr. Speaker, I rise before my colleagues today to pay a special tribute to Jack Stone, a fellow Kings County farmer and rancher who has been honored by his community.

A true pioneer of the San Joaquin Valley's west side, Jack is an especially appropriate choice as the first ever Lemoore Chamber of Commerce Agriculturalist of the year. Before World War II, Jack began farming land on the westside, growing grain and cotton. In those days his land was irrigated with well water pumped from underground.

With construction of the San Luis unit of the Central Valley Project in 1968, Jack and his fellow west side farmers realized a life-long

dream of bringing fresh surface water to their farms. That change helped transform the west side into one of the most productive agricultural regions in the Nation. But this transformation could not have been possible without the farsighted and stubborn commitment of farmers like Jack Stone.

As one of the visionaries who helped make the VCP a reality, Jack was appointed to the Wetlands Water District Board of directors in 1972, and was elected president 4 years later. He led the district through years of significant change, including two sever droughts, the Reclamation Reform Act of 1982, the Kesterson Reservoir controversy, and the CVP Improvement Act of 1992.

Jack also has served on the boards of more than 20 community, farm, academic, and water-related organizations. He is past chairman of its producers steering committee; a past member of the International Cotton Advisory Committee; and past president of the Western Cotton Growers Association.

He was the Irrigation Institute's Man of the Year in 1989; was inducted into the Cotton Hall of Fame in 1992; and is an active member of the Kings Country sheriff's posse.

Jack Stone is a dedicated valley and west side resident who has played a significant role in the development of Kings County agriculture. I applaud the Lemoore Chamber of Commerce for Recognizing his contributions.

DEFICIT REDUCTION

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 13, 1995

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, September 13, 1995, into the CONGRESSIONAL RECORD.

REDUCING THE DEFICIT

In recent years significant progress has been made in reducing the federal budget deficit. When President Clinton took office the deficit was at an all-time high of $290 billion and projected to continue to rise. But because of the 1993 deficit reduction package approved by Congress and a stronger than expected recovery for the economy, the deficit has been steadily falling. Last year it was down to $203 billion and this year will be $161 billion. Because the U.S. economy has been steadily growing, the deficit is now smaller relative to the size of the economy than at any time since the 1970s.

Despite this, the central issue in Congress for the rest of the year will be making further progress on the budget deficit. The reasons are that the country is focused on deficit reduction as a national goal and that without additional steps the deficit will rise again, driven largely by increasing federal health care expenditures. Within two years the deficit could again be over $200 billion.

BALANCING THE BUDGET

The more the government borrows to meet its debts, the less is available for productive investment, both private and public, and the more we pass the burden on to our children. Earlier this year Congress passed a plan developed by the congressional leadership to balance the budget in seven years. I supported a similar seven-year plan, as well as a balanced budget amendment to help force Congress to stick to the plan. President Clinton proposed a plan that would balance the budget in ten years.

It is questionable how much difference it makes whether we balance the budget by 2002 or by 2005. After several years of steady decline, the deficit between 2002 and 2005 would be so small that it may be viewed as insignificant in an economy as large as ours. What is important is to have a credible commitment by Congress to put into place a mechanism that will control spending and make sure that the actual deficits are on a glide path towards zero. The debate will continue over balancing the budget in seven years versus ten years. A bipartisan budget will probably have to be reached that sets a date somewhere in between.

ECONOMIC PROJECTS

One major question in the budget debate is the credibility of economic projections. Everybody attacks the other person's forecast of revenue and economic growth. Minor differences in assumptions can over the years magnify into huge differences in the projected deficit. All long-term projections about economic growth and revenues are highly suspect and cannot be made with any precision. Generally, since deficits almost always turn out to be higher than forecast, my inclination is to take the more conservative estimates.

Tremendous pressure is placed on those who make economic and budget projections. For example, the new congressional leadership has been pushing the Congressional Budget Office (CBO) to adopt "dynamic" methods, of calculating the effects of their policies, so that their proposed tax cuts and spending reductions would boost projected economic growth beyond the estimates of most economists. But CBO has a reputation for independence, and has not always been cooperative. Last year for example, CBO dealt a crippling blow to President Clinton's health care reform plan by concluding that it would produce far smaller savings than the President had claimed. It recently warned the new congressional leadership that their proposal for moving millions of Medicare recipients from a fee-for-service system to managed health care would likely not save nearly as much moneys as the leadership wanted. That could undermine their efforts to balance the budget or to deliver a big tax cut.

ECONOMIC GROWTH

The primary goal of deficit reduction is to help create an economy that has strong investments, creates jobs, has a sound dollar, and has low inflation. That is why it is important not only that we balance the budget but how we balance it. We should not gut the very programs that help improve our long-term economic outlook—including education and training, research, and roads and bridges.

It is disturbing that the economic projections made in the budget provide only modest growth for the rest of the decade. Much more attention has to be directed towards what is an acceptable rate of growth for the country and what kinds of investments are needed in order to get that growth. Although the principle of balancing the budget has been adopted by almost everybody, the more fundamental questions about the economy have gotten much less attention and need to be addressed. How do we get more growth in the economy? How do we ensure that the benefits of growth are felt more broadly in our society?

TAX CUT

I also believe that there should not be a tax cut at this time. The reason the new congressional leadership has had to propose such deep cuts in health care and other programs is because of the huge tax breaks they have proposed, and because they are working with less than half of the budget. They have excluded defense, social security, and interest on the debt. Their efforts have been to cut the programs for the poor and lower-income working families. Savings can certainly be had there, but nowhere near the savings the budget resolution suggests without greatly adding to the burden of people of modest income.

The fact is that the tax cut is simply too large for too many who do not need it. Tax breaks should wait until spending cuts have achieved a balanced budget. And we should broaden the base of deficit reduction—for example, cutting corporate welfare and looking for "frauds, waste, and abuse" also in Pentagon programs.

OMNIBUS BILL

The next few weeks will be very confusing. The congressional leadership will be bringing up most of the cuts to balance the budget in one mammoth bill, far bigger than anything that has ever been seen in Congress. It will include a rewrite of federal farm programs, an overhaul of Medicare, welfare reform, major changes in student loans and trade programs, among other things. Members will not be told the contents of the bill until a day or so before the final vote occurs, and will have very limited opportunities to improve the package on the floor. We need to take serious steps to balance the budget, but we need to think through the changes we are making. Poorly thought out policies could be very costly in the long run.

BALANCING THE BUDGET

HON. RON PACKARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 13, 1995

Mr. PACKARD. Mr. Speaker, I would like to take a moment to commend my colleagues here in the Republican led 104th Congress for a most remarkable job over the past several months. We have accomplished many historic changes and the ball is still rolling.

Last November, Republicans promised the American people they would balance the budget and we are well on our way. We started out on the right foot by reducing our own budget by $207 million. The legislative branch appropriations bill which I authored will make many internal reforms, including cutting the number of congressional staff and eliminating duplicative bureaucracies.

Mr. Speaker, the future looks even brighter. Over the coming months we will have the opportunity to pass major legislation that will enable us to keep our promise of a balanced budget. We will not only save, but strengthen Medicare. We will change the welfare system so that it emphasizes work, family, and personal responsibility, and we will provide tax relief for American families.

This is an ambitious agenda, but we have an obligation to the American people and the generations to come. I strongly urge my colleagues on the other side of the aisle and the

President to do their part to help and not stand in the way of reform mandated by the voters last November.

ADHIAMBO ELEMENTARY SCHOOL

HON. BENNIE G. THOMPSON

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 13, 1995

Mr. THOMPSON. Mr. Speaker, it is with great joy and admiration that I salute the faculty, staff, parents, students, and friends of Adhiambo School in Jackson, MS. Adhiambo which was founded in 1979 is a refreshing alternative to the traditional American school system. The school curriculum is aimed to perpetuate moral attitudes and values by developing children's personalities and characters and instilling brotherliness, kindliness and charity. The school provides a nurturing environment while offering a challenging curriculum. During a time when so many negative forces plague our communities, Adhiambo motivates our children through positive cultural images and experiences.

It is rewarding to recognize a success story in the educational system when so many school systems are in decay. Today there are a tremendous number of children in the Nation who do not have the basic tools needed to learn and are not motivated to learn. Adhiambo's students are an exception and they are worthy of praise. Even more astounding is the fact that on December 5, 1994, the building which housed Adhiambo was completely burned down, yet the spirits of the students and staff persevered. On June 27, 1995, Adhiambo moved into its new home and all studies have resumed.

THE DEPARTMENT OF TRADE ESTABLISHMENT ACT

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 13, 1995

Mr. ROTH. Mr. Speaker, today I have introduced the Department of Trade Establishment Act.

The idea of creating a Trade Department is not new. In fact, some of us have been working for years for a fundamental re-organization of our trade agencies. My own work on this issue began some 12 years ago.

Our deepening trade deficit makes this issue urgent. Last year, we had a $166 billion merchandise trade deficit—the worst in our history. But this year, the merchandise deficit is headed toward $200 billion, $40 billion worse than last year. Yet, our economy has just been judged the most efficient in the world. Clearly, our current trade programs are inadequate.

The weakness of our current trade organization is also reflected in the fact that exports account for barely 10 percent of our gross domestic product, lower than any of our major competitors. As our domestic economy matures and slows down, exports will be crucial to our future economic growth and strength.

What we need is an across-the-board, government-wide consolidation and strengthening of our trade functions. We are spending about $3 billion on 150 trade programs, spread among some two dozen trade agencies. As GAO testified before my Subcommittee on International Economic Policy and Trade last week, these trade functions are scattered, duplicated and uncoordinated. The result is inadequate to assist our exporters in today's global markets. Moreover, it is too costly.

By contrast, our major trade competitors—Japan, Germany, France, and Korea—all have fully coordinated and streamlined trade ministries.

Establishing a Trade Department is the right course, for three reasons. First, it would assure a government-wide consolidation of trade functions. Second, it would make our trade programs consistent and coherent. Third, it would give trade issues the proper attention and priority within our own Government and in our relations with other nations.

Mr. Speaker, included with this statement is a brief summary of my bill. A section-by-section analysis is available in the office of the Subcommittee on International Economic Policy and Trade, room B–359 Rayburn. In my judgment, this is the right framework to lead us into the 21st century as the most competitive trading nation in the world.

BRIEF SUMMARY DEPARTMENT OF TRADE ESTABLISHMENT ACT INTRODUCED BY CONGRESSMAN TOBY ROTH

The Act establishes a Department of Trade to provide a streamlined, coordinated and more effective trade organization. It consolidates some two dozen federal trade agencies and some 150 separate programs into a cohesive and less costly structure.

KEY PROVISIONS

(1) The Act establishes a Department of Trade and transfers the existing trade-related functions of the Commerce Department to the new department.

Included are all the functions of the International Trade Administration, the Bureau of Export Administration and the Office of International Economic Policy.

(2) The new Secretary of Trade is the President's chief trade policy-maker and coordinator of the federal government's trade-related activities.

The Secretary chairs both of the key interagency trade committees (the Trade Policy Committee and the Trade Promotion Coordinating Committee), and serves as Chairman of the Board of both the Export-Import Bank and the Overseas Private Investment Corporation (OPIC).

(3) The U.S. Trade Representative is retained as the chief trade negotiator, in the Executive Office of the President.

The Trade Representative reports to the President and functions under the policy guidance of the President and the Trade Secretary.

Responsibility for administering trade sanctions, including the Section 301 program, is transferred to the Department of Trade.

(4) The President is required to transfer and consolidate all non-agricultural trade promotion functions from other departments and agencies into the Trade Department.

(5) After the government-wide consolidation, the President is required to reduce overall spending on the consolidated functions by 25 percent from the overall level of the previously unconsolidated functions.

HONORING A DELEGATION FROM THE NATIONAL ASSEMBLY OF PAKISTAN

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 13, 1995

Mr. BONIOR. Mr. Speaker, last week marked the first time a bipartisan delegation of legislators from Pakistan headed by the National Assembly's Speaker has called on us in Washington.

It was my privilege to meet with these distinguished officials on September 7 and I know that several other colleagues have had the opportunity to meet them, as well.

The delegation included the Speaker of the National Assembly, the Honorable Yousuf Raza Gilani, as well as the Honorable Kazi Asad Abid, the Honorable Ijaz-Ul-Haq, the Honorable Naveed Qamar, the Honorable Junaid Iqbal, and the Honorable Abdul Rauf Khan Lughmani, who are members of the National Assembly.

They have been accompanied by Pakistan's Ambassador to the United States, the Honorable Dr. Maleeha Lodhi, and distinguished Pakistani-Americans Dr. Murtaza Arain and Dr. Ikram Khan.

Mr. Speaker, our two nations—the United States and Pakistan—share several important issues of mutual concern, and it is my hope and belief that this visit will help to move us forward.

Pakistan is a strong ally of ours. When the community of nations has called, Pakistan has responded in Somalia, in Bosnia, in Cambodia, in the Persian Gulf, and in Afghanistan. That is why building these bridges is so important.

I look forward to working with these distinguished Pakistani officials and my colleagues in attempting to achieve more fairness in our policy toward Pakistan and addressing the critical issue of Kashmir.

Mr. Speaker, I extend the warmest welcome to our friends from Pakistan and hope that this is the first of many more such visits.

IN APPRECIATION OF CORPORATIONS NATIONWIDE WHICH DONATED THEIR PLANES, PILOTS, AND FUNDS TO THE CESSNA CITATION SPECIAL OLYMPICS AIRLIFT

HON. NANCY L. JOHNSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 13, 1995

Mrs. JOHNSON of Connecticut. Mr. Speaker, I rise today to pay tribute to the more than 200 corporations that donated planes, pilots, and funding for the purpose of flying Special Olympians to and from the World Games in New Haven, CT on June 30, and July 10, 1995 respectively.

This airlift, properly known as the Cessna Citation Special Olympics Airlift, was the largest peacetime airlift in history. During the airlift period, which spanned almost 2 days, more

than 400 pilots flew 1,500 athletes in and out of Bradley International Airport. The planning and preparation for these pilots, the ground crew at Bradley International, and the Special Olympics travel coordination team was truly remarkable. In fact, during the airlift, each citation arrived and departed Bradley International within a 10-hour window; that's 600 minutes! With 215 citations involved, a take-off or landing occurred every 90 seconds. All of this took place with normal Bradley air traffic in progress.

Despite obstacles such as stormy weather over Pennsylvania and New York, speed regulations that restricted airlift arrivals to specific time slots, and, in some cases, picking up Olympians on airstrips that were closed because of recent flooding, each citation aircraft made it safely to and from the world games. This is truly a remarkable accomplishment and one in which all who were involved should be proud.

The corporations and all who participated in this endeavor have given a memorable gift to the athletes, their coaches, and families. I feel privileged to have witnessed this historic undertaking, and I extend my heartfelt appreciation to the corporations, their pilots, and all who were willing to volunteer their time, energy, and funding to the world games and the spirit it represents.

THE BICENTENNIAL OF THE PEE DEE CONFERENCE OF THE AFRICAN METHODIST EPISCOPAL ZION CHURCH

HON. JOHN M. SPRATT, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 13, 1995

Mr. SPRATT. Mr. Speaker, I want to recognize an event of special importance in my 5th Congressional District of South Carolina. On October 1, 1995, the Pee Dee Conference of the African Methodist Episcopal Zion Church in South Carolina will commemorate the bicentennial of the African Methodist Episcopal Zion Church.

Nearly 200 years ago, certain individuals decided to leave the John Street Methodist Church in New York because of discrimination and denial of religious liberties. These individuals organized what was to become the African Methodist Episcopal Zion Church. Zion was added to their name in 1848 to distinguish this denomination from other African Methodist bodies. The Right Reverend George E. Battle, Jr., bishop of the Pee Dee Conference, has declared a week of celebration for the week of October 1–8, 1995, to commemorate the founding of their denomination.

I congratulate the many churches of the Pee Dee Conference as they celebrate their 200th anniversary and commend them for having kept the faith, and morally and spiritually nourished individuals and families within their congregations, and for having been vital forces in their communities. I extend to the Pee Dee Conference of the African Methodist Episcopal Zion Church my best wishes for their next century of service.

A TRIBUTE TO COL. CHRISTOPHER RUSSO

HON. VIC FAZIO

OF CALIFORNIA

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 13, 1995

Mr. FAZIO of California. Mr. Speaker, Mr. MATSUI and I rise today to pay tribute to Col. Christopher F. Russo, who is retiring his command of the 77th Air Base Wing, Sacramento Air Logistics Center, McClellan Air Force Base, CA.

Colonel Russo graduated from Syracuse University in 1965. He was commissioned as a second lieutenant through the Air Force Reserve Officer Training Corps programs that fall, and received his pilot wings from Moody Air Force Base, GA the following year.

Colonel Russo was deployed to Cam Ranh Bay Air Base, in Vietnam. After his combat tour, he was an instructor at Vance Air Force Base, OK. In 1972, he was assigned to Nellis Air Force Base, NV, for his training in the F–111A, and then deployed to Takhli Royal Thai Air Base, Thailand, where he completed another combat tour. During his tour at Takhli, he became the first aircraft commander to complete 100 combat missions in the F–111, a record he still holds.

Colonel Russo is a command pilot with more than 4,500 hours flying time. He has flown 250 combat missions, with over 500 hours of combat and combat support time. His military awards and decorations include the Distinguished Flying Cross with one oak leaf cluster, the Air Medal, Republic of Korea Gallantry Cross, Air Force Outstanding Unit Award with seven oak leaf clusters, and the Combat Readiness Medal. He holds a master's degree in the International Relations from Troy State University, AL, and is an outstanding graduate of the Air War College seminar program.

Mr. Speaker, we join his wife Pam and his children, Kristen, Jodie, and Nicholas, in wishing Colonel Russo a happy and productive retirement.

TRIBUTE TO BEATRIZ VALDEZ ON HER RETIREMENT

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 13, 1995

Mr. TORRES. Mr. Speaker, I rise today to pay tribute to a great public servant. Please join me in honoring Beatriz Valdez, who has earned the gratitude of the citizens of Los Angeles County for her tireless commitment to good government.

Beatriz Valdez, the eldest of eight children to Maria Del Rosario and Miguel Valdez, graduated from Montebello High School and immediately obtained employment with the Los Angeles County Board of Supervisors. Following the principles of punctuality and hard work, she quickly rose from the ranks of secretarial to administrative duties.

Mr. Speaker, on July 1, 1957, Ms. Valdez began working for the county's Registrar-Recorders office. In 1975, Ms. Valdez was appointed to the position of Assistant Registrar-Recorder/County Clerk of the Elections Office and was responsible for the election functions of the department. Her duties included the nomination process, formatting the ballot, processing absentee voters and campaign statements, the official canvass, analyses of legislative proposals and public information functions. In 1984, she also was assigned to oversee the county's 3.6 million voter affidavit file and the processing of an initiative, referendum, recall and nominating petitions.

On March 31, 1993, Beatriz Valdez was sworn in as Registrar-Recorder/County Clerk and assumed the position as head of the largest election agency in the United States. She is the first Hispanic-American to hold this position since Ignacio Del Valle in 1850. She is responsible for conducting elections within L.A. County for Federal, State, and local offices, maintenance of an active voter registration program which includes a registration file of over 3.6 million and 4,000 voter outreach locations.

Each year the department provides support services for over 200 school, city and special district elections. Each major election requires the processing of approximately 275,000 voter registration forms, 500,000 absent voter requests, staffing over 6,100 precincts and processing over 500,000 petition signatures. Beyond her electoral duties, she is responsible for the recording of property documents within L.A. County, maintaining birth, death and marriage records, issuing marriage licenses and filing fictitious business names. Beatriz Valdez directs the annual budget of $60 million, the collection of $70 million in revenue and staff resources of 700 permanent employees.

Mr. Speaker, Beatriz Valdez is an extraordinary woman who I am proud to count as my constituent. The city of Montebello, the State and the Nation owe her a debt of gratitude. My colleagues in the House of Representatives salute her and wish her well in retirement.

EXTENSION OF REMARKS OF THE MAJORITY WHIP TOM DELAY

HON. TOM DELAY

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 13, 1995

Mr. DELAY. Mr. Speaker, during consideration of the Labor, Health and Human Services appropriations bill for fiscal year 1996, Messrs. ISTOOK, MCINTOSH, and EHRLICH offered very important legislation regarding political advocacy. The amendment was included in the committee reported version of the bill. The legislative measure was successfully defended on the House floor. The amendment to strike the provision by Mr. SKAGGS of Colorado was defeated with 232 Members voting against the amendment to strike.

In my statement I referred to the U.S. Chamber of Commerce. I stated that organizations from all sides of the political spectrum from Act-Up on the left to the U.S. Chamber

of Commerce have taken Federal funds and have lobbied for more Federal funds.

It is now my understanding that the U.S. Chamber of Commerce does not receive Federal funds in any capacity that could be used for lobbying purposes.

In no way was it my intention to paint a picture of the U.S. Chamber taking funds for lobbying purposes. Quite the contrary is true. The U.S. Chamber has played an integral role in the revolution that has and continues to take place here in Congress. They have been advocates of the Contract With America and many other important pieces of legislation. Without their support, I am sure that many of the victories we have experienced during the first 8 months of this session would not be a reality. I want to commend the U.S. Chamber for all their hard work and effort and express gratitude for their guidance.

TRIBUTE TO WOMEN'S CONFERENCE ATTENDEES

HON. BARBARA-ROSE COLLINS

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 13, 1995

Miss COLLINS of Michigan. Mr. Speaker, I am very pleased today to pay tribute to women around the world, from Africa to China, from America to South America, who recently attended the women's conference in Beijing. I want to pay special tribute to one of my constituents, Ms. Maryann Mahaffey, president of the Detroit City Council, and one of the participants in this important conference. I want to commend Ms. Mahaffey's leadership in this historic forum, where women of every economic and political stature jointed to focus world attention on issues that matter most in the lives of women and their families.

Regrettably, I was unable to participate in the Beijing conference, but I have every confidence that the city of Detroit, where my congressional district is located, and the State of Michigan, were very ably represented with Ms. Mahaffey's superior leadership.

I want to also commend the extraordinary contribution of our First Lady, Mrs. Hillary Rodham Clinton, without whom the conference would have been tragically incomplete.

To Mrs. Clinton: Our Nation and our world are better indeed for the enormous attention and unquestionable commitment that you have brought to such basic issues as health care, child care, better access to credit, and educational and business opportunities for women of all nationalities. Your quiet dignity and genuine concern serve as an inspiration to women of every community and every background, and thanks to your very personal efforts, women are being elevated around the world to first-class citizenship.

I applaud the noble commitment of these two exceptional women, and their capacity to elevate the plight of women to such grand proportions.

CHIEF MINISTER BEANT SINGH—IN MEMORIAL

HON. JIM McDERMOTT

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 13, 1995

Mr. McDERMOTT. Mr. Speaker, I rise to call attention to the brutal assassination of Chief Minister Beant Singh of Punjab, India. Sikh terrorists assassinated Mr. Singh and 15 of his security officers on August 31, 1995.

This ghastly act of violence was a very sad day for the people of Punjab. Mr. Singh worked tirelessly during his 2-year tenure to bring the rule of law back to the beleaguered Punjabi province.

Political figures from across the Indian political spectrum have rallied together to condemn this terrorist act. We in the U.S. Congress must do the same.

We are all aware of the reports of the Members who lend credence to the so-called Council of Khalistan. It is intolerable for U.S. politicians to support Sikh militancy for the sake of domestic politics.

Mr. Singh was not a man of violence. He was, in fact, responsible for the decreased level of tension in Punjab over the last few years. A great leader and a great statesman, Beant Singh was responsible for many social programs designed to ameliorate the quality of life of his constituents.

During his term as Chief Minister, some of India's largest companies injected more than 250 billion rupees into Punjab. Mr. Singh's social program agenda was no less industrious. He established scholarships for needy students, increased benefits for the elderly, and constructed a better quality of housing throughout the entire region. Sikhs and Hindus alike in Punjab will suffer equally from the assassination of this fine man.

Mr. Singh's loss will set back prospects for peace in Punjab considerably. We can only hope that our colleagues will recognize that the security problem in Punjab is real. The threat from Sikh militants is great, and peace will never be achieved through assassination and violence.

BIRTH OF REANNA JEAN MATYAS

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 13, 1995

Mr. LIPINSKI. Mr. Speaker, it gives me great pleasure to bring to the attention of my colleagues the birth of a baby. Reanna Jean Matyas was born to Richard and Doreen Matyas, who reside in Oak Lawn, IL.

Reanna Jean Matyas was born at 11:39 p.m. on July 1, 1995. On an occasion such as this, I join with the members of the Matyas family in wishing the newborn all the best for the promising future ahead of her.

I am sure that my colleagues join me in congratulating the proud parents, Richard and Doreen, on this most joyous occasion. With their newborn baby, their life together will no doubt continue to be an adventure. May this blessed addition to their lives bring them much happiness in the years to come.

TRIBUTE TO THE MIDDLETOWN, NJ, POST 2179, VFW & LADIES AUXILIARY

HON. FRANK PALLONE, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 13, 1995

Mr. PALLONE. Mr. Speaker, on Friday, September 15, 1995, the Middletown, NJ, Post 2179 of the Veterans of Foreign Wars and Ladies Auxiliary will hold its 13th annual candlelight service in memory of America's prisoners of wars and missing in action.

Mr. Speaker, the vast majority of the American people believe that we must never forget our servicemen and women whose whereabouts remain unknown or unaccounted for. While our hearts go out to families whose loved ones have died in the service of our country, the families of POW's and MIA's do not even have the consolation of having said goodbye to their loved ones. These families live in anxiety and dread. We cannot even imagine what horrors the POW's and MIA's have endured—and, in some cases, may still be enduring.

Our Nation has now reopened diplomatic and economic relations with Vietnam. This decision caused pain for many veterans of the Vietnam war and their families. I disagreed with this decision, but now it is time for us to use our new relationship with Vietnam to force a resolution of the POW/MIA question. Our diplomats must never let up or let their Vietnamese counterparts off the hook until we get a full accounting of the fate of those Americans who served in Vietnam and whose fate remains unresolved. There is compelling evidence that at least 80, and possibly many more Americans could have been left behind in 1973 when their comrades in arms—supposedly all of our prisoners—came home.

The same holds true for Russia and other nations with which we now have expanded relations since the end of the cold war. There are indications that American prisoners from Vietnam and Korea were kept in the Soviet Union. Some of these cases have finally been resolved, but there is a great deal more work to do. Since Russia clearly needs our help and support, we should insist on getting something back from them. We also need to keep the pressure on our own Government to make sure that all relevant documentation is made available to families and others concerned with the fate of the prisoners and the missing.

Mr. Speaker, the members of the Middletown VFW and Ladies Auxiliary, like their counterparts across the country, provide a great public service by fighting to keep alive the memory of their missing comrades. Their loyalty to the prisoners and the missing provides an example for all of us to remember. Every Memorial Day, the Nation pauses to remember those who paid the ultimate price in the service of their country. We should do the same for the POW's and MIA's until we have a full accounting for their fate.

A TRANSCRIPT OF THE NATIONAL PRAYER BREAKFAST PROCEEDINGS

HON. BILL EMERSON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 13, 1995

Mr. EMERSON. Mr. Speaker, earlier this year the 43d annual National Prayer Breakfast was held here in our Nation's Capital. This gathering is hosted each year by Members of the U.S. Senate and the U.S. House of Representatives and their respective prayer breakfast groups.

We were honored once again with the participation of our President and Mrs. Clinton and our Vice President and Mrs. Gore. Also joining us were individuals from literally all walks of life—representing all 50 States and over 140 countries.

Our Congressional Committee, which plans the breakfast, was chaired by the Honorable H. Martin Lancaster, who faithfully served here in the House for many years. On his behalf and in behalf of the Congressional Committee for the National Prayer Breakfast, I request that a copy of the program and of the transcript of the breakfast proceedings be printed in the RECORD at this time, so that all Americans can be encouraged by the proceedings that took place that morning.

NATIONAL PRAYER BREAKFAST

CHAIRMAN: THE HONORABLE H. MARTIN LANCASTER

Pre-Breakfast Prayer—General Carl E. Mundy, Jr., *Commandant, U.S. Marine Corps*

Opening Song—Mount Olive College Concert Choir and Mount Olive College Singers

Opening Prayer—The Vice President of the United States

BREAKFAST

Welcome—The Honorable H. Martin Lancaster

Remarks-U.S. House of Representatives—The Honorable Tillie Fowler, *U.S. Representative, Florida*

Old Testament Reading—The Honorable Ruth Ginsburg, *Associate Justice, U.S. Supreme Court*

Remarks-U.S. Senate—The Honorable Robert Bennett, *U.S. Senator, Utah*

Solo—Ms. Janice S. Sjostrand

New Testament Reading—The Honorable Richard W. Riley, *Secretary, Department of Education*

Prayer for National Leaders—The Honorable John Engler, *Governor, State of Michigan*

Message—The Honorable Andrew Young

Introduction of the President—The Honorable H. Martin Lancaster

THE PRESIDENT OF THE UNITED STATES

Closing Song—Mount Olive College Concert Choir and Mount Olive College Singers

Closing Prayer—The Reverend Billy Graham

Audience, please remain in place until The President and Mrs. Clinton have departed

General Mundy: Good morning ladies and gentlemen. Would you bow in prayer with me?

Our heavenly Father, there are many here today in positions of great responsibility to and concerns for the peoples of the world. We come to pray for your guidance. We recall that at the beginning of his reign, Solomon prayed to you and asked the following, "Now O Lord, my God, you have made your servant king, in the place of my father, David. But I am only a little child and do not know how to carry out my duties. Your servant is here among the people you have chosen, a great people, too numerous to count or number. So give your servant a discerning heart to govern your people and to distinguish between right and wrong." In hearing his prayer, God said to Solomon, "Since you have asked for this and not for long life or wealth for yourself, nor have asked for the death of your enemies, but for discernment in administering justice, I will do what you have asked. Moreover, I will give you what you have not asked for, both riches and honor, so that in your lifetime you will have no equal among kings."

Holy Father, we here today ask for the overshadowing wisdom of God not just for ourselves, but for all the peoples of the world. Trusting in that wisdom and in your forgiveness, we, like Solomon, who are also but little children, ask your presence, your grace, and your blessing on this gathering and on this food that we share together.

Amen.

Master of Ceremonies: Ladies and gentlemen, the President of the United States and Mrs. Clinton. (Applause.)

Representative Lancaster: Surely the Lord is in this place and aren't we all glad to be here is morning? (Applause.)

As you will hear later, the House and Senate each have regular weekly prayer breakfasts, the Senate on Wednesdays and the House on Thursdays, and one of the longest and most regular participants in those prayer breakfasts, first as a member of the House and later as a member of the Senate, is our Vice President of the United States, Al Gore. We are happy now to call on the Vice President for our opening prayer.

Vice President Gore: Would you join me in prayer?

Oh, God, creator of the Earth and the heavens and all living things, we come together this early winter morning to warm ourselves through our faith in you. We all come in the same spirit, a spirit of faith and love, but different paths have brought us here. We come to you from all walks of society and all corners of the globe, leaders in national office, students in college, men and women, Republican, Democratic, Independent. We are of all beliefs, Christian, Jew, Hindu, Muslim, some do not belong to an organized religion at all. But we all believe that by coming together in this way we may better understand each other, our place in this world, and our duty to serve you.

Bring us together this morning. Be with those who speak, who read, and sing, and pray this morning. Open our hearts to hear.

Almighty God, we thank you for all that you have given us. The gifts we have received from you are many. We ask that you give us these blessings as tools to help others and to better bring your presence into the awareness of all in this world.

We are mindful of those who are not here, and especially of those who are in need, who are in poverty, those who are hungry, those who are suffering from disease, crime, ethnic violence, war, and ecological destruction.

President Kennedy reminded us that here on earth God's work must truly be our own. Sometimes if we're lucky we know how best to do your work. At other times the answers may not be so clear.

We come to you in prayer this morning and we ask that you would grant us the wisdom to know what it is that You desire, and then to have the courage to do those tasks you set before us. Let us have enough faith in you that we may become vessels of your goodness. May we always remember to bring your light into the darkness.

Please bless all of us here, bless President Clinton and the First Lady, and all leaders here. May they receive strength from their faith in You, to continue the work they have begun for all of us.

And Lord, bless our great country.

Amen.

Representative Lancaster: Mr. President, Mr. Vice President, heads of state, leaders from around this country and around the world, what great joy it brings to me to be able to welcome you to the 43rd National Prayer Breakfast.

We have participating here today over 3,800 people. With more than 170 countries represented, all 50 states, today's remarks are being interpreted into six languages.

What a happy time it is that so many have chosen to come here this morning in the Spirit of Christ and to share this time together.

I am happy to welcome here amongst us six heads of state, and I would like, if I could, to have them stand, if you would please wait, and recognize the six of them after I have completed the introductions.

First, the Prime Minister of Dominica. (Applause.)

The President of Eritrea. (Applause.)

The President of Fiji. (Applause.)

The President of Muldova. (Applause.)

The Prime Minister of Poland. (Applause.)

And the President of Western Sahara. (Applause.)

For 43 years people have gathered in Washington each February with one purpose in mind, to come together in God's love to pray for our country, our leaders, and our relationship with our brothers and sisters around the world.

In a time of increasing fractiousness in our councils of government at all levels and in our interpersonal relationships, this is a special time to come together as one in Christ. In a time of increasing partisanship it is time to put aside our party differences and to just love each other and to pray for one another. In a time when harsh words are often thoughtlessly uttered against our brothers and sisters, it is a time to come together in harmony and in peace. In a time when at home and abroad too many seem to be consumed by hatred, so this is a time to come together in reconciliation. In a time when we seem to be divided by race, ethnicity, creed, party, country, it is a time to reach across those divides and to see each other as all human beings who are children of God, and who each one of us is loved by him.

It is perhaps remarkable then, that so many of us have come together today, when you consider that the forces of Satan are so ever present, seeking to pull us apart. But it is the Spirit of Christ that permeates this place and this setting this morning.

It is important that every day we remember our President, our Vice President, their families and our leaders in this country, in our prayers, and to do so despite our political and philosophical differences. But it is especially important that we come together today in that spirit to say that we may not always agree, but we always love.

Likewise it is important for our President, our Vice President, our leaders of Congress and the government to also pray for all of us, the American people and our friends from around the world, and to join us in prayer for wisdom, for health, for prosperity, for peace,

and that God's will will be done in our lives, in their lives, and in all of our actions.

This National Prayer Breakfast grew out of a House and Senate Prayer Breakfast that you will hear about this morning, 43 years ago with the leadership of then President Eisenhower, Dr. Billy Graham, and the members of the House and Senate Prayer Breakfast at that time. Before we hear from them, however, I would like to introduce the head table.

I know that I can't stop you from applauding—(laughter)—but it would be nice, except for the President and Vice President, if you would wait, and we will give them all a great big round of applause when we finish.

To my right is the President of the United States, William Jefferson Clinton and his wife, Hillary Rodham Clinton. (Applause.)

My wife, Alice. (Applause.)

The Reverend Dr. Billy Graham. (Applause.)

Our speaker today, Ambassador Andrew Young. (Applause.)

Justice Ruth Ginsburg. (Applause.)

The Secretary of Education and Mrs. Richard Riley. (Applause.)

And to my left, Senator Robert Bennett, who will bring greetings from the Senate. (Applause.)

The Vice President, Albert Gore, and his wife Tipper Gore. (Applause.)

Mrs. Robert Bennett. (Applause.)

The Governor of Michigan, John Engler. (Applause.)

Congresswoman Tillie Fowler. (Applause.)

Our soloist, Ms. Janet Sjostrand. (Applause.)

And the Commandant of the Marine Corps, General and Mrs. Carl Mundy. (Applause.)

One of the most meaningful experiences of my service in Congress has been to gather on Thursday morning, in a time of fellowship and prayer with my colleagues in the House. And I am very pleased to present to you now, Congresswoman Tillie Fowler of Florida, to bring greetings to us from that very special group. Congresswoman Fowler.

Representative Tillie Fowler: Good morning everyone, and thank you, Martin.

On behalf of the House Prayer Breakfast Group I want to greet you all and welcome you to this very special event. We are especially happy to see the many honored guests who have traveled from abroad to be with us today. Your presence here and the sheer size and diversity of this morning's gathering underscores the fact that the Prayer Breakfast movement is not only national but international. And I am honored to have the opportunity to tell you about our group in the House.

Every Thursday at 8 a.m. a group of House members gathers together in room H–130 of the Capitol for fellowship and prayer, Democrat and Republican, young and old, liberal and conservative, from any number of states and backgrounds. We leave our differences outside the door of that room and we get to know each other on the basis of something that transcends the labels which so often divide us during the rest of the week. As a result many special and unlikely friendships have been born and nurtured during those meetings.

The meetings are for members only, no staff is allowed, and each week there is a different speaker, alternating between our parties. So no matter what the concerns of the day, we always meet with good humor and fellowship. We spend time relating to one another on a personal level rather than a political one. And we raise our voices in a joyful, though not always very tuneful noise to the Lord by singing a hymn, and we pray for each other, for our president, for our nation, and for peace in the world.

And every week we meet to talk and pray, to share our public concerns and our private dilemmas. A small miracle takes place there, a miracle I think of in terms of regaining perspective.

I know if any of you are artists, you know that in art perspective means drawing or painting to fool the eye into seeing something which is not there, distance for example, or three dimensions instead of two. But for the rest of us, however, it means exactly the opposite, seeing what is really there and what is truly important.

For a member of Congress Washington can be a dangerous place, not because of crime, although that exists, but because every day we face the possibility of losing our perspective, of becoming tangled in the snares of business, partisanship and self-importance that lie all around us and which distract us from remembering why we are here.

Anyone who watches C–SPAN can see that we sometimes tend to concentrate on what divides us rather than what unites us. In the midst of all the sound and fury it is very easy and very human to get carried away by some personal or partisan agenda and forget about the importance of actually accomplishing something constructive on behalf of the people who sent us to Washington.

Our weekly House Prayer Breakfast serves as a spiritual self defense against the very real danger of losing our perspective and forgetting that our purpose here is to serve others. The time we spend together on Thursday mornings fortifies our faith, sharpens our sense of purpose, and reminds us that we are here to work together for the good of our nation.

J. Hudson Taylor once said, "Do not have your concert first and tune your instruments afterward, begin the day with God." And I think of our meeting as a time to tune up and begin the day in harmony with each other and with God's will, and I know that the House of Representatives and each one of us is the better for it. Thank you. (Applause).

Representative Lancaster: Thank you, Tillie, and I believe that her remarks have given you a flavor of the importance that the weekly prayer breakfast is to all of us who participate in that wonderful event.

I am now happy to call on Associate Justice of the Supreme Court, Ruth Ginsburg, for the Hebrew reading.

Justice Ginsburg: My reading is from Deuteronomy, Chapter 16, Verses 18–20, and Deuteronomy, Chapter 25, Verses 13–16.

"You shall appoint magistrates and officials for your tribes, in all the settlements the Lord your God is giving you. And they shall govern the people with due justice. You shall not judge unfairly. You shall show no partiality. You shall not take bribes, for bribes line the eyes of the discerning and upset the plea of the just. Justice shall you pursue, that you may thrive and occupy the land the Lord your God is giving you."

"You shall not have in your pouch alternate weights, larger and smaller. You shall not have in your house alternate measures, larger and smaller. You must have completely honest weights and completely honest measures if you are to endure on the soil that the Lord your God is giving you, for everyone who does those things, everyone who deals dishonestly, is abhorrent to the Lord your God."

Representative Lancaster: Thank you, Justice Ginsburg.

Representing the Senate Prayer Breakfast Group, to bring you greetings from them, is the Senator from Utah, Robert Bennett. Please welcome Senator Bennett. (Applause.)

Senator Robert Bennett: Thank you, Mr. President and Mr. Vice President and other distinguished guests. It is an honor for me to be here representing the Senate Prayer Breakfast Group. If I may be personal for a moment, I remember the first time I walked into that group as a newly elected Senator, Mark Hatfield who in many ways is the—if I may use the term, the Godfather of that group, been involved in it for all of his Senate career, said to me, "That seat," and he pointed to a particular chair, "Is where your father always sat."

Forty-two years ago my father started attending the Senate Prayer Breakfast, and it's a great honor for me now to carry on that tradition in the Senate Prayer Breakfast and in the Bennett family, to see to it that I continue to attend regularly.

My one regret is that one of the few times I let my schedule interfere with attending that, President Clinton came, unannounced. If he had announced it obviously we would have had much better attendance than we did. (Applause.) And I think that's a tribute to him, that he would do that at a time of pressure, that he would seek that kind of solace and sanctuary, because the Senate Prayer Breakfast Group has become a place of refuge and sanctuary for those Senators who seek that relief from the pressures of the time. All Senators are welcome, as in the House.

We come together to do the kinds of things you've heard about in the House, to read the scriptures, to talk over the various pressures and challenges that we have, and all of that is the formal thing that goes on. But informally, I have discovered that we also come together to heal.

The Senate Prayer Breakfast is a place where we can recover from deep political wounds and on occasion serious personal tragedy. As we listen to our colleagues talk out the challenge of the loss of a spouse, or a child, or a parent, it's a wonderful time. It's a wonderful place to be.

I am honored to be able to represent that group here today and to welcome all of you to this breakfast. Thank you. (Applause.)

Representative Lancaster: Thank you, Senator Bennett.

When members of the Executive Committee of the National Prayer Breakfast met with the President and the Vice President in the Oval Office to discuss this year's program, we went over the entire program to receive their input and to let them know how important their participation from the very beginning was in their efforts. It is a tradition of the National Prayer Breakfast that a person is chosen with special talents in song to come and present a solo for those of us here at the National Prayer Breakfast.

It was at the suggestion of the President that this morning's soloist was invited. For some of you who were present or otherwise heard by video or audio the funeral services of the President's mother, you may remember the beautiful voice that sang on that touching occasion, because it was Janice Sjostrand who is from Lonoke, Arkansas, who with her husband, her father-in-law and mother-in-law engage in a special ministry in that community in Arkansas, who presented that solo. We are pleased this morning that Janice Sjostrand would come and bless us with her song of praise. Ms. Sjostrand. (Applause.)

SOLO BY MS. JANICE S. SJOSTRAND

Representative Lancaster: What a wonderful suggestion you made to us, Mr. President, and what a blessing that was for all of us, Janice, thank you very much.

It's now my pleasure to present to you for the New Testament reading, my friend and the former Governor of South Carolina, and now the very fine Secretary of Education, Richard Riley. Mr. Secretary. (Applause.)

Secretary of Education Richard Riley: Thank you, Martin. My reading from the New Testament is short, so I ask you to pay close attention. (Laughter.)

I shall read from the book of Matthew, Chapter 19, verses 13 and 14.

"Then children were brought to him that he might lay his hands on them and pray. The Disciples rebuked the people, but Jesus said, 'Let the children come to me and do not hinder them, for to such belongs the kingdom of heaven.'"

May God bless the reading and the hearing of his Holy Word.

Representative Lancaster: We are pleased to call on Governor John Engler, the Governor of Michigan, to bring to us a prayer for our national leaders. Governor.

Governor John Engler of Michigan: Thank you, Congressman. Let us pray.

Almighty God, we come together on this special occasion to pray for the leaders of our great nation, for President Clinton, for Vice President Gore, and the cabinet, for members of the Congress and Justices of the Supreme Court. Indeed, for all the men and women who are called to serve the American people, and whose judgment, decisions and actions affect our nation's destiny. May our leaders have the wisdom to seek your guidance and the courage to do your will.

Lord, we know that our nation was founded and forged in prayer. We thank you for blessing America, throughout our history with great leaders, with men and women who in triumph and tragedy sought to do what was pleasing in your sight.

We think back to the year 1775 when the brave members of the Continental Congress met in Philadelphia, aware that the fate of a noble experiment lay in their hands, but they knew they didn't carry that burden alone. Ben Franklin told that esteemed gathering, "Truly our first order of business as a Congress is to ask the protection and guidance of Almighty God." And our Founding Fathers called for a day of public humiliation, fasting and prayer throughout the 13 colonies, that the people would pray for them and that God would lead them to do what was right. And within a year a new nation was born, a nation destined to lead the world in the paths of freedom and opportunity, justice and righteousness.

We think back to the hard winter of 1777 and '78, when George Washington was Commander-in-Chief of the American armies. He sought shelter in Valley Forge and protection in you. Withdrawing to a lonely snow covered clearing at the edge of the forest, he dropped to his knees and humbly prayed for your protection. He beseeched you to keep liberty loving men and women safe during that bitter cold winter that we now know as the crucible of freedom. And his citizen-soldiers survived to fight for a new day, to fight the good fight for a nation that held out promise beyond measure.

Then, we think back to 1861, to the newly elected president of a troubled nation. Abraham Lincoln experienced a tearful farewell when he left his home in Springfield, Illinois, for Washington. Before boarding the train he spoke these poignant words, "My friends, I leave you with this request, pray for me. I leave now not knowing when or whether ever I may return. For the task before me is greater than that which rested upon President Washington. Without the assistance of that divine being, I cannot succeed. With that assistance I cannot fail."

Yes, Heavenly Father, throughout the ages our leaders have called on you, knowing that without your assistance they could not succeed, but with your assistance they could not fail. And so, with confidence we approach Your throne of grace.

Today at this annual prayer breakfast our nation calls out to you in prayer again. On bended knee we beseech you to forgive our sins against the old and young, against the born and unborn. With longing hearts we listen for your answers that are wiser than our prayers. We ask that you send the holy spirit to our leaders. We ask that you send the holy spirit to them and to all of us, that we may raise our hearts and voices in one refrain to you, O God, and give you thanks for the United States of America. Amen. (Applause.)

Representative Lancaster: Thank you, Governor.

Ambassador Young is a man of great distinction. From his days as a very young leader in the Civil Rights Movement, to a respected member of the House of Representatives, he brought great distinction to himself and to his country as a young man. And during the Carter administration brought great credit to his country on the international stage as Ambassador to the United Nations. And then, to complete the cycle, he returned to his home of Atlanta and became its mayor and led that city to new heights.

But first and always, Andy Young has been and will continue to be a man of God. Welcome now our speaker for this morning, Ambassador Andrew Young. (Applause.)

Ambassador Andrew Young: Mr. President, Mrs. Clinton, Vice President Gore and Mrs. Gore, distinguished friends, brothers and sisters, this is an awesome responsibility. And yet, I grew up with these prayer breakfasts.

As a young member of Congress one of the things that helped me to find my way was the attendance at the House Prayer Breakfast. Later as Ambassador to the United Nations, before our cabinet meetings, many of us gathered in the White House for a moment of prayer. It was, as Senator Bennett said, a time when we came together in spite of disagreements, essentially because of our sufferings and in need of healing. For in spite of what anybody says about us, all of us, in spite of what we think of ourselves, we are all God's children. And the flesh and blood which we see is only a small part of the existence that makes us real.

In the book of Ephesians, the Apostle Paul talks about the purpose of God, to unite all things in him, things in heaven and things on earth. And there is in the presence of the enormous diversity of opinion, of race, of creed, of class, national origin, there is a need ultimately and fundamentally that we all somehow know that we are one, that if there is a purpose to our existence, if there is a process toward which we all move in our politics, it is to find ways to live together in peace and to enjoy the abundant life which God has made possible for us.

And when we don't come together to seek that unity, we end up pulling apart and we destroy ourselves but we also destroy the possibilities of the abundant life with which God has blessed us. And so, in some way or another, we all seek to move toward that end. And it is not without difficulty.

We are so mindful of the things that divide us. Everything about our society tends to pit us against each other. All of our insecurities make us reach out to people whom we think are like ourselves, but even in our marriages, when we find someone that we know is just like ourselves, fortunately I found out she was a woman. (Laughter.) And there are major differences. (Laughter.) And thank God for those differences.

But it was always easier for me to get along with the Ku Klux Klan. (Laughter.) For I never lost my temper. (Laughter.) I understood we were different. (Laughter.) But in the intense emotion and love of man and woman, of mother and father and children, the difference between generations, there is all the emotion and all of the insecurity and all of the threat that makes it difficult for us to be one.

And so, when we talk about oneness, we're not just talking about bringing the whole globe together. We are not talking just about Democrat and Republican, we're talking about human beings, and that is the struggle of each and every one of our lives in some way, shape or form. And if the truth be told, none of us does it very well.

We all need forgiveness of one another and we all need sensitivity toward one another, to learn to listen and understand one another, and that's extremely difficult. And yet, that's the task to which we have been called. That's the requirement of leadership in order for civilization to survive. And we have, in our experience with the Bible, lesson after lesson as to how God leads us in that direction.

The prophet Jeremiah says that the Lord has written a new covenant on our hearts, that nobody has to tell anybody anymore about God, that God loves us unconditionally and we know that. That's not even a matter of debate. We might resist it, but we spend so much energy in the denial that that in itself is an affirmation that we do not belong to ourselves, we belong to a creator far greater than any and all of us. And we have discovered that in our living together, and I think we have discovered it most of all in our sufferings.

One of the things that we share is human suffering. I lost my wife a few months ago. The president said good-bye to his blessed and wonderful mother. Doug Coe lost a son. When our presidential prayer breakfast, when I was at the United Nations, Ray Marshall's 16-year-old was dying of cancer while he was trying to carry on the Department of Labor. There is a human drama of suffering that involves in some way all of us, and maybe that's what makes us one. For God has identified with us in our suffering and has sent his son to suffer with us and for us. And now it's almost as though in our sufferings we come to know who we really are.

And so, we shouldn't be afraid of our sufferings. Our sufferings are our teacher that remind us that we belong to God, that we are not flesh, and bone, and blood. We are, indeed, all creatures of the spirit.

And when we are challenged by the difficulties that certainly exist as we come to the end of a century and even the end of a millennium, when we face as leaders the anxiety and frustration and insecurity, the conflict that rages all across this planet, when there seems to be no possibility of political or economic unity, we are reminded that we are one, that in our suffering and in our inevitable death we are one.

I was fortunate to live with Martin Luther King for eight years before his assassination, and hardly a day passed when he didn't talk about death. But it was never a morbid conversation because ironically in some ways,

or prophetically, Martin was stabbed as a young man of 29, and in order to remove the letter opener that pressed against the aorta of his heart, the surgeons had to carve a cross in his chest.

He used to joke and say he was glad he got stabbed in Harlem because they knew how to deal with knife wounds at Harlem Hospital and it was a matter of routine surgery. But he was left with this cross carved in his chest, and he said, "Every day when I wake up and brush my teeth, I have to look the cross in the face, and I have to ask myself, 'What am I living for today?' And I know that each day might be my last."

And he would always end up making a joke about it, as though death were not something to be feared, but that death was something that would liberate him from the awesome burden in which history has placed him. And he said if a man has not found something for which he is willing to die, he probably isn't fit to live anyway.

As we have watched our loved ones suffer, we have come to realize that as the flesh subsides, the spirit is released and we know who and what we really are. We know ultimately that we are sons and daughters of God. And that knowledge, that faith can take us through the complexities of any millennium. It is what has seen our country through many dangers, toils and snares, God's amazing grace.

And I close by sharing with you one of my favorite hymns. It's a hymn for tough times, "How firm a foundation, when through the deep waters I cause thee to go. The rivers of woe will not be overflow, for I will be with thee, thy troubles to bless and sanctify to thee thy deepest distress. When through fiery trials thy pathway shall lie, my grace all sufficient shall be thy supply. The flames shall not hurt thee. I only design thy dross to consume and thy goal to refine. The soul that on Jesus doth lean for repose, I will not forsake to his foes. That soul, all though all hell shall endeavor to shake, I'll never, no never, no never forsake."

God is with us constantly, moving, loving, forgiving. We need not fear. We need not shirk responsibility. We need only be faithful and give thanks for the blessings of God throughout the history of this nation and know that throughout this planet God is still moving in mysterious ways to make it more possible for us to come together and know that in Him we are truly one.

Amen. (Applause.)

Representative Lancaster: Clearly the Lord's hand was present in guiding us to our wonderful speaker this morning. Thank you, Ambassador Young.

From our first meeting with President Clinton in the Oval Office, through subsequent telephone communications as we planned this event, his participation has been unusual and unprecedented. However, it should not be surprising to those of us who know him, because we know that faith is central to the life of Bill Clinton.

He is a scholar of the Bible, a seeker of the truth, a man whose faith is obvious in his utterances and in his compassion for the poor and downtrodden.

It is my privilege and high honor to present to you William Jefferson Clinton, President of the United States. (Applause.)

President Clinton: Thank you. (Applause.)

Thank you, Martin Lancaster, for your incredible devotion to this prayer breakfast and for all the work you have done to make it a success. To Vice President and Mrs. Gore, and to the members of Congress, and the Supreme Court, and governors the distinguished leaders of previous administrations, and of course, to all of our foreign guests who are here, and my fellow Americans.

Hillary and I look forward to this day every year with much anticipation. It always gives me new energy and new peace of mind, but today is a special day for me.

It's always wonderful to see our friend Billy Graham back here. This is the 40th of 43 Prayer Breakfasts he has attended. I'd say he's been faithful to this as he has to everything else in his life, and we are all the richer for it. (Applause.)

It was wonderful to be with Andy Young again. He stayed with us last evening at the White House and we relived some old times, talked about the future. None of us could fail to be moved today by the power of his message, the depth of his love for his wonderful wife, who blessed so many of us with her friendship, and I'm sure he inspired us all.

I also want to say a special word of thanks to my friend Janice Sjostrand for coming here all the way from Arkansas. You know, one of the greatest things about being governor of my state is I got to hear her sing about once a month, instead of once in a blue moon, and I miss you and I'm glad to hear you today. Thank you. (Applause.)

We have heard a lot of words today of great power. There is very little I can add to them, but let me say that in this age, which the Speaker of the House is always reminding us is the Information Age, an exciting time, a time of personal computers, not mainframes, a time when we are going to be judged by how smart we work, not just how hard we work, the power of words is greater than ever before.

So, by any objective standard, the problems we face today, while profound, are certainly not greater than they were in the Great Depression, or in the Second World War, or when Mr. Lincoln made those statements when he left his home in Illinois to become president that Governor Engler quoted, or when George Washington suffered defeat after defeat until finally we were able to win by persistence our freedom. No, they are not, these times, as difficult as they are, more difficult than those. What makes them more difficult is the power of words.

The very source of our liberation, of all of our possibility and all of our potential for growth, the communications revolution gives words the power not only to lift up and liberate but the power to divide and destroy as never before—just words—to darken our spirits and weaken our resolve, divide our hearts.

So I say perhaps the most important thing we should take out of Andy Young's wonderful message about what we share in common is the resolve to clear our heads and our hearts and to use our words more to build up and unify, and less to tear down and divide.

We are here because we are all the children of God, because we know we have all fallen short of God's glory, because we know that no matter how much power we have, we have it but for a moment and in the end we can only exercise it well if we see ourselves as servants, not sovereigns.

We see sometimes the glimmer of this great possibility when after hundreds of years the Catholics and Protestants in Northern Ireland decide that it may be time to stop killing each other; when after 27 years Nelson Mandela walks out of his jail cell and a couple of years later is the president of a free country from a free election; when we see the miraculous reaching out across all the obstacles in the Middle East. God must have been telling us something when he created the three great monotheistic religious of the world in one little patch and then had people fight with each other for every century after that. Maybe we're seeing the beginning of the end of that, in spite of all the difficulties. But it never happens unless the power of words become instruments of elevation and liberation.

So we must work together to tear down barriers, as Andy Young has worked his whole life. We must do it with greater civility. In Romans, St. Paul said, "Repay no one evil for evil, but take thought for what is noble in the sight of all. Do not be overcome by evil, but overcome evil by good."

There's not a person in this room that hasn't failed in that admonition, including me. But I'm going to leave here today determined to live more by it.

And we must finally be humble, all of us, in whatever position we have, not only because, as Andy reminded us, we're just here for a little while, not only in our positions but on this earth, but because we know, as St. Paul said in Corinthians, that we see through a glass darkly. And we will never see clearly until our life is over. We will never have the full truth, the whole truth. Even the facts, as Andy said, I thought that was a brilliant thing, the flesh and blood of our lives, the facts we think we know, even they do not tell us the whole truth of the mystery of life.

So, my fellow Americans and my fellow citizens of the world, let us leave this place renewed in the spirit of civility and humility and the determination not to use the power of our words to tear down.

I was honored to say in the State of the Union last week that none of us can change our yesterdays, but all of us can change our tomorrows. That surely is the wisdom of the message we have heard on this day.

Lastly, let me ask you to pray for the president, that he will have the wisdom to change when he is wrong, the courage to stay the course when he is right, and somehow, somehow, the grace of God not to use the power of words at the time in human history when words are more omnipresent and more powerful than ever before, to divide and to destroy, but instead to pierce to the truth, to the heart, to the best that is in us all.

Thank you all, and God bless you. (Applause.)

Representative Lancaster: Thank you, Mr. President.

Since the first National Prayer Breakfast there has been one constant and guiding light to all of them, the Reverend Dr. Billy Graham. As the president indicated, in 43 years he has missed only three of them. And throughout those years and even the years he was not here, his prayers have always been for the people and her leaders.

The Reverend Dr. Billy Graham will now pronounce the benediction. Dr. Graham. (Applause.)

The Reverend Billy Graham: In all these years we have never had a more spiritual Prayer Breakfast than this one. My own heart has been touched and I have rededicated my own life to the Lord for what years I may have left. Shall we pray.

Our Father and our God, we humbly thank you for this unique occasion and for the privilege that is ours of coming to you in prayer. We thank you for those who have joined us from other nations today, especially from North Korea. We have come today asking for your wisdom, strength and guidance for the future, especially as we approach the end of this century and face the challenges of a new millennium.

Again, we pray for President Clinton and Vice President Gore and their families. Give them wisdom, and strength, and courage that they have asked for here today. Give wisdom to all who counsel them. We pray again for the Senate and the House of Representatives, the cabinet, the courts as they continue their deliberations. Give us wisdom. Give wisdom to all who serve at every level of government. Help us to remember that to whom much has been given, much has been required, and this applies to us all as individuals as well as a nation.

Now we leave this place, we believe, with a new commitment. The challenge that Ambassador Young brought us will never be forgotten. The challenge that has been brought to us by our president will linger in our hearts for a long time and help us all to resolve to pray for him daily as he faces all the problems that any president faces, but even more in this information age.

We thank you especially for our Lord, Jesus Christ, who died on that cross that Andy Young referred to a moment ago, out of love for us, and then told us to love one another and to love our neighbors as ourselves.

So the Lord bless you and keep you, the Lord make his face to shine upon you and be gracious unto you, the Lord lift up his countenance upon you and give you peace. This we pray in the name of our Father, in the name of his Son, in the name of the Holy Spirit, Amen.

End of Program.

FREEDOM WEEKS '95

HON. ANTHONY C. BEILENSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 13, 1995

Mr. BEILENSON. Mr. Speaker, I rise today to inform my colleagues of Freedom Weeks '95, a 2-week national education program to celebrate the new freedoms of Jews in Russia and the former Soviet Union. This celebration will be launched at a national student leadership conference in Chicago on October 27–29, and will run from November 6–20, 1995.

Freedom Weeks is sponsored by the United Jewish Appeal [UJA], the principal American fundraising organization for relief and rehabilitation of Jews in distressed lands. Largely as a result of the work of the UJA, Jewish communities are emerging in Russia where there were none just 5 years ago.

The UJA prepares college students to assume responsibility for continuing this important work through its University Programs, an organization active on over 150 campuses nationwide which is championing Freedom Weeks '95.

I congratulate the United Jewish Appeal and its University Programs for its hard work and dedication to this important cause.

INTRODUCTION OF THE COMMON SENSE HIGHWAY SAFETY ACT OF 1995

HON. NITA M. LOWEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 13, 1995

Mrs. LOWEY. Mr. Speaker, today I am introducing legislation to close a loophole in the law that each year tragically claims thousands of lives on our Nation's roadways: drinking and driving by minors.

My legislation is entitled "The Common Sense Highway Safety Act of 1995" because it is simply a matter of common sense: Since it is illegal in every State for persons under the age of 21 to purchase and possess alcoholic beverages, it should also be illegal for persons under 21 who have been drinking to drive. However, the reality is that only 24 States and the District of Columbia have zero tolerance laws that make it illegal for minors to drink and drive—regardless of the degree of intoxication. This loophole exists in half of the States, despite the lethal consequences of teenagers who mix drinking and driving.

According to the National Highway Traffic Safety Administration, 40 percent of traffic fatalities involving underage drivers are alcohol related. In 1994, 2,200 people were killed in crashes because minors were drinking and driving. The majority of those killed—1,600 to be exact—were teenagers themselves. In 1993, 2,364 teenagers between the ages of 15–20 were killed in alcohol-related crashes.

The tragic statistics go on and on, Mr. Speaker, and they all confirm the lethal combination of driving and underage drinking. The bill that I am introducing today will build upon the successes of the past in curbing this deadly mix.

The Common Sense Highway Safety Act of 1995 sends a very clear message: If you are under 21, any level of alcohol consumption combined with driving will be treated under State law as driving while intoxicated. It is that simple.

My legislation is modeled on the 1984 law that encouraged States to adopt laws making it unlawful for anyone under the age of 21 to purchase or possess alcohol. That law has saved an estimated 8,400 lives since its enactment, according to the National Highway Traffic Safety Administration.

You cannot argue with success. Therefore, under this bill, if a State fails to adopt a zero tolerance standard for drivers under 21 by the beginning of fiscal year 1998, they would lose 5 percent of their Federal highway funds for that year. In subsequent years, if that State has failed to act it would lose 10 percent of its funds.

With the backing of organizations such as Mothers Against Drunk Driving and Advocates for Highway and Auto Safety, a provision virtually identical to my legislation was adopted overwhelmingly by the Senate in June as part of the designation of the National Highway System. The 2 to 1 margin in favor of the zero tolerance provision is testament that this issue is a "no brainer."

What can we expect from enactment of zero tolerance laws nationally? Four of the States that have adopted zero tolerance laws—Maine, New Mexico, North Carolina, and Wisconsin—have experienced a 34-percent decrease in traffic fatalities among young drivers at night.

Too many Americans have been personally affected by the tragedy of drunk driving. They have lost a family member, relative, or friend. While the 21-year-old drinking age has made significant strides in reducing these tragedies, we must not stop there. We owe it all members of society—particularly our children—to close this deadly loophole.

PROTECT OUR FUTURE: PRESERVE STUDENT AID

HON. BOB FILNER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 13, 1995

Mr. FILNER. Mr. Speaker and colleagues, unfortunately at this point in our legislative session, student aid remains on the chopping block—and communities all across this Nation will suffer.

Throughout history, American families have proven that higher education provides the path to a better life—and, today, student loans are the primary source of educational support for most Americans. They represent nothing less than a critical investment in our Nation's future. Financial aid has enabled millions of middle-income families to send their children to college. Each year, nearly 5 million students rely on Federal student loans to finance their own financial investment in education.

Despite these facts, the House continues its drive to eliminate yet one more program designed to give struggling families an opportunity to create a better life for their children. This action will put higher education out of the reach of thousands of promising middle-class students. At my alma mater, Cornell University, the loss of the interest subsidy for the Stafford Student Loan Program, one of several loan programs on the chopping block, would have an enormous impact on student indebtedness. If this cut is fully implemented, the annual loss just to Cornell undergraduate students and their families would be approximately $9 million.

The House has already voted to cut education spending by approximately $4 billion—16 percent—from the fiscal year 1995 funding level, putting every education program in jeopardy. Further cuts in the joint budget resolution—totaling $10.4 billion for student loans alone—will affect students in academic year 1996–97 and into the next millennium.

On May 25, the Senate adopted an amendment to the budget resolution saving these loan programs and disregarding the extreme version passed in the House. The bipartisan 67–32 vote for this amendment spoke plainly to the Senate's support for the student loan program.

Let's urge our House colleagues who will be budget conferees to support the Senate position—and support current funding for State student incentive grants, campus-based aid, Pell grants, TRIO, and title III programs.

We must not cut our Nation's educational investment nor drastically limit access to post-

secondary education. Those with talent and motivation to succeed deserve help in meeting the high cost of higher education, not roadblocks that impede their progress toward being the best they can be.

Higher education is a national investment—let's not turn our backs on that commitment.

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Thursday, September 14, 1995, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

SEPTEMBER 15

10:00 a.m.
Judiciary
Terrorism, Technology, and Government Information Subcommittee
To continue hearings on matters relating to the incident in Ruby Ridge, Idaho.
SD–G50

SEPTEMBER 18

3:00 p.m.
Armed Services
Business meeting, to consider recommendations which it will make to the Committee on the Budget with respect to spending reductions and revenue increases to meet reconciliation expenditures as imposed by H. Con. Res. 67, setting forth the Congressional Budget for the United States Government for fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002.
SR–222

SEPTEMBER 19

9:30 a.m.
Budget
To hold joint hearings with the House Committee on the Budget to examine fiscal year 1996 Government operations during funding hiatus.
SD–106

Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD–366

Environment and Public Works
Business meeting, to consider the nomination of Greta Joy Dicus, of Arkansas, to be a Member of the Nuclear Regulatory Commission, and reconciliation issues.
SD–406

Veterans' Affairs
To hold joint hearings with the House Committee on Veterans' Affairs to review the legislative recommendations of the American Legion.
334 Cannon Building

10:00 a.m.
Commission on Security and Cooperation in Europe
To hold hearings to examine issues affecting U.S.-Turkish relations, including human rights and the Kurdish situation.
2172 Rayburn Building

2:30 p.m.
Small Business
To hold hearings to examine tax issues impacting small business.
SR–428A

SEPTEMBER 20

9:30 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD–366

Labor and Human Resources
Business meeting, to consider recommendations which it will make to the Committee on the Budget with respect to spending reductions and revenue increases to meet reconciliation expenditures as imposed by H. Con. Res. 67, setting forth the Congressional Budget for the United States Government for fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002, to mark up H.R. 1180, to provide for health performance partnerships, and S. 1221, to authorize appropriations for the Legal Services Corporation, and to consider pending nominations.
SD–430

Indian Affairs
To hold oversight hearings on the implementation of Title III of the National Indian Forest Resources Management Act (P.L. 101–630); and to consider the nomination of Paul M. Homan, of the District of Columbia, to be Special Trustee, Office of Special Trustee for American Indians, Department of the Interior.
SR–485

10:00 a.m.
Veterans' Affairs
Business meeting, to consider recommendations which it will make to the Committee on the Budget with respect to spending reductions and revenue increases to meet reconciliation expenditures as imposed by H. Con. Res. 67, setting forth the Congressional Budget for the United States Government for fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002, and to consider other pending business.
SR–418

2:30 p.m.
Small Business
To continue hearings to examine tax issues impacting small business.
SR–428A

SEPTEMBER 21

9:30 a.m.
Armed Services
To hold hearings on the nomination of Gen. John M. Shalikashvili, USA, for reappointment as Chairman of the Joint Chiefs of Staff.
SR–222

SEPTEMBER 26

9:30 a.m.
Commerce, Science, and Transportation
Oceans and Fisheries Subcommittee
To hold oversight hearings on the science of slow management and hatchery supplementation, focusing on the recovery of Snake River anadromous species.
SR–253

SEPTEMBER 27

9:30 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD–366

Environment and Public Works
To hold hearings on the nomination of Kathleen A. McGinty, of Pennsylvania, to be a Member of the Council on Environmental Quality.
SD–406

OCTOBER 25

10:00 a.m.
Veterans' Affairs
To hold hearings to examine veterans' employment issues.
SR–418