HOUSE OF REPRESENTATIVES—*Tuesday, June 18, 1996*

The House met at 12:30 p.m. and was called to order by the Speaker.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate insists upon its amendments to the bill (H.R. 2977) "An Act to reauthorize alternative means of dispute resolution in the Federal administrative process, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. STEVENS, Mr. COHEN, Mr. GRASSLEY, Mr. GLENN, and Mr. LEVIN, to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendment of the House to the bill of the Senate of the following title:

S. 1136. An act to control and prevent commercial counterfeiting, and for other purposes.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1488. An act to convert certain excepted service positions in the United States Fire Administration to competitive service positions, and for other purposes; and

S. 1579. An act to streamline and improve the effectiveness of chapter 75 of title 31, United States Code (commonly referred to as the "Single Audit Act").

MORNING HOUR DEBATES

The SPEAKER. Pursuant to the order of the House of May 12, 1995, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to not to exceed 30 minutes, and each Member except the majority and minority leaders limited to not to exceed 5 minutes.

HEALTH INSURANCE

The SPEAKER pro tempore (Mr. STEARNS). Under the Speaker's announced policy of May 12, 1995, the gentleman from Georgia [Mr. GINGRICH] is recognized during morning business for 1 minute.

Mr. GINGRICH. Mr. Speaker, I just wanted to report to my colleagues that we have a real opportunity in the next day or so to reach an agreement with the Clinton administration on guaranteed portability of health care, of health insurance with no preconditions. We are working very diligently in exactly the way we believe the House wants us to, to make sure that every working American who is in the insurance system will have a guarantee that if they change jobs, they can automatically get insurance without any preconditions for the rest of their life, so it will eliminate the major concern of working Americans.

In addition, Mr. Speaker, we have a program which will extend a lower cost health care option, health insurance option, to the self-employed and small businesses. Most of the people who do not have health insurance, who are working, are either self-employed or work in small businesses. So if we can find a solution to a lower cost health insurance option, we give more Americans the ability to buy health insurance at lower cost. So we have both greater access and greater affordability. We give greater affordability through medical savings accounts, which lower the after-tax cost of buying insurance, and we get greater access by providing portability without any preconditions.

I hope we are on the verge of a real breakthrough to get this agreed to. We have already gone to conference. The Senate Republicans are prepared to go to conference immediately, if we can simply get an agreement, and we are working very diligently to get this agreement. I wanted to report on that to my colleagues.

THE RATIONALE FOR VOTING FOR DENIAL OF MFN TRADE STATUS FOR CHINA

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California [Ms. PELOSI] is recognized for 5 minutes.

Ms. PELOSI. Mr. Speaker, on June 3 President Clinton requested a special waiver to grant most-favored-nation trade status for China. Since the Tiananmen Square massacre in 1989, I have worked with my colleagues to provide alternatives to denial of most-favored-nation status, including conditional renewal or targeting revocation. However, this year I will be voting to deny MFN to China and to deny the President's special request, because of the increased violations of our bilateral trade agreements, because of the increased repression in China and Tibet, and because of China's proliferation of weapons, chemical, nuclear, and advanced missile technology, to unsafeguarded countries including Pakistan and Iran.

Mr. Speaker, while I know there is not a large enough vote in the Congress to override a Presidential veto, and the President would veto a motion to deny MFN, I do believe that a vote to support the status quo in United States-China relations is difficult to defend for several reasons.

In the area of trade, China does not play by the rules. Despite the fact that over one-third of China's exports come into the United States and are sold in the United States markets, Chinese high-tariff and nontariff barriers limit access to the Chinese market for United States goods and services and hold our exports to only 2 percent of our exports into China—a third of China's exports allowed into the United States, only 2 percent of ours allowed into China.

On a strictly trade-by-trade basis, China does not reciprocate the trade benefits we grant to them under MFN status. The result is a $34 billion United States trade deficit with China in 1995. As we can see from this chart, only 10 years ago we were reasonably in balance with a $10 million trade deficit with China, and over the past 10 years the trade deficit has increased to just about $34 billion.

Mr. Speaker, supporters of MFN will say that U.S. exports have tripled in the course of that time. They have, but Chinese exports to the United States have increased elevenfold, therefore resulting in this very extreme imbalance.

The deficit is expected to exceed $41 billion in 1996, and does not include the economic loss of Chinese piracy of our intellectual property, which costs the United States economy over $2.5 billion each year. It does not include the loss to our economy on Chinese insistence on offsets, production and technology transfer, which hurt American workers and rob our economic future, and it does not include money gained by China in the illegal smuggling of AK-47s and other weapons into the United States by the Chinese military.

Members will hear that trade with China is important for United States jobs. When President Clinton made his statement accompanying his request to renew MFN, he claimed new exports to China supported 170,000 American jobs. These jobs are very important. However, they must be seen in the larger context. Other trade relationships of comparable size, of, say, a $56 billion trade relationship, produce many,

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many more jobs because our trade relationship is more in balance. More of our exports are allowed into other countries' markets.

Other trade relationships of comparable size to the China-United States trade relationship support at least twice as many jobs. For example, the United States-United Kingdom trade relationship totaling $2 billion less than the United States-China relationship supports 432,000 jobs. The trade is less but the number of jobs is well over 2 times. The United States-South Korea relationship is $8 billion less than the United States-China trade relationship. It supports 381,000 jobs, well over double the Chinese trade relationship. Why? Because of lack of market access for United States products into the Chinese marketplace.

We must also be concerned about the harm to our economy of the technology transfer and production transfer which is accompanying United States investment in China and United States sales to China. The Chinese Government demands that companies wishing to obtain access to the Chinese market not only build factories there, so that the products are made in China, not in the United States, but that they also transfer state-of-the-art technology to do so. The Government then takes that technology, misappropriates it, the companies have little choice, because they want to access the market. We are helping the Chinese Government build our own competitors, using our state-of-the-art technology. Time does not permit me to go further, but more will come.

ENVIRONMENTAL ESTROGENS AND THEIR LINKS TO BREAST CANCER

The SPEAKER pro tempore (Mr. WELLER). Under the Speaker's announced policy of May 12, 1995, the gentleman from Florida [Mr. STEARNS] is recognized during morning business for 5 minutes.

Mr. STEARNS. Mr. Speaker, sadly, I am not surprised by an article in last Friday's Washington Post regarding yet another environmental health risk. The article discusses a new scientific study showing major health risk posed by chemicals commonly found in our environment. Despite even the best of intentions, a number of unnerving health trends are being linked with increased human contamination by chemical hormones.

The chemicals responsible for causing endocrine system dysfunctions have been used in common pesticides and industrial chemicals for decades. Known as environmental estrogens, these chemicals can actually mimic the hormone estrogen that naturally occurs in the human body. These synthetic hormones have the capacity to severely alter one's endocrine system, leading to an increased risk of major health problems, including breast cancer.

Breast cancer is expected to strike over 180,000 American women in 1996, and the lifetime risk for the disease has increased from a 1 in 20 chance in the 1950's to a 1 in 8 chance today. Breast cancer is the leading cause of death of women between the ages of 35 and 52, and 70 percent of newly diagnosed cases have no family history of this deadly cancer.

Environmental estrogens are largely responsible for these alarming figures. A recent study by the Mount Sinai School of Medicine showed that women with high exposures to DDT had four times the breast cancer risk of women with low exposures.

No matter how careful we are in watching what we eat and drink, exposure to chemical hormones is unavoidable in today's world. They occur in the herbicides we apply to our lawns, shoe polishes, paints, paper products we use every day, and in pesticides on the food we eat.

While we still have much to learn about toxic chemicals, what we do know thus far is cause for major concern and serious action. As a member of the Subcommittee on Health and the Environment, I am proud to have supported the passage of the Safe Drinking Water Act amendments in the Commerce Committee markup last week. This important legislation includes many reform proposals which address the most serious risks presented by contaminants in drinking water. The proposed amendments to the Safe Drinking Water Act will provide for an estrogenic substances screening program. Under this program, substances will be measured to determine if they produce effects in humans similar to those produced by naturally occurring estrogens.

In 1971, Congress passed the National Cancer Act, increasing resources for cancer research and broadening the mandate of the National Cancer Institute, a subsidiary of the National Institutes of Health. The infusion of funds following this act led to the genetic revolution in cancer and biomedicine in general. Continued funding for the NIH represents an investment in research as well as in investment to improve the Nation's health.

To protect the rights of those with identifiable disease characteristics like breast cancer in their genetic makeup, I have introduced H.R. 2690, the Genetic Privacy Act. This legislation will ensure that the new discoveries made in genetic testing research are not misused. For example, in the past 2 years, BRCA 1 and BRCA 2 were identified as major breast cancer genes. Together they account for perhaps 90 percent of familial breast cancer.

While this finding indeed benefits women, enabling them to take necessary preventive measures, negative consequences are also very likely. My bill establishes guidelines concerning disclosure and use of genetic information with regard to insurability, employability, and confidentiality.

Reducing the burden of cancer can be measured in terms of fewer deaths, fewer new cases, increased length of survival, and increased quality of life of cancer survivors. While improvements in cancer treatment have been made, overall cancer incidence continues to rise, emphasizing the formidable task ahead. The goal of a reduced cancer burden can only be achieved by the successful translation of discoveries to the benefit of all people who are at risk and who have been diagnosed with cancer.

Last weekend marked the seventh annual national race for the cure. The race was named "Doing It For Martha" in honor of Martha Maloney, a longtime staffer of Senator WENDELL FORD. The race will serve as a reminder to everyone of the impending threat of breast cancer. I was proud to have my staff participating as a team in the 1996 race for the cure.

Cervantes once said, "The beginning of health is to know the disease." To succeed in the fight against cancer requires that we have the vision to recognize new opportunities and the flexibility and energy to capture such opportunities for progress. Our responsibility is to all people, for cancer threatens all of our lives.

Mr. Speaker, I firmly believe that a cooperative effort by Congress, the scientific community, and regulators will yield new findings and beneficial results not only for the environmental health of this country, but for the health of current and future generations.

□ 1245

GOP SLASHES MEDICARE AND MEDICAID WHILE INCREASING DEFICIT

The SPEAKER pro tempore (Mr. WELLER). Under the Speaker's announced policy of May 12, 1995, the gentleman from New Jersey [Mr. PALLONE] is recognized during morning business for 5 minutes.

Mr. PALLONE. Mr. Speaker, last week the Republicans passed their budget plan which actually increases the deficit starting next year. Projections show that the 1996 deficit will be approximately $130 billion, but under the GOP plan it will increase to $153 billion in 1997. The GOP deficit is also higher in 1998 than this year's deficit.

I ask why. The reason is because the GOP are intent on their large tax breaks for the wealthy, part of which are paid for through excessive Medicare cuts:

In 1992 the deficit was $290 billion and in 1993 it was $255 billion. Under Democratic leadership the deficit has actually dropped 4 years in a row to the projected $130 billion of this year.

What is the reason for the Republican deficit increase? Misplaced priorities, tax breaks for their wealthy friends, and a slush fund for future unnecessary tax breaks. While the Republicans claim to be deficit hawks and the saviors of Medicare, the facts indicate that they are intent on pushing this country further into debt and making large and unnecessary cuts in Medicare.

This Republican deficit-increasing budget also makes extreme cuts of $72 billion over 6 years to the Medicaid Program and allows States to cut an additional $178 billion, for a grand total of $250 billion in Medicaid cuts. We are talking about major cuts in Medicaid as well as Medicare.

Many people look at the Medicaid Program as primarily for the poor, and, of course, it does assist poor people, but it also pays about 50 percent of all nursing home care for senior citizens. Without Medicaid, many middle-class adult children of nursing home parents will have to pay for their parents' expensive care, while at the same time trying to send their own children through college.

Last Thursday, Mr. Speaker, the Committee on Commerce, of which I am a member, voted on the Medicaid Repeal Act, which I vigorously fought. The Medicaid Repeal Act will eliminate all current guarantees of health care coverage and eliminate current guarantees of nursing home benefits to the elderly. This is the Medicaid Repeal Act that the Republican leadership is putting forward.

I offered an amendment to this act that would return these guarantees in this terrible legislation, but it was rejected by every Republican. Other Democrats offered similar amendments to continue health care coverage for the disabled, for children, for pregnant women, but again all those amendments were defeated by the Republicans.

On top of all this, the GOP Medicaid Repeal Act will sharply reduce payments to hospitals for care. Compounded with the extreme Gingrich-Dole Medicare cuts to hospitals, many will be forced to close their doors, especially hospitals that receive a majority of their income from Medicare and Medicaid.

Many hospitals in my home State of New Jersey are in this situation. They are highly Medicare and Medicaid dependent. I am very concerned about their being able to survive these steep cuts that have been proposed by the Republicans in Medicare and Medicaid.

Again, the Republican plans will reduce access to health care services. At a time when Congress should be seeking ways to decrease the number of uninsured and underinsured, the Republican leadership's answers will make these problems worse.

I thought it was interesting to see Speaker GINGRICH take the floor this morning and talk about how he is trying to increase portability and also increase health insurance for those with preexisting health conditions through the Kennedy-Kassebaum legislation. But that reality is that the Speaker and the rest of the Republican leadership have been insisting on including medical savings accounts in this Kennedy-Kassebaum health care reform.

What that will mean is that the healthy and the wealthy will opt out of the traditional health insurance programs and the cost for everyone else for health insurance will go up. So again, even though the Republican leadership talks about how they are trying to expand health care options, in fact what they are doing is making those options fewer because more and more people will not be able to afford health insurance.

Mr. Speaker, I just wanted to say in conclusion that in the past Democrats were able to decrease the deficit and preserve Medicare and Medicaid. The Republicans have misplaced priorities and values. The Democrats have a proven track record of reducing the deficit and ensuring that senior citizens have adequate health care. I remain committed to fighting these Republicans efforts that would raise the deficit while at the same time slashing Medicare and Medicaid.

HEALTH INSURANCE REFORM HELD HOSTAGE

The SPEAKER pro tempore (Mr. STEARNS). Under the Speaker's announced policy of May 12, 1995, the gentleman from Illinois [Mr. WELLER] is recognized during morning business for 5 minutes.

Mr. WELLER. Mr. Speaker, I represent probably the most diverse district in the State of Illinois. I represent part of the city of Chicago, the south suburbs in Cook and Will Counties, industrial communities like Rockdale and Bradley and La Salle/Peru, farm towns and a lot of cornfields.

Because my district is so very diverse, I am always looking for commonality, common concerns that the working people of my diverse district have.

I find that a major concern of working families, of course, is finding ways to make health care work better for working families and reforming health care. Of course my predecessor talked about Medicare.

Frankly I want to make it very clear that we Republicans are committed to saving Medicare from Bankruptcy. The trustees just a few weeks ago say if we do nothing, Medicare goes bankrupt in 5½ years. In fact, the Republican budget increases funding for Medicare by $724 billion, a 62 percent funding increase for Medicare. We are committed to saving Medicare.

We are also committed to raising take-home pay for working families, increasing the opportunity for working Americans, and also helping small business and their employees. As that common concern which resonates in my district, and, that is, making health care better by improving access and by improving health care, of course, that is a concern I have got.

I know it is a priority in this Congress to reform health care. Over the last 16 months I have held town meetings and talked with a lot of my neighbors about what we can do to make health care better. When you listen and you learn the concerns of the people that I represent, frankly you learn, No. 1, that there are 40 million Americans today that do not have health care insurance. When you listen to those 40 million Americans you learn something that frankly is a surprise for many people, and, that is, that 85 percent of those without health care coverage are self-employed, they are small-business people, they are employees of these small businesses, and they are families.

The chief reason they are unable to obtain health insurance is because they cannot find affordable rates of health insurance. We are committed to making health care more affordable because we recognize that that will improve access for working Americans to our health care system.

This Republican House and the Republican Senate have responded and passed health care reform that makes health care more affordable by making it easier for small employers to band together and pool their employees so they get more affordable group rates on insurance; increasing the self-employed tax deduction, and, thanks to Bob Dole, we increased it to 80 percent; making health care insurance more portable so you can take it between jobs; and no one can be denied coverage because of preexisting conditions. We also provide for medical savings accounts, an innovation that is working across this country. We want to improve access by making health care more affordable to Americans.

I think it is important today to note that it was 57 days ago that the U.S. Senate passed the health insurance reform legislation by a vote of 100 to 0. Every Member, Democrat and Republican, voted for that health care reform bill.

Both the House and Senate have passed health care reform, so what is the holdup? I think it is important today to point out that today is day 57 of health care reform being held hostage in the United States Senate.

Health care reform is being held hostage by a small, narrow, extreme, left-wing minority of one who stands in the way of health care reform. Working families, small businesspeople, entrepreneurs, flower shops, local grocery stores, the people on Main Street——

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Will the gentleman suspend for one moment. It is not in order to cast reflections on the Senate or its Members, individually or collectively. The gentleman may resume.

Mr. WELLER. Working families, the self-employed, flower shops on Main Street, the backbone of our society, the little guys and gals are being punished because one Member is filibustering legislation to provide health care reform and make health care affordable.

This particular Senator is using medical savings accounts as his excuse for blocking affordable health care reform. The reason this Senator is filibustering health care reform is because he wants a Government takeover of our health care system.

Medical savings accounts are an idea which was discussed while I was in the State legislature.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Will the gentleman suspend. It is not in order to cast any reflection on the Senate or its Members and I ask the gentleman to refrain from doing so.

The gentleman may proceed in order.

Mr. WELLER. Medical savings accounts are an issue I dealt with as an Illinois State legislator. While I was in the Illinois General Assembly, we were successful in passing medical savings accounts. Since 1993, Illinois residents in the Land of Lincoln have been able to reap the cost-saving benefits of MSAs.

In fact, there are 18 States today that are leading the effort to provide for medical savings accounts. In fact, there are hundreds of thousands of employees of small businesses and corporations that have the opportunity to have medical savings accounts. Medical savings accounts work because they provide choice for working Americans, choice amongst their health care providers, choice amongst their physicians. They lower costs by rewarding cost-conscious consumers, and they also provide for portability between jobs.

Unfortunately one legislator stands in the way with his filibuster, and unfortunately that interest is blocking health care reform.

There is strong bipartisan support for health care reform in the House and Senate. It passed the Senate by 100 votes to nothing, it overwhelmingly passed the House, and if it is allowed to be voted on, it will pass.

Ladies and gentleman, I ask the President to call on this one legislator in the other body to drop his effort to hold health care reform hostage.

Let us bring the bill up for a vote. Let us send it to the President with this bipartisan effort to make health care more affordable and become law.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair would remind all Members again to not cast reflections on the Senate or its Members individually or collectively, or to urge particular Senate action.

SENATE WHITEWATER COMMITTEE MINORITY FILES REPORT

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentlewoman from Colorado [Mrs. SCHROEDER] is recognized during morning business for 5 minutes.

Mrs. SCHROEDER. Mr. Speaker, I hope what I am going to do today is going to be within the rules of the House, because I rise today to urge the American people to please read the minority report coming out of the Senate today. It is terribly important. It is the minority report being filed by the ranking member, Senator SARBANES, the summary of conclusions from the Whitewater Committee.

I think this is a very, very critical report. It was not leaked to the press, as the majority report was. As a consequence, many people are dealing without this factual base. We are into spin, if you can imagine such a thing in this town. Everybody is into spin control.

Let us talk a little bit about what is going on. First of all, this has been the longest running congressional investigation of any sitting President. If we look at the facts on Watergate, if we look at the facts on Iran Contra, this one has gone much longer than that.

I am very proud that the minority report was not leaked because in this highly charged political atmosphere I was hoping this could be an objective attempt, since it has gone on so long. If we do not count the meetings done by the Senate Banking Committee that were held in 1994, let us just push those entirely out to the side, this Senate Whitewater Committee in 1995 and 1996 met for more than 300 hours in open sessions, took 10,729 pages of hearing testimony in 51 hearings and 8 public meetings. It also had 159 witnesses and took more than 35,000 pages of deposed testimony from 245 persons. Hundreds of thousands of pages of documents have been provided to the committee by different agencies, departments, and individuals.

If we look at all of this and then we look at the over $32 million that has been spent on this, I think it is terribly important to say, what did we get out of this? What did we get out of this? We ought to be looking at the facts.

This was a very broad spread committee. It went on longer than anything. The facts ought to be what we are looking at. The bottom line should be, did President Clinton misuse the powers of his presidency? The other question was, did he use his official position in Arkansas to financially enrich himself?

If we read this committee report by the minority, they clearly conclude after sifting through all of this paper and all of this oral testimony that the answer to those questions is "no." And they are really rather surprised by the fact that, I guess the disappointment at finding the answer was "no," they had to go out and look for someone else to drop a net over, and so it really appears that they went after Mrs. Clinton with all the venom they could possibly go after. It is like they have this incredible sinister spotlight that they want to shine on her and make her the most evil soul that ever walked the planet.

□ 1300

Mr. Speaker, this is not the person I know, and I think it is very interesting to look at the perspective that they have put on it. If you cannot recall precisely what you did 10 years ago, then they want to spin it that you are lying, you are disingenuous, you are part of a conspiracy, and so forth and so on. But basically what we should be doing, I believe by our charter under the Constitution, is we should be looking at elected officials and what elected officials did or did not do in the role of their public trusteeship. That is the issue.

Mr. Speaker, I think it has probably been very discouraging to many people who put a lot of time in, because I think, if anybody looks at the President we have, everybody knows he loves politics. And anyone who is in politics knows that politics keeps you busy 24 hours a day. There are never enough hours in the day to do all the things that you should do if you really want to be good at your profession. If anything, this President is probably guilty of ignoring his own personal financial background. He enjoys much too much being with people, talking to people, listening to people, doing things with people, participating in events, thinking about policy issues to get involved with those details of how he pays his own bills.

So I hope that everybody looks at this minority report and we get the facts out. We have paid a lot of money for this. Let us not do spin. Let us do facts. Let us try and look at this thing objectively and not politically.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. STEARNS). According to Jefferson's

Rules of the House, on page 176, even when Members characterize a report from the Senate—this is on page 176: Except as permitted in clause 1 of rule XIV, it is out of order to characterize the position of the Senate, or of Senators designated by name or position, on legislative issues.

FILEGATE

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Florida [Mr. MICA] is recognized during morning business for 5 minutes.

Mr. MICA. Mr. Speaker, Shakespeare said, "Something is rotten in Denmark."

Mr. Speaker, I say something is rotten in the White House. I am talking today about the case of Filegate, which has raised so many eyebrows, which has raised so many concerns. Each day a new revelation comes out on this matter. Each day I continue to be shocked and the American people become more concerned about what they learned. First we heard that the FBI had turned over or the White House had obtained 330 names to peruse. We understand the list went from "A" to "G." Then we heard the number raised to 341 names. Recently we heard the FBI state that requests were made for more than 400 files. I learned today that one file was returned on June 10. I learned also today that 71 files were turned over on June 17. What is shocking is I learned today, too, that the White House still has 17 of these files.

Mr. Speaker, the more we learn about this situation, the more I become concerned. Mr. Freeh, the Director of the FBI, said that the FBI was victimized. I think the FBI was victimized. I think the Congress was victimized. Even the Washington Post, one of the administration's most ardent supporters, now feel in their editorials yesterday and today that they were victimized.

Mr. Speaker, this all came about because the committee on which I served, Government Reform and Oversight, requested files. We requested files for almost 2 years, and what did we get? We got stonewalled. It got so bad that we had to issue this contempt report to John Quinn, counsel to the President, requesting this information after our preliminary investigation saw the misuse and abuse of the FBI and the IRS in the Travelgate fiasco. That is how this came about.

The more questions that we see being raised, the more questions we have. We do not know how many files were obtained. We do not know how many files were copied. We do not know how the files were used. We do not know whose civil rights or privacy rights were abused. Filegate came to light because of our investigation.

Most disturbing to me as a member of the committee that was investigating this, Government Reform and Oversight, is that the FBI files of three of our subcommittee staff directors were obtained by the White House. To me, this is a clear and direct violation of the firewall which has always existed between the legislative branch, the executive branch, and the chief Federal law enforcement agency of our Nation.

The Committee on Government Reform and Oversight is charged with investigations and audits of the executive branch of Government. Our committee has been stonewalled in repeated requests for documents relating to travelgate during the past 2 years. Only after we took this drastic step of threatening to issue a contempt citation of Congress did we receive one-third of the documents requested. It was through these documents that we discovered the unbelievable tale of the misuse of FBI files in the manner we have heard described, the manner we see here.

Mr. Speaker, in light of what has been revealed, I believe it is incumbent upon this Congress to move forward immediately and issue this contempt citation to Mr. Quinn and the others. It is not sufficient for the White House and Mr. Quinn to suspend Mr. Livingstone. It is now absolutely critical that the Congress obtain all of the 2,000 missing documents, the documents that have been withheld from this Congress, withheld from our subcommittee, and that we conduct a thorough and complete investigation and review of this matter and this entire sorry chapter in this administration.

Mr. ROHRABACHER. Will the gentleman yield for a question?

Mr. MICA. Yes, I would be glad to.

Mr. ROHRABACHER. Mr. Speaker, does the gentleman believe that it is possible that the White House received all of these files from the FBI and that perhaps they were just trying to look into one or two people in those files that they really wanted to get, and that the rest of those files were just a cover against, a vendetta against individuals that they do not want to admit who they are?

Mr. MICA. Mr. Speaker, I do not know. We do not have the 2,000 documents we requested, and I call on the Congress to issue the contempt citation.

CHURCH ARSON

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from South Carolina [Mr. SPRATT] is recognized during morning business for 5 minutes.

Mr. SPRATT. Mr. Speaker, in the last 18 months, 40 churches have been burned to the ground, 5 of them in my State. And despite mounting concern, eight churches have burned in the last 2 weeks, four within the last 2 days.

It is time, past time, for Congress to say, "In America, we don't burn churches, synagogues, or mosques, or let anyone who does, escape with impunity."

Today, we have such a chance, because today, we take up a bill called the Church Arson Prevention Act.

We all know that this law will not bring these heinous crimes to a sudden halt. But this law will put the authority of Federal Government, the BATF and the FBI, into the investigation, prosecution, and punishment of every church that's burned.

This bill attempts to justify its purpose under the Interstate Commerce Clause, which I think is unnecessary. I think that under the 1st and 14th amendment, Congress not only has the power but the duty to prohibit any restraint on the free exercise of religion, and we not only have the power but a special duty to see that crimes of hate, aimed at African-Americans because of their race, are prosecuted and punished. And that is critically true when the hatred is visited on churches, the vital beating heart of African-American communities.

I feel certain that the Church Arson Prevention Act will pass this House overwhelmingly. But that is not enough. It must be backed by the unstinting authority of the Federal Government until every miscreant who would commit such a crime knows that he will be pursued relentlessly, prosecuted swiftly, and punished severely.

OUR NATURAL RESOURCES

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Florida [Mr. GOSS] is recognized during morning business for 5 minutes.

Mr. GOSS. Mr. Speaker, I want to talk about some good news today. Over the last 20 years, we in this country have made measurable good progress in protecting our natural resources. Our air and our water are cleaner than they were in the 1970's, and we have reversed the decline of several of the endangered species. This is a good record. It is an admirable record. We all know there are still many areas where Federal attention is required today, but we also know that you cannot write thousands and thousands of pages of Federal regulations without some problems developing along the way. It is just common sense to take a look at current regulations and decide what works and what does not and look for ways to make a cleaner, safer, healthier environment for everyone and at the same time, of course, excise those unworkable and unfair regulations we have come to identify.

This 104th Congress has been perceived by some as being antiregulation. Perhaps the truth is that the 104th has opposed overregulation. I think to his very great credit, the Speaker has taken the lead and formed a task force

on the environment. I am pleased with the Speaker's determination to pass responsible environmental legislation. I am, frankly, personally happy to be part of his effort. Although it is often lost in the rhetoric surrounding today's environmental debates, the Republican Party has a long tradition of conservation from Teddy Roosevelt, who created the first national wildlife refuge, to Richard Nixon, who created the Environmental Protection Agency. Many people have forgotten that.

Unfortunately, what often passes for debate on environmental issues in Congress and around the country is little more than a shouting match full of symbolism but actually lacking any real substance; sort of litmus test wars, as it were. If we are to make any real progress in resolving some of the difficulties associated with environmental protection, we need to set politics aside and have a reasoned discussion on the real issues. The Speaker's environmental task force has successfully identified several principles for such a debate in my view, principles that I think make good sense, we will all agree.

The first of these is that environmental decisions should be consensus based, made in consultation with the people whose homes, businesses, communities are directly affected. Bringing the opposing interests to the table early in the process provides us the opportunity to find a solution before the two sides become deadlocked in a meaningless fight. Environmental disputes routinely focus on health, public safety, and environmental protection against the question of jobs, economy, and private property rights. Obviously all of those things are important. If we get the parties talking to each other early, I believe we can make substantial progress in removing some of the conflict we see today.

Mr. Speaker, the second principle is greater. It is greater in a way that it involves State and local, our sister branches of government in the lower tiers. Having served as a mayor and a county commissioner before coming to Congress a few years ago, I know that the lower tiers mean the front lines where the people are, where what matters in our daily lives goes on. I know the importance of giving States and localities a real role in setting and enforcing environmental standards in their communities. The perspectives of local and State officials who are the people who make everyday land use decision, who deal with problems every day are invaluable in crafting environmental policies that actually work on the ground.

The time has come to end sort of the one-size-fits-all directives from Washington that really fail to recognize the obvious often overlooked fact that different communities have different needs. Alaska is different than Florida.

The last principle I will mention is providing positive incentives to encourage responsible stewardship of our natural resources. Whether we provide rewards such as tax credits, grant flexibility, and complying with regulations or offer marketing incentives, we should move away from the idea that environmental legislation always creates winners and losers. The simple fact is that we can achieve a balance that allows all sides to come away with something positive. All America and all Americans benefit when we do that.

I will end on what I hope is a high note and that is this. These principles are not just talk but are geared toward providing results, results that will help Florida, for instance, restore our Everglades, restore our beaches. Under the Interior appropriations bill, which just happens to be coming to the floor this week, Congress in fact is going to be taking responsible steps in both of these critical areas.

I believe in the end all parties to the environmental debate agree on the importance of safeguarding our natural resources. Hopefully we will see reasonable people from all sides embrace the principles we have laid out and help us in a bipartisan way achieve our goals.

□ 1315

AMERICAN PATENT PROTECTION BEING JEOPARDIZED

The SPEAKER pro tempore (Mr. STEARNS). Under a previous order of the House, the gentleman from California [Mr. ROHRABACHER] is recognized for 5 minutes.

Mr. ROHRABACHER. Mr. Speaker, I rise to warn my colleagues that powerful interest groups are involved in one of the most insidious attacks on the well-being of the American people that I have seen in my 8 years in Congress. It is an insidious attack because a decade from now, if these powerful interests succeed, America will have lost its competitive edge, the standard of living of our people will be in decline, and they will never know what hit them.

What is happening is an attack on America's ability to remain the number one technological power in the world. America has had the strongest patent system in the world. Our citizens have enjoyed patent protection that other citizens in other countries have not enjoyed. Thus, our inventors and investors in new innovation have given us technology that has provided the American people with a standard of living far beyond those overseas, and has permitted our people, even though they receive more money for their work, to outcompete people who receive less pay overseas.

The American people have enjoyed the technological lead that has given us the light bulb, the telegraph, the telephone, the reaper, the steamboat, and, yes, the airplane.

Today our standard of living is tied to technology and in the future will be tied even more to technology, but today we see our patent system, which has done so much for our people, under attack and targeted by powerful foreign interests and multinational corporations.

These powerful interests have already eliminated the guaranteed patent term of 17 years, which was the right of Americans for 130 years, and it was eliminated in an underhanded fashion by slipping it into the GATT implementation legislation, even though that change was not mandated by GATT itself.

Now for the knockout punch. We will soon have a bill come to the floor which will end patent protection in America as we know it. The bill, H.R. 3460, which I have labeled the Steal American Technologies Act, is really named the Moorhead-Schroeder Patent Act. This piece of legislation will demand, mandate, that every American inventor, when he applies for a patent, after 18 months, whether or not that patent has been issued or not, it will be published for the world to see. Every single detail of new American technology will be available to the world to steal. Every pirate in the world and the Asian market will be producing our technology before our patents are even issued.

It also eliminates the Patent Office itself, something that has been part of our Government since the Constitution, and replaces it with a corporatized Patent Office, meaning a semi-Government, semiprivate corporation, like the Post Office, which has very little of the congressional oversight that the current Patent Office has.

By the way, that same move strips patent examiners. These men and women who have dedicated their lives to making the judicial decisions as to who owns what technology, they will be stripped of their civil service protection, inviting corruption: First, publication of every last secret we have to the pirates of the world; second, stripping our patent examiners, our line of defense, against corruption, of their civil service protection.

Finally, this bill will offer rights to foreign corporations, as well as huge American multinational corporations, to challenge existing patents. Our technology even today will be under attack when the people from all over the world will be able to come in with huge finances and force our people to defend the patents that have already been granted them.

America's corporate giants, strangely enough, have signed on to this technological rip-off. First, they would like to rip off the little guy themselves without having pay royalties, and many of these giant corporations in our country have interlocking directorates and investors from all over the

world. They have signed on to destroying the American patent system as we have known it for the last 130 years.

This is truly a battle between the little guy and the big guy. H.R. 3460, the Steal American Technologies Act, is being pushed through the system by big business. Small business, the investors, the NIFB, colleges and universities that get monies from royalties from their own inventive processes, they are behind the Rohrabacher substitute for H.R. 3460.

This will be a battle that determines America's future, but the American people will have trouble understanding it. Let us hope they call their Congressman to let them know they will be watching and America's interests should be protected.

MSA'S PROVIDE FREE MARKET SOLUTION TO HEALTH CARE PROBLEMS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona [Mr. SALMON] is recognized for 2 minutes.

Mr. SALMON. Mr. Speaker, since the start of the Clinton administration, our President has taken American workers for a rollercoaster ride when it comes to fundamental health care reform. Two years ago we faced the scary plan called Clinton Health Care, which basically was a system of socialized medicine. Clinton Care completely rejected the idea that free market reforms, not big government, centralized control, might be the way to bring health care costs into line, and it would have forced people into managed care.

Americans were confronted with this ridiculously complex plan that would have even further increased our citizens' dependence on the Federal Government and ultimately left our children with debt even worse than today's already unacceptable high levels.

Today in Congress we have a plan, a good plan, for health care reform. It does not call on the Federal Government to take over anything. Instead, we propose to fix our problems in a manner that befits our free market economy by empowering Americans to have more, not less, control over their health care. Our plan will let Americans take their health care insurance with them when they change jobs, limit exclusions for preexisting conditions, and, perhaps most importantly, give Americans the option to choose medical savings accounts, MSA's. Our plan believes in giving people, not bureaucrats, the power to make personal health care choices, but this plan is held hostage, day 57.

MSA's, which is a component of our health care reform plan, provide free market solutions to our health care problems. Because of the fundamental good sense MSA's make, we have more and more Democrat converts to this economically sound reform option.

While I would prefer to give the MSA option to all Americans, I recognize slow progress is better than no progress. Such is the nature of compromise. All in all, however, we in Congress have a solid reform plan, and I am proud of the spirit of bipartisanship that many have brought to this cause.

However, one more Democrat still has not joined us in this compromise, and that is President Clinton. His refusal to take it up has brought this reform to a halt. I call on the President in the spirit of bipartisan, working together for Americans on crucial, crucial health care reform, for all Americans, to stop this hostage taking of the health care reform plan, come on board, and do what is right for America.

RECESS

The SPEAKER pro tempore. There being no further requests for morning business, pursuant to clause 12, rule I, the House will stand in recess until 2 p.m.

Accordingly (at 1 o'clock and 23 minutes p.m.), the House stood in recess until 2 p.m.

□ 1400

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. WELLER) at 2 p.m.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

May Your Spirit, O God, be with us all the day long and remain with us in our hopes and in our sorrows, in our dreams and in our defeats. Cause us never to forget Your heavenly vision and let us never walk away from the gifts of Your good grace. We know, gracious God, that Your Spirit is over all the world and given to every person and is present in our lives this day and every day, we pray. Amen.

THE JOURNAL

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

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

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Ohio [Mr. CHABOT] come forward and lead the House in the Pledge of Allegiance.

Mr. CHABOT 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.

REPORT ON H.R. 3662, DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS ACT, 1997

Mr. REGULA, from the Committee on Appropriations, submitted a privileged report (Rept. No. 104–625) on the bill (H.R. 3662) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1997, and for other purposes, which was referred to the Union Calendar and ordered to be printed.

The SPEAKER pro tempore. All points of ordered are reserved on the bill.

HOW LONG WILL PRESIDENT CLINTON AND SENATOR KENNEDY STAND IN THE WAY?

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

Mr. BOEHNER. Mr. Speaker, Republicans have a health care bill that ensures affordability, accessibility and ensures that preexisting conditions will not deny an individual health care coverage any longer. It makes health care more affordable to small businesses and to the self-employed and allows them to set up medical savings accounts. It allows tax deductions for long-term health care needs, and it fights fraud and abuse with tough new provisions.

Mr. Speaker there are only two people standing between the American people and more affordable and available health care, and that is President Bill Clinton and Senator TED KENNEDY, and, Mr. Speaker, how long will they stand in the way and deny the American people these much needed reforms?

VETERANS DESERVE MORE THAN HOLLOW PROMISES

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

Mr. FILNER. Mr. Speaker, our Nation's veterans are getting a raw deal. Last week the Republican budget conference approved a veterans budget $573 million below that recommended by President Clinton. Now the Subcommittee on Labor, Health and Human Services, and Education of the Committee on Appropriations has recommended that the funding level recommended by President Clinton for veterans' employment services provided for disabled veterans outreach

program specialists and local veterans employment representatives be cut by almost $12 million. As a result, 28,000 fewer veterans; that is, 28,000 fewer veterans, will be placed in jobs than proposed in the President's budget.

Additionally, the Republicans have recommended that the transition assistance program be terminated October 1. This successful program has trained hundreds of thousands of men and women leaving our Armed Forces to find, and to find quickly, good permanent civilian jobs.

Mr. Speaker, the Republicans are anxious to spend billions of dollars on a dubious son of star wars program but are unwilling to provide the $2 million necessary to help veterans earn a living in their civilian communities. Let us hope the Committee on Appropriations restores this money. Veterans deserve more than hollow promises.

NO MFN FOR CHINA

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

Mr. FUNDERBURK. Mr. Speaker, dollar signs, business for some United States companies, trade and engagements; these seem to be the primary arguments for renewing MFN for Communist China.

Mr. Speaker, I remember in my youth reading "The Odyssey," the story about the great Greek hero Odysseus and his trip home after the long Trojan War. In one of his adventures he guided his ship through the singing of the Sirens. He had to do this without meeting the same fate which lured all mariners and their ships to the rocky coast and disaster.

The modern-day lure of the songs of the Sirens is the China market. Like Odysseus of old, only President Reagan, unlike recent American Presidents, was able to resist this. He built the United States up from its self-imposed position of strategic weakness.

Let us do what is good for the American national interests and resist the modern sirens. Do not grant MFN for China, at least until Communist China starts to act more like a civilized nation in its treatment of its citizens.

CANCEL MFN FOR CHINA

(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, another last minute trade deal. The White House said China has voluntarily agreed to stop breaking international trade and copyright law.

Right.

Mr. Speaker, what does China have to do before the White House wakes up? Nuke Taiwan? Rape the Statute of Liberty?

I think the facts are now clear and evident. While China is kicking our assets all the way from Beijing to the east lawn, the White House keeps making another deal. I do not know if we elected Monte Hall or what here. In America the people govern.

Mr. Speaker, Congress should cancel most-favored-nation trade status pork for China. I yield back the balance of all jobs and money.

WE NEED TO KNOW WHY

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

Mr. CHABOT. Mr. Speaker, the White House has now released statements from some of the political operatives involved in pawing through the confidential FBI background files of hundreds of political opponents. Those declarations are more important for what they do not say than for what they do.

Craig Livingstone, the ex-bouncer and political hatchet man who is now being paid not to work, released his carefully lawyered statement saying that if he was asked to obtain FBI background files, and if he did obtain the files, and if he was asked to disseminate to other people the personal information that he learned from those files, and if he did give out that personal information to other people, well, then he did not do so for any purpose he thought was, quote, improper.

The statement of course does not say what he defines as improper.

The American people deserve to know exactly what happened and why. They deserve to know what the President means when he says that he takes full responsibility for this outrage, and we need to know why the President is treating Mr. Livingstone so very gentle.

REPUBLICANS REVERSE DEMOCRATIC DEFICIT REDUCTION

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

Mr. BROWN of Ohio. Mr. Speaker, here we go again. The same group that shut down the Government last winter has given us a budget that is way out of balance. The Gingrich Republican budget cuts Medicare, cuts Medicaid, increases by $12 billion the military budget, more than the Pentagon asked for, and increases taxes on people making $15,000 to $30,000 a year, at the same time swelling the budget deficit, all to give tax breaks to the richest people in this country.

Three years ago the budget deficit was $290 billion. This year we have got it down to $130 billion. We have cut it in half. Unfortunately, the Gingrich budget increases the budget deficit to $153 billion next year and a comparable amount the following year instead of bringing the budget deficit down. At the same time it cuts Medicare by $162 billion, it cuts Medicaid $72 billion, again all to give a tax break to the wealthiest people in this country.

Mr. Speaker, it simply does not make sense.

SUPPORT THE WORKER RIGHT TO KNOW ACT

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

Mr. BALLENGER. Mr. Speaker, is it fair that any union member should automatically have money deducted from his or her paycheck to pay for political candidates or causes with which he or she disagrees? It is fair that a union member should have to battle his or her union in order to object to the union's spending of dues for political purposes? And, if he or she does object, is it fair that a union member be subjected to harassment from the union, or worse, the threat of losing his or her job? I certainly don't think so, and I would hope and expect that our colleagues on both sides of the aisle would feel the same way.

Mr. Speaker, the Worker Rights to Know Act will help instill some basic fairness to the process by which unions spend the hard earned money of their members. I urge my colleagues to support its passage.

ANOTHER REASON FOR DENYING MFN TO CHINA

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

Mr. PALLONE. Mr. Speaker, as we go through the annual ritual of extending most-favored-nation trading status for China, yet another reason for denying MFN has come to light: China has become the major contributor to weapons proliferation and instability in Asia, with Pakistan being one of the major recipients of Chinese nuclear technology and delivery systems.

As was reported in the media last week, there is strong evidence from our own intelligence agencies that Pakistan has deployed nuclear-capable Chinese M-11 missiles, obtained through a secretive transfers that both countries have tried to cover up. Yet, incredibly, despite the overwhelming evidence, the administration seems unwilling to impose the tough economics that both nations clearly deserve.

Earlier this year, we failed to punish China or Pakistan for the transfer of 5,000 ring magnets, devices used for the production of weapons-grade enriched uranium. We also went ahead with the transfer of $368 million in United States conventional weapons to Pakistan.

Mr. Speaker, it's time to get tough with China, Pakistan, and other nations contributing to the spread of nuclear weapons. Denying MFN to China

is an effective way to show that we're serious about nonproliferation.

OBSTRUCTIONIST LIBERALS HOLDING UP THE HEALTH COVERAGE AVAILABILITY AND AFFORDABILITY ACT

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

Mr. LEWIS of Kentucky. Mr. Speaker, last week, the House and Senate reached an agreement on a package of commonsense health care reforms. The Health Coverage Availability and Affordability Act of 1996 ensures portability, it fights waste, fraud, and abuse, it cuts redtape and creates a medical savings account program to help the self-employed and employees of smaller businesses.

Mr. Speaker, this is a win-win situation for the American people. We emphasize people over bureaucracy, choice over centralization.

But, unfortunately, a small group of liberals in the other body have held up this commonsense legislation for 57 days. These liberals are holding out for the centralized Clinton Care that was rejected by Congress and the American people 2 years ago.

Mr. Speaker, we should break this logjam. Obstructionist liberals should end their campaign to take over the Nation's health care system.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair would remind all members it is not in order to cast reflections on the Senate or its Members, individually or collectively.

CONSTRUCTIVE ENGAGEMENT OR APPEASEMENT

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

Mr. DEFAZIO. Mr. Speaker, we are told that the United States of America is engaged in a policy of constructive engagement with the gerontocracy that runs China. We have just completed our second annual negotiations to allow the Chinese to continue to pirate over $2 billion a year in intellectual property rights from American companies. There is no change; they are still producing those disks today.

Yes, there was a little show of closing down a few, but that will not last. We are going to run a $41 billion deficit with China, the most unfair trading nation on Earth, the most protectionist society on Earth. That means, according to our own Commerce Department's numbers we are going to lose 800,000 jobs to the unfair trade practices of the People's Republic of China.

At some point the policy of constructive engagement starts to look an awful lot like appeasement, and we all know how effective the policy of appeasement was in dealing with Hitler's Third Reich.

ENDING HEALTH CARE REFORM GRIDLOCK

(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 American people have two major concerns about their health care insurance. One is can they afford it; and, second, will they be able to take it with them when they have to move from one job to another?

First, the good news. A bipartisan majority in the House and the Senate supports passage of the Health Coverage Availability and Affordability Act, which addresses both of these problems. Now the bad news. One Member from the other side of the aisle in the other body is standing in the way because of his opposition to providing more Americans the option of choosing a medical savings account, or MSA, for their health insurance.

Dozens of companies and thousands of employees around the country have MSAs. They love MSA's for three reasons. MSA's give employees control over how their health care dollars are spent and make them careful but satisfied shoppers.

□ 1415

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

Mrs. SCHROEDER. Mr. Speaker, I thought the Chair had said that we could not impugn motives to Members of the other body.

The SPEAKER pro tempore (Mr. WELLER). The gentlewoman is correct. The Chair was attempting to ask the gentleman to suspend.

The Chair would ask that Members refrain from disparaging remarks about Members of the other body.

Mr. BARTLETT of Maryland. Mr. Speaker, I mentioned no specific Member of the other body.

Mr. Speaker, dozens of companies and thousands of employees around the country have MSA's. They love MSA's for three reasons: MSA's give employees control over how their health care dollars are spent and make them careful but satisfied shoppers. They provide them freedom from worry by eliminating out-of-pocket costs for those with chronic or catastrophic illnesses. MSA's save money for employees and for the companies. Americans want this kind of health care coverage. We should move to make it possible for them.

THE REPUBLICAN BUDGET DOES NOT REFLECT THE PRIORITIES OF MIDDLE AMERICA

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

Mr. MINGE. Mr. Speaker, despite the heated rhetoric surrounding the budget debate, the Republican budget passed last week. It will tragically increase the deficit from $130 billion to $153 billion. Just when most of us who are deeply committed to deficit reduction thought that we had the opportunity to address the budget in a forthright manner, we have been duped. If we have learned anything about the tragic budget debate of last year, we have learned that if it is going to succeed, the design and the details of the budget must reflect the priorities of modern Americans.

Middle America wants to see the deficit decreased. Middle America does not want to see education and health care programs cut while defense spending increases. Middle Americans are willing to share in the sacrifice necessary to balance the budget. Yes, most support tax cuts. So do I. However, we should not borrow money temporarily to pay for a tax cut if we are sacrificing the future of our children and grandchildren. We must be willing to set our priorities straight and make the tough choices necessary to balance the budget.

END THE APATHY AND THE POLICY OF APPEASEMENT TOWARD CHINA

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

Mr. STEARNS. Mr. Speaker, in 1980, China was first granted MFN status. Since then, very little has changed. In fact, it would be easy to argue that the situation has worsened. In the last 5 years, China has accumulated a $117 billion trade surplus with the United States, most of which is being used by the Chinese Government to build a war machine—a United States financed and outfitted Communist army.

Also troubling is the continued theft of American intellectual property rights. Even the Clinton administration has called the Chinese "the most egregious violator of agreements intended to combat the piracy of American products.

Our apathy and appeasement have actually worsened our position as a trade partner and as a steward of democracy in one of the world's most volatile regions.

The House will soon vote to end China's privilege. We will soon have the opportunity to send a message to the world that America will not support a rogue nation. We cannot continue to

ignore the truth' we must be proactive in changing China's policies.

THE 1996 CHICAGO BULLS MADE AMERICA PROUD

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

Mr. DURBIN. Mr. Speaker, let me join the chorus of Chicagoans, Illinoisans, and fans everywhere in saluting our world champion Chicago Bulls. The Seattle Supersonics were a worthy team, but 1996 was the year of the Bulls: a regular season record of 72 victories, a playoff record of 15 wins and 3 losses.

Why were they so successful? The greatest coach in the NBA, Phil Jackson, the man who proved that Zen can win; the greatest player in the history of the sport, Michael Jordan, whose athletic ability is only surpassed by his class; and a great team, with players from Australia, Canada, Croatia, and Mars. The 1996 Chicago Bulls made America proud: four championships in 6 years, and more to come.

COMMENDING THE FEDERAL BUREAU OF INVESTIGATION FOR A JOB WELL DONE

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

Mr. OXLEY. Mr. Speaker, I rise to commend the Federal Bureau of Investigation and the Department of Justice for the peaceful resolution reached last Thursday in the armed standoff involving the so-called Montana Freemen who are charged with threatening public officials and other crimes.

The potential for violence was high throughout this confrontation. The fact that the suspects surrendered without a shot being fired speaks well of FBI negotiations and the reforms instituted at DOJ for dealing with such crisis situations.

I particularly note FBI Director Louis Freeh's personal oversight of the case and his determination to see the lessons of past standoffs institutionalized at the Bureau. Federal law enforcement is the target of a great deal of second-guessing when tragedies occur. They deserve recognition for their professionalism when a tense situation is resolved peacefully.

Mr. Speaker, not every warrant can be executed without incident. That goes with the turf. All the more reason to commend the FBI for a job well done.

IT IS NOT TOO LATE TO REVERSE THE ACTIONS OF LAST WEEK'S BUDGET VOTE AND STILL CONTINUE TO ATTACK THE DEFICIT

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

Mr. STENHOLM. Mr. Speaker, it is not too late to reverse the actions of last week's budget vote and still continue to attack the deficit. I am very, very concerned that after 4 years of continuously declining deficit, we now see again in the chart that instead of continuing the trend to balance, we are going to borrow an additional $99 billion over the next 2 years in order to give ourselves a tax cut with borrowed money. That does not make sense.

Also when we look at the budget last week, and now we hear the discussions going on about whether we are going to combine welfare and Medicaid with a tax cut, we find we are postponing the difficult choices. The difficult cuts are going to be postponed until 2000, 2001, and 2002.

Mr. Speaker, please, let us reverse that. Let us get the House back in the same direction we were going in 4 consecutive years of the deficit coming down. Let us not give up now. Let us continue now with some good bipartisan support for deficit reduction and not increasing our Nation's debt.

URGING SUPPORT FOR COMMONSENSE HEALTH CARE REFORM

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

Mr. HASTERT. Mr. Speaker, the time for health care reform is at hand. Congress, for the first time, will deliver health care reform that will attack waste and fraud, make health care more affordable and make health care insurance more available for the American people.

The President has a simple choice. He can do what the American people want, and sign this very important reform package. Or he can work to derail this reform bill and please the left wing of his party.

According to press accounts, liberals in the Democrat caucus are deathly afraid of medical savings accounts, because it gives more power to families to make their own health care decisions.

These liberals want the Government to call the shots. They want Washington bureaucrats to decide what kind of health care families can or can't have.

Mr. Speaker, the American people want health care portability. They want to make health care insurance both available and affordable. And they want to get rid of the waste and fraud that every senior citizen knows is in the health care delivery system. And they want it now.

I urge my colleagues to support this commonsense reform.

VOTING "NO" ON MOST-FAVORED-NATION STATUS FOR CHINA

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

Ms. PELOSI. Mr. Speaker, at the beginning of June the President asked for a special waiver in order to grant most-favored-nation status to China. The House will soon be taking up this vote. In the past, since the Tiananmen Square massacre, I have worked with our colleagues to try to shape a compromise measure. The actions on the part of the Chinese Government in terms of violation of trade proliferation and human rights have been so extreme that this year I am forced to vote no on MFN for China.

In terms of trade, the Chinese want favorable trade treatment for their products coming into the United States while having huge barriers to United States products going to China, to the tune of one-third of their exports coming to the United States and only 2 percent of United States exports being allowed into China.

In terms of proliferation, the Chinese are proliferating chemical, nuclear, and missile technologies to unsafe guarded countries like Iran and Pakistan, and all this money they earn from their missile sales and trade consolidates their power to allow them to continue to repress their people. Some will say that economic reform will lead to political reform. This has not been the case, even according to the Clinton administration's own country report.

REJECT MOST-FAVORED-NATION TRADING STATUS FOR CHINA'S DICTATORSHIP

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

Mr. ROHRBACHER. Mr. Speaker, we will be discussing most-favored-nation status for China. Of course, Communist China is one of the worst violators, if not the worst violator, of human rights in the world. If not one of the worst, it is the worst in terms of stealing American technology and intellectual property rights. It is the worst violator of our agreements to stop nuclear proliferation.

It is, of course, one of the most belligerent countries in the world toward its own neighbors. It is one of the worst protectionists. They have a totally unfair trading relationship with us, putting our people out of work, making tens of billions of dollars on that trading relationship. What do they do with those tens of billions of dollars? They are building up their military, plus they are bolstering their ability to copy our technology.

What more does it take before this administration and the powers that be

in this country realize that we should not be treating Communist China, this horrible violator of human rights, as we do other democratic nations? If we believe in free trade, let us have free trade between free people, instead of bolstering dictatorships all over the world with these favorable trade agreements at the expense of the American people. No most-favored-nation status for this dictatorship.

NO SPECIAL TRADING PRIVILEGES TO THE BUTCHERS OF BEIJING

(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, today the House Committee on Ways and Means will vote to renew Chinese most-favored-nation status, which means our country will again grant China the same privileges in our market as we do to democratic states like England.

As the committee casts its vote, may I remind my esteemed colleagues of the Golden Rule: Free trade can only occur among free people. By any measure, China is not a nation of free people. Let me read from Amnesty International's report on China, and I quote: "Torture remains endemic, causing many deaths each year. The death penalty is used extensively and arbitrarily to instill fear. More people are executed every year in China than in all other countries combined." The list goes on and on: Forced abortions, repression of ethnic and religious groups, thousands of democracy activists jailed every year.

Given China's lack of basic human freedoms, it should come as no surprise that China does not have a free market. China remains one of the most closed markets in the world. Why should we be giving special privileges to the butchers of Beijing?

THREE RESPONSES

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

Mr. WHITE. Mr. Speaker, I have sat in the Chamber today, and I have to respond to three things I have heard from the other side.

No. 1, on the budget, it is very interesting to hear people who have controlled the House for 40 years talk about how the Republican budget somehow is not serious about controlling the budget and getting the deficit under control. It is the only budget that is going to do that, and I think most of us know that.

No. 2, on health care, we have a good plan that we have agreed to. It gets costs under control for the first time. It is a plan that people should support.

No. 3, one of the most outrageous things I have heard on the House floor for a long time has to do with the Chicago Bulls. Sure, they played a good game. Sure, they are a good team. The fact is the Bulls were lucky. The Sonics will be back next year, and the Bulls had better be thankful there were not a few more games left this year, because they would have been in big trouble this year.

NO ONE OUT OF THE POOL

(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, it is summertime. When most Americans hear "Everybody in the pool," they think it is a great cry to join in the fun. But we have been hearing pleas for health care reform from the other side of the aisle, and they are absolutely right. We desperately need many of the provisions in that health care reform. What they forget to tell us is that the basic premise of a good insurance program is everybody stays in the pool, because we can only keep premiums down if everybody stays in the pool.

The other side forgets to tell us that they are only going to give us those reforms if they are allowed to drop a ladder in the pool. The name of that ladder is MSA. Meet MSA. Think MSA. It means ladder. It means if you are rich, you can get out of the pool. If you are healthy, you get out of the pool. Who do we leave in the pool? We are going to have a whole lot of reforms that are needed, but we are going to have premiums so high we will not be able to get there.

I think it is very important to have both sides of this issue, and "Everybody in the pool" better have a real meaning on this one.

□ 1430

REPUBLICANS INCREASE BUDGET DEFICIT

(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, last week the Republican leadership twisted enough arms to pass their 1997 budget. And the result—broken arms and broken promises.

Two summers ago the Republicans unveiled their Contract With America amid much fanfare. The Republicans promised to—and I quote—"work to enact additional budget savings, beyond the budget cuts specifically included in the contract, to ensure that the Federal budget deficit will be less than it would have been without the enactment of these bills." Well—a lot has happened since then.

The budget passed by the Republicans last week—by their own admission—increases the deficit for the first time in 3 years. The Republicans have come to Washington and done exactly what they promised they would not do—increase the deficit.

I guess we now know for sure that the promises the Republican Party made to the American people aren't worth the paper they are written on.

SUPPORT CHURCH ARSON PREVENTION ACT OF 1996

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

Mrs. KENNELLY. Mr. Speaker, I rise today in support of the Church Arson Prevention Act of 1996. Our country has been experiencing a wave of church burnings, which so far has claimed the homes of 34 African-American congregations.

In the midst of the anger and sadness we feel at these events, it has been heartening to see thousands of Americans joining together to express their moral outrage. We understand that these churches are the hearts and souls of their communities. Striking at them is an assault on the very values that unite us as Americans.

But important as it is to speak out against these attacks, our voices alone may not be enough. We need something more. We need to put some teeth in the law. Today, with passage of this legislation, we take that step.

Let the commitment of this Congress be clear: We believe that those responsible for this epidemic of hate must be held responsible for their acts. passing this legislation will make that easier to accomplish, and I urge my colleagues to support this bill.

AN AMAZING TRICK

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

Mr. SABO. Mr. Speaker, this place always amazes me. Because of President Clinton's program, we had declining deficits for 4 years. Now we have the new Republican plan which amazingly increases the deficit in the next 2 fiscal years. But what is even more surprising is they not only manage to increase the deficit for the next 2 years but at the same time they manage to make devastating cuts in health programs for the vulnerable in our country, particularly for our seniors. There literally would be thousands of seniors, generally poor elderly women, who would see huge increases in their Medicare premiums and many other millions of Americans who would be subject to changes in Medicaid that would leave their health care in question.

Mr. Speaker, this is really an amazing trick. Two years of rising deficits and at the same time program cuts that devastate millions of Americans.

BEIJING'S RADIOACTIVE RACKETEERING

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

Mr. MARKEY. China is an atomic Al Capone with a radioactive racketeering rap sheet a mile long.

Each passing day brings new details about Beijing's illegal nuclear proliferation activities. China sold ring magnets to Pakistan that are important in the production of material for nuclear weapons. China sold cruise missiles to Iran which can be used to deliver nuclear weapons. China sold nuclear-capable M-11 missiles to Pakistan that now may be assembled and ready to go. Just last week, media reports indicated that the missiles were probably ready to be fitted with nuclear warheads.

Beijing's response to American inquiries about its illegal transfers can be summed up by 3 words: Obfuscate and proliferate.

China's rulers have provided plenty of well-timed nods, winks, private toasts, clarifications, and assurances. But they continue to sell sophisticated nuclear weapon-related equipment to the world's troublemakers.

If China wants to be the international Kmart for nuclear weapons, then the United States needs to tell them that they have to shop other places in this would if they want American goods.

NEW JERSEY'S NEW GENETIC ANTIDISCRIMINATION LEGISLATION

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

Ms. SLAUGHTER. Mr. Speaker, I was pleased to read today that the New Jersey Legislature approved legislation to prohibit health insurance companies from discriminating against consumers based on their genetic information.

This bill was passed unanimously, showing the broad, bipartisan consensus on the need for the legislation.

On the Federal level, I have introduced comprehensive legislation to ban discrimination in health insurance.

No one, Mr. Speaker, should be punished for simply having the genes they inherited.

We are already hearing terrible stories about people denied coverage for genetic disorders because of preexisting conditions.

Our understanding of genetics and the role they play in disease are progressing at breakneck speed, especially through programs like the Human Genome Project.

We have identified genes associated with breast cancer, cystic fibrosis, Alzheimer's, and, most recently, skin cancer.

Our lives must keep pace to protect consumers from the abuse of personal information and that protection should be nationwide.

Therefore, I urge my colleagues to support H.R. 2847, cosponsored in the Senate by Senator SNOWE of Maine.

TOLL INCREASES IN CHURCH BURNINGS

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

Mr. THOMPSON. Mr. Speaker, for 109 years the Mount Pleasant Missionary Baptist Church has served the people of the small rural town of Kossuth, MS. Today all that remains of that church and the Central Grove Baptist Church, another small black church barely 5 miles away, is ashes.

The members of these two churches awoke this morning to find their names added to the long toll of over 100 heartbroken congregations since 1991. Though they rise from their beds surrounded by ruins, the people of these two churches did not awake to defeat, but determination.

You see Mr. Speaker, these two Mississippi churches were built years ago with old bricks and wood by the sons and daughters of slaves. The structures may be burned, but their foundations were laid in the spirit of hope, and neither hatred nor evil has the power to destroy them forever. It is the spirit of these congregations that will rise, steeped in faith, to take up hammers and mortar to rebuild our churches.

Those of you who come in the dark shadows, beware.

TIME TO PASS HEALTH REFORM

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

Mr. GENE GREEN of Texas. Mr. Speaker, now that the leadership in the Senate has changed, we are beginning to see some real movement on the Kennedy-Kassebaum health care reform bill.

Unlike Bob Dole, the current majority leader in the Senate understands the urgency to bring this bill to a vote and is working toward an agreement.

For months and even years, Americans have been asking for portability in health insurance and coverage for preexisting conditions. But House Republicans have demanded the inclusion of full-fledged medical savings accounts, the so-called MSA's, malpractice reform and the taking away of State regulation over multiple employer welfare plans, or the MEWA's. That inclusion of issues will kill the bill.

Americans want the ability to take their insurance coverage with them when they change jobs and they want to be covered for preexisting conditions. The Kassebaum-Kennedy bill makes this possible. It is time to stop playing games with the American people and pass reasonable health care reform now.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

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

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

SECURITIES AMENDMENTS OF 1996

Mr. BLILEY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3005) to amend the Federal securities laws in order to promote efficiency and capital formation in the financial markets, and to amend the Investment Company Act of 1940 to promote more efficient management of mutual funds, protect investors, and provide more effective and less burdensome regulation, as amended.

The Clerk read as follows:

H.R. 3005

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Securities Amendments of 1996".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—CAPITAL MARKETS DEREGULATION AND LIBERALIZATION

Sec. 101. Short title.
Sec. 102. Creation of national securities markets.
Sec. 103. Margin requirements.
Sec. 104. Prospectus delivery.
Sec. 105. Exemptive authority.
Sec. 106. Promotion of efficiency, competition, and capital formation.
Sec. 107. Privatization of EDGAR.
Sec. 108. Coordination of Examining Authorities.
Sec. 109. Foreign press conferences.
Sec. 110. Report on Trust Indenture Act of 1939.

TITLE II—INVESTMENT COMPANY ACT AMENDMENTS

Sec. 201. Short title.
Sec. 202. Funds of funds.
Sec. 203. Registration of securities.
Sec. 204. Investment company advertising prospectus.
Sec. 205. Variable insurance contracts.
Sec. 206. Reports to the Commission and shareholders.
Sec. 207. Books, records and inspections.
Sec. 208. Investment company names.
Sec. 209. Exceptions from definition of investment company.

TITLE III—SECURITIES AND EXCHANGE COMMISSION AUTHORIZATION

Sec. 301. Short title.
Sec. 302. Purposes.
Sec. 303. Authorization of appropriations.
Sec. 304. Registration fees.
Sec. 305. Transaction fees.
Sec. 306. Time for payment.
Sec. 307. Sense of the Congress concerning fees.

TITLE I—CAPITAL MARKETS DEREGULATION AND LIBERALIZATION

SEC. 101. SHORT TITLE.

This title may be cited as the "Capital Markets Deregulation and Liberalization Act of 1996".

SEC. 102. CREATION OF NATIONAL SECURITIES MARKETS.

(a) SECURITIES ACT OF 1933.—

(1) AMENDMENT.—Section 18 of the Securities Act of 1933 (15 U.S.C. 77r) is amended to read as follows:

"SEC. 18. EXEMPTION FROM STATE REGULATION OF SECURITIES OFFERINGS.

"(a) SCOPE OF EXEMPTION.—Except as otherwise provided in this section, no law, rule, regulation, or order, or other administrative action of any State or Territory of the United States, or the District of Columbia, or any political subdivision thereof—

"(1) requiring, or with respect to, registration or qualification of securities, or registration or qualification of securities transactions, shall directly or indirectly apply to a security that—

"(A) is a covered security; or

"(B) will be a covered security upon completion of the transaction;

"(2) shall directly or indirectly prohibit, limit, or impose conditions upon the use of—

"(A) with respect to a covered security described in subsection (b)(1) or (c)(1)—

"(i) any offering document that is prepared by the issuer; or

"(ii) any offering document that is not prepared by the issuer if such offering document is required to be and is filed with the Commission or any national securities organization registered under section 15A of the Securities Exchange Act of 1934 (15 U.S.C. 78o-3);

"(B) with respect to a covered security described in paragraph (2), (3), or (4) of subsection (b), any offering document; or

"(C) any proxy statement, report to shareholders, or other disclosure document relating to a covered security or the issuer thereof that is required to be and is filed with the Commission or any national securities organization registered under section 15A of the Securities Exchange Act of 1934 (15 U.S.C. 78o-3); or

"(3) shall directly or indirectly prohibit, limit, or impose conditions, based on the merits of such offering or issuer, upon the offer or sale of any security described in paragraph (1).

"(b) COVERED SECURITIES.—For purposes of this section, the following are covered securities:

"(1) EXCLUSIVE FEDERAL REGISTRATION OF NATIONALLY TRADED SECURITIES.—A security is a covered security if such security is—

"(A) listed, or authorized for listing, on the New York Stock Exchange or the American Stock Exchange, or included or qualified for inclusion in the National Market System of the National Association of Securities Dealers Automated Quotation System (or any successor to such entities);

"(B) listed, or authorized for listing, on a national securities exchange (or tier or segment thereof) that has listing standards that the Commission determines by rule (on its own initiative or on the basis of a petition) are substantially similar to the listing standards applicable to securities described in subparagraph (A); or

"(C) is a security of the same issuer that is equal in seniority or senior to a security described in subparagraph (A) or (B).

"(2) EXCLUSIVE FEDERAL REGISTRATION OF INVESTMENT COMPANIES.—A security is a covered security if such security is a security issued by an investment company that is registered under the Investment Company Act of 1940 (15 U.S.C. 80a et seq.).

"(3) SALES TO QUALIFIED PURCHASERS.—A security is a covered security with respect to the offer or sale of the security to qualified purchasers, as defined by the Commission by rule. In prescribing such rule, the Commission may define qualified purchaser differently with respect to different categories of securities, consistent with the public interest and the protection of investors.

"(4) EXEMPTION IN CONNECTION WITH CERTAIN EXEMPT OFFERINGS.—A security is a covered security if—

"(A) the offer or sale of such security is exempt from registration under this title pursuant to section 4(1) or 4(3), and—

"(i) the issuer of such security files reports with the Commission pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m, 78o(d)); or

"(ii) the issuer is exempt from filing such reports;

"(B) such security is exempt from registration under this title pursuant to section 4(4);

"(C) the offer or sale of such security is exempt from registration under this title pursuant to section 3(a), other than the offer or sale of a security that is exempt from such registration pursuant to paragraph (4) or (11) of such section, except that a municipal security that is exempt from such registration pursuant to paragraph (2) of such section is not a covered security with respect to the offer or sale of such security in the State in which the issuer of such security is located; or

"(D) the offer or sale of such security is exempt from registration under this title pursuant to Commission rule or regulation under section 4(2) of this title.

"(c) CONDITIONALLY COVERED SECURITIES.—

"(1) FEDERALLY REGISTERED OFFERINGS.—Subject to the limitations contained in paragraphs (2) and (3), a security is a covered security if—

"(A) the issuer of such security has (or will have upon conclusion of the transaction) total assets exceeding $10,000,000;

"(B) such security is the subject of a registration statement that is filed with the Commission pursuant to this title; and

"(C) the issuer files with such registration statement audited financial statements for each of the two most recent fiscal years of its operations ending before the filing of the registration statement.

"(2) LIMITATIONS FOR CERTAIN OFFERINGS.—Notwithstanding paragraph (1), a security is not a covered security if such security is—

"(A) a security of an issuer which is a blank check company (as defined in section 7(b) of this title), a partnership, a limited liability company, or a direct participation investment program;

"(B) a penny stock (as such term is defined in section 3(a)(51) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(51)); or

"(C) a security issued in an offering relating to a rollup transaction (as such term is defined in paragraphs (4) and (5) of section 14(h) of such Act (15 U.S.C. 78n(h)(4), (5)).

"(3) LIMITATIONS BASED ON MISCONDUCT.—Notwithstanding paragraph (1), a security is not a covered security—

"(A) with respect to any State, if the issuer, or a principal officer or principal shareholder thereof—

"(i) is subject to a statutory disqualification, as defined in subparagraph (A), (B), (C), or (D) of section 3(a)(39) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(39));

"(ii) has been convicted within 5 years prior to the offering of any felony under Federal or State law in connection with the offer, purchase, or sale of any security, or any felony under Federal or State law involving fraud or deceit; or

"(iii) is currently named in and subject to any order, judgment, or decree of any court of competent jurisdiction acting pursuant to Federal or State law temporarily or permanently restraining or enjoining such issuer, officer, or shareholder from engaging in or continuing any conduct or practice in connection with a security; or

"(B) with respect to a particular State, if the issuer, or a principal officer or principal shareholder thereof—

"(i) has filed a registration statement which is the subject of a currently effective stop order entered pursuant to that State's securities laws within 5 years prior to the offering;

"(ii) is currently named in and subject to any administrative enforcement order or judgment of that State's securities commission (or any agency or office performing like functions) entered within 5 years prior to the offering, or is currently named in and subject to any other administrative enforcement order or judgment of that State entered within 5 years prior to the offering that finds fraud or deceit; or

"(iii) is currently named in and subject to any administrative enforcement order or judgment of that State which prohibits or denies registration, or revokes the use of any exemption from registration, in connection with the offer, purchase, or sale of securities.

"(4) EXCEPTIONS TO LIMITATIONS.—

"(A) DEBT SECURITY EXEMPTION.—The limitations in paragraph (2)(A) shall not apply with respect to the debt securities of any issuer that is a partnership or limited liability company, provided that (i) the issuer is either a registered dealer or an affiliate of such a dealer, (ii) the issuer has, both before and after the offering, capital or equity (each computed in accordance with United States generally accepted accounting principles) of not less than $75,000,000, and (iii) if the issuer is not a registered dealer, such issuer does not use the proceeds of the offering primarily to fund the nonfinancial business of the issuer or any of its affiliates that are not registered dealers.

"(B) MISCONDUCT EXEMPTIONS.—The limitations in paragraph (3)(A) shall not apply if the Commission has exempted the subject person from the application of such paragraph by rule or order, and the limitations in paragraph (3)(B) shall not apply if the securities commission (or any agency or office performing like functions) of the affected State has exempted the subject person from the application of such paragraph by rule or order.

"(C) REASONABLE STEPS.—The provisions of paragraph (3) shall not apply if the issuer has taken reasonable steps to ascertain whether any principal officer or principal shareholder is subject to such paragraph, and such steps do not reveal a person who is subject to such paragraph. An issuer shall be considered to have taken reasonable steps if such issuer or its agent has conducted a search of any centralized data bases that the Commission may

designate by rule, and has received an affidavit under oath by each such principal officer or principal shareholder stating that such officer or shareholder is not subject to the provisions of paragraph (3).

"(D) EFFECT OF LIMITATIONS ON REMEDIES.—Notwithstanding paragraph (3), an issuer shall not be subject to a right of rescission under State securities laws solely as a result of the operation of such paragraph.

"(5) NO EFFECT UNDER SUBSECTION (B).—No limitation under this subsection shall affect the treatment of a security that qualifies as a covered security under subsection (b).

"(d) PRESERVATION OF AUTHORITY.—

"(1) FRAUD AUTHORITY.—Consistent with this section, the securities commission (or any agency or office performing like functions) of any State or Territory of the United States, or the District of Columbia, shall retain jurisdiction under the laws of such State, Territory, or District to investigate and bring enforcement actions with respect to fraud or deceit in connection with securities or securities transactions.

"(2) PRESERVATION OF FILING REQUIREMENTS.—

"(A) NOTICE FILINGS PERMITTED.—Nothing contained in this section shall prohibit the securities commission (or any agency or office performing like functions) of any State or Territory of the United States, or the District of Columbia, from requiring the filing of any documents filed with the Commission pursuant to this title solely for notice purposes, together with any required fee.

"(B) PRESERVATION OF FEES.—Until otherwise provided by State law enacted after the date of enactment of the Securities Amendments of 1996, filing or registration fees with respect to securities or securities transactions may continue to be collected in amounts determined pursuant to State law as in effect on the day before such date.

"(C) FEES NOT PERMITTED ON LISTED SECURITIES.—Notwithstanding subparagraphs (A) and (B), no filing or fee may be required with respect to any security that is a covered security pursuant to subsection (b)(1) of this section, or will be such a covered security upon completion of the transaction, or is a security of the same issuer that is equal in seniority or senior to a security that is a covered security pursuant to such subsection.

"(3) ENFORCEMENT OF REQUIREMENTS.—Nothing in this section shall prohibit the securities commission (or any agency or office performing like functions) of any State or Territory of the United States, or the District of Columbia, from suspending the offer or sale of securities within such State, Territory, or District as a result of the failure to submit any filing or fee required under law and permitted under this section.

"(e) DEFINITIONS.—For purposes of this section:

"(1) PRINCIPAL OFFICER.—The term 'principal officer' means a director, chief executive officer, or chief financial officer of an issuer, or any other officer performing like functions.

"(2) PRINCIPAL SHAREHOLDER.—The term 'principal shareholder' means any person who is directly or indirectly the beneficial owner of more than 20 percent of any class of equity security of an issuer. When two or more persons act as a partnership, limited partnership, syndicate, or other group for the purpose of acquiring, holding, or disposing of securities of an issuer, such syndicate or group shall be deemed a 'person' for purposes of this paragraph. In determining, for purposes of this paragraph, any percentage of a class of any security, such class shall be deemed to consist of the amount of the outstanding securities of such class, exclusive of any securities of such class held by or for the account of the issuer or a subsidiary of the issuer.

"(3) OFFERING DOCUMENT.—The term 'offering document' has the meaning given the term 'prospectus' by section 2(10), but without regard to the provisions of clauses (a) and (b) of such section, except that, with respect to a security described in subsection (b)(2) of this section, such term also includes a communication that is not deemed to offer such a security pursuant to a rule of the Commission.

"(4) PREPARED BY THE ISSUER.—Within 6 months after the date of enactment of the Securities Amendments of 1996, the Commission shall, by rule, define the term 'prepared by the issuer' for purposes of this section.".

(2) STUDY OF UNIFORMITY.—The Securities Exchange Commission shall conduct a study after consultation with States, issuers, brokers, and dealers on the extent to which uniformity of State regulatory requirements for securities or securities transactions has been achieved for securities that are not covered securities (within the meaning of section 18 of the Securities Act of 1933 as amended by paragraph (1) of this subsection). Such study shall specifically focus on the impact of such uniformity or lack thereof on the cost of capital, innovation and technological development in securities markets, and duplicative regulation with respect to securities issuers (including small business), brokers, and dealers and the effect on investor protection. The Commission shall submit to the Congress a report on the results of such study within one year after the date of enactment of this Act.

(b) BROKER/DEALER REGULATION.—

(1) AMENDMENT.—Section 15 of the Securities Exchange Act of 1934 (15 U.S.C. 78o) is amended by adding at the end the following new subsection:

"(h) LIMITATIONS ON STATE LAW.—

"(1) CAPITAL, MARGIN, BOOKS AND RECORDS, BONDING, AND REPORTS.—No law, rule, regulation, or order, or other administrative action of any State or political subdivision thereof shall establish capital, custody, margin, financial responsibility, making and keeping records, bonding, or financial or operational reporting requirements for brokers, dealers, municipal securities dealers, government securities brokers, or government securities dealers that differ from, or are in addition to, the requirements in those areas established under this title. The Commission shall consult periodically the securities commissions (or any agency or office performing like functions) of the States concerning the adequacy of such requirements as established under this title.

"(2) EXEMPTION TO PERMIT SERVICE TO CUSTOMERS.—No law, rule, regulation, or order, or other administrative action of any State or political subdivision thereof shall require an associated person to register with such State prior to effecting a transaction described in paragraph (3) for a customer in such State if—

"(A) such transaction is effected on behalf of a customer that, for 30 days prior to the day of the transaction, maintains an account with the broker or dealer;

"(B) such associated person is not ineligible to register with such State for any reason other than such a transaction;

"(C) such associated person is registered with a registered securities association and at least one State; and

"(D) the broker or dealer with which such person is associated is registered with such State.

"(3) DESCRIBED TRANSACTIONS.—A transaction is described in this paragraph if—

"(A) such transaction is effected by an associated person (i) to which the customer was assigned for 14 days prior to the day of the transaction, and (ii) who is registered with a State in which the customer was a resident or was present for at least 30 consecutive days during the one-year period prior to the transaction; except that, if the customer is present in another State for 30 or more consecutive days or has permanently changed his or her residence to another State, such transaction is not described in this subparagraph unless the associated person files with such State an application for registration within 10 calendar days of the later of the date of the transaction or the date of the discovery of the presence of the customer in the State for 30 or more consecutive days or the change in the customer's residence;

"(B) the transaction is effected within the period beginning on the date on which such associated person files with the State in which the transaction is effected an application for registration and ending on the earlier of (i) 60 days after the date the application is filed, or (ii) the time at which such State notifies the associated person that it has denied the application for registration or has stayed the pendency of the application for cause; or

"(C) the transaction is one of 10 or fewer transactions in a calendar year (excluding any transactions described in subparagraph (A) or (B)) which the associated person effects in the States in which the associated person is not registered.

"(4) ALTERNATE ASSOCIATED PERSONS.—For purposes of paragraph (3)(A)(ii), each of up to 3 associated persons who are designated to effect transactions during the absence or unavailability of the principal associated person for a customer may be treated as an associated person to which such customer is assigned for purposes of such paragraph.".

(2) STUDY.—Within 6 months after the date of enactment of this Act, the Commission, after consultation with registered securities associations, national securities exchanges, and States, shall conduct a study of—

(A) the impact of disparate State licensing requirements on associated persons of registered brokers or dealers; and

(B) methods for States to attain uniform licensing requirements for such persons.

(3) REPORT.—Within one year after the date of enactment of this Act, the Commission shall submit to the Congress a report on the study conducted under paragraph (2). Such report shall include recommendations concerning appropriate methods described in paragraph (2)(B), including any necessary legislative changes to implement such recommendations.

(4) TECHNICAL AMENDMENT.—Section 28(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78bb(a)) is amended by striking "Nothing" and inserting "Except as otherwise specifically provided elsewhere in this title, nothing".

SEC. 103. MARGIN REQUIREMENTS.

(a) MARGIN REQUIREMENTS.—

(1) EXTENSIONS OF CREDIT BY BROKER-DEALERS.—Section 7(c) of the Securities Exchange Act of 1934 (15 U.S.C. 78g(c)) is amended to read as follows:

"(c) UNLAWFUL CREDIT EXTENSION TO CUSTOMERS.—

"(1) PROHIBITION.—It shall be unlawful for any member of a national securities exchange or any broker or dealer, directly or indirectly, to extend or maintain credit or arrange for the extension or maintenance of credit to or for any customer—

"(A) on any security (other than an exempted security), in contravention of the rules and regulations which the Board of Governors of the Federal Reserve System shall prescribe under subsections (a) and (b) of this section;

"(B) without collateral or on any collateral other than securities, except in accordance with such rules and regulations as the Board of Governors of the Federal Reserve System may prescribe—

"(i) to permit under specified conditions and for a limited period any such member, broker, or dealer to maintain a credit initially extended in conformity with the rules and regulations of the Board of governors of the Federal Reserve System; and

"(ii) to permit the extension or maintenance of credit in cases where the extension or maintenance of credit is not for the purpose of purchasing or carrying securities or of evading or circumventing the provisions of subparagraph (A) of this paragraph.

"(2) EXCEPTION.—This subsection and the rules and regulations thereunder shall not apply to any credit extended, maintained, or arranged by a member of a national securities exchange or a broker or dealer to or for a member of a national securities exchange or a registered broker or dealer—

"(A) a substantial portion of whose business consists of transactions with persons other than brokers or dealers; or

"(B) to finance its activities as a market maker or an underwriter;

except that the Board of Governors of the Federal Reserve System may impose such rules and regulations, in whole or in part, on any credit otherwise exempted by this paragraph if it determines that such action is necessary or appropriate in the public interest or for the protection of investors.".

(2) EXTENSIONS OF CREDIT BY OTHER LENDERS.—Section 7(d) of the Securities Exchange Act of 1934 (78 U.S.C. 78g(d)) is amended to read as follows:

"(d) UNLAWFUL CREDIT EXTENSION IN VIOLATION OF RULES AND REGULATIONS; EXCEPTION TO APPLICATION OF RULES, ETC.—

"(1) PROHIBITION.—It shall be unlawful for any person not subject to subsection (c) of this section to extend or maintain credit or to arrange for the extension or maintenance of credit for the purpose of purchasing or carrying any security, in contravention of such rules and regulations as the Board of Governors of the Federal Reserve System shall prescribe to prevent the excessive use of credit for the purchasing or carrying of or trading in securities in circumvention of the other provisions of this section. Such rules and regulations may impose upon all loans made for the purpose of purchasing or carrying securities limitations similar to those imposed upon members, brokers, or dealers by subsection (c) of this section and the rules and regulations thereunder.

"(2) EXCEPTIONS.—This subsection and the rules and regulations thereunder shall not apply to any credit extended, maintained, or arranged—

"(A) by a person not in the ordinary course of business;

"(B) on an exempted security;

"(C) to or for a member of a national securities exchange or a registered broker or dealer—

"(i) a substantial portion of whose business consists of transactions with persons other than brokers or dealers; or

"(ii) to finance its activities as a market maker or an underwriter;

"(D) by a bank on a security other than an equity security; or

"(E) as the Board of Governors of the Federal Reserve System shall, by such rules, regulations, or orders as it may deem necessary or appropriate in the public interest or for the protection of investors, exempt, either unconditionally or upon specified terms and conditions or for stated periods, from the operation of this subsection and the rules and regulations thereunder;

except that the Board of Governors of the Federal Reserve System may impose such rules and regulations, in whole or in part, on any credit otherwise exempted by subparagraph (C) of this paragraph if it determines that such action is necessary or appropriate in the public interest or for the protection of investors.".

(b) BORROWING BY MEMBERS, BROKERS, AND DEALERS.—Section 8 of the Securities Exchange Act of 1934 (15 U.S.C. 78h) is amended—

(1) by striking subsection (a), and

(2) by redesignating subsections (b) and (c) as subsections (a) and (b), respectively.

SEC. 104. PROSPECTUS DELIVERY.

(a) REPORT ON ELECTRONIC DELIVERY.—Within six months after the date of enactment of this Act, the Commission shall report to Congress on the steps the Commission has taken, or anticipates taking, to facilitate the electronic delivery of prospectuses to institutional and other investors.

(b) REPORT ON ADVISORY COMMITTEE RECOMMENDATIONS.—Within one year after the date of enactment of this Act, the Commission shall report to Congress on the Commission's views on the recommendations of the Advisory Committee on Capital Formation, including any actions taken to implement the recommendations of the Advisory Committee.

SEC. 105. EXEMPTIVE AUTHORITY.

(a) GENERAL EXEMPTIVE AUTHORITY UNDER THE SECURITIES ACT OF 1933.—Title I of the Securities Act of 1933 (15 U.S.C. 77a et seq.) is amended by adding at the end the following new section:

"SEC. 28. GENERAL EXEMPTIVE AUTHORITY.

"The Commission, by rules and regulations, may conditionally or unconditionally exempt any person, security, or transaction, or any class or classes of persons, securities, or transactions, from any provision or provisions of this title or of any rule or regulation thereunder, to the extent that such exemption is necessary or appropriate in the public interest, and is consistent with the protection of investors.".

(b) GENERAL EXEMPTIVE AUTHORITY UNDER THE SECURITIES EXCHANGE ACT OF 1934.—Title I of the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.) is amended by adding at the end the following new section:

"SEC. 36. GENERAL EXEMPTIVE AUTHORITY.

"(a) AUTHORITY.—Except as provided in subsection (b) but notwithstanding any other provision of this title, the Commission, by rule, regulation, or order, may conditionally or unconditionally exempt any person, security, or transaction, or any class or classes of persons, securities, or transactions, from any provision or provisions of this title or of any rule or regulation thereunder, to the extent that such exemption is necessary or appropriate in the public interest, and is consistent with the protection of investors. The Commission shall by rules and regulations determine the procedures under which an exemptive order under this section shall be granted and may, in its sole discretion, decline to entertain any application for an order of exemption under this section.

"(b) LIMITATION.—The Commission shall not exercise authority under this section to exempt any person, security, or transaction, or any class or classes of persons, securities, or transactions, from section 15C of this title or the rules or regulations thereunder, or (for purposes of such section 15C or such rules or regulations) from the definitions in paragraphs (42) through (45) of section 3(a) of this title.".

SEC. 106. PROMOTION OF EFFICIENCY, COMPETITION, AND CAPITAL FORMATION.

(a) SECURITIES ACT OF 1933.—Section 2 of the Securities Act of 1933 (15 U.S.C. 77b) is amended—

(1) by inserting "(a) DEFINITIONS.—" after "SEC. 2."; and

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

"(b) CONSIDERATION OF PROMOTION OF EFFICIENCY, COMPETITION, AND CAPITAL FORMATION.—Whenever pursuant to this title the Commission is engaged in rulemaking and is required to consider or determine whether an action is necessary or appropriate in the public interest, the Commission shall also consider, in addition to the protection of investors, whether the action will promote efficiency, competition, and capital formation.".

(b) SECURITIES EXCHANGE ACT of 1934.—Section 3 of the Securities Exchange Act of 1934 (15 U.S.C. 78c) is amended by adding at the end the following new subsection:

"(f) CONSIDERATION OF PROMOTION OF EFFICIENCY, COMPETITION, AND CAPITAL FORMATION.—Whenever pursuant to this title the Commission is engaged in rulemaking, or in the review of a rule of a self-regulatory organization, and is required to consider or determine whether an action is necessary or appropriate in the public interest, the Commission shall also consider, in addition to the protection of investors, whether the action will promote efficiency, competition, and capital formation.".

(c) INVESTMENT COMPANY ACT of 1940.—Section 2 of the Investment Company Act of 1940 (15 U.S.C. 80a-2) is amended by adding at the end the following new subsection:

"(c) CONSIDERATION OF PROMOTION OF EFFICIENCY, COMPETITION, AND CAPITAL FORMATION.—Whenever pursuant to this title the Commission is engaged in rulemaking and is required to consider or determine whether an action is consistent with the public interest, the Commission shall also consider, in addition to the protection of investors, whether the action will promote efficiency, competition, and capital formation.".

SEC. 107. PRIVATIZATION OF EDGAR.

(a) EXAMINATION.—The Securities and Exchange Commission shall examine proposals for the privatization of the EDGAR system. Such examination shall promote competition in the automation and rapid collection and dissemination of information required to be disclosed. Such examination shall include proposals that maintain free public access to data filings in the EDGAR system.

(b) REVIEW AND REPORT.—Within 180 days after the date of enactment of this Act, the Commission shall submit to the Congress a report on the examination under subsection (a). Such report shall include such recommendations for such legislative action as may be necessary to implement the proposal

that the Commission determines most effectively achieves the objectives described in subsection (a).

SEC. 108. COORDINATION OF EXAMINING AUTHORITIES.

(a) AMENDMENTS.—Section 17 of the Securities Exchange Act of 1934 (15 U.S.C. 78q) is amended by adding at the end the following new subsection:

"(i) COORDINATION OF EXAMINING AUTHORITIES.—

"(1) ELIMINATION OF DUPLICATION.—The Commission and the examining authorities, through cooperation and coordination of examination and oversight as required by this subsection, shall eliminate any unnecessary and burdensome duplication in the examination process.

"(2) PLANNING CONFERENCES.—

"(A) The Commission and the examining authorities shall meet at least annually for a national general planning conference to discuss coordination of examination schedules and priorities and other areas of interest relevant to examination coordination and cooperation.

"(B) Within each geographic region designated by the Commission, the Commission and the relevant examining authorities shall meet at least annually for a regional planning conference to discuss examination schedules and priorities and other areas of related interest, and to encourage information-sharing and to avoid unnecessary duplication of examinations.

"(3) COORDINATION TRACKING SYSTEM FOR BROKER-DEALER EXAMINATIONS.—

"(A) The Commission and the examining authorities shall prepare, on a periodic basis in a uniform computerized format, information on registered broker and dealer examinations and shall submit such information to the Commission.

"(B) The Commission shall maintain a computerized database of consolidated examination information to be used for examination planning and scheduling and for monitoring coordination of registered broker and dealer examinations under this section.

"(4) COORDINATION OF EXAMINATIONS.—

"(A) The examining authorities shall share among themselves such information, including reports of examinations, customer complaint information, and other non-public regulatory information, as appropriate to foster a coordinated approach to regulatory oversight of registered brokers and dealers subject to examination by more than one examining authority.

"(B) To the extent practicable, the examining authorities shall assure that each registered broker and dealer subject to examination by more than one examining authority that requests a coordinated examination shall have all requested aspects of the examination conducted simultaneously and without duplication of the areas covered. The examining authorities shall also prepare an advance schedule of all such coordinated examinations.

"(5) PROHIBITED NON-COORDINATED EXAMINATIONS.—Any examining authority that does not participate in a coordinated examination pursuant to paragraph (4) of this subsection shall not conduct a routine examination other than a coordinated examination of that broker or dealer within 9 months of the conclusion of a scheduled coordinated examination.

"(6) EXAMINATIONS FOR CAUSE.—At any time, any examining authority may conduct an examination for cause of any broker or dealer subject to its jurisdiction.

"(7) BROKER-DEALER EXAMINATION EVALUATION PANEL.—The Commission shall establish an examination evaluation panel composed of representatives of registered brokers and dealers that are members of more than one self-regulatory organization that conducts routine examinations. Prior to each national general planning conference required by paragraph (2)(A) of this subsection, the Commission shall convene the examination evaluation panel to review consolidated and statistical information on the coordination of examinations and information on examinations that are not coordinated, including the findings of Commission examiners on the effectiveness of the examining authorities in achieving coordinated examinations. The Commission shall present any findings and recommendations of the examination evaluation panel to the next meeting of the national general planning conference, and shall report back to the examination evaluation panel on the actions taken by the examining authorities regarding those findings and recommendations. The examination evaluation panel shall not be subject to the Federal Advisory Committee Act (5 U.S.C. App.).

"(8) REPORT TO CONGRESS.—Within one year after the date of enactment of this Act, the Commission shall report to the Congress on the progress it and the examining authorities have made in reducing duplication and improving coordination in registered broker and dealer examinations, and on the activities of the examination evaluation panel. Such report shall also indicate whether the Commission has identified additional redundancies that have failed to be addressed in the coordination of examining authorities, or any recommendations of the examination evaluation panel established under paragraph (7) of this subsection that have not been addressed by the examining authorities or the Commission.".

(b) DEFINITION.—Section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78e) is amended by adding at the end the following paragraph:

"(54) The term 'examining authority' means any self-regulatory organization registered with the Commission under this title (other than registered clearing agencies) with the authority to examine, inspect, and otherwise oversee the activities of a registered broker or dealer.".

SEC. 109. FOREIGN PRESS CONFERENCES.

No later than one year after the date of enactment of this Act, the Commission shall adopt rules under the Securities Act of 1933 concerning the status under the registration provisions of the Securities Act of 1933 of foreign press conferences and foreign press releases by persons engaged in the offer and sale of securities.

SEC. 110. REPORT ON TRUST INDENTURE ACT OF 1939.

Within 6 months after the date of enactment of this Act, the Securities and Exchange Commission shall submit to the Congress a report on the benefits of, the continuing need for, and, if necessary, options for the modification or elimination of, the Trust Indenture Act of 1939 (15 U.S.C. 77aaa et seq.).

TITLE II—INVESTMENT COMPANY ACT AMENDMENTS

SEC. 201. SHORT TITLE.

This title may be cited as the "Investment Company Act Amendments of 1996".

SEC. 202. FUNDS OF FUNDS.

Section 12(d)(1) of the Investment Company Act of 1940 (15 U.S.C. 80a-12(d)(1)) is amended—

(1) in subparagraph (E)(iii)—

(A) by striking "in the event such investment company is not a registered investment company,"; and

(B) by inserting "in the event such investment company is not a registered investment company" after "(bb)";

(2) by redesignating existing subparagraphs (G) and (H) as subparagraphs (H) and (I), respectively;

(3) by inserting after subparagraph (F) the following new subparagraph:

"(G) The provisions of this paragraph (1) shall not apply to securities of a registered open-end company (the 'acquired company') purchased or otherwise acquired by a registered open-end company (the 'acquiring company') if—

"(i) the acquired company and the acquiring company are part of the same group of investment companies;

"(ii) the securities of the acquired company, securities of other registered open-end companies that are part of the same group of investment companies, Government securities, and short-term paper are the only investments held by the acquiring company;

"(iii)(I) the acquiring company does not pay and is not assessed any charges or fees for distribution-related activities with respect to securities of the acquired company unless the acquiring company does not charge a sales load or other fees or charges for distribution-related activities; or

"(II) any sales loads and other distribution-related fees charged with respect to securities of the acquiring company, when aggregated with any sales load and distribution-related fees paid by the acquiring company with respect to securities of the acquired company, are not excessive under rules adopted pursuant to either section 22(b) or section 22(c) of this title by a securities association registered under section 15A of the Securities Exchange Act of 1934 or the Commission;

"(iv) the acquired company shall have a fundamental policy that prohibits it from acquiring any securities of registered open-end companies in reliance on this subparagraph or subparagraph (F) of this subsection; and

"(v) such acquisition is not in contravention of such rules and regulations as the Commission may from time to time prescribe with respect to acquisitions in accordance with this subparagraph as necessary and appropriate for the protection of investors.

For purposes of this subparagraph, a 'group of investment companies' shall mean any two or more registered investment companies that hold themselves out to investors as related companies for purposes of investment and investor services."; and

(4) adding at the end the following new subparagraph:

"(J) The Commission, by rules and regulations upon its own motion or by order upon application, may conditionally or unconditionally exempt any person, security, or transaction, or any class or classes of persons, securities, or transactions from any provisions of this subsection, if and to the extent such exemption is consistent with the public interest and the protection of investors.".

SEC. 203. REGISTRATION OF SECURITIES.

(a) AMENDMENTS TO REGISTRATION STATEMENTS.—Section 24(e) of the Investment Company Act of 1940 (15 U.S.C. 80a-24(e)) is amended—

(1) by striking paragraphs (1) and (2);

(2) by redesignating paragraph (3) as subsection (e); and

(3) in subsection (e) (as so redesignated) by striking "pursuant to this subsection or otherwise".

(b) REGISTRATION OF INDEFINITE AMOUNT OF SECURITIES.—Section 24(f) of the Investment Company Act of 1940 (15 U.S.C. 80a-24(f)) is amended to read as follows:

"(f) REGISTRATION OF INDEFINITE AMOUNT OF SECURITIES.—

"(1) INDEFINITE REGISTRATION OF SECURITIES.—Upon the effectiveness of its registration statement under the Securities Act of 1933, a face-amount certificate company, open-end management company, or unit investment trust shall be deemed to have registered an indefinite amount of securities.

"(2) PAYMENT OF REGISTRATION FEES.—Within 90 days after the end of the company's fiscal year, the company shall pay a registration fee to the Commission, calculated in the manner specified in section 6(b) of the Securities Act of 1933, based on the aggregate sales price for which its securities (including, for this purpose, all securities issued pursuant to a dividend reinvestment plan) were sold pursuant to a registration of an indefinite amount of securities under this subsection during the company's previous fiscal year reduced by—

"(A) the aggregate redemption or repurchase price of the securities of the company during that year, and

"(B) the aggregate redemption or repurchase price of the securities of the company during any prior fiscal year ending not more than 1 year before the date of enactment of the Investment Company Act Amendments of 1996 that were not used previously by the company to reduce fees payable under this section.

"(3) INTEREST DUE ON LATE PAYMENT.—A company paying the fee or any portion thereof more than 90 days after the end of the company's fiscal year shall pay to the Commission interest on unpaid amounts, compounded daily, at the underpayment rate established by the Secretary of the Treasury pursuant to section 3717(a) of title 31, United States Code. The payment of interest pursuant to the requirement of this paragraph shall not preclude the Commission from bringing an action to enforce the requirements of paragraph (2) of this subsection.

"(4) RULEMAKING AUTHORITY.—The Commission may adopt rules and regulations to implement the provisions of this subsection.".

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective 6 months after the date of enactment of this Act or on such earlier date as the Commission may specify by rule.

SEC. 204. INVESTMENT COMPANY ADVERTISING PROSPECTUS.

Section 24 of the Investment Company Act of 1940 (15 U.S.C. 80a-24) is amended by adding at the end the following new subsection:

"(g) In addition to the prospectuses permitted or required in section 10 of the Securities Act of 1933, the Commission shall permit, by rules or regulations deemed necessary or appropriate in the public interest or for the protection of investors, the use of a prospectus for the purposes of section 5(b)(1) of such Act with respect to securities issued by a registered investment company. Such a prospectus, which may include information the substance of which is not included in the prospectus specified in section 10(a) of the Securities Act of 1933, shall be deemed to be permitted by section 10(b) of such Act.".

SEC. 205. VARIABLE INSURANCE CONTRACTS.

(a) UNIT INVESTMENT TRUST TREATMENT.—Section 26 of the Investment Company Act of 1940 (15 U.S.C. 80a-26) is amended by adding at the end the following new subsection:

"(e)(1) Subsection (a) shall not apply to any registered separate account funding variable insurance contracts, or to the sponsoring insurance company and principal underwriter of such account.

"(2) It shall be unlawful for any registered separate account funding variable insurance contracts, or for the sponsoring insurance company of such account, to sell any such contract, unless—

"(A) the fees and charges deducted under the contract in the aggregate are reasonable in relation to the services rendered, the expenses expected to be incurred, and the risks assumed by the insurance company, and the insurance company so represents in the registration statement for the contract; and

"(B) the insurance company (i) complies with all other applicable provisions of this section as if it were a trustee or custodian of the registered separate account; (ii) files with the insurance regulatory authority of a State an annual statement of its financial condition, which most recent statement indicates that it has a combined capital and surplus, if a stock company, or an unassigned surplus, if a mutual company, of not less than $1,000,000, or such other amount as the Commission may from time to time prescribe by rule as necessary or appropriate in the public interest or for the protection of investors; and (iii) together with its registered separate accounts, is supervised and examined periodically by the insurance authority of such State.

"(3) The Commission may adopt such rules and regulations under paragraph (2)(A) as it determines are necessary or appropriate in the public interest or for the protection of investors. For the purposes of such paragraph, the fees and charges deducted under the contract shall include all fees and charges imposed for any purpose and in any manner.".

(b) PERIODIC PAYMENT PLAN TREATMENT.—Section 27 of such Act (15 U.S.C. 80a-27) is amended by adding at the end the following new subsection:

"(i)(1) This section shall not apply to any registered separate account funding variable insurance contracts, or to the sponsoring insurance company and principal underwriter of such account, except as provided in paragraph (2).

"(2) It shall be unlawful for any registered separate account funding variable insurance contracts, or for the sponsoring insurance company of such account, to sell any such contract unless (A) such contract is a redeemable security, and (B) the insurance company complies with section 26(e) and any rules or regulations adopted by the Commission thereunder.".

SEC. 206. REPORTS TO THE COMMISSION AND SHAREHOLDERS.

Section 30 of the Investment Company Act of 1940 (15 U.S.C. 80a-29) is amended—

(1) by striking paragraph (1) of subsection (b) and inserting the following:

"(1) such information, documents, and reports (other than financial statements), as the Commission may require to keep reasonably current the information and documents contained in the registration statement of such company filed under this title; and";

(2) by redesignating subsections (c), (d), (e), and (f) as subsections (d), (e), (g), and (h), respectively;

(3) by inserting after subsection (b) the following new subsection:

"(c) In exercising its authority under subsection (b)(1) to require the filing of information, documents, and reports on a basis more frequently than semi-annually, the Commission shall take such steps as it deems necessary or appropriate, consistent with the public interest and the protection of investors, to avoid unnecessary reporting by, and minimize the compliance burdens on, registered investment companies and their affiliated persons. Such steps shall include considering and requesting public comment on—

"(1) feasible alternatives that minimize the reporting burdens on registered investment companies; and

"(2) the utility of such information, documents, and reports to the Commission in relation to the costs to registered investment companies and their affiliated persons of providing such information, documents, and reports.";

(4) by inserting after subsection (e) (as redesignated by paragraph (2) of this section) the following new subsection:

"(f) The Commission may by rule require that semi-annual reports containing the information set forth in subsection (e) include such other information as the Commission deems necessary or appropriate in the public interest or for the protection of investors. In exercising its authority under this subsection, the Commission shall take such steps as it deems necessary or appropriate, consistent with the public interest and the protection of investors, to avoid unnecessary reporting by, and minimize the compliance burdens on, registered investment companies and their affiliated persons. Such steps shall include considering and requesting public comment on—

"(1) feasible alternatives that minimize the reporting burdens on registered investment companies; and

"(2) the utility of such information to shareholders in relation to the costs to registered investment companies and their affiliated persons of providing such information to shareholders."; and

(5) in subsection (g) (as so redesignated) by striking "subsections (a) and (d)" and inserting "subsections (a) and (e)".

SEC. 207. BOOKS, RECORDS AND INSPECTIONS.

Section 31 of the Investment Company Act of 1940 (15 U.S.C. 80a-30) is amended—

(1) by striking subsections (a) and (b) and inserting the following:

"(a) Every registered investment company, and every underwriter, broker, dealer, or investment adviser that is a majority-owned subsidiary of such a company, shall maintain and preserve such records (as defined in section 3(a)(37) of the Securities Exchange Act of 1934) for such period or periods as the Commission, by rules and regulations, may prescribe as necessary or appropriate in the public interest or for the protection of investors. Every investment adviser not a majority-owned subsidiary of, and every depositor of any registered investment company, and every principal underwriter for any registered investment company other than a closed-end company, shall maintain and preserve for such period or periods as the Commission shall prescribe by rules and regulations, such records as are necessary or appropriate to record such person's transactions with such registered company. In exercising its authority under this subsection, the Commission shall take such steps as it deems necessary or appropriate, consistent with the public interest and for the protection of investors, to avoid unnecessary recordkeeping by, and minimize the compliance burden on, persons required to maintain records under this subsection (hereinafter in this section

referred to as 'subject persons'). Such steps shall include considering, and requesting public comment on—

"(1) feasible alternatives that minimize the recordkeeping burdens on subject persons;

"(2) the necessity of such records in view of the public benefits derived from the independent scrutiny of such records through Commission examination;

"(3) the costs associated with maintaining the information that would be required to be reflected in such records; and

"(4) the effects that a proposed recordkeeping requirement would have on internal compliance policies and procedures.

"(b) All records required to be maintained and preserved in accordance with subsection (a) of this section shall be subject at any time and from time to time to such reasonable periodic, special, and other examinations by the Commission, or any member or representative thereof, as the Commission may prescribe. For purposes of such examinations, any subject person shall make available to the Commission or its representatives any copies or extracts from such records as may be prepared without undue effort, expense, or delay as the Commission or its representatives may reasonably request. The Commission shall exercise its authority under this subsection with due regard for the benefits of internal compliance policies and procedures and the effective implementation and operation thereof.";

(2) by redesignating existing subsections (c) and (d) as subsections (e) and (f), respectively; and

(3) by inserting after subsection (b) the following new subsections:

"(c) Notwithstanding any other provision of law, the Commission shall not be compelled to disclose any internal compliance or audit records, or information contained therein, provided to the Commission under this section. Nothing in this subsection shall authorize the Commission to withhold information from Congress or prevent the Commission from complying with a request for information from any other Federal department or agency requesting the information for purposes within the scope of its jurisdiction, or complying with an order of a court of the United States in an action brought by the United States or the Commission. For purposes of section 552 of title 5, United States Code, this section shall be considered a statute described in subsection (b)(3)(B) of such section 552.

"(d) For purposes of this section—

"(1) 'internal compliance policies and procedures' means policies and procedures designed by subject persons to promote compliance with the Federal securities laws; and

"(2) 'internal compliance and audit record' means any record prepared by a subject person in accordance with internal compliance policies and procedures.".

SEC. 208. INVESTMENT COMPANY NAMES.

Section 35(d) of the Investment Company Act of 1940 (15 U.S.C. 80a-34(d)) is amended to read as follows:

"(d) It shall be unlawful for any registered investment company to adopt as a part of the name or title of such company, or of any securities of which it is the issuer, any word or words that the Commission finds are materially deceptive or misleading. The Commission is authorized, by rule, regulation, or order, to define such names or titles as are materially deceptive or misleading.".

SEC. 209. EXCEPTIONS FROM DEFINITION OF INVESTMENT COMPANY.

(a) AMENDMENTS.—Section 3(c) of the Investment Company Act of 1940 (15 U.S.C. 80a-3(c)) is amended—

(1) in paragraph (1), by inserting after the first sentence the following new sentence: "Such issuer nonetheless is deemed to be an investment company for purposes of the limitations set forth in section 12(d)(1)(A)(i) and (B)(i) governing the purchase or other acquisition by such issuer of any security issued by any registered investment company and the sale of any security issued by any registered open-end company to any such issuer.";

(2) in subparagraph (A) of paragraph (1)—

(A) by inserting after "issuer," the first place it appears the following: "and is or, but for the exception in this paragraph or paragraph (7), would be an investment company,"; and

(B) by striking all that follows "(other than short-term paper)" and inserting a period;

(3) in paragraph (2)—

(A) by striking "and acting as broker," and inserting "acting as broker, and acting as market intermediary,"; and

(B) by adding at the end of such paragraph the following new sentences: "For the purposes of this paragraph, the term 'market intermediary' means any person that regularly holds itself out as being willing contemporaneously to engage in, and is regularly engaged in the business of entering into, transactions on both sides of the market for a financial contract or one or more such financial contracts. For purposes of the preceding sentence, the term 'financial contract' means any arrangement that (A) takes the form of an individually negotiated contract, agreement, or option to buy, sell, lend, swap, or repurchase, or other similar individually negotiated transaction commonly entered into by participants in the financial markets; (B) is in respect of securities, commodities, currencies, interest or other rates, other measures of value, or any other financial or economic interest similar in purpose or function to any of the foregoing; and (C) is entered into in response to a request from a counterparty for a quotation or is otherwise entered into and structured to accommodate the objectives of the counterparty to such arrangement."; and

(4) by striking paragraph (7) and inserting the following:

"(7)(A) Any issuer (i) whose outstanding securities are owned exclusively by persons who, at the time of acquisition of such securities, are qualified purchasers, and (ii) who is not making and does not presently propose to make a public offering of such securities. Securities that are owned by persons who received the securities from a qualified purchaser as a gift or bequest, or where the transfer was caused by legal separation, divorce, death, or other involuntary event, shall be deemed to be owned by a qualified purchaser, subject to such rules, regulations, and orders as the Commission may prescribe as necessary or appropriate in the public interest or for the protection of investors.

"(B) Notwithstanding subparagraph (A), an issuer is within the exception provided by this paragraph if—

"(i) in addition to qualified purchasers, its outstanding securities are beneficially owned by not more than 100 persons who are not qualified purchasers if (I) such persons acquired such securities on or before December 31, 1995, and (II) at the time such securities were acquired by such persons, the issuer was excepted by paragraph (1) of this subsection; and

"(ii) prior to availing itself of the exception provided by this paragraph—

"(I) such issuer has disclosed to such persons that future investors will be limited to qualified purchasers, and that ownership in such issuer is no longer limited to not more than 100 persons, and

"(II) concurrently with or after such disclosure, such issuer has provided such persons with a reasonable opportunity to redeem any part or all of their interests in the issuer for their proportionate share of the issuer's current net assets, or the cash equivalent thereof.

"(C) An issuer that is excepted under this paragraph shall nonetheless be deemed to be an investment company for purposes of the limitations set forth in section 12(d)(1)(A)(i) and (B)(i) governing the purchase or other acquisition by such issuer of any security issued by any registered investment company and the sale of any security issued by any registered open-end company to any such issuer.

"(D) For purposes of determining compliance with this paragraph and paragraph (1) of this subsection, an issuer that is otherwise excepted under this paragraph and an issuer that is otherwise excepted under paragraph (1) shall not be treated by the Commission as being a single issuer for purposes of determining whether the outstanding securities of the issuer excepted under paragraph (1) are beneficially owned by not more than 100 persons or whether the outstanding securities of the issuer excepted under this paragraph are owned by persons that are not qualified purchasers. Nothing in this provision shall be deemed to establish that a person is a bona fide qualified purchaser for purposes of this paragraph or a bona fide beneficial owner for purposes of paragraph (1) of this subsection.".

(b) DEFINITION OF QUALIFIED PURCHASER.—Section 2(a) of the Investment Company Act of 1940 (15 U.S.C. 80a-2(a)) is amended by inserting after paragraph (50) the following new paragraph:

"(51) 'Qualified purchaser' means—

"(A) any natural person who owns at least $10,000,000 in securities of issuers that are not controlled by such person, except that securities of such a controlled issuer may be counted toward such amount if such issuer is, or but for the exception in paragraph (1) or (7) of section 3(c) would be, an investment company;

"(B) any trust not formed for the specific purpose of acquiring the securities offered, as to which the trustee or other person authorized to make decisions with respect to the trust, and each settlor or other person who has contributed assets to the trust, is a person described in subparagraph (A) or (C); or

"(C) any person, acting for its own account or the accounts of other qualified purchasers, who in the aggregate owns and invests on a discretionary basis, not less than $100,000,000 in securities of issuers that are not affiliated persons (as defined in paragraph (3)(C) of this subsection) of such person, except that securities of such an affiliated person issuer may be counted toward such amount if such issuer is, or but for the exception in paragraph (1) or (7) of section 3(c) would be, an investment company.

The Commission may adopt such rules and regulations governing the persons and trusts specified in subparagraphs (A), (B), and (C) of this paragraph as it determines are necessary or appropriate in the public interest and for the protection of investors.".

(c) CONFORMING AMENDMENT.—The last sentence of section 3(a) of the Investment Company Act of 1940 (15 U.S.C. 80a-3(a)) is amended—

(1) by inserting "(i)" after "of the owner"; and

(2) by inserting before the period the following: ", and (ii) which are not relying on the exception from the definition of investment company in subsection (c)(1) or (c)(7) of this section".

(d) RULEMAKING REQUIRED.—

(1) IMPLEMENTATION OF SECTION 3(C)(1)(B).—Within one year after the date of enactment of this Act, the Commission shall prescribe rules to implement the requirements of section 3(c)(1)(B) of the Investment Company Act of 1940 (15 U.S.C. 80a-3(c)(1)(B)).

(2) EMPLOYEE EXCEPTION.—Within one year after the date of enactment of this Act, the Commission shall prescribe rules pursuant to its authority under section 6 of the Investment Company Act of 1940 (15 U.S.C. 80a-6) to permit the ownership by knowledgeable employees of an issuer or an affiliated person of the issuer of the securities of that issuer or affiliated person without loss of the issuer's exception under section 3(c)(1) or 3(c)(7) of such Act from treatment as an investment company under such Act.

TITLE III—SECURITIES AND EXCHANGE COMMISSION AUTHORIZATION

SEC. 301. SHORT TITLE.

This title may be cited as the "Securities and Exchange Commission Authorization Act of 1996".

SEC. 302. PURPOSES.

The purposes of this title are—

(1) to authorize appropriations for the Securities and Exchange Commission for fiscal year 1997; and

(2) to reduce over time the rates of fees charged under the Federal securities laws.

SEC. 303. AUTHORIZATION OF APPROPRIATIONS.

Section 35 of the Securities Exchange Act of 1934 is amended to read as follows:

"SEC. 35. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out the functions, powers, and duties of the Commission $317,000,000 for fiscal year 1997.".

SEC. 304. REGISTRATION FEES.

Section 6(b) of the Securities Act of 1933 (15 U.S.C. 77f(b)) is amended to read as follows:

"(b) REGISTRATION FEE.—

"(1) RECOVERY OF COST OF SERVICES.—The Commission shall, in accordance with this subsection, collect registration fees that are designed to recover the costs to the government of the securities registration process, and costs related to such process, including enforcement activities, policy and rulemaking activities, administration, legal services, and international regulatory activities.

"(2) FEE PAYMENT REQUIRED.—At the time of filing a registration statement, the applicant shall pay to the Commission a fee that shall be equal to the sum of the amounts (if any) determined under the rates established by paragraphs (3) and (4). The Commission shall publish in the Federal Register notices of the fee rates applicable under this section for each fiscal year. In no case shall the fee required by this subsection be less than $200, except that during fiscal year 2002 or any succeeding fiscal year such minimum fee shall be $182.

"(3) GENERAL REVENUE FEES.—The rate determined under this paragraph is a rate equal to $200 for each $1,000,000 of the maximum aggregate price at which such securities are proposed to be offered, except that during fiscal year 2002 and any succeeding fiscal year such rate is equal to $182 for each $1,000,000 of the maximum aggregate price at which such securities are proposed to be offered. Fees collected during any fiscal year pursuant to this paragraph shall be deposited and credited as general revenues of the Treasury.

"(4) OFFSETTING COLLECTION FEES.—

"(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), the rate determined under this paragraph is a rate equal to the following amount for each $1,000,000 of the maximum aggregate price at which such securities are proposed to be offered:

"(i) $103 during fiscal year 1997;

"(ii) $70 during fiscal year 1998;

"(iii) $38 during fiscal year 1999;

"(iv) $17 during fiscal year 2000; and

"(v) $0 during fiscal year 2001 or any succeeding fiscal year.

"(B) LIMITATION; DEPOSIT.—Except as provided in subparagraph (C), no amounts shall be collected pursuant to this paragraph (4) for any fiscal year except to the extent provided in advance in appropriations acts. Fees collected during any fiscal year pursuant to this paragraph shall be deposited and credited as offsetting collections in accordance with appropriations Acts.

"(C) LAPSE OF APPROPRIATIONS.—If on the first day of a fiscal year a regular appropriation to the Commission has not been enacted, the Commission shall continue to collect fees (as offsetting collections) under this paragraph at the rate in effect during the preceding fiscal year, until such a regular appropriation is enacted.".

SEC. 305. TRANSACTION FEES.

(a) AMENDMENT.—Section 31 of the Securities Exchange Act of 1934 (15 U.S.C. 78ee) is amended to read as follows:

"SEC. 31. TRANSACTION FEES.

"(a) RECOVERY OF COST OF SERVICES.—The Commission shall, in accordance with this subsection, collect transaction fees that are designed to recover the costs to the Government of the supervision and regulation of securities markets and securities professionals, and costs related to such supervision and regulation, including enforcement activities, policy and rulemaking activities, administration, legal services, and international regulatory activities.

"(b) EXCHANGE-TRADED SECURITIES.—Every national securities exchange shall pay to the Commission a fee at a rate equal to $33 for each $1,000,000 of the aggregate dollar amount of sales of securities (other than bonds, debentures, and other evidences of indebtedness) transacted on such national securities exchange, except that for fiscal year 2002 or any succeeding fiscal year such rate shall be equal to $25 for each $1,000,000 of such aggregate dollar amount of sales. Fees collected pursuant to this subsection shall be deposited and collected as general revenue of the Treasury.

"(c) OFF-EXCHANGE-TRADES OF EXCHANGE REGISTERED SECURITIES.—Every national securities association shall pay to the Commission a fee at a rate equal $33 for each $1,000,000 of the aggregate dollar amount of sales transacted by or through any member of such association otherwise than on a national securities exchange of securities registered on such an exchange (other than bonds, debentures, and other evidences of indebtedness), except that for fiscal year 2002 or any succeeding fiscal year such rate shall be equal to $25 for each $1,000,000 of such aggregate dollar amount of sales. Fees collected pursuant to this subsection shall be deposited and collected as general revenue of the Treasury.

"(d) OFF-EXCHANGE-TRADES OF LAST-SALE-REPORTED SECURITIES.—

"(1) COVERED TRANSACTIONS.—Every national securities association shall pay to the Commission a fee at a rate equal to the dollar amount determined under paragraph (2) for each $1,000,000 of the aggregate dollar amount of sales transacted by or through any member of such association otherwise than on a national securities exchange of securities (other than bonds, debentures, and other evidences of indebtedness) subject to prompt last sale reporting pursuant to the rules of the Commission or a registered national securities association, excluding any sales for which a fee is paid under subsection (c).

"(2) FEE RATES.—Except as provided in paragraph (4), the dollar amount determined under this paragraph is—

"(A) $12 for fiscal year 1997;

"(B) $14 for fiscal year 1998;

"(C) $17 for fiscal year 1999;

"(D) $18 for fiscal year 2000;

"(E) $20 for fiscal year 2001; and

"(F) $25 for fiscal year 2002 or for any succeeding fiscal year.

"(3) LIMITATION; DEPOSIT OF FEES.—Except as provided in paragraph (4), no amounts shall be collected pursuant to this subsection (d) for any fiscal year beginning before October 1, 2001, except to the extent provided in advance in appropriations Acts. Fees collected during any such fiscal year pursuant to this subsection shall be deposited and credited as offsetting collections to the account providing appropriations to the Commission, except that any amounts in excess of the following amounts (and any amount collected for fiscal years beginning on or after October 1, 2001) shall be deposited and credited as general revenues of the Treasury:

"(A) $20,000,000 for fiscal year 1997;

"(B) $26,000,000 for fiscal year 1998;

"(C) $32,000,000 for fiscal year 1999;

"(D) $32,000,000 for fiscal year 2000;

"(E) $32,000,000 for fiscal year 2001; and

"(F) $0 for fiscal year 2002 and any succeeding fiscal year.

"(4) LAPSE OF APPROPRIATIONS.—If on the first day of a fiscal year a regular appropriation to the Commission has not been enacted, the Commission shall continue to collect fees (as offsetting collections) under this subsection at the rate in effect during the preceding fiscal year, until such a regular appropriation is enacted.

"(e) DATES FOR PAYMENT OF FEES.—The fees required by subsections (b), (c), and (d) of this section shall be paid—

"(1) on or before March 15, with respect to transactions and sales occurring during the period beginning on the preceding September 1 and ending at the close of the preceding December 31; and

"(2) on or before September 30, with respect to transactions and sales occurring during the period beginning on the preceding January 1 and ending at the close of the preceding August 31.

"(f) EXEMPTIONS.—The Commission, by rule, may exempt any sale of securities or any class of sales of securities from any fee imposed by this section, if the Commission finds that such exemption is consistent with the public interest, the equal regulation of markets and brokers and dealers, and the development of a national market system.

"(g) PUBLICATION.—The Commission shall publish in the Federal Register notices of the fee rates applicable under this section for each fiscal year.".

(b) EFFECTIVE DATES; TRANSITION.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendment made by subsection (a) shall apply with respect to transactions in securities that occur on or after January 1, 1997.

(2) OFF-EXCHANGE TRADES OF LAST SALE REPORTED TRANSACTIONS.—The amendment

made by subsection (a) shall apply with respect to transactions described in section 31(d)(1) of the Securities Exchange Act of 1934 (as amended by subsection (a) of this section) that occur on or after September 1, 1996.

(3) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to affect the obligation of national securities exchanges and registered brokers and dealers under section 31 of the Securities Exchange Act of 1934 (15 U.S.C. 78ee) as in effect prior to the amendment made by subsection (a) to make the payments required by such section on March 15, 1997.

SEC. 306. TIME FOR PAYMENT.

Section 4(e) of the Securities Exchange Act of 1934 (15 U.S.C. 78d(e)) is amended by inserting before the period at the end thereof the following: "and the Commission may also specify the time that such fee shall be determined and paid relative to the filing of any statement or document with the Commission".

SEC. 307. SENSE OF THE CONGRESS CONCERNING FEES.

It is the sense of the Congress that—

(1) the fees authorized by the amendments made by this Act are in lieu of, and not in addition to, any fees that the Securities and Exchange Commission is authorized to impose or collect pursuant to section 9701 of title 31, United States Code; and

(2) in order to maintain the competitiveness of United States securities markets relative to foreign markets, no fee should be assessed on transactions involving portfolios of equity securities taking place at times of day characterized by low volume and during non-traditional trading hours.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Virginia [Mr. BLILEY] and the gentleman from Massachusetts [Mr. MARKEY] each will control 20 minutes.

The Chair recognizes the gentleman from Virginia [Mr. BLILEY].

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

Mr. Speaker, today, the House will consider H.R. 3005, the securities amendments of 1996. This is good bipartisan legislation. It is designed to help small business find the money it needs to create new jobs, and increase the returns to pension funds, mutual funds and other savings vehicles in which our citizens are saving for their retirement and for the education of their children. I am pleased that this bill has bipartisan support, and has been endorsed by SEC Chairman Arthur Levitt. The bill being considered is an amended version of that which was reported from the Commerce Committee. I will insert an explanation of these changes which I have prepared in the RECORD immediately following my statement.

This bill accomplishes significant changes in the securities laws. Chief among these is the elimination of State regulation of large securities offerings and of mutual funds that we have found duplicates the extensive system of SEC regulation. It is high time that we move to facilitate national capital markets by having a unitary Federal system of regulation of offerings. We believe that this system will reduce regulatory burdens on companies seeking to raise capital, and will not imperil the fine record of investor protection built up by the SEC

The bill codifies the existing exemption from State regulation for companies that are listed on a national securities exchange. Both the debt and equity offerings of these companies will be exempt from State regulation. The legislation provides that other regional exchanges that develop listing standards comparable to those of the national exchanges can also be certified by the SEC and gain the advantages of this exemption.

The legislation provides that offers and sales of securities to qualified purchasers will be exempt from State regulation. We believe that institutional investors are capable of assessing offerings without the need of a second layer of regulation. This will help to increase the rate of return to these institutional investors who are the savings vehicles for people's retirement and for their children's education.

The legislation provides relief from a second tier of regulation to the brokerage industry in a number of areas. The bill preempts State authority over capital, margin, books and records of brokerage firms. The bill also provides a uniform exception from State registration for brokers whose customers go on vacation or are temporarily out of State.

The legislation also ends anticompetitive barriers on broker dealer borrowing. The Government has given a legal monopoly to commercial banks to lend money to brokers. That legal monopoly harms competition and raises costs to our country's brokers. Eliminating this barrier will, in the words of Federal Reserve Chairman Alan Greenspan, increase the safety and soundness of the financial system. In April, the Board of Governors of the Federal Reserve adopted changes to regulation T, eliminating a substantial number of the rules regulating broker dealer lending, including elimination of margin requirements on high quality debt securities and arranged transactions. We applaud the action of Chairman Greenspan and the board which will have the effect of making our brokerage firms more competitive without sacrificing safety and soundness.

This legislation requires that the SEC, when making a public interest determination in a rulemaking consider efficiency, competition, and capital formation. This will require the SEC to consider the costs of its rules, which we think is very important in light of the enhanced congressional role mandated for SEC rules and for rules of self regulatory organizations under the Small Business Regulatory Enforcement Act of 1996. The legislative history of the Small Business Act makes clear that SRO rules are considered major rules for purposes of the act. I endorse that interpretation, and expect to work cooperatively with the SEC when it is considering SRO rules.

I would like to commend Chairman FIELDS for his work in crafting the beginnings of a bipartisan agreement on securities reform in the Subcommittee on Telecommunications and Finance. I would like to thank the ranking member of the subcommittee, ED MARKEY, for his fine contributions to the bill. I would like to thank especially the ranking member of the committee, my friend, JOHN DINGELL, for his cooperation and assistance in crafting further changes to the bill.

I urge members to join with us in supporting this legislation.

□ 1445

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

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

Mr. Speaker, I am pleased to rise and speak in support of H.R. 3005, The Securities Amendments of 1996. Let me begin by congratulating the distinguished gentleman from Virginia [Mr. BLILEY], the chairman of the Committee on Commerce, and his counterpart, the distinguished gentleman from Michigan [Mr. DINGELL], the senior Member of the House and the ranking Democrat on the committee. Both directed that we put partisanship aside so that we could work on the three critically important public policy issues that underlie the legislation: the promotion of capital formation, the advancement of efficient markets, and the maintenance of the highest possible standards of investor protection.

Their guidance helped us overcome numerous obstacles, any one of which could easily have upset the delicate compromises that brought us to the House floor today. Even though virtually everyone agrees that the policy objectives of titles I and II of The Securities Amendments of 1996 are extraordinarily important, until March of this year few thought it possible that we could overcome the deep differences as to how we could in fact achieve them. But because of the truly remarkable leadership of the distinguished gentleman from the State of Texas, Chairman JACK FIELDS, my good friend and colleague of the subcommittee, we were able to develop a consensus approach to these issues that ultimately allowed us to bring this bill to the floor.

Indeed, Chairman FIELDS has been the singular driving force in the U.S. Congress behind the idea of comprehensively modernizing our system of securities regulation. His desire to promote capital formation and efficient securities markets is unsurpassed, but it should also be evident that he is committed to making sure that Federal and State securities laws continue to

protect American investors from fraud and abuse. Indeed, he recognizes that the unparalleled success of our markets is grounded in the fact that the United States maintains the strongest and most profound commitment to investor protection of any country on Earth. Chairman FIELDS' thoroughgoing commitment to achieving this careful balanced played a crucial role in helping us to develop the historic package of reforms that we will be voting on today. His 2 years as chairman of the subcommittee passing historic telecommunications and now securities legislation will have him being looked back at as the one Republican who understood how to work in a bipartisan fashion during this 2-year period, this brief 2-year period that the Republicans controlled the House of Representatives.

So I want to congratulate the gentleman so much for the incredible job which he has done during his tenure as the chairman of this subcommittee. It is indeed remarkable and historic in fact, which is not an overstatement. Comprehensive financial modernization, as some of our colleagues are painfully aware, can be tauntingly elusive as a goal. Yet in the last 3 months, Chairman FIELDS has given us all a case study about how to get there.

When we step back from the details and examine the Bliley amendment from the broad perspective, two historic qualities stand out. The first is how far we have come in a relatively short time. Six months ago we were on the eve of a huge ideological battle confronted with proposals that in our judgment would have caused considerable damage to markets, to companies, and to investors. Included among them were proposals to preempt virtually every aspect of independent State securities regulation, to repeal suitability requirements that protect institutional investors and deter deceitful conduct, to repeal the Williams Act, which could have encouraged a whole new round of hostile takeovers, to eliminate virtually all margin requirements, which could have fueled all sorts of undesirable speculation in the stock markets at the worst possible time when the markets were already at record highs.

There were several other issues as well. In every one of these areas, we have worked diligently to make extraordinary improvements to the original proposals. The results are contained in title I. Collectively they represent a balance and a sensible, rather than a rigid and ideological approach to modernization. More important, title I is historic because it includes a truly unprecedented legislative effort to modernize and to carefully reallocate important aspects of Federal and State securities laws.

Without in any way compromising our longstanding commitment to maintaining the highest possible standard of investor protection, as anyone involved in its drafting knows, modernizing State securities laws is an extraordinarily sensitive and complex subject. An editorial in this morning's Boston Globe, a copy of which is attached to the statement I will submit for the RECORD, captured this delicacy. While it acknowledges that, quote,

> There is a broad agreement among the industry and regulators that some loosening is in order, but Congress must take care as it balances the sometimes conflicting interests of free markets and the reality of those who would exploit them.

I have always agreed with that view personally and as a result have given a tremendous amount of thought to this particular section of the legislation, especially careful consideration of this section was necessary in part because the States have historically filled such a profound and irreplaceable role in protecting small investors from fraud and abuse. Two years ago, I was deeply honored to receive an investor protection award from the Association of State Securities Administrators, the first non-NASAA North American Securities Administrator member to ever receive the award.

I said at that time the States are the ones who work the front lines and serve as the Nation's early warning system for financial fraud. You are the ones who witness most closely the terrible consequences of these frauds, not just the frustration and the anger of having been robbed, but the heartache and the tragedy of dreams that have been stolen, dreams about sending a child to college or about planning for retirement years. Over the years, your extraordinary and unwavering commitment to promoting the interests of small investors has made NASA a powerful and respected and necessary presence on Capitol Hill.

The Bliley amendment and the committee report that accompanies explicitly provide that the States continue to have available to them the full arsenal of powers needed to investigate and to enforce laws against fraud and to continue their ability to protect the small investor of this country. Similarly, the committee report also makes clear that nothing in this legislation alters or affects in any way any State statutory or common laws against fraud or deceit, including private actions brought pursuant to such laws.

Such a provision was essential to prevent this legislation from getting caught up in the disputes that surround that issue. In several other ways, title I to the Bliley amendment largely strikes the proper balance between promoting efficiency and growth while ensuring integrity and fairness.

The second historic quality about the Bliley amendment is that it includes the first significant proposal to affect the regulation of the mutual fund industry in more than a generation. I am proud to have joined with Chairman FIELDS and Chairman BLILEY, Mr. DINGELL, and others as an original cosponsor of these proposals, and I am delighted that Members of the Senate Committee on Banking, Housing, and Urban Affairs have also taken a very strong interest in them. Most important, this part of the legislation recognizes the fundamentally national character of the fund industry by assigning exclusive responsibility for the routine review of mutual fund offering documents and related sales material to the SEC and the NASD.

Title II of the Bliley amendment also encourages further innovation in this industry by allowing for the first time documents known as advertising prospectuses, and for modestly liberalizing the rules for fund of funds. At the same time, however, the Bliley amendment also recognizes the extraordinary and rapidly growing importance of mutual fund investments to the financial health of average Americans by continuing to permit States to investigate sales practice abuses and other types of fraudulent or deceitful activity.

In addition, the bill recognizes the critical challenge facing the Securities and Exchange Commission, which must maintain its successful record of overseeing the fund industry at a time when mutual funds are growing exponentially and the industry is becoming more diverse and complex. Thus, the Bliley amendment gives the Securities and Exchange Commission the authority to obtain information it must have if it is to determine accurately whether funds are in compliance with the investor protection provisions of the Federal law. This provision has been carefully negotiated with the Securities and Exchange Commission and the fund industry, and it is an essential part of the balance of the bill which we have put together today which ensures that the information is there which guarantees investor protection.

Mr. Speaker, I cannot again praise the gentleman from Virginia [Mr. BLILEY] and the gentleman from Michigan [Mr. DINGELL] enough for their leadership and to single out the gentleman from Texas [Mr. FIELDS] here near the end of his final year in Congress for his special work in putting together this legislation today.

Mr. Speaker, I would like to close by thanking those who worked tirelessly to bridge the gap that divided Democrats and Republicans on these important issues.

Before concluding, I also believe a brief comment is due about the fact that title III has been included as part of the Bliley amendment. I understand that this legislation has already passed the House, and is being included with this bill today in order to facilitate a conference on the subject. and I am well aware of the unnecessary funding fights that have hampered and demoralized the SEC in recent years. But I believe the administration has raised important concerns about the implications of the authorization bill that we need to

explore, I am committed to working with the administration to see if we can somehow reconcile the important competing policy considerations that relate to this issue.

As a practical matter, this bill could not have reached the floor today without the tremendous commitment of time and energy on the part of our staff: Linda Dallas Rich and David Cavicke, for the Republicans; Consuela Washington, Jeff Duncan, and Timothy Forde, for the Democrats; and Steve Cope, our exceptionally talented and exceedingly patient legislative counsel. Senior staff of the SEC, under the direction and with the encouragement of Chairman Arthur Levitt, also provided us with critically important assistance at key times over the last few months. All are to be commended for an extraordinary job.

Finally, I doubt that we would have reached this consensus without the good faith participation of the States. As proposals and ideas have been floated back and forth about how to change State laws and regulations, the States have always responded stoically—with good humor as well as with good faith. Neil Sullivan and Dee Harris have provided remarkable leadership throughout this difficult process. I have never been as proud of this group as I am today.

While there are not many legislative days left in this session of Congress, I still think that we have a good chance of seeing much of what we vote on here today enacted into law within a few months. That remarkable prospect would not have been possible without the leadership of Chairman BLILEY, Chairman FIELDS, Ranking Democrat DINGELL, and the steadfast support of our colleagues on both sides of the aisle. I look forward to working with them to secure the bill's passage through the Senate and its signature by the President.

Mr. Speaker, include for the RECORD the following article.

[From the Boston Globe, June 18, 1996]

INSECURITY REGULATION

The Massachusetts congressional delegation will do well to listen to the concerns of Secretary of State William Galvin as it contemplates legislation loosening regulation of securities dealers.

Although there is broad agreement among the industry and regulators that some loosening is in order—the National American Securities Administrators Association (NASAA) hopes that a suitable bill can be drafted during the current session of Congress—Galvin wants a more thorough review that would likely push action into the next session.

Among the issues Galvin and his NASAA colleagues agree are troubling would be relaxing rules for unlicensed broker employees or sales agents who may use high-powered selling tactics to entice the unwary into unwise investments. Many such sales practices are engaged in by smaller brokerage firms, involving small corporations with fewer shares, which create markets that can be volatile and even treacherous. These companies do not attract the institutional interest that is important with larger stocks in establishing more financially credible pricing.

The US Securities and Exchange Commission has historically relied on states to supplement its enforcement activities against shady sales practices by concentrating on these smaller brokerages. The states' task is complicated enough already by the tendency of victims to be embarrassed at having been taken in. Galvin is worried that Congress will prevent states from taking up even those cases where victims do protest.

Those worries deserve the attention of the industry, whose preponderantly ethical members are injured by the misdeeds of a few slick dealers. Congress must take care as it balances the sometimes conflicting interests of free markets and the reality of those who would exploit them.

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

Mr. Bliley. Mr. Speaker, I yield as much time as he may consume to the gentleman from Texas [Mr. FIELDS], the chairman of the subcommittee who put so much work into this bill.

Mr. FIELDS of Texas. Mr. Speaker, first of all, I would be remiss if I did not point out that the gentleman from Virginia [Mr. BLILEY] is once again bringing a very complex piece of legislation to the floor that is meaningful in reform and it is bipartisan in nature.

For me personally, this is an exciting day, exciting because we have been able to negotiate in a very complex issue area with bipartisan cooperation, and we dramatically reform and modernize the regulation of this country's capital markets. I would be less than candid if I did not say that part of my excitement is in the fact that we were able to forge and pass this legislation when everyone said that it could not be done, and we were told earlier that our telecommunications reform legislation was too complex and too contentious to pass.

With each of these difficult subject matter areas, the gentleman from Massachusetts [Mr. MARKEY], my good friend and ranking minority member of our subcommittee, and I were able to find commonality rather than partisanship, were able to exercise our personal friendship in representing our Members and our constituencies rather than looking for political points to score.

Mr. Speaker, I appreciate all the nice things that the gentleman said about me just a moment ago, but I want to say "ditto" so that the gentleman does not get one up in terms of being overly nice with his compliments. I also want to say that we shared the beliefs of investor protection. We believed that there should be a reliable, secure, and transparent market.

□ 1500

We differed on a few points, and agreed to disagree and consider these points of difference at some other time. If we had wanted to find the differences and tear this legislation apart, we could have done so.

It has been surprising to me that many in our capital markets have yet to appreciate or understand what this legislation actually accomplishes. I think this stems from the fact that the markets are not accustomed to Congress being proactive instead of just reacting to a market crisis or scandal. To many, it has not sunk in yet that this legislation dramatically reforms the 1933, 1934, and 1940 laws relative to the securities and mutual fund industries.

So just as we reformed the 1934 Communications Act and brought the communications industry into the 21st century, so too are we reforming the securities and mutual fund industries into the 21st century in an era of modern regulation without compromising one aspect of investor protection.

When I introduced the capital markets bill back in July of last year, I said you have to begin the dialog someplace. I said that that initial bill was a work in progress. And to the credit of my subcommittee members who originally cosponsored the legislation last July, who, along with me, endured some criticism, they never wavered in their belief that our capital markets needed to be reformed and modernized, and we never lost our resolve to come to this day, and we were encouraged to see some of the things that happened once the debate was begun just with the introduction of the bill.

Chairman Levitt gave a speech in Vancouver which I think will go down as one of the most significant events in the modernization of our capital markets regulatory regime, when he suggested that there were problems in duplicative regulation at the State and Federal level. Then the SEC began to recommend eliminating unnecessary and redundant regulations. Margin reform was acted upon by the Federal Reserve. A memorandum of understanding was entered into by the SEC, the exchanges, and the National Association of Securities Dealers to streamline the examination of broker dealers. Many say that these reforms would not have happened or would have come about much slower if the dialog had not been initiated.

So today we bring to the House a very complex piece of dramatic reform legislation, in a complex subject matter area, but, again, with broad bipartisan support and effort.

In the most simplistic of terms, this legislation does the following: Investment company securities sold in the secondary market and many securities exempt from Federal registration will be subject to a single national regulatory system. In addition, securities sold by the cream of the small cap companies, companies with assets of at least $10 million and 2 years of operations, will be subject only to Federal regulation.

This bill recognizes that we have entered the information age and requires the SEC to report to Congress on the steps taken to facilitate the electronic delivery of prospectuses.

We give a general grant of exemptive authority to the SEC under both the 1933 and 1934 acts to eliminate rules and regulations that no longer serve a legitimate purpose.

We require the SEC when promulgating a rule or granting an exemption to consider efficiency, promotion of capital formation, and competition as criteria in addition to investor protection. We require the SEC to examine proposals for the privatization of EDGAR.

I want to stop just a moment and give special credit to the gentleman from New York, DAN FRISA, who not only worked tirelessly on this provision, but authored the definitive document on EDGAR and the SEC's information management system.

In title II we permit all mutual fund companies to create a fund of funds. We permit mutual funds to advertise more information than is permitted under current law. We also preempt the State from duplicative State regulations, recognizing that this is a national marketplace and our companies are competing in a global way.

Mr. Speaker, this brief and cursory explanation does not do justice to the historic reform that this legislation represents. This House should be proud of what we are accomplishing today. The House should be proud of the gentleman from Virginia, Chairman BLILEY, for moving this bill forward in the way that he did. It should be proud of the ranking minority member from Michigan [Mr. DINGELL] who has always been willing to work in a positive and bipartisan manner with all of the Members of our committee.

But, again, Mr. Speaker, I would be remiss if I did not give special credit and focus on my good friend, the gentleman from Massachusetts, ED MARKEY, who came to my office 2 nights before we were to mark up the capital markets bill in the subcommittee, and we sat together for 2 hours as we negotiated the bill. It was in those 2 hours as we negotiated the bill. It was in those 2 hours, without staff, that through our friendship, we found commonality, to serve the interests of our constituents and the people who will be affected by this reform, the investors of this country, and the capital markets community.

I would be further remiss if I did not acknowledge the hard work and personal engagement of Chairman Arthur Levitt. Without his personal efforts we would not be poised to pass this historic legislation. I believe Chairman Levitt will go down as one of the greatest, if not the greatest, SEC chairman that has ever served our country in that capacity.

Finally, I must give credit to a staff who took what Mr. MARKEY and I initially agreed upon, put it in legislative language for the subcommittee, further refined it at the full committee, and then brought us to this point today. Special thanks to David Cavicke, Linda Rich, Brian McCullough, and on the minority staff Jeff Duncan, Tim Ford, and Consuela Washington. And, of course, a special thanks to Christy Strawman on my personal staff, and a special thanks to the greatest draftsman in the House, Steve Cope.

Mr. MARKEY. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. DINGELL], the ranking Democrat on the Committee on Commerce.

Mr. DINGELL. Mr. Speaker, I rise in support of the legislation and urge its passage by the House.

The bill has come a long way since title I was originally proposed last July as H.R. 2131. It was controversial legislation then which would have, amongst other things, repealed the Trust Indenture Act and key protections under the Williams Act and Federal margin provisions, negated antifraud protections and suitability obligations on broker dealers to institutional investors, and decimated securities regulation and enforcement at the State level. That bill, thank heaven, is not this bill.

With that, I wish to commend my good friend, the gentleman from Texas [Mr. FIELDS], the chairman of the subcommittee, and the gentleman from Massachusetts [Mr. MARKEY], for their outstanding efforts in reforming that legislation into something we could rejoice in and pass today. I want to again commend Mr. FIELDS, the chairman of the subcommittee, and the gentleman from Virginia, Mr. BLILEY, the chairman of the Committee on Commerce, for working with Members on this side of the aisle, the Securities and Exchange Commission, State securities regulators, and the securities industry to write the balanced legislation that we consider today.

I will express my personal thanks to the gentleman from Massachusetts [Mr. MARKEY] for his important leadership on and contributions to this bill.

Others will be describing the floor amendment in great detail. There are a few points I would like to make. In his November 30, 1995, testimony before our committee, a great and decent man and an outstanding regulator, Chairman Levitt, stated that: "State securities regulators play an essential role in the regulation of the U.S. securities industry. State regulators are often the first line of defense against developing problems. They are the 'local cops' on the beat who can quickly detect and respond to violations of law."

I strongly agree with those sentiments. Nothing that we do in this legislation should undercut the authority and ability of States to detect and take action against securities fraud and sales practice abuses. I will continue to work on this issue in conference with the Senate.

While I support the bill's grant of exemptive authority to the SEC under the Securities Act of 1933 and the Securities Exchange Act of 1934, I want it clearly understood that this bill does not grant the SEC the authority to grant exemptions from the antifraud provisions of either act. In determining the public interest, Congress has expressed the public interest through the express provisions of law that it has enacted. The SEC may not administratively repeal these provisions by use of the new exemptive authority.

I support responsible efforts to reform and modernize the securities laws consistent with the maintenance of investor protections and the transparency, integrity, and fairness of the U.S. securities markets. Our capital markets run on investor confidence, and that confidence will disappear, and the liquidity and efficiency of our markets will be seriously impaired, if investors believe that we are turning the hen-house sentry posts over to the foxes or abolishing half the sentry posts at a time of increases poaching. For example, yesterday's Wall Street Journal [Investigators Tie Brokers To Bribes, Monday, June 17, 1996, at C1] reported that dozens of stockbrokers around the country are suspected of taking hidden payments from promoters to sell stocks to their customers. The March 1996 report of the SEC–SRO–State Joint Regulatory Sales Practice Sweep found that: one-fifth of the examinations resulted in enforcement referrals and an additional one-fourth of the examinations resulted in the issuance of letters of caution of deficiency letters; almost one-half of the branches that engage in some type of cold calling evidence cold-calling violations or deficiencies; supervisors in many of the branches examined conduct inadequate or no routine review of registered representatives' customer service transactions to detect sales practice abuses; and many of the branches examined utilized only minimum hiring procedures and some of these are willing to employ registered reps with a history of disciplinary actions or customer complaints.

SEC resources are also an important part of this enforcement equation. Title III of the floor amendment includes the text of the SEC reauthorization bill that passed the House unanimously in march of this year. As I understand it, the inclusion of this title is intended to facilitate good faith negotiations between the House, Senate, and OMB to resolve longstanding questions about SEC fees. Although the administration supports other provisions of H.R. 3005, it has expressed serious concerns with reauthorization provisions that would reduce or eliminate the use of increased securities registration and transaction fees for general-fund purposes. I intend to continue to work with the administration to address their concerns with this provision, and hope my colleagues on the Majority side will join in the effort to get a cooperative resolution of this issue.

Also I wanted to just observe that this House is going to seriously miss

my friend from Texas, Mr. FIELDS, when he goes. He has been a distinguished Member of this body, a fine chairman of this subcommittee, a valuable friend of mine, a responsible and decent Member of this body, and I am pleased that he is not yet leaving us. I do want the Record to show the high regard in which I hold the fine gentleman from Texas.

Mr. BLILEY. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Ohio [Mr. OXLEY], the vice chairman of the subcommittee.

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

Mr. Speaker, never in our wildest dreams could we imagine we would be on the floor today on a suspension calendar to pass H.R. 3005, the securities amendments of 1996. I want to pay tribute to the gentleman from Texas, Chairman FIELDS, for his great leadership, as well as the chairman of the full committee, the gentleman from Virginia, Mr. BLILEY, along with our good friend, the gentleman from Massachusetts, ED MARKEY, the ranking member of the subcommittee, and the ranking member, the gentleman from Michigan, Mr. DINGELL, for their hard work, and also to Chairman Levitt for providing the kind of leadership at the SEC that we have come to expect from that fine gentleman. This bill is a product of the work that all of the aforementioned gentlemen put in on this very important bill.

Times are changing and the way Americans invest are changing. The laws regarding securities and mutual fund policies must change as well. According to the Fed, in 1980 the average American household had one-third of its liquid assets in securities. By 1995 it had two-thirds of its liquid assets in securities.

For once, Congress is taking positive action in the area of securities law and not reacting to a crisis or to a scandal. The bill is designated to promote capital formation, efficiency and competition, without compromising the integrity of our confidence in the financial marketplace. The bill repeals or amends sections of the Securities Act of 1933, the SEC Act of 1934, and the Investment Company Act of 1940. The bill creates a national system of securities regulation, eliminating duplication in State and Federal regulation for exchange listed securities, securities offerings to qualified investors, and mutual funds. This will lower the administrative and regulatory costs to investors across the country and increase returns to mutual funds and other savings vehicles.

On the issue of institutional suitability, let me say during our hearings we heard from three former SEC commissioners, the Public Securities Administration, the PSA, and others in the private sector on the need for reform. We plan to pursue that issue in the next Congress.

□ 1515

Mr. BLILEY. Mr. Speaker, I yield 2 minutes to the gentleman from Washington, Mr. RICK WHITE, a valued member of the committee.

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

Mr. Speaker, 2 years ago, I was a business lawyer, now I am a humble freshman Member of Congress. I would have to say that it has been a great privilege to serve on this subcommittee and this committee, where we have actually gotten some important things done during this Congress.

It has been my privilege to serve with the gentleman from Virginia, Chairman BLILEY, the gentleman from Texas, JACK FIELDS, the subcommittee chairman, and with the ranking members, the gentleman from Michigan, JOHN DINGELL, and the gentleman from Massachusetts, EDWARD MARKEY, especially on this bill, where we were able to work together and do something that really needed to be done.

Mr. Speaker, the fact is, as we heard so many times during the hearings on this bill, the United States right now has the best capital markets in the world. But I remember my days when I was a lawyer, it was only 2 years ago, and I dabbled in securities law at that time. And in my office, right down the hall were the real securities lawyers in my firm, and I well remember the days when those securities lawyers and the people working for them would be tearing out their hair and rending their garments because of all the regulations and hoops they had to jump through in order to get a securities offering done.

The fact is, Mr. Speaker, the price of liberty is eternal vigilance, and that maxim applies in the securities market just like in every place else. The great thing about this bill is that it modernizes our securities laws and puts them in line for what we are going to need in the 21st century.

One of the main problems we have had, and one of the things that I notices when I was a lawyer, is that when we want to issue a big securities offering, not only do we have to get approval from Washington, DC, we have to get approval from 52 States and other offices in order to get that securities offering approved. That was one of the reasons that the lawyers down the hall from me would tear out their hair whenever they had to go through this process.

Our bill fixes that. For large offerings, there is one market from now on. It streamlines it, makes it make a lot more sense. Our bill also tries to bring us into the 21st century is providing information to investors. Right now, the law says we have to provide investors with a big thick book every time we are to issue a securities offering. But in the future, if the SEC allows us to do that, we will be able to do it by the Internet or fax or some other electronic means. That is getting us ready for the 21st century.

The fact is, Mr. Speaker, our job is not over. We have some more work we need to be beyond this bill to bring our securities in line with the 21st century, but it is a good step in the right direction, I am proud to be a part of it, and I urge all my colleagues to vote for this bill.

Mr. MARKEY. Mr. Speaker, I yield myself the balance of my time in which to close the debate.

Mr. Speaker, what I would like to do is thank those who helped to bridge the gaps between the Democrats and Republicans in making this legislation possible; because, as a practical matter, this bill could not have become law, reached the floor today, without a tremendous amount of dedication and hard work on the part of many people. But a small number deserve to be especially singled out, and I begin with Linda Dallas Rich and David Cavicke and Kristy Strahman, who served the majority extremely well over this past year and a half in bringing this bill to this place.

On the Democratic side, without the historic work of Consulea Washington and Jeff Duncan and Tim Forde, who dedicated personally this last year and a half to this particular piece of legislation, we could not have been here.

And to Steve Cope, our exceptionally talented and exceedingly patient legislative counsel, the senior staff of the Securities and Exchange Commission, under the direction of our very distinguished chairman, Arthur Levitt, who provided us with critically important assistance at key times over the last few months, all are to be commended for an extraordinary job.

Finally, I doubt we would have reached the consensus without the good faith participation of the States. As proposals and ideas have been floated back and forth about how to change State laws and regulations, the States have always responded stoically, with good humor as well as with good faith. Neil Sullivan and Dee Harris have provided remarkable leadership throughout this difficult process. I have never been as proud of that group as I am here today.

While there are not many legislative days left in this session of Congress, I still think that we have a good chance of seeing much of what we vote on there today enacted into law within the next couple of months. That remarkable prospect would not have been possible without the leadership of the gentleman from Virginia, Chairman BLILEY, and of the ranking minority leader, the gentleman from Michigan, JOHN DINGELL, of the Committee on Commerce. Their historic roles in securities legislation in very well known and appreciated.

And especially, as has been noted several times before, to my good

friend, the gentleman from Texas, JACK FIELDS, of this subcommittee, who has worked long and hard to bring this historic piece of legislation here to the floor.

Mr. FIELDS of Texas. Mr. Speaker, will the gentleman yield?

Mr. MARKEY. I yield to the gentleman from Texas.

Mr. FIELDS of Texas. Mr. Speaker, I appreciate all of the gentleman's kind remarks. I think it is refreshing for the public and the country at large to see both sides of the aisle working in an extremely complex issue area, working together and finding commonality.

Mr. Speaker, I want to say on behalf of the gentleman that he made this process a dialog, creating that opportunity for us to discuss and find where we could agree, and helped bring us to this important day today. Certainly I think it is historic, and I just want to compliment the gentleman.

Mr. MARKEY. Mr. Speaker, reclaiming my time, I thank the gentleman, and I look forward to its passage in the Senate and to the President's signature on this bill as well, which is the only appropriate ending to this.

Mr. BLILEY. Mr. Speaker, how much time do I have remaining?

The SPEAKER pro tempore (Mr. WELLER). The gentleman from Virginia [Mr. BLILEY] has 3 minutes remaining.

Mr. BLILEY. Mr. Speaker, I yield myself 30 seconds.

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

Mr. BLILEY. I yield to the gentleman from Virginia.

Mr. MORAN. Mr. Speaker, I hate to get in the middle of this exchange of roses, but our State Corporation Commission in Virginia, that I am sure the chairman is very much aware of, has some concerns in that we essentially wipe out of a lot of the State laws. I can understand why we do, but they are very much afraid that they will not have the time to go through their legislative and rulemaking process because they now require regulation fees and the filing of notice of mutual fund shares. And they are afraid as well that without doing so, they will not have sufficient enforcement authority under their current State law. Can the chairman assure us that it will be worked out?

Mr. BLILEY. Mr. Speaker, reclaiming my time, they have all of that enforcement authority and they retain their fees.

Mr. MORAN. They retain their fees and enforcement authority.

Mr. BLILEY. That is correct.

Mr. MORAN. Mr. Speaker, I thank the gentleman for putting that on the record.

Mr. BLILEY. Mr. Speaker, I yield 30 seconds to the gentleman from New York [Mr. LAZIO] for the purpose of a colloquy.

Mr. LAZIO of New York. Mr. Speaker, I thank the gentleman for yielding me this time.

As the chairman knows, there are about 20 Members of Congress, including the gentleman from New York, Congressman DAN FRISA, who have expressed deep concerns about preferencing on securities exchanges. Preferencing enables broker-dealers to take the other side of their own customer orders, to the exclusion of competing market interest. It is a de facto form of collusion. Perferencing was not permitted on securities exchanges until 1991, when the Cincinnati Stock Exchange began a preferencing pilot program.

I want to address this to the gentleman from Texas, if I can, and ask him if in the course of deliberation, as the bill moves forward in the conference process, if he would work with me and the others who are interested in this subject to ensure that this issue is addressed?

Mr. BLILEY. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas [Mr. FIELDS] for a brief comment.

Mr. FIELDS of Texas. Mr. Speaker, I want to respond to the gentleman that it is my intent to work with all Members of the House and develop the best possible piece of legislation that can be developed.

Mr. BLILEY. Mr. Speaker, how much time remains?

The SPEAKER pro tempore. The gentleman from Virginia [Mr. BLILEY] has 2 minutes remaining.

Mr. BLILEY. Mr. Speaker, I yield 1 minute to the gentleman from Wisconsin, Mr. TOBY ROTH, a member of the Committee on Banking and Financial Services.

Mr. ROTH. Mr. Speaker, I thank my friend, the chairman, for yielding me this time and I congratulate him and the other members of this committee who have done such a fine job on this bill.

I have listened attentively to the debate here this afternoon. This is a good bill and I hope everyone votes for it. I did have a question about the States and how they will be impacted and we heard that in the debate here before. This bill will eliminate any duplications between State and Federal regulations governing mutual funds and other security activities.

Mr. Speaker, serving on the Committee on Banking and Financial Services, I have had a great deal of interest in legislation like this. The measure before us is not perfect, but it is going because it has been scaled down a long way from the controversial changes that it first had, but this is a good piece of legislation.

Even though this legislation preempts some State powers over securities, the bill would preserve a significant role for the State regulators. For example, the State would no longer have jurisdiction over mutual funds, and the bill would scale back State regulation securities offerings, substituting Securities and Exchange Commission for a dual State-Federal system in place. But, on the other hand, this is a good bill, it is a well balanced bill, and I hope we all vote for it.

Mr. BLILEY. Mr. Speaker, I yield 1 minute, the balance of my time, to the gentleman from New York [Mr. FRISA], a member of the committee.

Mr. FRISA. Mr. Speaker, I thank the chairman for yielding me this time, and I would like to take this opportunity in joining with my colleagues from both sides of the aisle in acknowledging the tremendous leadership that the gentleman from Virginia, Chairman BLILEY, of the Committee on Commerce, has exhibited in this case to bring both sides together in a very complex issue, which, most importantly, will benefit the investors, all of them, the individual families who invest as well as the large pools of money that invest; because, really, Mr. Speaker, those investors are the few that drive the engine of the American economy by investing in the stock market their hard-earned money so that corporations will have the funds to invest in capital and in jobs. I think it represents yet another victory for the people and for the Committee on Commerce in crafting this bipartisan legislation.

I think it is also important, Mr. Speaker, to acknowledge that the chairman of the Securities and Exchange Commission, Arthur Levitt, has worked with us as well in order to craft this agreement. And I think, finally, the gentleman from Texas [Mr. FIELDS], the chairman of the subcommittee, who I have been pleased to work with, and the gentleman from Massachusetts [Mr. MARKEY], the ranking member of the subcommittee, have provided leadership as well.

Mr. Speaker, I say to the gentleman from Virginia [Mr. BLILEY] and to all the others, this entire House can be proud of this legislation. I urge its adoption.

Mr. HASTERT. Mr. Speaker, I am glad to see consensus has been reached to move ahead with bipartisan legislation that will equip America's capital markets to compete in the global marketplace. The changes in this bill will ultimately make it easier for business people and investors all over this Nation to reach the American Dream.

We all know that communications technologies have made the world a smaller place. People and businesses looking for capital, or those looking to invest, are now able to shop around the world. They look for those markets that provide the highest degree of integrity, transparency, and liquidity, but do not require unnecessary or burdensome red tape.

H.R. 3005 makes commonsense changes to a system that today, makes the cost of capital generation unnecessarily high and overburdens the Securities and Exchange Commission. The most fundamental change provides efficiency by dividing financial instruments into

those that are national in scope and those that are not. This allows the SEC to focus its resources as the sole regulator of larger, national offerings, while the States will carry out the crucial role of regulating smaller offerings. This change enables regulators to concentrate on those instruments they are best suited to oversee. At the same time, eliminating duplicative registration requirements will reduce the cost of raising capital. Thus, more companies will be able to create jobs, pay out higher dividends, and further expand their business.

These are the tangible effects of the bill we are addressing today. Thus, this bill moves entrepreneurs and investors one step closer to fulfilling the American Dream. Congress can and should continue to enact legislation that provides hope to the citizens of this Nation.

Mrs. COLLINS of Illinois. Mr. Speaker, during three hearings held on securities amendments, the Commerce Committee heard support for sensible, targeted efforts to reform Federal securities laws to promote greater efficiency and capital formation in U.S. financial markets. We also heard from a number of witnesses, including Securities and Exchange Commission Chairman Arthur Levitt, who urged us to proceed carefully and cautiously, keeping in mind the fact that investor confidence and consumer protection must not in any way be compromised in this undertaking. I agree fully. I was extremely pleased that a bipartisan agreement was reached that heeded Chairman Levitt's sage device.

As we all know, U.S. capital markets are the strongest financial markets in the world. Today, nearly one-third of all families in the Nation have a portion of their savings invested in stocks, bonds, and mutual funds in order to ensure a better future for themselves and their loved ones. These investors have trust in their investments because our regulatory system has proven beneficial in protecting individuals from fraud and abuse perpetuated by unscrupulous brokers and dealers. We will be preserving and strengthening this trust with the legislation we consider before us today.

This legislation will maintain the authority of State securities regulators to police wrongdoing. In addition, the legislation in its current form ensures that the SEC mandate to protect American investors and the public interest as well as the long-term stability of our major markets remains intact. This is a most important point. While there is room to fine tune the regulatory functions of the SEC, reforms must never be structured in such a way that they undermine consumer confidence.

This bill, H.R. 2005, does not seek to greatly limit inspections of brokerage firms who have violated SEC rules or relieve firms of liability for recommending unsuitably risky investments to institutional clients. The bill also modifies previous language that would have eliminated the requirement in current law that investors be sent a prospectus and informed of the risks they face before they buy newly offered securities by requiring the SEC to move forward with its study of this issue.

Mr. Speaker, there is undoubtedly a need to monitor mutual fund regulation to fully account for the constantly evolving size, complexity, and investment opportunities of our Nation's financial markets. While mutual funds have grown by more than 20 percent annually throughout the 1980's and into the 1990's, Congress has not addressed the issue of fund regulation since 1970. This bill updates our securities laws.

I urge my colleagues to support H.R. 3005.

Mr. ACKERMAN. Mr. Speaker, on May 9, 1996, 18 of my colleagues and I wrote to the SEC to express our strong concern about the SEC's order giving permanent approval to a preferencing program on the Cincinnati Stock Exchange, the CSE. Among the important issues raised in the letter was the adequacy of the CSE's surveillance system.

Preferencing enables a broker-dealer to take the other side of its own customer order, to the exclusion of the other competing market interest. Because preferencing presents a broker-dealer with a conflict between its duty to its customer as a broker and its financial self-interest as a dealer, an effective surveillance system is especially important. Among the unanswered questions about the CSE preferencing program is whether the CSE's surveillance system can ensure that dealers taking the other side of their customers' orders fulfill their fiduciary obligations to achieve the best price for their customers. Given the SEC's traditional emphasis on investor protection, it is surprising that the order approving the CSE preferencing program does not address this issue.

Mr. Speaker, today we take up H.R. 3005, the securities amendments of 1996. This legislation does not address the issue of preferencing but I understand that similar legislation in the other body may contain a provision directing the SEC to undertake detailed study of preferencing on exchange markets. Such a study would likely provide answers to some of the unanswered questions about preferencing on the CSE, such as the adequacy of the CSE's surveillance system. Unless such a study concludes that there are tangible benefits to investors and to the capital formation process from this questionable practice, I would support efforts to move swiftly to ban preferencing on exchanges.

Mr. ENGEL. Mr. Speaker, on May 9, 1996, 19 of my colleagues wrote to the SEC regarding the agency's approval of a preferencing program on the Cincinnati Stock Exchange [CSE]. I share the concerns expressed in that letter. Among other things, the letter expressed concern that the Commission did not adequately examine how preferencing affects the quality of trade prices received by small retail investors.

Preferencing enables a broker to direct its customer orders to buy or sell stock to itself, acting as dealer. On the CSE, in those stocks where preferencing dealers trade exclusively, 95 percent of the transactions are executed by dealers simply matching or pairing their own orders with those of their customers. The overwhelming majority of trades executed on the CSE are for small retail orders. Indeed, 70 percent of CSE trades are for 500 shares or less, and 97 percent are for less than 2,000 shares. Very few institutional traders have their trades preferenced on the CSE.

The SEC order granting approval to the CSE preferencing program left many important questions unanswered. Among these questions is why only small retail orders are executed under the CSE's preferencing rules, and whether these orders are receiving the same opportunity for price improvement as they would on the primary market.

Mr. Speaker, today we take up H.R. 3005, the Securities Amendments of 1996. This legislation does not address the issue of preferencing but I understand that similar legislation in the other body may contain a provision directing the SEC to undertake a detailed study of preferencing on exchange markets. Such a study would provide more information about how preferencing affects small retail investors. Unless such a study concludes that there are tangible benefits to investors, including small investors, and to the capital formation process from this practice, I would support efforts to move swiftly to ban preferencing on exchanges.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Virginia [Mr. BLILEY] that the House suspend the rules and pass the bill, H.R. 3005, as amended.

The question was taken.

Mr. BLILEY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. BLILEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 3005 the bill just considered.

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

There was no objection.

ANTI-CAR THEFT IMPROVEMENTS ACT OF 1996

Mr. McCOLLUM. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2803) to amend the anti-car theft provisions of title 49, United States Code, to increase the utility of motor vehicle title information to State and Federal law enforcement officials, and for other purposes, as amended.

The Clerk read as follows:

H.R. 2803

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 "Anti-Car Theft Improvements Act of 1996".

SEC. 2. SYSTEM NAME AND IMPLEMENTATION DATE.

(a) SYSTEM DATE.—Section 30502(a)(1) of title 49, United States Code, is amended by striking "January 31, 1996" and inserting "December 31, 1997".

(b) SECTION 30503.—Section 30503(d) of title 49, United States Code, is amended by striking "January 1, 1997" and inserting "October 1, 1998".

(c) SYSTEM NAME.—Chapter 305 of title 49, United States Code, is amended by striking "National Automobile Title Information System" each place it occurs in the chapter heading, the table of sections for chapter 305, the section heading for section 30502, and in the texts of sections 30502 and 30503 and inserting "National Motor Vehicle Title Information System".

SEC. 3. DELEGATION OF AUTHORITY.

(a) SECRETARY OF TRANSPORTATION.—Sections 30501, 30502, 30503, 30504, and 30505 of title 49, United States Code, are each amended by striking each reference to "Secretary of Transportation" or "Secretary" and inserting "Attorney General".

(b) ATTORNEY GENERAL.—Section 30502 of title 49, United States Code, is amended by striking each reference to "Attorney General" and inserting "Secretary of Transportation".

SEC. 4. TITLE INFORMATION SYSTEM.

Section 30502 of title 49, United States Code, is amended by adding at the end the following:

"(f) IMMUNITY.—Any person performing any activity under this section or section 30503 or 30504 in good faith and with the reasonable belief that such activity was in accordance with this section or section 30503 or 30504, as the case may be, shall be immune from any civil action respecting such activity which is seeking money damages or equitable relief in any court of the United States or a State.".

SEC. 5. STOLEN VEHICLE INFORMATION SYSTEM.

Section 33109 of title 49, United States Code is amended by adding at the end the following:

"(d) IMMUNITY.—Any person performing any activity under this section or section 33110 or 33111 in good faith and with the reasonable belief that such activity was in accordance with such section shall be immune from any civil action respecting such activity which is seeking money damages or equitable relief in any court of the United States or a State.".

SEC. 6. GRANTS TO STATES.

(a) AMENDMENT.—sECTION 30503(C)(2) OF TITLE 49, United States Code, is amended to read as follows:

"(2) The Attorney General may make reasonable and necessary grants to participating States to be used in making titling information maintained by those States available to the operator.".

(b) AUTHORIZATION.—The are authorized to be appropriated such sums as may be necessary to carry out sections 30503 and 33109 of title 49, United States Code.

(c) INFORMATION SYSTEM.—The information system established under section 30502 of title 49, United States Code, shall be effective as provided in the rules promulgated by the Attorney General.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Florida [Mr. MCCOLLUM] and the gentleman from North Carolina [Mr. WATT] each will control 20 minutes.

The Chair recognizes the gentleman from Florida [Mr. MCCOLLUM].

GENERAL LEAVE

Mr. MCCOLLUM. Mr. speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill under consideration.

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

There was no objection.

□ 1530

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

Mr. Speaker, H.R. 2803, the Anti-Car Theft Improvements Act of 1995, amends the anti-car theft provisions established by Congress in 1992 to increase the utility of motor vehicle title information to State and Federal law enforcement officials.

Mr. Speaker, States issue almost 140,000 new titles every year for stolen vehicles because there is no automated way to verify the validity of records from other States. Moreover, the costs imposed on society by carjackings and auto thefts remain unacceptably high. Car theft has risen 28 percent over the last 10 years at a cost of at least $8 billion annually. The auto theft industry is booming nationwide for the simple reason that stealing cars is a lucrative, easy, relatively low-risk proposition. In addition, over the last few years, car theft has taken a violent turn for the worst, involving more than just property crime. Brazen predators on our streets steal cars at gun point, carjacking at a rate of approximately one every 20 seconds.

To help States fight back, Congress passed the Anti-Car Theft Act of 1992 which required the Department of Transportation to establish by January 31, 1996, an electronic information system that would allow a State motor vehicle titling authority to check instantly whether a vehicle had been stolen before it issues a new title for that vehicle. The bill also authorized a Federal grant program to help States modify computer software for this purpose. Once established, the title information system would enable State motor vehicle departments, law enforcement officials, prospective auto purchasers, and insurance carriers to check the validity of purported ownership documents, thereby preventing thieves from using ostensibly valid titles for stolen cars.

Well, the January 1996 deadline has come and gone and the Department of Transportation has not established such a system nor has it designated another entity to do so, despite authority granted in the Anti-Car Theft Act of 1992. It is becoming clear that unless Congress acts, it is unlikely that an automated titling system will be established. It is for this reason that I, along with the gentleman from New York [Mr. SCHUMER], have introduced H.R. 2803, the Anti-Car Theft Improvements Act of 1995. The bill transfers authority for implementing the titling system to the Department of Justice and, importantly, establishes a new, realistic time table.

By way of background, the 1992 bill gave responsibility for implementing the Anti-Car Theft Act to both the Department of Justice and the Department of Transportation. The Justice Department has made significant progress in establishing an electronic information system that indicates when certain auto parts came from a vehicle reported stolen. It has become apparent, however, that this parts information system cannot be fully effective by itself and prompt action should be taken to establish the other major element, the titling information system. H.R. 2803 would give authority to the Department of Justice to establish both the parts and titling system designated in the 1992 Act.

Mr. Speaker, let me take just a minute to briefly describe what the bill does: H.R. 2803 would extend the implementation date established in the Auto Theft Act of 1992 from January 1996 to a more reasonable date in 1997. The bill will also give authority to the Department of Justice to implement the title information system. As I mentioned earlier, both the stolen parts system and the title information system would be operated under the auspices of the Department of Justice.

In addition to redelegating responsibilities for the program, H.R. 2803 would also grant limited immunity from civil action to entities operating the information systems. This particular provision will protect from potential liability those who serve the public by providing the titling information to appropriate parties.

And, finally, Mr. Speaker, H.R. 2803 authorizes appropriations as necessary for the previously established grant program to enable States to make the necessary software changes in order for them to begin participating in the titling information system. The measure eliminates the requirement from the 1992 act that States cover 75 percent of the costs of the implementation and also does away with the $300,000 cap on grants available to each State. I would like to emphasize that while the Federal Government will be assisting States in setting up their systems in the first year, the program will become completely self-sufficient in future years, since it will be fully supported by user fees. Other automated systems established by Congress, such as the National Driver Register and the Commercial Drivers License Information System have been successfully supported by user fees.

Now, the bill in the form which is being considered today contains a few modifications from the Committee's reported version. These modifications are a result of cooperation with the Commerce Committee and are largely technical and clarifying changes. In addition, this amended version of H.R. 2803 extends the system implementation deadline by 3 more months, from an October 1997 deadline in the original bill, to a December 1997 deadline, and includes authorizing language for the

stolen parts system that had been included in the 1992 bill but was erroneously removed during the recodification of title 49, United States Code. And on behalf of Mr. HYDE, the Judiciary Committee chairman, and myself, we would like to thank Mr. BLILEY, chairman of the Commerce Committee, for his support and cooperation.

Mr. Speaker, this is a very important bill that will strengthen an effective crime fighting tool for State and Federal law enforcement across the country. I urge my colleagues to support this measure.

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

Mr. WATT of North Carolina. Mr. Speaker, I yield myself such time as I may consume, and I rise in support of the bill.

This is a simple bipartisan bill that is intended to make the Federal Anti-car Theft Program work better. It has the support of the National Association of Motor Vehicle Administrators, the Clinton administration, the automobile industry, and the auto insurance industry.

In 1992, Congress passed the Anti-car Theft Act in response to spiraling auto theft in America. Among other things, that law set up two national registers of information—one dealing with stolen parts, and another dealing with car titles.

The stolen parts register was assigned to the Department of Justice, and the national titling register to the Department of Transportation. This bill deals with the national titling register.

The national titling register will be an important tool to stop a practice known as "washing" the titles of stolen cars. Right now, car thieves can steal a car in one State, then take it to another State and by using criminal paper-shuffling, get a new washed title for the stolen car.

As surprising as it may seem, there is presently no central place against which a State can check the bona fides of a title from another State before it issues a new one. Most checking of titles now is done after the fact, by mail, using paper records, and is not very effective.

The central title register is therefore a crucial step toward stopping interstate movement of stolen cars.

Unfortunately, experience has shown since 1992 that the Department of Transportation is not the best place for establishing such a register.

The register is primarily a law enforcement tool, better suited to the Department of Justice, in addition, the Department of Justice already has access to data systems that can be adapted to include titling information.

Recognizing that reality, all parties concerned have agreed that responsibility for this national title register should be shifted from the Department of Transportation to the Department of Justice.

This bill does that. I urge my colleagues to support it.

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

Mr. MCCOLLUM. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio [Mr. OXLEY].

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

I rise today in support of H.R. 2803, the Anti-Car Theft Improvements Act of 1996. When the Congress enacted the Anti-Car Theft Act of 1992, the Commerce Committee and Judiciary Committee worked as partners to craft legislation which addressed the continuing problem of car theft from a number of angles. One provision set up an information system to track information about vehicle titles and stolen parts. Unfortunately, for a variety of reasons, implementation of this information system has been delayed thus far.

H.R. 2803 addresses a number of issues which have been identified as possible bottlenecks in implementing this information system. A lack of resources at the Department of Transportation, combined with some ambiguities in the original act, led to a situation where a tool which had obvious value to law enforcement officials in the States and Federal Government could not be set up.

H.R. 2803 paves the way for full implementation of the information system. The Department of Transportation has already begun a pilot program, which will serve as the model for nationwide implementation. It provides a specific authorization for appropriations, and transfers authority for overseeing the project from the Department of Transportation to the Department of Justice. With these changes, I believe that we can finally realize the potential provided by this kind of information system.

As I mentioned earlier, the Commerce Committee and Judiciary Committee have a long record of working together on these issues, stretching back to the early 1980's and before. Because the Judiciary Committee addressed a number of our substantive concerns in the legislation before us, the Commerce Committee has waived its right to a sequential referral of H.R. 2803 in order to expedite its consideration.

Mr. Speaker, I would like to especially thank the chairman of the subcommittee, the gentleman from Florida [Mr. MCCOLLUM], for his leadership on this legislation in providing the kind of help for our committee as well as the full House in enacting this legislation.

I would like to confirm with the gentleman from Florida that he would support the Committee on Commerce's request for an appropriate number of conferees should this bill become the subject of a House-Senate conference.

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

Mr. OXLEY. I yield to the gentleman from Florida.

Mr. MCCOLLUM. Mr. Speaker, as the gentleman knows, that decision would be primarily between our two chairmen, the gentleman from Virginia [Mr. BLILEY] and the gentleman from Illinois [Mr. HYDE]. But certainly I have no objection to that.

Mr. OXLEY. Mr. Speaker, I appreciate that. Reclaiming my time, I want to thank the gentleman from Florida for his commitment and hard work on this legislation. The Committee on Commerce has no objection to the legislation. As a matter of fact, we support it strongly. I urge my colleagues on both sides of the aisle to support it.

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

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

The SPEAKER pro tempore (Mr. WELLER). The question is on the motion offered by the gentleman from Florida [Mr. MCCOLLUM] that the House suspend the rules and pass the bill, H.R. 2803, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

CHURCH ARSON PREVENTION ACT OF 1996

Mr. HYDE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3525) to amend title 18, United States Code, to clarify the Federal jurisdiction over offenses relating to damage to religious property, as amended.

The Clerk read as follows:

H.R. 3525

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 "Church Arson Prevention Act of 1996".

SEC. 2. DAMAGE TO RELIGIOUS PROPERTY.

(a) IN GENERAL.—Section 247 of title 18, United States Code, is amended—

(1) so that subsection (b) reads as follows:

"(b) The circumstances referred to in subsection (a) are that the offense is in or affects interstate or foreign commerce.";

(2) in subsection (a), by striking "subsection (c)" and inserting "subsection (d)";

(3) in subsection (c), by inserting "or (c)" after "subsection (a)";

(4) by redesignating subsections (c), (d), and (e), as subsections (d), (e), and (f), respectively;

(5) by inserting after subsection (b) the following:

"(c) Whoever intentionally defaces, damages, or destroys any religious real property because of the race, color, or ethnic characteristics of any individual associated with

that religious property, or attempts to do so, shall be punished as provided in subsection (d)."; and

(6) in subsection (f) as so redesignated by this section, by inserting "real" before "property" each place it appears.

(b) COMPENSATION OF VICTIMS.—

(1) REQUIREMENT OF INCLUSION IN LIST OF CRIMES ELIGIBLE FOR COMPENSATION.—Section 1403(d)(3) of the Victims of Crime Act of 1984 (42 U.S.C. 10602(d)(3)) is amended by inserting "crimes, whose victims suffer death or personal injury, that are described in section 247 of title 18, United States Code," after "includes".

(2) PRIORITY IN CRIME VICTIM ASSISTANCE.—Section 1404(a)(2)(A) of the Victims of Crime Act of 1984 (42 U.S.C. 10603(a)(2)(A)) is amended by inserting "victims who suffer death or personal injury resulting from crimes described in section 247 of title 18, United States Code, and" before "victims of".

The SPEAKER pro tempore (Mr. NETHERCUTT). Pursuant to the rule, the gentleman from Illinois [Mr. HYDE] and the gentleman from Michigan [Mr. CONYERS] each will control 20 minutes.

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

GENERAL LEAVE

Mr. HYDE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks on the bill under consideration.

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

There was no objection.

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

Today we consider the Church Arson Prevention Act of 1996, H.R. 3525, legislation reflecting a bipartisan congressional response to the rash of church burnings that have occurred in recent months.

On May 21, the House Judiciary Committee conducted a hearing focusing on this problem. The committee, at that time, heard first hand from Federal and State law enforcement officials regarding the status of their various investigations. In addition, we heard some very compelling and emotional testimony from two black ministers representing affected African-American congregations.

During that hearing, the Department of Justice indicated that the principal statute used to prosecute church arson contains some significant defects that need to be remedied. Specifically, section 247 of title 18, damage to religious property, imposes an interstate commerce requirement that goes well beyond constitutional requirements. The current law says that the defendant must either travel in interstate commerce, or use a facility or instrumentality of interstate commerce and that the defendant must do so "in interstate commerce." Thus, for example, it's not enough to use a telephone to help commit the crime—the call must go out of State. Another example would be a circumstance where the defendant uses public transportation to facilitate the crime—it would not be enough if that bus or train traveled interstate, the defendant must have used it in interstate commerce.

This highly restrictive and duplicative language has greatly limited the effectiveness of this law. The Justice Department has indicated that in the majority of these cases, the Government is unable to establish the commerce clause predicates required. Consequently, this statute is simply not punishing or deterring the very kind of misconduct it was originally intended to address.

Just 2 days after our hearing I introduced H.R. 3525, and was pleased to be joined in this effort by the ranking member of the Judiciary Committee, JOHN CONYERS. There are now 94 cosponsors of our bill. Today, under suspension of the rules, we will consider a manager's amendment to the bill as reported by the Judiciary Committee. That amendment contains additional provisions intended to assist in compensating the victims of these abhorrent acts.

Specifically, this legislation would broaden the jurisdictional authority of the Federal Government to seek criminal penalties in cases of damage to religious real property based upon whether or not the offense is in or affects interstate or foreign commerce.

This formulation replaces the interstate commerce requirement of current law, thereby simplifying and enhancing the ability of the Attorney General to successfully prosecure cases under Federal law.

The interstate commerce requirement is intended to avoid the problem identified in *United States* v. *Lopez*, 115 S. Ct. 1624 (1995), in which the Supreme Court struck down as unconstitutional legislation which would have regulated the possession of firearms in a school zone. In that case, the Court found that the conduct to be regulated did not have a substantial effect on interstate commerce, and was therefore not within the Federal Government's reach under the interstate commerce clause of the Constitution. H.R. 3525, by contrast, specifically limits its reach to conduct which can be shown to be in or to affect interstate commerce. Thus, if in prosecuting a particular case, the Government is unable to establish this interstate commerce connection to the act, section 247 will not apply to the offense.

The formulation of the interstate commerce nexus in H.R. 3525 is virtually identical to that found in section 844(i) of title 18, the Federal arson statute, which is limited to cover buildings "used in interstate commerce or in any activity affecting interstate commerce." That statute, which was enacted in 1970, has been used to prosecute church arsons, thereby confirming our view that church arsons could be found to be in interstate commerce. *See, e.g., United States* v. *Norton*, 700 F.2d 1072 (6th Cir.), *cert. denied*, 461 U.S. 910 (1983); *United States* v. *Swapp*, 719 F. Supp. 1015 (D. Utah 1989), *aff'd* 934 F.2d 326 (10th Cir. 1991). In fact, the Supreme Court, in reviewing the legislative history associated with section 844(i), cited an amendment to the provision which was intended to expand coverage from just business property to "a private dwelling, or a church or other property not used in business." *Russell* v. *United States*, 471 U.S. 858, 860–862 n.7 (1985). We are making the interstate commerce requirement of section 247 consistent with that of section 844(i) so as to ensure that the Federal Government has equal authority to prosecute damage to religious real property caused by something other than arson. Further, section 247 will permit prosecution of those who would intentionally obstruct any person in the enjoyment of his or her free exercise of religious beliefs.

Second, the manager's amendment eliminates the requirement of current law that the damage involved must be of a value of more than $10,000. When introduced, our bill would have reduced that amount to $5,000. In Committee, substitute language was adopted that eliminated the dollar threshold in its entirety. I offered this amendment because I have become convinced that a minimum dollar amount is not necessary to justify Federal involvement in these types of cases. That is, they are clearly hate crimes and implicitly interfere with the first amendment rights or civil rights of the victims. Spray painted swastikas on synagogues or gunshots fired through church windows may not reflect large dollar losses, but they are nevertheless assaults on religious freedom.

The manager's amendment also amends section 247 by creating a new subsection (c) which makes it unlawful to damage religious real property because of the racial or ethnic character of persons associated with that property. Current law requires that the damage be caused only because of the religious character of the property. Section 247, as amended by H.R. 3525, will firmly reach any attack of a church that is tied to the racial or ethnic characteristics of the members of the church or house of worship.

Because power to enact this subsection is found in the 13th amendment to the Constitution rather than the commerce clause, a showing that the offense is in or affects interstate commerce is not an element of a subsection (c) crime. Section 1 of the 13th amendment prohibits slavery or involuntary servitude. Section 2 of the amendment states, "Congress shall have power to enforce this article by appropriate legislation." It is pursuant to this authority to enforce the 13th amendment, that Congress may make it a crime for

persons to deface, damage, or destroy houses of worship because of the race, color or ethnic origin of persons using the house of worship.

The leading Supreme Court case on Congress's authority to reach private conduct under the 13th amendment is *Jones* v. *Alfred H. Mayer Co.*, 392 U.S. 409 (1968). In Jones, Congress reviewed 42 U.S.C. 1982, which provides that, "All citizens of the United States shall have the same right, in every State and Territory, as in enjoyed by white citizens thereof to inherit, purchase, lease, sell, hold, and convey real and personal property."

The Court in Jones held that 42 U.S.C. 1982 barred private discrimination in the sale or rental of private property, and that Congress had authority under section 2 of the 13th amendment to reach private acts of racial discrimination. "[T]he fact that section 1982 operates upon the unofficial acts of private individuals, whether or not sanctioned by state law, presents no constitutional problem." 392 U.S. at 438. The Court stated that section 2 of the 13th amendment gave Congress "power to pass all laws necessary and proper for abolishing all badges and incidents of slavery in the United States." *Id.* at 439. The Court concluded in Jones that "badges and incidents of slavery" included racial restraints upon the holding of property, and therefore legislation that prohibited discrimination in the right to hold and use property clearly was encompassed within Congress's power to enforce the 13th amendment. *Id.* at 441. Subsequently, the Supreme court stated, "[S]urely there has never been any doubt of the power of Congress to impose liability on private persons under Section 2 of [the Thirteenth] Amendment." *Griffen* v. *Breckenridge*, 403 U.S. 88, 105 (1971).

While 42 U.S.C. 1983 was enacted in 1866, Congress has used its authority to enforce the 13th amendment more recently. The 13th amendment was one authorization on which Congress relied when it enacted the fair housing provisions of the Civil Rights Act of 1968 (Public Law 90–284, approved April 11, 1968). *See* discussion in *United States* v. *Hunter*, 459 F.2d 205, 214 (4th Cir.), *cert. denied*, 409 U.S. 934 (1972); *Williams* v. *Matthews Co.*, 499 F.2d 819 (8th Cir.), *cert. denied*, 419 U.S. 1021 (1974). Like 42 U.S.C. 1982, some provisions of the Fair Housing Act prohibit discriminatory private conduct, and Congress in fact enacted both civil and criminal provisions addressing private discrimination. *See* 42 U.S.C. 3631 making it a crime for anyone, "whether or not acting under color of law," to injure, interfere with, or intimidate anyone because of race, color, national origin, or religion in seeking to secure, or helping others to secure housing.

Accordingly, based on Jones versus Mayer, Congress may make it a violation of Federal criminal law to destroy or attempt to destroy a church because it is owned or used by African-Americans. Racially motivated destruction of a church would be no less a badge or incident of slavery than denial of housing based on race. Many of the victims of church arsons have been quoted recently as stating that the fires appeared to them to resurrect the days in which racial discrimination and intimidation was rampant. This legislation easily falls within the kind of private action Congress may reach pursuant to its authority to enforce the 13th amendment to prohibit private conduct that discriminates on the basis of race.

While this legislation might be targeted primarily at the recent increase in fires at churches owned by African-Americans, its reach is broad enough to include arsons or acts of violence motivated by bias directed at any racial or ethnic minority group, and at synagogue desecrations as well. In *Saint Francis College* v. *Al-Khazraji*, 481 U.S. 604 (1987), the Supreme Court stated that an individual of Arab descent could file a claim under 42 U.S.C. 1981, in which Congress guaranteed to all persons the same right to enter contracts "as is enjoyed by white citizens." Section 1981, like 42 U.S.C. 1982, was enacted pursuant to Congress's authority to implement the 13th amendment. The court in Saint Francis College held that, when sections 1981 and 1982 were enacted in the mid–1800's, the persons who did not qualify as white citizens under the Congress's understanding of that term at the time included ethnic minorities. In *Shaare Tefila Congregation* v. *Cobb*, 481 U.S. 615 (1987), decided with Saint Francis College versus Al-Khazraji, the Supreme Court held, under the same analysis, that Jews were encompassed within the protections of 42 U.S.C. 1982.

These two cases establish that, in passing legislation to protect churches and houses of worship under its 13th amendment authority, Congress may reach attacks not only on churches owned by African-Americans, but churches owned or used by other minority groups, and synagogues as well. Congress's exercise of its authority to eliminate the badges and incidents of slavery easily supports legislation to make it a crime to deface, damage or destroy a house of worship because of the race, color, or ethnic origin of the person or persons who own or use the building.

Finally, the manager's amendment extends eligibility under the Victims of Crime Act to persons who have been killed or suffered personal injury as a result of a crime described in new section 247.

The arson of a place of worship is repulsive to us as a society. When a fire is motivated by racial hatred it is even more reprehensible. In my view there is no crime that should be more vigilantly investigated and the perpetrators more vigorously prosecuted than crimes of this type. We are dealing with depraved actions resulting from twisted and bigoted minds. It is important that this Congress move forward on this legislation to ensure that Federal law enforcement has the necessary tools to punish and deter these shameful, vile acts.

□ 1545

Mr. Speaker, I yield 1 minute to the distinguished gentleman from Virginia [Mr. DAVIS].

Mr. DAVIS. Mr. Speaker, as an American citizen, a Virginian, and a Member of Congress, I want to condemn in the strongest possible terms the epidemic of arson against churches that has taken hold across the southern States and elsewhere in our land. I am absolutely appalled that, after all this land has done to heal old wounds and guarantee fairness and justice to all Americans, there are some who still succumb to hate.

The deliberate burning of churches in our land for that has been occurring over the past 18 months is an outrage. It must stop. Those who perpetrate those acts of violence must be brought to justice.

This is one of those rare occasions when nothing short of the full resources of the Federal Government must be brought to bear. No single State government is strong enough to deal with crimes and possibly criminals that do not respect State borders. Penalties should be stiff and uniform. As I read reports of the latest of these incidents, I had the feeling that we have been down this terrible road before. Memory carried me back to headlines I remember reading in the decades in which I was growing up.

In 1958, a synagogue was bombed in Atlanta. President Eisenhower took to the airwaves and expressed his horror at the atrocity and contempt for those who committed it. The Nation recommitted itself to respect for all Americans and for freedom of religion. In 1962, a church was bombed in Birmingham. Four young girls were killed. The conscience of the Nation was aroused in anger and disgust.

President Kennedy spoke for us all when he said, "If these cruel and tragic events can only awaken that city and State—if they can only awaken this entire Nation—to a realization of the folly of racial injustice and hatred and violence then it is not too late for all concerned to unite in steps toward peaceful progress." The Nation responded to his call. Action was taken then. Action must be taken now. This form of terrorism—like all the other forms that have become all too commonplace—must stop.

I commend President Clinton for his show of solidarity with those who have lost and are rebuilding their churches.

I salute Representative HENRY HYDE for assembling a bipartisan coalition in Congress behind legislation that would make the willful destruction of American houses of worship a Federal crime. I am proud to cosponsor his bill and support the managers amendment.

Efforts like these are bringing out the best of America. And it will be the best of America that will bring these vicious cowards to justice. I said as I began, that I had the feeling that we had been down this road before. And we have. But this time there is a major difference.

This time, not just a handful of concerned local citizens, but entire communities have condemned these vicious acts and are working to bring their perpetrators to justice. This time, elected State and local officials are actively lending their support to those who have to suffer the effects of this violence. This time, they are working to solve crimes and bring about justice. This time, people of all faiths in every part of this Nation have offered their assistance to those who endured these tragedies and are working to achieve reconciliation among Americans of all faiths, races, and creeds.

I especially want to single out the Christian Coalition for its offer of a $25,000 reward for information leading to arrests and the neighborhood watches it has organized, the National Council of Churches for launching an appeal for funds for rebuilding, and the Southern Baptist Convention for its offers of assistance. Other organizations and denominations have also been stepping forward in great numbers. This time, the people of America stand as united as never before in their resolve to rid this kind of hatred in our land. They are bound and determined to succeed. And they will.

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

Mr. Speaker, we come here today because the Nation is in crisis, and the symptoms of that crisis have been reflected in these church burnings in mostly African American churches. It is to the credit of the Federal Government that we have reacted in a serious and, I think, swift manner, and I want to say that this legislation is the work product of all of us on the committee and that we have held hearings in the Committee on the Judiciary on May 21 in which we had a wide range of witnesses, both in the church and out of the church, in government and out of government, plus the law enforcement agency heads who were dealing with this matter.

Mr. Speaker, what we found out, that is to me one of the most single important matters to come out of this tragedy, is the fact that these burnings are not condoned by anyone, no one in the Congress, no one in the Senate. Our law enforcement agencies, both Federal and State, are united in trying to put an end to this scourge.

Mr. Speaker, I have been in the South on two occasions in which I saw this at the grassroots level, in which law enforcement officers were working very effectively.

In addition, I think we should lift up the name of the Assistant Attorney General for Civil Rights Deval Patrick for the excellent leadership that he has given and is giving as we move through this nightmare in American history.

Yesterday three more African-American churches were torched. It is pathological. It is the consequence of a lot of things we might have done otherwise. But on this one point we are all united.

The Assistant Secretary for Enforcement in the Treasury, Jim Johnson, has been before the committee and has told us what they are doing. John McGaw, the Director of the Alcohol, Tobacco and Firearms unit, has given us his report of what is going on. The Director of the Federal Bureau of Investigation, Louis Freeh, through his representatives, have worked completely. We have more than 200 investigators on the ground working full-time on this matter as we speak.

It is a difficult crime for all the obvious reasons, but we are united. We are working closely with State and local law enforcement officers as well. And so we are here today as a combined unit in agreement that the church arson law on the Federal books has to be made effective to be operable.

Our chairman, the gentleman from Illinois [Mr. HYDE], has explained in perfect detail precisely what we have done to facilitate the implementation of this Federal statute which has lain fallow, actually, up until now. So I am very pleased about what is going on and the resources that are being committed to continue the law enforcement side of this.

I must say that at that hearing on May 21 the president of the Southern Christian Leadership Conference, Dr. Joseph Lowery, urged us to do what we have done, move swifter, move faster, move more effectively. I think that he will agree that we have listened to his comments and are following them with as much speed as the bureaucracy can work.

Then I want to lift up the name of Rev. Jesse Lewis Jackson who has done a marvelous job of trying—well, he has done two things. The first thing he has done is to speak sensibly and in a teacher way about the problem, and the second thing he has done is try to do this healing that has been referred to by the President.

Now, how do we heal a nation that is coming out of a history of racism? It is not just done by words or sermons or speeches from on high. But, as my colleagues know, I believe that we have struck a nerve in the American body politic that has led us all to say enough of this kind of foolishness.

The conservative Members of the Congress came to the members of the Congressional Black Caucus to join together even before we had the hearings to urge, and they met with the law enforcement officials of the Federal Government and urged with us that they move as swiftly as they can, no holds barred, get whoever is at the bottom of this, if it is individuals, whatever, let us deal with it in a way that reflects the understanding and common sense and leadership that should be expected of the Federal Government.

Mr. Speaker, I want to say as one Member of this body that this Government has made me proud. This membership in Congress has made me proud because this is the most sensitive thing in the American body politic right now. When in God's name are these few people out there going to turn away from this kind of pathological conduct?

But we are doing all we can on this side. Oh, yes, there is more to be done. These kinds of problems are not healed by a bill, but it is my privilege, as the ranking member of this committee, to commend to all of the Members and the staffs, Alan Coffey and the other members, Julian Epstein Melanie Sloan, and Diana Schacht and all of those that have been working with us for a job well done.

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

□ 1600

Mr. HYDE. Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from North Carolina [Mr. HEINEMAN].

Mr. HEINEMAN. Mr. Speaker, today, Congress has its opportunity to speak out against the ignorant and cowardly actions of the antireligious bigots who participated in burning the churches of both black and white Americans. Unfortunately, as a former law enforcement officer, I have witnessed firsthand the horror of both the burning and desecration of sacred houses of worship. Nothing can be more devastating to people than to see the very foundation of their existence go up in flames. Black Americans have always centered their hope and aspirations around God and their respective churches. I have seen this myself. The destruction of these institutions tears the very fabric of our society and dashes hope for the future. Likewise, the desecration of synagogues is a grim reminder of the Holocaust and is a painful reminder of the tragedies of the past.

We, as a nation and as a Congress, must now allow this to continue. This bill is a proper response to these cowardly acts. This bipartisan legislation will truly make a difference. It will enable the Federal Government to more easily prosecute those who commit these heinous crimes and impose stiff and appropriate criminal sanctions.

Americans have always stood for God and country. Americans have always supported each other in times of need.

Today is one of those times. Let us all stand together in this matter and put an end to this madness. If we fail to adequately deal with these tragedies, then we, as representatives of all the people, are not doing our sworn duty. I thank the chairman of the committee, the gentleman from Illinois [Mr. HYDE], and my colleague, the gentleman from Michigan [Mr. CONYERS], for sponsoring this legislation, and I urge my colleagues to give their full support to this bill.

Mr. CONYERS. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina [Mr. WATT] in whose State there have been church arsons.

Mr. WATT of North Carolina. Mr. Speaker, I want to commend the chairman of the committee, the gentleman from Illinois [Mr. HYDE], and the ranking member, the gentleman from Michigan [Mr. CONYERS], for proposing this legislation, and encourage my colleagues to vote unanimously in support of it.

There are two important reasons for this legislation, the first of which is a practical reason. When I appeared on the scene at Matthews Merkland, and the investigation was proceeding of that church burning in Charlotte, NC, we had representatives of the Federal Alcohol, Tobacco, and Firearms division, we had representatives of the State Bureau of Investigation, we had representatives of the local law enforcement officials, and representatives of the local fire department.

But for the fact that that church had been completely destroyed, there is some question about whether the Federal authorities could have been there at all. If the amount of damages had been minimal, there would have been some question about whether they could have even gone to investigate the fire, despite the terrible nature of it and everybody's suspicion that it could have been racially motivated. So this legislation, on a practical level, will get us beyond that. It was a wonderful sight to see all of the law enforcement authorities there in a spirit of cooperation, trying to bring their resources to bear on this tragedy, and in that particular situation it led to a very quick arrest.

The second important reason is a symbolic reason. That is that we need to make a statement of our outrage about these church burnings. This legislation will enable us to make that statement to the American people that this kind of conduct is totally outside the bounds, is unacceptable in a democratic society. I encourage my colleagues to support this legislation.

Mr. HYDE. Mr. Speaker, I am pleased to yield 1 minute to the distinguished gentleman from Illinois [Mr. FLANAGAN].

Mr. FLANAGAN. Mr. Speaker, I rise in strong support of H.R. 3525, the Church Arson Prevention Act. In a country that was founded on the principle of religious freedom, crimes against religious property are particularly repugnant. The recent wave of church burnings that has occurred, predominantly against black churches in the South, is reprehensible.

This legislation greatly enhances the ability of Federal law enforcement authorities to prosecute crimes against religious property. Presently, there must be at least 10,000 dollars' worth of property damage before a crime against religious property can be federally prosecuted. This bill eliminates that minimum requirement. Even a penny's worth of damage would now be enough for Federal prosecution. This is as it should be.

Also, victims of church burnings or other types of religious property destruction will now be able to receive compensation from the violent crimes trust fund that was established by the 1994 Violent Crime Control and Law Enforcement Act. Surely, you are a crime victim when your sacred placed of worship is burned to ashes. Compensation is but one small thing we can do to help alleviate the pain for those who have seen their houses of veneration destroyed.

This legislation takes many other actions that will make it easier for Federal investigators to track down those who are maliciously destroying our houses of worship. We must ensure that those who have committed these heinous crimes do not escape punishment. This legislation will help bring those responsible to justice. I urge my colleagues to give the Church Arson Prevention Act their full support.

Mr. CONYERS. Mr. Speaker, it is my pleasure to yield 2 minutes to the gentlewoman from Texas (Ms. JACKSON-LEE], a sterling member of the Committee on the Judiciary, in whose State there have been church burnings.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the ranking member for his kindness in yielding to me, and particularly for his leadership and, as well, the chairman of the Committee on the Judiciary, the gentleman from Illinois [Mr. HYDE], for the expeditious manner in which we move toward hearings and then now have come to the House floor to speak on behalf of the American people.

There is nothing more tragic than burning houses of worship, no matter what color, what religion. I am grateful that this Congress will say to America, enough is enough, for since 1995 we have had now more than 40 of these burnings, most recently those in my home State of Greenville, TX.

Let me also applaud the NAACP and the group of ministers with which I had the opportunity to join just yesterday in Houston, who likewise met with FBI agents and other Federal officials to assess and be able to indicate their consternation with these tragedies that are occurring.

Mr. Speaker, I believe this legislation is right-headed and right-footed, for it says to the perpetrators, we are going to get you. There is nothing wrong with that, when those who violate the law come to justice, and that we untangle the hands of prosecutors so they can do their job and ensure that those who would worship under the first amendment in the Constitution would not be blighted.

But let me say something for all of us to hear. It is important to recognize that with this legislation we cannot rebuild churches and men's hearts. We must recognize that we must take away from the anger of this Congress on affirmative action and resegregating us with respect to busing questions; and realize, America, that we must bring this country together. We must stop the ugly talk and recognize that we are all of one human family.

I enjoy America when we stand together. I would hope that all of the church families that I have already heard from will likewise understand that this is not just another whining on behalf of African-Americans in this Nation, but this is in fact an opportunity that we understand, that we stand under one flag, and yes, one belief; that is, in a higher authority that believes in love and sharing and the respect of human dignity.

It is time for all denominations to rise up with us to stand against these atrocities, and yes, this Congress cannot stop with this legislation, we must ensure that we heal this Nation with the kind of legislation that says that we stand against church burnings but we stand for America as one family, supported, for all.

So I thank those who have proposed this legislation, and Mr. Speaker, I would hope that my colleagues will support wholeheartedly H.R. 3525.

Mr. Speaker, I rise in strong support of one of the most important pieces of legislation before this House in recent memory. There are few issues that we can debate that are more significant than issues of racial equality and freedom of religion. This bill will aid prosecutors in bringing an end to the many church burnings that have occurred across the country in the past year and a half. We simply cannot return to the reign of terror that existed in the 1960's. We simply cannot risk innocent citizens being harmed like the horrible incident at a Birmingham church in 1963.

Since 1995 alone, there have been more than 40 incidents of the burning and desecration of African-American churches including two in my home State of Texas. In fact, two churches were burned in Mississippi last night. As evidenced by these numbers, there is no doubt that many of these fires have been and continue to be racially motivated. Before loss of life occurs we must end this siege on the Constitution.

The legislation before us today aids law enforcement officials by making it easier to prosecute those who would commit such heinous acts. It amends existing law by providing that

anyone using weapons, explosives, or fire damaging property on the basis of its racial or ethnic consideration regardless of the dollar amount of the loss will be prosecuted to the full extent of the law—10 years in prison.

As this plague continues to rapidly grow, it is time for this House to act and help our Nation's enforcement personnel end this reign of terror against our citizens based on race and religion. I urge my colleagues to strongly support this bill and send it to the Senate so that the President can sign this bill as soon as possible. Our swift movement on this bill may help save more communities from suffering these devastating losses.

Finally, I would like to thank Howard Jefferson of the NAACP, President J.J. Roberson of the Baptist Ministers Alliance, Minister Robert Mohammed of the Nation of Islam, Bishop Guillary of the Houston/Galveston Catholic Diocese, and Rev. Ed Young of Second Baptist Church, local and Federal law enforcement authorities, and many other clergy and community leaders for their leadership on this issue in our great city of Houston, TX. Their message was that we will not tolerate these hateful acts. I was proud to stand with them in their effort of unity.

Mr. HYDE. Mr. Speaker, I am pleased to yield 30 seconds to the gentleman from Florida [Mr. CANADY], the distinguished chairman of the Subcommittee on the Constitution of the Committee on the Judiciary.

Mr. CANADY of Florida. I thank the gentleman for yielding time to me, Mr. Speaker.

Mr. Speaker, I rise today in support of the Church Arson Prevention Act. Recently Americans have watched in horror as houses of worship have gone into flames, igniting new fears and suspicions and fomenting fires of hatred in our Nation. This tragedy, which has hit primarily African-American churches, calls for immediate action. The Church Arson Prevention Act will help by enabling Federal prosecutors to bring the perpetrators of these crimes to justice.

I want to commend the gentleman from Illinois [Mr. HYDE] for his swift action on this issue, as well as the gentleman from Michigan [Mr. CONYERS] for his work on this important issue. I urge my colleagues to vote yes on this important bill.

Mr. CONYERS. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania, Mr. THOMAS FOGLIETTA, one of the distinguished Members who have worked on civil rights matters across the years.

Mr. FOGLIETTA. Mr. Speaker, I join my colleagues to express my horror at the recent string of church fires across the South. More importantly, we join together to do something about it. There have been more than 37 suspicious fires in black and multiracial churches in small towns across America in the last 18 months, 7 in the last 2 weeks, including 2 in the last 2 days in Mississippi.

For the past year we have debated about the role of government. Government is brave men and women putting out fires in communities, it is police officers and the Justice Department fighting to stop crime. The effort we announce today is a good example of how government, the private sector, and people can join together to accomplish a common goal. Government works. Government works when people like President Clinton step up to the bully pulpit and turn this issue into a national challenge, and teaches us that we have to return to the value that made our country so strong, that we have to fight the fire of hate that drove people to commit these outrages.

Government works when my colleagues and I come together to create the energy of firefighters to help people prevent church arsons. As one minister put it, someone who is trying to do us harm in one sense really has done us a lot of good. These fires have drawn people together, both black and white. These acts of hatred have been transformed into gestures of love.

I ask my colleagues to support the proposed amendment by the gentleman from Illinois [Mr. HYDE] and the gentleman from Michigan [Mr. CONYERS], H.R. 3525, so together we can find these criminals and put an end to this madness. Together we can and must write an end to this horrible chapter in our Nation's history.

Mr. HYDE. Mr. Speaker, I am pleased to yield 2 minutes to the distinguished gentleman from Georgia [Mr. BARR].

Mr. BARR of Georgia. Mr. Speaker, I thank the distinguished chairman of the Committee on the Judiciary, on which I am proud to serve, for yielding time on this important piece of legislation.

Mr. Speaker, I would like to commend the chairman of the Committee on the Judiciary for looking at this matter in the light it ought to be, to take a very learned, very dispassionate, but passionate look at whether our Federal laws are indeed sufficient to address the problem presented to the American people by the rash of church burnings, white and black alike, across our country, particularly in my part of the country, the southern United States.

Rather than seek out photo ops, rather than talk about this in partisan terms, rather than try and score headline victories over other folks, the gentleman from Illinois, Chairman HYDE, has done it the old-fashioned way, professionally and according to the laws of our land.

I would like, though, also, Mr. Speaker, to caution all of us as we look at this piece of legislation, or really perhaps as we look at other pieces of legislation, because none of us, including myself, dispute the need for this legislation, but to keep in mind that the commerce clause of our Constitution is not infinitely elastic, and we need to look at these pieces of legislation to ensure that there is a proper and firm foundation in the appropriate provisions of our Constitution for the laws that we seek to enact.

While the commerce clause is very broad indeed, it is not, as I have said, infinitely elastic, and we have to be careful, because when it breaks, it will snap fairly hard. We do need to keep that in mind, because we do not want to pass important legislation such as that before us today and find a problem later on, which I do not believe we have with this piece of legislation, Mr. Speaker; but again, I would caution all of us here to be very mindful of the limitations of the various clauses of our Constitution, including particularly in this case, since we are amending the applicability and the reach of this legislation by way of the commerce clause, to be very mindful of those principles of Federalism which all of us certainly on the Committee on the Judiciary, on our side of the aisle, adhere to and support very strongly.

Again, in closing, Mr. Speaker, I appreciate the opportunity to speak today and commend the chairman of the Committee on the Judiciary, and I urge support for this important piece of legislation.

Mr. CONYERS. Mr. Speaker, I am pleased to yield 1 minute to the gentleman from Texas, Mr. KEN BENTSEN.

Mr. BENTSEN. Mr. Speaker, I rise in very strong support of H.R. 3525, the Church Arson Prevention Act of 1996, in hope that it will end these acts of cowardice against churches in my home State of Texas and across the South. It is unfortunate that in the late 20th century hate crimes still exist in our society.

Mr. Speaker, H.R. 3525 sends a strong message that these actions will not be tolerated by the Nation, and that our will is stronger than the hatred from which they are born. This legislation brings to bear the full authority and resources of the Federal Government in stopping the arson and bringing the perpetrators to justice. The Federal Government will be a full partner with State and local authorities in this effort. These criminals must be brought to justice and their message must be exposed for what it is: ignornance and hatred—the most un-American of values. One of the founding principles of our Nation is the freedom to worship as we choose, and any attempt to deny someone that right must be stopped.

If anything positive can be gained from these acts, it is that people of good conscience, of all races and creeds, have come together to help the affected congregations and to prevent the further spread of these acts. It's unfortunate that it took something of this magnitude for us to come together, but I want to applaud these efforts. Organizations like the National Trust for Historic Preservations and the Anti-Defamation League have

come forward and offered their assistance, along with many others.

Finally, Mr. Speaker, I want to commend the gentleman from Michigan [Mr. CONYERS] and the gentleman from Illinois [Mr. HYDE] for their leadership on this issue. Today we send a strong message that while we in Congress can disagree on many things, we stand united against hatred and ignorance.

□ 1615

Mr. HYDE. Mr. Speaker, I yield 1 minute to the distinguished gentleman from New York [Mr. WALSH], the chairman of the District of Columbia Appropriation Subcommittee.

Mr. WALSH. Mr. Speaker, I thank the distinguished gentlemen from Illinois and from Michigan for bringing this important piece of legislation to the floor.

Mr. Speaker, I rise in strong support of this bill. I rise today to condemn the arson fires in African-American churches. The good people of central New York whom I represent know that when you see a wrong committed, you must speak out. On their behalf, I want to protest the violence, express our disgust with the hatred, and offer our hand in peace.

As we publicly stand with black Americans we hope to show people of violence one thing—that it is they who are in the minority. It is they who will be overcome. It is we, the majority, the peacemakers, black and white, who will inherit the Earth.

Hatred that spawns violence is not natural or normal. It is foreign to us at birth. We see that the children do not hate. They do not segregate themselves. They do not act violently toward others of a different skin color—unless they are taught. We can learn from the children. In fact, we must if we are to survive as a great civilization.

Today, as the fire investigation continues, I want to say to my friends in this Chamber who are African-American, and to my friends back home, please continue to have faith that most Americans do not hate.

With you, we are the majority in the greatest country on Earth. No purveyors of hate or prejudice will take that from us.

Mr. CONYERS. Mr. Speaker, I yield 1 minute to the gentlewoman from Connecticut [Ms. DELAURO].

Ms. DELAURO. Mr. Speaker, I thank the gentleman from Michigan and the gentleman from Illinois for bringing this legislation forward.

Mr. Speaker, I rise in strong support of the Church Arson Prevention Act and urge its immediate adoption. Just last night, two more southern churches were burned to the ground—these tragic losses add to the mounting list of over 30 suspicious fires at black and multiracial churches in communities across the South in the past 18 months.

Yesterday, I stood with religious and community leaders in New Haven, CT, to condemn these tragic fires that have destroyed sacred sites—built on faith, hope, and love—and to stand in solidarity with the victims of these heinous crimes.

This vital measure makes it a Federal crime to deface or destroy religious property and makes it easier to prosecute church arsons. Most importantly, the passage of this bill will give comfort to the victims of the fires—it will speed the healing process and assist with rebuilding of the churches and the communities that have been scarred by these violent and hateful acts.

Mr. HYDE. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Indiana [Mr. MCINTOSH].

Mr. MCINTOSH. Mr. Speaker, I rise in support of H.R. 3525, and I want to commend Chairman HYDE and his committee for their good work on this bill. It in some measure allows us to renew that great dream of Martin Luther King's that blacks and whites can once again walk together in this country blessed by God in a land of freedom.

In the court case United States versus Lopez, Justices Kennedy and O'Connor opined that the political branches of government must fulfill grave constitutional obligation to delineate the democratic liberty and federalism and distinguish where the power to enact laws comes from.

In light of that admonition, I must express my sincere doubt regarding the claimed commerce clause justification for this act. I do not believe that a mere change of wording will allow us to preserve the act from constitutional challenge. However, I will vote today to support this bill because it is a very good bill and a necessary bill and because I believe it is one of the rare instances when it is within our express authority under section 5 of the 14th amendment to enact such legislation. It is very clear that this arson which is addressed by this bill dramatically interferes with the religious liberties protected by the first amendment that the States have failed to adequately protect for minorities.

With this nexus, I want to commend the committee for bringing this bill to floor today and urge all of my colleagues to vote for it so that we can send a message to all Americans that this Congress will not stand for these heinous acts of church burnings throughout the South or in any other part of our land.

Mr. CONYERS. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Maryland [Mr. CUMMINGS].

Mr. CUMMINGS. Mr. Speaker, I thank the gentleman from Michigan and Mr. HYDE for their leadership in bringing this important piece of legislation to the floor in such a timely manner.

Mr. Speaker, the burning and defamation of places of worship across the South have shaken and angered me to the core. These are atrocities that will not go unpunished. This legislation gives prosecutors the tools to punish the cowardly perpetrators of these heinous crimes.

The church for African-Americans is more than a place of worship. It is a symbol of hope and the bedrock of our community. Like the generations of family and friends before us, we find comfort, hope, and faith in our churches.

Mr. Speaker, it is 1996 and still racism exists. But the Members in this Chambers have chosen to fight these injustices. These gutless acts will not have their intended effect. They will not dissuade us from fighting bigotry and intolerance.

I am pleased to support this legislation, which will facilitate Federal prosecution of arson cases and I urge its swift passage.

Mr. HYDE. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Texas [Mr. STOCKMAN].

Mr. STOCKMAN. Mr. Speaker, I thank the chairman for bringing this bill forward.

I would like to take just one quick moment here to try and put a human face on this. I do not know if you can see this, Mr. Speaker, but in Saturday's paper it discusses how the pastor of a church in Galveston, TX, had his church burned down and to this day has not rebuilt his church and to this day they have not found the perpetrators. This was in our district which, quite frankly, has been a very peaceful, harmonious district, and I would like to point out for the record and like to submit this for the RECORD that this is something that we need to put a human face on. These are people who have lost their church and we do not know why or what is going on in this Nation that has turned its people against churches but, Mr. Speaker, I want to thank the gentleman for offering this bill and I stand fully behind it.

Mr. Speaker, I wish to thank the chairman for bringing this bill forward and I rise in strong support of H.R. 3525—the Church Arson Prevention Act.

It is time we put a human face on the epidemic of church burning. I do not know if you can see this, Mr. Speaker, but last Saturday, the Galveston Daily News ran a story about the destruction of the Island Baptist Church. This little church burned down nearly 2 years ago. The perpetrators of this horrible act have not been found and the church pastor, James Booth, has not yet been able to rebuild his church. I want to submit the story of Pastor Booth, as it appears in the Galveston Daily News, for the RECORD.

Again, it is time we put a human face on the epidemic of church burning. Pastor James Booth is a real person, and members of his congregation are real people. The burning must stop: He and other religious leaders

have suffered enough. This bill is necessary to make easier the Federal prosecution of church burners. It is extremely important that the Justice Department pursue church burners diligently.

The destruction of churches isn't a black catastrophe, it isn't a white catastrophe, it's a religious catastrophe. These are crimes against people of faith and those who worship. We must do what we can to stop these heinous crimes.

I implore my colleagues to support this bill. The citizens of Galveston and Pastor Booth are entitled to justice. All victims of church burners are entitled to justice. This bill should be passed by Congress and signed into law immediately. I want to thank the gentleman for offering this bill and I stand fully behind it.

BURNED CHURCH WINS CONGRESSMAN'S SUPPORT

(By Chad Eric Watt and Wes Swift)

GALVESTON.—U.S. Rep. Steve Stockman has asked his colleagues to remember a Galveston church torched by arsonists in 1994.

The Island Baptist Church, which was at 9 Mile and Ostermayer roads, burned Dec. 22, 1994.

The predominantly white Southern Baptist congregation is rebuilding at 8 Mile and Stewart roads.

"Pastor (James) Booth has not yet been able to rebuild his little church on Galveston Island," Stockman said Thursday night on the floor of the House of Representatives.

"He did not receive much attention from the media because when his church burned down, it was not then fashionable to talk about burning churches."

Stockman and other members of Congress expressed concern in a March 1 letter to the U.S. Attorney General.

"We brought this to Janet Reno several months ago," said Cory Birenbaum, a spokesman for Stockman.

In the letter, the congressmen asked Reno to direct the Justice Department to help local authorities catch those setting the fires.

"The burning of churches has become a fashionable crime, with news reports possibly contributing to imitative acts of violence," the letter states.

Governors of Southern states have been invited to the White House next week to discuss strategy for coping with a rash of suspicious fires at predominantly black churches.

By early next week, the Bureau of Alcohol, Tobacco and Firearms hopes to have details of fires at 33 black churches and 23 non-black churches since Jan. 1.

Civil rights groups tracking church burnings in the South said they have found few examples of white churches being attacked.

"If white church fires were on the increase, with racism as a reason, we'd be on it in a heartbeat," said Angie Lowry of the Montgomery, Ala.-based Southern Poverty Law Center, which studies racial issues.

"I'm not seeing it here in Alabama, and we're not seeing it anywhere else."

Booth said the church burnings reflect a sickness that crosses ethnic boundaries.

"My feeling is not that these burnings are racially motivated—as it was by anger in general," he said "It's not a race issue. It's the attitude of people in general. It's a very poor condition."

Booth's wife, Ruth Ann, said she was alerted to the mention of their church by a stranger in Modesto, Calif., who saw Stockman make his statements on cable television.

"We had had troubles with vandalism there," Mrs. Booth said.

No one has been arrested in connection with the fire.

Ruth Ann Booth said fire investigators traced the source of the fire to a closet near the church's front entrance. Empty beer cans were found near the entrance.

James Booth said he understands the pain other congregations are going through.

"It's a lot of emotional stress," he said. "To see something that means so much to you like a church go up in flames . . . it's very painful."

Mr. CONYERS. Mr. Speaker, I yield 1 minute to the gentlewoman from North Carolina [Mrs. CLAYTON], who has worked on this matter with a great deal of commitment.

Mrs. CLAYTON. Mr. Speaker, I rise in support of H.R. 3525, the Church Arson Prevention Act of 1996.

This bill would amend title 18, the criminal title of the U.S. Code by facilitating prosecution and increasing penalties against those who would do violence to houses of worships.

We have all been concerned over the disturbing trend of African-American church burnings, two a month over the past 18 months, and three more this past weekend.

This bill will address that alarming trend.

But, there have also been other acts of violence directed at houses of worship, such as vandalism, desecrations, and even drive-by-shootings.

This bill will address that alarming trend as well.

The bill makes clear that it is a Federal crime to deface or destroy religious property for racial, ethnic, or religious reasons.

More importantly, the bill removes the current requirement that the offense cause at least $10,000 in damage—a threshold that has made it very difficult to prosecute such cases in the past.

And, the bill makes victims of religious property defacing or destruction eligible for compensation under the Victims of Crime Act.

This provision is important as many churches seek to rebuild following the rash of destruction, particularly the church burnings.

I am exploring other ways in which the Federal Government can make communities whole when faced with these crimes, especially ways we can help in the rebuilding of churches.

Two more suspicious church fires occurred over the weekend, including another fire in my State of North Carolina.

While I am proud of bipartisan efforts that have been undertaken by the House, we must continue those efforts.

Congress must be eternally vigilant in speaking out now against these intolerable acts.

Those who perpetrate these misdeeds must know that our will to stop them is stronger than their will to continue.

I urge my colleagues to support this bill.

Mr. CONYERS. Mr. Speaker, I yield 30 seconds to the distinguished gentlewoman from the District of Columbia [Ms. NORTON].

Ms. NORTON. I thank the gentleman for yielding time, and I thank the chairman and the ranking member for their alacrity in moving this bill forward.

Mr. Speaker, as a student member of the Student Nonviolent Coordinating Committee in the South during the civil rights movement I remember no time when there was a rash of church burnings. We have enough polarization in this society. We do not need the ultimate polarization, the burning of places of worship. You have restored confidence in the rule of law for many Americans. You have said through this bill that we are still committed to eliminating racism, and I thank you.

Mr. CONYERS. Mr. Speaker, I yield 30 seconds to the gentleman from New Jersey [Mr. PALLONE].

Mr. PALLONE. Mr. Speaker, I went to the Second Baptist Church in Long Branch, my hometown, last Sunday to talk to a very concerned crowd about why this legislation is so important.

It is time to relentlessly investigate and swiftly prosecute perpetrators of these crimes. We must have a public outcry condemning these mindless church burnings, and it must be bipartisan and multiracial. Those people who gain politically and financially from fueling hatred in our society today should recognize the effects of their words.

I say to those who perpetrate these heinous crimes that the days of the night riders are over. The days when African-Americans had to take cover by nightfall in hopes of seeing another day are over. This country will not go back to a time when hatred and intimidation through terrorism was the law of the land.

Mr. HYDE. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from South Carolina [Mr. INGLIS].

Mr. INGLIS of South Carolina. I thank the chairman for yielding time.

Mr. Speaker, I rise in strong support of this bill and congratulate the chairman and the ranking member for moving this bill to the floor so quickly.

I think it is important to note two things. First, is the importance of this bill, that it will give us the opportunity as a Federal matter to get at these people who would desecrate houses of worship and really seek to destroy a great deal of the social fabric of our communities. So I think it is important to get this bill accomplished and get it passed so that we can get at a successful prosecution of these folks.

The second thing I think is important to point out is that there is a message of reconciliation and hope in this.

It is a message that Terrence Mackey, the pastor of the Greelyville church that President Clinton visited last week, is so good at putting forth, and that is that in the face of this hateful act, people like Pastor Mackey are presenting a message of forgiveness and hope.

That, I think, will get at the deeper problem, because we know that this legislation will be a significant help to Federal prosecutors but we know that underneath this, there is a deeper problem and it is a problem in the heart of humankind. That problem, I think, can only be overcome by people like Pastor Mackey preaching that message of forgiveness and hope. That is the hope of reconciliation. I hope his voice is one that is heard loudest as we go through this process of dealing with the rebuilding and hopefully of the successful prosecution, as well, because of this bill, of the people who would perpetrate these hateful acts.

□ 1630

Mr. CONYERS. Mr. Speaker, I yield 30 seconds to the gentleman from Louisiana [Mr. FIELDS] in whose State there have been arsons.

Mr. FIELDS of Louisiana. Mr. Speaker, I thank the gentleman from Michigan for yielding me the time, and I want to thank the gentlemen for his leadership. I also want to thank the gentleman from Illinois on the other side of the aisle [Mr. HYDE] for this very important matter and also for bringing to it the floor.

Mr. Speaker, the burning of churches in this country is unacceptable and will not be tolerated in any shape, form or fashion. This legislation will give Federal prosecutors the tools they need to prosecute those perpetrators of the crime to the fullest extent of the law.

Mr. Speaker, I come from a State that has witnessed over five burnings in the past 4 months, four in one night alone. I want to thank the gentleman from Michigan and thank the gentleman from Illinois for bringing this very important piece of legislation to the floor and would like to say in no uncertain terms that this Congress will not tolerate individuals burning churches.

Mr. HYDE. Mr. Speaker, I yield 30 seconds to the gentleman from Michigan [Mr. CONYERS], and I ask unanimous consent that he be permitted to control that time.

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

There was no objection.

Mr. CONYERS. Mr. Speaker, I thank the gentleman from Illinois [Mr. HYDE] for his generosity, and I yield 30 seconds to the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Speaker, I thank the gentleman for yielding me the time.

I thank the chairman of the committee, Mr. HYDE, for yielding and both of my colleagues for bringing this matter to the floor and rise in strong support of this legislation. I join those of our colleagues and so many across the Nation who have voiced their strong, strong objection to those who would take actions of violence against our houses of worship in this country and hope that this legislation will be some small beginning in mending these horrible actions against the churches in the South and elsewhere.

I thank the gentleman for bringing this legislation to the floor.

Mr. CONYERS. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I would just like to conclude the time that has been afforded us on this side by reminding all of our colleagues that the President of the United States has involved himself in this matter in a very important way.

First of all, he urged that there be some legislation that could deal with this subject matter. Then he used his weekly radio address to direct to the Nation the deepness of the injury that these kinds of attacks on churches commit. Then he went to the South himself, and tomorrow he will be meeting with Governors of the several States. I think the President of the United States has handled this at the Federal level remarkably well.

Mr. HYDE. Mr. Speaker, I yield the balance of my time to the distinguished gentleman from Oklahoma [Mr. WATTS].

Mr. WATTS of Oklahoma. Mr. Speaker, I thank the chairman for yielding me the time.

Mr. Speaker, in the last week, churches have burned in North Carolina, Texas, Oklahoma, and Georgia. Fires are destroying our houses of worship like an unchecked scourge. With each fire, we have all felt the loss because any church that is burned in our church, for every house of worship is a symbol of our faith in God and our right to worship according to the dictates of our own conscience.

As evil as these church burnings are, we must avoid becoming consumed by our anger. For as Dr. Martin Luther King, Jr., taught us, darkness cannot drive out darkness, only light can do that. Hate cannot drive out hate, only love can do that.

To begin to heal, to drive away the darkness, we must bring back the light, the light of love, the light of hope. First we must apprehend those who are responsible for the fires and prosecute them to the full extent of the law. This bill will help to do that.

Second and more importantly, we must come together to rebuild our churches and communities. Our actions must show the world that we will not sit idly by when the unity and religious freedom of our nation are attacked.

Mr. Speaker, I commend the gentleman from Illinois, Chairman HYDE, and the gentleman from Michigan, Mr. CONYERS, for producing H.R. 3525. I call on the House to pass this bill unanimously to send the strongest possible message that this Congress will do all within its power to stop the fires and help the healing again.

Mr. HYDE. Mr. Speaker, I yield myself the remainder of my time.

Mr. Speaker, I am very pleased that we have had an interesting and good and full debate on this important issue. Burning a church is about as rotten, reprehensible an act as anybody can do, and I hope this law helps in the identification and severe punishment of the perpetrators.

Mr. Speaker, I yield back the balance of my time.

Mr. BEVILL. Mr. Speaker, I rise today to express my deep concern about the alarming rash of fires that have destroyed or badly damaged at least 34 black churches across the South. There is a lot of speculation about who may be behind these arson attacks and whether racism is involved. I am confident that the perpetrators of these crimes will be caught and brought to justice. Their punishment should be severe.

Strong legislation is moving through Congress to give U.S. attorneys clear jurisdiction to prosecute church arson suspects. I will support this bill when it comes to the House floor. There should be no misunderstanding that these attacks are of national concern.

These crimes show a blatant disrespect not only for the people who worship at these churches, but also for their faith itself. Churches are sanctuaries of faith. They are houses of God and they should be respected. How would you feel if someone burned down your church? I know how I would feel. I would be hurt and outraged. I would want something done about it.

It is a sad commentary on our society when any place of worship is vandalized or destroyed. This goes for the burning of churches as well as the spraying of Nazi graffiti on synagogues.

The very principles upon which our Nation was founded are at stake here. The Pilgrims who braved rough seas and harsh winters to find a new life in America came here to find a place to worship freely. They came to escape religious persecution.

That's why our U.S. Constitution guarantees the right to freedom of religion in the first amendment. Most of us would interpret that right to mean that we can worship without fear.

When crimes are committed against places of worship—even in the dead of night—it creates an atmosphere of distrust and fear. God-loving, law-abiding citizens don't wish that on anyone, regardless of their religion or their race.

I am glad to see the Congress and the administration stepping forward to address this issue. And, I want to commend NationsBank Corp. for pledging to pay $500,000 for information leading to the arrest and conviction of those responsible. This sends a strong message that the corporate community in the South is equally concerned about these crimes.

I am also glad to see that the National Trust for Historic Preservation has added southern black churches to its list of "most endangered" historic places. The support offered by the trust will go a long way toward helping affected communities to heal.

I pray that this rash of attacks on Southern churches will end now and that a sense of safety and sanctity will be restored to these places of worship.

Mr. HOYER. Mr. Speaker, I rise today in strong support of H.R. 3525, the Church Arson Prevention Act. I want to commend Mr. HYDE and Mr. CONYERS for proposing this bill which was introduced in response to the tragic church fires which have destroyed over 30 black churches throughout the South over the last 18 months. Enough is enough. The time has come to step up our efforts, and we must take more action to assist Federal, State, and local authorities in preventing and investigating these fires.

I want to add my voice in expressing strong displeasure with those who seek to evoke fear and promote hatred by engaging in these acts of cowardice. This type of behavior tears at the very fabric which holds this Nation together. It is important that we do what is necessary to put an end to these unacceptable actions. As a Nation which prides itself in furthering liberty, equality, and justice for all, conduct of this nature cannot and will not be tolerated.

There is no institution more sacred than a house of worship. I am appalled and outraged that any person would desecrate an institution which fosters religious freedom, a right guaranteed under the Constitution of the United States. The church serves as the foundation of good, hope, and prosperity in many communities. It also serves as a place of solace for those seeking refuge from the cruelties and harshness of the world. Moreover, it is a place where people can put aside their differences and come together. I will never understand how one can seek to destroy the positive spirit which the church symbolizes.

I am deeply saddened by the events which have taken place over the last year and a half. They are an ugly reminder of our not so distant past and send the wrong message to impressionable minds. Over the past 30 years, we have worked hard to build many bridges across the racial divide. To a large degree, we have been quite successful. However, we still have a long way to go in our pursuit to understand one another and ensure equality for every American. As the most civilized nation in the world, it is incumbent on us to continue to move forward. We cannot let the uncivilized actions of a few keep us from achieving the worthwhile goal of racial and ethnic harmony.

The legislation before us today, in coordination with the efforts of Federal law enforcement agencies, can assist in bringing to justice those individuals responsible for the fires. Through their efforts, some progress has already been made. One of the principle Federal agencies working on these incidents has been the Bureau of Alcohol, Tobacco and Firearms. BATF has responded to these incidences by using additional resources and manpower. Their efforts have resulted in the resolution of some of these arson cases, some by arrest and others by designation as accidental. There still are a number of ongoing investigations and the fires continue to occur. Therefore, we must provide additional tools to BATF and other Federal law enforcement agencies so that they can more readily investigate and prosecute these heinous crimes.

I urge my colleagues to stand with Congressman HYDE and CONYERS in supporting this legislation. Passage of this legislation today will allow Congress to join in the healing process which has begun for those churches which are now rebuilding. It will also send a message from Congress that we do not condone or tolerate this type of activity in our Nation.

Mr. LANTOS. Mr. Speaker, I rise today in strong support of the bipartisan legislation introduced by our colleagues, Judiciary Chairman HENRY HYDE and ranking member JOHN CONYERS, and to encourage the House to pass it unanimously. There is no more cowardly and offensive act than burning a community's place of worship. It is all the more unconscionable when it is done out of bigotry and hatred. This legislation will help the Bureau of Alcohol, Tobacco and Firearms ensure that justice will be swift and complete. Congress must make a strong proactive move to stop these burnings, bring the arsonists to justice, and help these communities rebuild.

I extend my utmost sympathy to the ministers and their congregations all over the country who have lost their places of worship. I also call upon the victims of these terrible crimes to be strong and to direct your anger not toward revenge, but toward reconstruction and healing. As the only survivor of the Holocaust elected to Congress, I am all too familiar with the injustices of random, unprovoked acts of violence. We must use this opportunity to bare these extreme racists for who they are—unscrupulous criminals who deserve to be put in jail for a long time. It is imperative that we send a loud, clear, and firm message to the perpetrators of these sick crimes that Americans will not tolerate bigotry or hate crimes.

It will take a concerted effort of every American from every region of the country to send the message that we must not slip back into a dark past when minorities lived in fear of intolerant racists. Mr. Speaker, let us lend our resources and wholehearted commitment to the Federal, State, and local authorities who are investigating this damaging epidemic. I urge my colleagues to unanimously support this legislation.

Mr. BEREUTER. Mr. Speaker, this Member is pleased to be a cosponsor of H.R. 3525, the Church Arson Prevention Act, and would urge his colleagues to support this bill.

This measure is necessary because of the recent rash of church burnings which has occurred across the Nation. Over 30 black churches have been the victims of arson this year alone, and Federal help has been asked in catching those responsible. In fact, there have been over half a dozen church fires this week. This must stop. The Church Arson Prevention Act will give Federal prosecutors specific jurisdiction to prosecute those who damage religious property. It will also eliminate any monetary damage requirement for Federal prosecution. This legislation will give prosecutors a great opportunity to fight these terrible crimes, as the arson-investigating resources of the Bureau of Alcohol, Tobacco and Firearms can be called into play. The victims of these fires will be eligible under this bill to receive compensation from the crime victims trust fund.

Mr. Speaker, it is this Member's hope that this legislation will quickly become law in order to help combat this rash of hatred and to punish those responsible for these crimes.

Mr. CASTLE. Mr. Speaker, considering that our country was founded on certain principles, among them the freedom of religious expression, it is utterly appalling that places of worship—homes to hundreds and hundreds of congregations—have apparently been targeted to bear the brunt of racial hatred and religious bigotry in this country.

While I am absolutely outraged at the series of church fires that have brought us to this point, I am pleased that the Congress has worked swiftly and in a bipartisan manner to ensure that the church arson law is improved and strengthen. This is an issue that knows no color, race, or religion. It affects each and every one of us Americans; as a country.

The passage of this bill will not heal the wounds created by the tragic burning of churches, nor help ease the pain felt by those who have seen their place of worship destroyed by the senseless and bigoted act of another. But this measure will help punish the instigators of these fires by making it easier to prosecute those responsible for these egregious acts. And in light of recent events, this could not be more timely nor more crucial.

Mr. FRANKS of Connecticut. Mr. Speaker, as I had done on June 13, 1996, I rise once again to voice my support of H.R. 3525, the Church Arson Prevention Act of 1996 which has been offered by Congressman HYDE and Congressman CONYERS and of which I am a proud cosponsor.

Mr. Speaker, I and many of my colleagues have been alarmed by the rash of intentionally set church fires. Sadly, it has reached the point that it has become a daily occurrence. Seemingly, each day, we read in the papers or see on the morning news that our Nation will be supporting more burned-out churches upon its landscape—grotesque charred shells which remind us that there are those who would still practice racism and bigotry and prevent their fellow Americans from pursuing a terror-free life of happiness, freedom and religious liberty.

As I have stated before, H.R. 3525 will make important and necessary changes to our laws which are presently on the books so that we can investigate, arrest, and convict more of those who terrorize with fire or vandalism.

The bill would broaden the scope of present statute which makes it a crime to damage religious property or to obstruct a person in the free exercise of religious beliefs by applying criminal penalties if the offense is in, or affects interstate commerce. As I had mentioned before, both Congressman HYDE and Congressman CONYERS have written H.R. 3525 so it will provide the necessary amendment to our Federal statutes to grant Federal jurisdiction, and thus will augment the Attorney General's ability to prosecute arson cases of this nature.

I am happy to report that this bill will eliminate the current dollar value of destruction which may occur before these crimes of desecration may be prosecuted. At the present

time, our laws state that the loss from the destruction of property must be more than $10,000. Originally as written, H.R. 3525 would reduce that threshold to $5,000, but Messrs. HYDE and CONYERS have properly seen fit to eliminate the threshold altogether. By eliminating the threshold, it will be easier for the Federal Government to prosecute more of these arson cases.

Mr. Speaker, I once again congratulate Messrs. HYDE and CONYERS on their work on this important bill. I also congratulate the other 91 sponsors of this measure. Now is time for this House to let the people of America know that it will not tolerate the actions of bigots and racists. We must pass H.R. 3525 to deliver that message.

Mr. MONTGOMERY. Mr. Speaker, I rise in strong support of H.R. 3525, the Church Arson Prevention Act of 1996.

On Monday night two churches were burned in Mississippi that bring sadness to me that this has happened in our State.

This bill will give law enforcement officers the tools to bring to justice those who are responsible for these burnings. Also the bill will bring better cooperation between local, State and Federal law enforcement agencies to solve these terrible crimes.

I am sure the people in Mississippi will pull together to rebuild these churches of God.

I support this legislation. I hope the Senate and the President will act quickly on this bill.

Mr. FAZIO of California. I rise today to offer my strong support for the bipartisan legislation before us. The Church Arson Prevention Act will make it easier to bring prosecutions and will stiffen penalties against those who target houses of worship.

Over the last 18 months, 33 predominantly black churches have been burned down throughout the South. This outbreak of violence and racism recalls a time in our Nation's history when such acts were used to intimidate civil rights activists. We must not tolerate a rekindling of these flames of bigotry and hatred in our country as we approach the new century.

These church fires, and the smoldering scourge of racism that we still confront in our society, have reminded us that there is much work to be done to achieve the goals of Dr. King and the millions of others who aspire to live in the colorblind society that he dreamed would become a reality.

This legislation is a step in that direction, but we must do much more. As a nation, we must stand together in opposition to those who advocate violence and racism. With one voice, we must be firm and unequivocal in our denunciation of such acts.

As Abraham Lincoln said in 1858, "a house divided against itself cannot stand." These prophetic words remain true in our day.

Mr. CLAY. Mr. Speaker, I rise in support of the Church Arson Prevention Act (HR 3525). Sacred places of worship are under attack across America. Over the past 18 months, 35 black churches have been burned. This number rivals the number of churches that were the targets of vicious racial hatred four decades ago, in the years leading up to the passage of the 1964 Civil Rights Act. Mr. Speaker, we must not permit the forces of evil to turn back the hands of time. Church burnings will never destroy the spirit of those who have faith. Those who perpetrate these morbid crimes telecast themselves as the enemies of all who quest social justice. As legislators committed to racial equality we must condemn the violence and resist efforts to promote the despicable concept of white supremacy.

The burning of black churches dramatizes the racist polarization which plagues our society. Congress must act with singular resolve to denounce these reprehensible acts of vandalism and the stupidity and hatred that spawn such unthinkable crimes. Government must employ all necessary resources to investigate these outrageous offenses and prosecute those responsible for such malicious acts of violence.

Mr. Speaker, I urge my colleagues to support H.R. 3525 which makes it a Federal crime to deface or destroy religious property. It will facilitate Federal authorities in prosecuting those guilty of the terrorist tactics involved in church burnings.

Ms. McCARTHY. Mr. Speaker, I want to express my condolences to all of the families and congregations which have been victims of church burnings throughout our Nation, and urge my colleagues to support H.R. 3525, the Church Arson Prevention Act.

Many religious groups and individuals in my community have provided support for those who have been displaced by the church burnings. The Reverend Mac Charles Jones, pastor of St. Stephen Baptist Church in Kansas City, is one who is advocating nationally for African American congregations coping with this extraordinary misfortune. In his role as associate general secretary for racial justice of the National Council of Churches, Rev. Jones met with President Clinton last week urging Federal support in investigating the church burnings. Rev. Jones and other area ministers are seeking donations locally to assist the investigators and the victims. I salute everyone for demonstrating compassion and generosity during this difficult time, and encourage the broadest participation possible in rebuilding these spiritual structures.

I am honored today to have the opportunity to do my part by supporting a bill to prevent these horrific acts of violence in the future. H.R. 3525 eliminates certain barriers to Federal prosecution of individuals suspected of church burning. For example, the current requirement that the offense cause at least $10,000 in damages before Federal action can be taken will be eliminated. Those who would deface or destroy religious property in the name of hate will be subject to Federal criminal charges.

Healing the spiritual wounds caused by the destruction of one's place of worship will not come easily or quickly, but finding the individuals who are responsible and bringing them to justice is essential. I believe very strongly that local communities and the Federal Government must work together to see that these grave injustices are rectified. The Church Arson Prevention Act will aid communities and law enforcement in this effort, and will help deter future acts of terrorism on our churches and synagogues, which serve as the center of every community.

The Jewish Community Relations Bureau, one of the many organizations in my community which has come to the aid of the victims of church burnings, has a saying:

If injustice is occurring to one person, it's the same as if it's happening to me.

I urge my colleagues to act in the spirit of this sincere expression by voting for H.R. 3525.

Mr. POSHARD. Mr. Speaker, I rise in strong support of the Church Arson Prevention Act of 1996, and thank chairman HYDE and Ranking Member CONYERS for their swift action in bringing this bill to the floor.

Like millions of other Americans, I grew up attending a little country church. It was there along the banks of the Little Wabash River in White County, IL, that I learned the scripture lessons and the basic values which have guided my life and which are still today the foundation for who I am. That is not an unusual experience whatsoever, for Americans are a religious people and we live in a religious nation. We are a nation of religious tolerance, respecting differing denominations and religions as we all seek the solace and comfort of our faith.

The church, as important as it was spiritually, was also important in a very physical, structural way, and it served as a gathering place in our little community.

The church arsons which have scarred our physical, spiritual, and emotional connections to those churches are repugnant to all of us. We want the people who have suffered from these reprehensible acts to know that our thoughts and prayers are with them. And we want those who are responsible for these actions to know they will be held responsible.

Ms. MILLENDER-McDONALD. Mr. Speaker, I rise in support of the Church Arson Prevention Act of 1996.

I come to the House of Representatives having grown up as the child of an active Baptist minister in Alabama with fear that my family would be the target of church bombings that were all too common during the 1950's. The burning of a church is nothing less than a cowardly act of terrorism upon the community that hosts the church.

We are seeing church burnings in the African-American communities every day and we must put a stop to it. We do everything in our power to stop terrorism abroad, we must do nothing less to prevent this terror in these United States.

The cowards who set these fires must be caught, brought to justice and punished severely. I hope that we will work together to help all Americans build a better nation and a better world.

I urge each of my colleagues to vote in support of the Church Arson Prevention Act of 1996.

Mr. PAYNE of New Jersey. Mr. Speaker, as chairman of the Congressional Black Caucus and as a cosponsor of the Church Arson Prevention Act, I rise in strong support of this measure. It is imperative that we take immediate action to strengthen the ability of Federal law enforcement officials to respond to the alarming increase in church burnings in the South and other parts of the Nation. These incidents of hate call to mind ugly images of cross burnings and Klan rallies by false patriots determined to divide this Nation.

Communities are now living in fear that their sacred houses of worship will be reduced to

ashes overnight in the wake of this destructive spree. We need to send a clear signal to the perpetrators of these hate crimes that every law enforcement resource available will be used to bring them to justice. Not only does this bill clarify that Federal officials can become involved in investigations of church fires affecting interstate commerce; it also removes the current requirement that $10,000 in damage must occur before Federal intervention.

Mr. Speaker, we know that a church is more than just the brick and mortar which make up the building. It is a place of hope and spiritual renewal, a center where communities gather in celebration of one of our most precious freedoms, the freedom of religion. Many congregations also run important services out of their church buildings, such as food pantries to feed the needy, activities for young people, and programs for seniors. The loss of a church is devastating; it goes far beyond the material loss and inflicts enormous emotional pain.

Mr. Speaker, I urge my colleagues to support this bill and stop the epidemic of hate and violence which has no place in this Nation.

Mr. TORRICELLI. Mr. Speaker, our Nation is witnessing a frightening and despicable increase in violent attacks on places of worship. Indeed, since 1991, more than 152 houses of worship have been destroyed by arson or vandalism. And within the last 18 months, nearly 50 African-American churches and 10 predominantly white churches have been desecrated. Just last night in Mississippi, two more churches were victims of arson.

These attacks simply must be stopped. While arson is undeniably one of the most egregious crimes against society, it is even more heinous when committed against a sacred place of worship. Every American and every community must act against these crimes. And congress can take the first step by passing H.R. 3525, the Church Arson Prevention Act.

Religion has been a central part of our Nation's culture and society. The burning or desecration of a place of worship not only destroys a vital and important physical structure and moral symbol, but it sends a message of hate and division within the community where the attack occurs. Congress must ensure that those responsible for such hideous acts be punished to the fullest extent of the law.

This is not a partisan issue; it is an issue of justice. H.R. 3525 addresses this problem by enhancing the Federal Government's ability to prosecute convicted arsonists and by removing the minimal damage requirement.

I urge my colleagues to vote in favor of H.R. 3525. We must send a clear and strong message that this dangerous and immoral behavior will not be tolerated anywhere in America.

Mr. STOKES. Mr. Speaker, I rise in strong support of H.R. 3525, the Church Arson Prevention Act. If this great Nation is to live up to its pledge of liberty and justice for all, then we must come together to end the repugnant wave or racially motivated arsons perpetrated against African-American churches.

After hearing today of yet two more burnings of predominantly African-American churches, the latest of more than 34 since January 1995, I commend my colleagues Chairman HENRY HYDE and JOHN CONYERS for proposing this crucial legislation. H.R. 3525 is an unequivocal representation of the Congress' condemnation of these acts of violence. This bill also provides for reasonable steps to fight these kinds of crimes. This legislation sensibly amends the United States Code to facilitate the use of Federal law to prosecute persons who attack religious property based on the race, color, or ethnic characteristics of persons associated with that property. In addition, this bill allows victims to obtain financial assistance under the victims of crime fund for any injuries caused by an attack on religious property.

Mr. Speaker, I denounce the recent epidemic of arson against African-American churches across this Nation. In addition to supporting H.R. 3525, I am committed to insisting that law enforcement authorities do everything within their power to apprehend the persons responsible for such acts of unadulterated hatred. This bipartisan legislation being considered by the House of Representatives will certainly assist our efforts to prevent these immoral crimes.

It is my hope that from the ashes of African-American churches Americans will come together to put an end to racial intolerance. I urge my colleagues to support this important legislation.

Mr. RANGEL. Mr. Speaker, I rise to express my outrage and that of good Americans across this great country at the wave of suspicious fires that have swept at least 30 churches in the South in recent months. Churches and synagogues are the cornerstones of our communities, providing the moral and spiritual cultivation that our society so desperately needs. I ask all my colleagues in the House to voice their condemnation of these deplorable acts. Vandalizing places of worship is not a partisan issue.

I also call on all the moral leaders of our Nation and those of every religious background to stand against these acts of terror. Every synagogue, mosque and church is vulnerable to the same acts of terrorism committed against our black churches and it is crucial that leaders of every religious denomination speak out against the vandalism of our nation's houses of worship.

It is a shame that the history of violence and intimidation towards black people in this country is repeating itself. Will we allow hate groups such as the Klu Klux Klan, the Aryan Nation, skinheads, and other white supremacist organizations to rise again? Will we allow the historic achievements of our courageous freedom fighters who sought to create a nation of fairness and racial harmony to be further defamed?

In our society, arson of a church attended predominately by African-Americans carries a unique and menacing threat to individuals in our Nation who remain physically vulnerable to acts of violence and intimidation because of their race. Such threats are intolerable and individuals responsible for such acts must be aggressively pursued and apprehended.

As churches burn from flames of hate and intolerance, there are those in our society who would dismantle civil rights legislation and affirmative action that have provided assistance to groups in our Nation who have been discriminated against due to their race, sex, or religious beliefs.

We as a nation must not allow the practice of scapegoating others because they are of a different race or nationality or poor to continue. Our Nation was built on diversity and we must refute any beliefs that condone or support an atmosphere of blame and intolerance against those in our society who are defenseless, particularly our sick, poor, and aged. Just as the churches, synagogues, and mosques shelter our weak and defenseless, we as Americans have an obligation to protect those houses of worship from vicious attacks.

I commend President Clinton and Attorney General Janet Reno on their quick responses to investigate these criminal acts of terrorism and I hope those who make such threats will be prosecuted and will serve sentences commensurate with the cowardly and despicable nature of their actions.

Mr. REED. Mr. Speaker, as a cosponsor of H.R. 3525, the Church Arson Prevention Act, I am pleased that the House is considering this important legislation.

The legislation before us is straightforward. It will help law enforcement officials capture those responsible for these heinous crimes.

Unfortunately, the motivation of those committing these acts is also straightforward—hate, ignorance and disrespect.

More than 30 fires have occurred at churches throughout the South, leaving in their wake a fear that the demons of the past have risen again. This time they are not content to spew their slogans of hatred. Instead, their hate is at such a fever pitch that these brutes attack one of the most powerful symbols of community and love—places of worship.

In the 1960's our Nation witnessed a dramatic struggle for racial equality. Efforts to give African-Americans equal opportunity were often met with violent protest, and America lost a number of brilliant young leaders to racial hatred and bigotry, including religious men like the Reverend Martin Luther King.

In the end, the American ideal of equality won, and hate lost.

Now, those who would tear our Nation apart have returned.

We must collectively respond to this hatred. We cannot tolerate these deplorable acts against African-Americans and our places of worship. Indeed, the combination of this racial and religious intolerance is immoral and must be countered at every turn.

Mr. Speaker, I am pleased the House will pass this legislation to fight these despicable acts, and the Senate should follow suit.

In addition, I would urge the President and Assistant Attorney General Patrick to continue their efforts to bring the perpetrators of these hateful acts to justice—America's citizens of all races and religions deserve no less.

Ms. PELOSI. Mr. Speaker, I rise in strong support of this important legislation. These hate crimes against places of worship are simply intolerable and we in Congress must take quick and decisive action against these horrible acts of terrorism.

While we are saddened by these tragedies we can take heart on the words of one of the ministers who said they have burned the building, but they haven't destroyed the church.

I commend the chairman of the Judiciary Committee, Mr. HYDE, its ranking member, Mr. CONYERS, and all of my colleagues who are

working together so effectively to see that this legislation is speedily passed in the hopes that the hatred that is rearing its ugly head will be stamped out.

Yesterday, two more churches burned to the ground. Institutions of worship represent America's faith. Congress must give the Department of Justice the tools necessary to investigate, apprehend and prosecute those who destroy or desecrate religious property. Our religious liberty is at stake and people's lives are in danger.

I join with my colleagues to act now to put out these fires of hatred and ignorance and to help with the healing of those in the communities affected.

Mr. HOKE. Mr. Speaker, I rise in strong support of H.R. 3525, the Church Arson Prevention Act of 1996. As a member of the Judiciary Committee I heard testimony from law enforcement officials that they do have the tools they need to effectively fight these abhorrent acts. Those resources are provided in this legislation.

As other Members have recounted, there have been over 100 church fires across the United States since October 1991. Most of these fires have occurred at predominantly African-American churches located in the Southeast. The most recent string of attacks—including two additional fires just last night—should serve as a wakeup call to every American who is dedicated to protecting our religious heritage, our commitment to free expression, and our unyielding determination to preserve law and order.

Through this legislation, we are sending a message: Racism will not be tolerated and race-based crimes will not go unpunished. The destruction of a house of worship is repulsive and those who commit such contemptible acts will be pursued and prosecuted.

Let us also send this unmistakable message to the twisted, hateful perpetrators of these heinous acts: The basic decency, tolerance, and compassion of the American people will flower in the ashes of these charred sanctuaries. And while we can never forget that there may be an ugly capacity to hate in all of us, as individuals and as collective members of society we must never tolerate those who give in to such tendencies. In many cases these beliefs and practices are embedded deep in the soul and no act of Congress will root them out. Therefore, every American must be vigilant to stamp out racism and hatred wherever it surfaces. Together we can ensure that in America, the principles of justice, equality, and brotherhood thrive in the warm glow of freedom.

Mr. DEUTSCH. Mr. Speaker, I rise today to voice my outrage over the arsons that have destroyed over 110 churches across the country. These vile and cowardly acts threaten our constitutional right to worship freely and safely. H.R. 3525 is a good first step in preventing these heinous attacks on religious freedom. In my opinion, however, it is just a first step and there is far more this body can and should do.

Mr. Speaker, the deliberate burning of churches, synagogues, and mosques constitutes a national emergency, and stopping the fires should be our top priority. Every means available to us should be put to use, including the use of the National Guard. We need to make available increased funding and resources for our law enforcement agencies so that they may be better able to prevent and solve these acts of hatred. It is essential that we create a national clearinghouse to monitor, compile, and scrutinize information relating to these fires. Furthermore greater support and funding for watchdog groups needs to be made available.

We need to encourage the establishment of a national dialog on the impact and prevention of these depraved acts. It is only through increased cooperation and strict enforcement will be able to prevent future attacks on our sacred places of worship.

I encourage my fellow Members of Congress to stand together with the American people and tell those who are perpetrating these crimes that we will not be victims of their hate and cowardice.

Mr. MARTINI. Mr. Speaker, I rise today to commend my House colleagues for the unanimous support shown for H.R. 3525, the Church Arson Prevention Act of 1996. We have sent a clear and unmistakable message that this Congress stands united against hatred.

Since October 1991, we have witnessed more than 100 different acts of probable arson specifically targeting churches. Over half of the churches burned have been predominantly African-American congregations.

Mr. Speaker, it is one thing to stand up and vigorously denounce these racist and antireligious hate crimes; however, it is far more important to actually do something about them. We need the ability to combat this problem and that is why H.R. 3525 is more than a simple denouncement. It will give the Federal Government the ability to prosecute and punish those who burn or desecrate religious property. Furthermore, it will also bring aid to the victims of these crimes, who are often underinsured or completely uninsured.

Clearly, no one is insulated from the flames of hatred. Even in my home State of New Jersey, a church was recently burned. I am proud to say that a leader in the African-American community in New Jersey is working very hard to combat the burning and desecration of places of worship. Minister and New Jersey Assemblyman Alfred E. Steele, a constituent of mine from Paterson, NJ, has introduced a bill on the State level to stiffen penalties for arson at churches, synagogues, and mosques.

Mr. Speaker, although these crimes have been primarily directed against African-American congregations, I must hasten to point out that they are an assault on those who believe in the freedom and tolerance of the United States. As Assemblyman Steele has said, "If they attack one, they have attacked all of us." With the Church Arson Prevention Act, we can now fight back. We have clearly and decisively acted to end this most vicious and destructive form of intimidation.

Mr. HYDE. Mr. Speaker, on June 18, 1996, the House of Representatives passed H.R. 3525 by a rollcall vote of 422 to 0. Shortly thereafter, on June 26, 1996, the Senate approved an amended version of H.R. 3525, the provisions of which were arrived at through bipartisan negotiations between the House and Senate sponsors. The House later approved H.R. 3525, as amended by the Senate, and the President signed the bill into law on July 3, 1996.

Due to the celerity with which this legislation was adopted, and the fact that no House-Senate conference was required, there is no legislative history explaining the provisions of H.R. 3525 which were added after consideration of the measure by the House Judiciary Committee. The provisions of the bill as reported by the committee are explained in House Report 104–621. For this reason, I am inserting in the RECORD the following "Statement of Floor Managers Regarding H.R. 3525," which shall serve as additional legislative history for the bill. Senators FAIRCLOTH and KENNEDY will be inserting identical language in the Senate portion of the RECORD.

JOINT STATEMENT OF FLOOR MANAGERS REGARDING H.R. 3525, THE CHURCH ARSON PREVENTION ACT OF 1996

(By Congressmen Hyde and Conyers, and Senators Faircloth and Kennedy)

I. INTRODUCTION

Recently, the entire nation has watched in horror and disbelief as an epidemic of church arsons has gripped the nation. The wave of arsons, many in the South, and a large number directed at African American churches, is simply intolerable, and has provoked a strong outcry from Americans of all races and religious backgrounds.

Congress has responded swiftly and in a bipartisan fashion to this troubling spate of arsons. On May 21, 1996, the House Judiciary Committee held an oversight hearing focusing on the problem of church fires in the Southeast. Two days later, on May 23, Chairman Hyde and Ranking Member Conyers introduced H.R. 3525, the Church Arson Prevention Act of 1996. H.R. 3525 was passed by the House of Representatives on June 18, 1996, by a vote of 422–0. On June 19, 1996, the Senate introduced a companion bill, S. 1890.

In the interests of responding swiftly to this pressing national problem, the Congressman Henry Hyde and Congressman John Conyers, the original authors of the bill in the House of Representatives, and Senator Lauch Faircloth and Senator Edward Kennedy, the original authors of the bill in the Senate, with the cooperation and assistance of the Chairman and Ranking Member of the Senate Judiciary Committee, have crafted a bipartisan bill that combines portions of H.R. 3525, as passed on June 18, 1996 by the House of Representatives, and S. 1890, as introduced in the Senate on June 19, 1996. On June 26, 1996, an amendment in the form of substitute to H.R. 3525 was introduced in the Senate, and passed by a 98–0 vote. This substitute embodies the agreement that was reached between House and the Senate, on a bipartisan basis. The House of Representatives, by unanimous consent, took up and passed H.R. 3525 as amended on June 27, 1996.

This Joint Statement of Floor Managers is in lieu of a Conference report and outlines the legislative history of H.R. 3525.

II. SUMMARY OF THE LEGISLATION

The purpose of the legislation is to address the growing national problem of destruction and desecration of places of religious worship. The legislation contains five different components.

1. Amendment of Criminal Statute Relating to Church Arson

Section three of the bill amends section 247 of Title 18, United States Code, to eliminate unnecessary and onerous jurisdictional obstacles, and conform the penalties and statute of limitation with those under the general federal arson statute, Title 18, United

States Code, Section 844(i). Section two contains the Congressional findings that establish Congress' authority to amend section 247.

2. Authorization for Loan Guarantees

Section four gives authority to the Department of Housing and Urban Development to use up to $5,000,000 from an existing fund to extend loan guarantees to financial institutions who make loans to organizations defined in Title 26, Section 501(c)(3), United States Code, that have been damaged as a result of acts of arson or terrorism, as certified by procedures to be established by the Secretary of Housing and Urban Development.

3. Assistance for Victims Who Sustain Injury

Section five amends Section 1403(d)(3) of the Victim of Crime Act to provide that individuals who suffer death or personal injury in connection with a violation described in Title 18, United States Code, Section 247, are eligible to apply for financial assistance under the Victims of Crime Act.

4. Authorization of Funds for the Department of the Treasury and the Department of Justice

Section six authorizes funds to the Department of Justice, including the Community Relations Service, and the Department of the Treasury to hire additional personnel to investigate, prevent and respond to possible violations of title 18, United States Code, Sections 247 and 844(i). This provision is not intended to alter, expand or restrict the respective jurisdictions or authority of the Department of the Treasury and the Federal Bureau of Investigation relating to the investigation of suspicious fires at places of religious worship.

5. Reauthorization of the Hate Crimes Statistics Act

Section seven reauthorizes the Hate Crimes Statistics Act through 2002.

6. Sense of the Congress

Section eight embodies the sense of the Congress commending those individuals and entities that have responded to the church arson crisis with enormous generosity. The Congress encourages the private sector to continue these efforts, so that the rebuilding process will occur with maximum possible participation from the private sector.

III. AMENDMENT TO TITLE 18, UNITED STATES CODE, SECTION 247

Section 3 of H.R. 3525, as passed by the Senate and the House, amends section 247 in a number of ways.

1. Expansion of Federal Jurisdiction to Prosecute Acts of Destruction or Desecration of Places of Religious Worship

The bill replaces subsection (b) with a new interstate commerce requirement, which broadens the scope of the statute by applying criminal penalties if the "offense is in or affects interstate or foreign commerce." H.R. 3525 also adds a new subsection (c), which provides that: "whoever intentionally defaces, damages or destroys any religious real property because of the race, color, or ethnic characteristics of any individual associated with that religious property, or attempts to do so," is guilty of a crime. Section two of H.R. 3525 contains the Congressional findings which establish Congress' authority to amend section 247.

The new interstate commerce language in subsection (b) is similar to that in the general federal arson statute, Title 18, United States Code, Section 844(i), which affords the Attorney General broad jurisdiction to prosecute conduct which falls within the interstate commerce clause of the Constitution.

Under this new formulation of the interstate commerce requirement, the Committee intends that the interstate commerce requirement is satisfied, for example, where in committing, planning, or preparing to commit the offense, the defendant either travels in interstate or foreign commerce, or uses the mail or any facility or instrumentality of interstate commerce. The interstate commerce requirement would also be satisfied if the real property that is damaged or destroyed is used in activity that is in or affects interstate commerce. Many of the places of worship that have been destroyed serve multiple purposes in addition to their sectarian purpose. For example, a number of places of worship provide day care services, or a variety of other social services.

These are but a few of the many factual circumstances that would come within the scope of H.R. 3525's interstate commerce requirement, and it is the intent of the Congress to exercise the fullest reach of the federal commerce power.

The floor managers are aware of the Supreme Court's ruling in *United States* v. *Lopez*, 115 S.Ct. 1624 (1995), in which the Court struck down as unconstitutional legislation which would have regulated the possession of firearms in a school zone. In Lopez, the Court found that the conduct to be regulated did not have a substantial effect upon interstate commerce, and therefore was not within the federal government's reach under the interstate commerce clause of the Constitution.

Subsection (b), unlike the provision at issue in Lopez, requires the prosecution to prove an interstate commerce nexus in order to establish a criminal violation. Moreover, H.R. 3525 as a whole, unlike the Act at issue in Lopez, does not involve Congressional intrusion upon "an area of traditional state concern." 115 S.Ct. at 1640 (Kennedy, J. concurring). The federal government has a longstanding interest in ensuring that all Americans can worship freely without fear of violent reprisal. This federal interest is particularly compelling in light of the fact that a large percentage of the arsons have been directed at African-American places of worship.

Congress also has the authority to add new subsection (c) to section 247 under the Thirteenth Amendment to the Constitution, an authority that did not exist in the context of the Gun Free School Zones Act. Section 1 of the Thirteenth Amendment prohibits slavery or involuntary servitude. Section 2 of the Amendment states that "Congress shall have the power to enforce this article by appropriate legislation." In interpreting the Amendment, the Supreme Court has held that Congress may reach private conduct, because it has the "power to pass all laws necessary and proper for abolishing all badges and incidents of slavery in the United States." *Jones* v. *Alfred H. Mayer Co.*, 392 U.S. 409, 439 (1968). See also *Griffin* v. *Breckinridge*, 403 U.S. 88 (1971). The racially motivated destruction of a house of worship is a "badge or incident of slavery" that Congress has the authority to punish in this amendment to section 247.

Section two of H.R. 3525 sets out the Congressional findings that establish Congressional authority under the commerce clause and the Thirteenth Amendment to amend section 247.

In replacing subsection (b) of section 247, H.R. 3525 also eliminates the current requirement of subsection (b)(2) that, in the case of an offense under subsection (a)(1), the loss resulting from the defacement, damage, or destruction be more than $10,000. This will allow for the prosecution of cases involving less affluent congregations where the church building itself is not of great monetary value. It will also enhance federal prosecution of cases of desecration, defacement or partial destruction of a place of religious worship. Incidents such as spray painting swastikas on synagogues, or firing gunshots through church windows, are serious hate crimes that are intended to intimidate a community and interfere with the freedom of religious expression. For this reason, the fact that the monetary damage caused by these heinous acts may be de minimis should not prevent their prosecution as assaults on religious freedom under this section.

H.R. 3525 also amends section 247 by adding a new subsection (c), which criminalizes the intentional destruction or desecration of religious real property "because of the race, color or ethnic characteristics of any individual associated with that property." This provision will extend coverage of the statute to conduct which is motivated by racial or ethnic animus. Thus, for example, in the event that the religious real property of a church is damaged or destroyed by someone because of his or her hatred of its African American congregation, section 247 as amended by H.R. 3525 would permit prosecution of the perpetrator.

H.R. 3525 also amends the definition of "religious real property" to include "fixtures or religious objects contained within a place of religious worship." There have been cases involving desecration of torahs inside a synagogue, or desecration of portions of a tabernacle within a place of religious worship. These despicable acts strike at the heart of congregation, and this amendment will ensure that such acts can be prosecuted under section 247.

2. Amendment of Penalty Provisions

H.R. 3525 amends the penalty provisions of section 247 in cases involving the destruction or attempted destruction of a place of worship through the use of fire or an explosive. The purpose of this amendment is to conform the penalty provisions of section 247 with the penalty provisions of the general federal arson statute, Title 18, United States Code, Section 844(i). Under current law, if a person burns down a place of religious worship (with no injury resulting), and is prosecuted under section 247, the maximum possible penalty is ten years. However, if a person burns down an apartment building, and is prosecuted under the federal arson statute, the maximum possible penalty is 20 years. H.R. 3525 amends section 247 to conform the penalty provisions with the penalty provisions of section 844(i). H.R. 3525 also contains a provision expanding the statute of limitations for prosecutions under section 247 from five to seven years. Under current law, the statute of limitations under section 844(i) is seven years, while the statute of limitations under section 247 is five years. This amendment corrects this anomaly.

IV. SEVERABILITY

It is not necessary for Congress to include a specific severability clause in order to express Congressional intent that if any provision of the Act is held invalid, the remaining provisions are unaffected. S. 1890, as introduced on June 16, 1996 contained a severability clause, while the original version of H.R. 3525 which was introduced in the House did not. While the final version of H.R. 3525, as passed by the Senate and the House of Representatives, does not contain a severability clause, it is the intent of Congress that if

any provision of the Act is held invalid, the remaining provisions are unaffected.

The SPEAKER pro tempore (Mr. NETHERCUTT). The question is on the motion offered by the gentleman from Illinois [Mr. HYDE] that the House suspend the rules and pass the bill, H.R. 3525, as amended.

The question was taken.

Mr. HYDE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5, rule 1 and the Chair's prior announcement, further proceedings on this motion will be postponed.

WILLIAM H. NATCHER BRIDGE

Mr. PETRI. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3572) to designate the bridge on U.S. Route 231 which crosses the Ohio River between Maceo, KY, and Rockport, IN, as the "William H. Natcher Bridge."

The Clerk read as follows:

H.R. 3572

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

SECTION 1. DESIGNATION.

The bridge on United States Route 231 which crosses the Ohio River between Maceo, Kentucky, and Rockport, Indiana, shall be known and designated as the "William H. Natcher Bridge".

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the bridge referred to in section 1 shall be deemed to be a reference to the "William H. Natcher Bridge".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Wisconsin [Mr. PETRI] and the gentleman from West Virginia [Mr. RAHALL] each will be recognized for 20 minutes.

The Chair recognizes the gentleman from Wisconsin [Mr. PETRI].

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

Mr. Speaker, H.R. 3572, which would name a bridge on U.S. 231 over the Ohio River near Owensboro, KY, in honor of our late and former colleague, William Natcher, is identical to legislation which was passed unanimously by this House on September 22, 1994. Unfortunately, the Senate never acted on this legislation during the previous Congress.

A compilation of tributes to Chairman Natcher has recently been published and in the near future will be distributed throughout the State of Kentucky by members of the Kentucky delegation. We are considering this bill today in conjunction with those activities.

Representative Natcher was born in Bowling Green, KY, in 1909 and was educated at Western Kentucky State College and the Ohio State University law school. His life was dedicated to public service—serving in the U.S. Navy during World War II and holdings a series of local and State offices before being elected to Congress in 1953. He moved up the ranks of the Appropriations Committee, eventually assuming the chairmanship of the full committee in 1993.

I am proud to have had the privilege of serving in the House with Congressman Natcher. Although well-known for having cast 18,401 consecutive votes during his 40 years here, Congressman Natcher's accomplishments are much more than that voting record. He put a very high value on public service and set a very high standard for himself. Bill Natcher was always an inspiration to me and, I know, to many other Members as well.

He was a gentleman, a stateman, and a man of unquestioned integrity who served this House and his constituents in Kentucky from 1954 until his death in 1994, with quiet, unfailing dedication. The naming of this bridge for Bill Natcher is a fitting and lasting memorial to our friend and former colleague.

I urge passage of H.R. 3572.

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

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

Mr. Speaker, I simply would like to add that many of us in this body would agree that Mr. Natcher's distinguished service to this Nation, and to the people of the Second Congressional District of Kentucky, merits in the very least some type of official recognition.

The pending legislation reflects the wishes of the Kentucky Delegation to in some small way provide this recognition.

This bill would designate a bridge on U.S. Route 231, which crosses the Ohio River in the vicinity of Owensboro, KY, as the "William H. Natcher Bridge."

It passed the House last Congress, but failed to make it into law.

I would, as such, urge a unanimous vote in approving this bill.

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

Mr. PETRI. Mr. Speaker, I yield 2 minutes to the gentleman from Kentucky [Mr. LEWIS], Mr. Natcher's successor in this body.

Mr. LEWIS of Kentucky. Mr. Speaker, I rise today in support of H.R. 3572, which will officially designate the bridge spanning Maceo, KY, and Rockport, IN, as the "William H. Natcher Bridge."

Though folks on either side of the Ohio River back home know this project as the Natcher bridge, we have not yet named it at the Federal level.

Two years ago, this body passed a similar bill, but the other body kept it bottled up in committee. So, today is our chance to get this taken care of.

Many of you know that I represent the Second District of Kentucky, which Mr. Natcher served so honorably for 41 years. And over the past 2 years, I've heard many stories about Mr. Natcher; from Members of Congress to barbers to elevator operators. And they all seem to have one thing in common: an incredible level of respect and admiration—on both sides of the aisle.

Congressman Natcher was a gentleman in every sense of the word.

We all know about his incredible voting streak: When he finally was unable to make it to the Hill, he had not missed a rollcall vote in more than 40 years—or 18,401 consecutive votes.

Cal Ripken could learn something from the gentleman from Bowling Green, KY. And so can we all.

My office was recently sent a number of copies of a memorial tribute to Congressman Natcher. It consists of speeches made in this Chamber when he became seriously ill, and after he passed on, as well as various articles about his career.

It is an inspiring work.

I'm honored to be able to send copies of this book to Mr. Natcher's family, and to the schools and public libraries of the Second District.

There, Mr. Natcher's legacy of hard work, fairness, and bipartisanship can continue to touch the lives of young people.

Let us pass this final, simple tribute to Congressman Natcher, and ensure that the Natcher Bridge, which will be built primarily with Federal dollars, is known by its proper name here in Washington, DC, and across the country.

I thank two colleagues of Mr. Natcher—Chairman PETRI and Chairman SHUSTER—for their quick work on bringing this legislation to the floor.

Mr. PETRI. Mr. Speaker, I yield 4 minutes to the gentleman from Kentucky [Mr. BUNNING].

Mr. BUNNING of Kentucky. Mr. Speaker, to become an effective leader—a real leader—you need three ingredients:

Belief—You gotta believe in something.

Involvement—you can't lead unless you get down in the trenches yourself to make things happen.

Commitment—you have to stay in for the long haul—you have to overcome challenges and that takes time.

Belief, involvement, and commitment. That is what makes a leader. And Bill Natcher had all three.

For 40 years, Bill Natcher served in the House of Representatives. For 40 years, he never missed a day of work. For 40 years, he never missed a single vote—18,401 votes. That's commitment.

Nine Presidents came and went. He served under seven different Speakers of the House. But Bill Natcher was there day in day out, quietly going about the business of doing the people's business.

He didn't showboat. He didn't make a lot of speeches. He didn't schmooze

with the press. He just quietly went about the business of public service. Because he believed in it.

And he was never shy about sharing his beliefs. I guess I heard his spiel a thousand times in the 7 years I was in Washington with him. He repeated it virtually every time he spoke before a group of Kentuckians visiting Washington. It wasn't a complex philosophy.

He would simply say, and I quote, "If you educate your children and if you provide for the health of your people, you will continue to live in the strongest Nation in the world."

That's it. That was the principle that motivated Bill Natcher for 40 years.

He believed—he got involved—and he demonstrated unbelievable commitment.

Because of that commitment, he did more than set voting and attendance records that will stand forever. He also made a very big difference in the health, education, and welfare of a whole nation.

That is leadership. That was Bill Natcher.

Bill Natcher deserves this honor—I rise in support of the resolution.

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Mr. PETRI. Mr. Speaker, I yield 3 minutes to the gentleman from Kentucky [Mr. ROGERS].

Mr. ROGERS. Mr. Speaker, I rise in support of this resolution and commend my colleague, the gentleman from Kentucky [Mr. LEWIS], the sponsor of the bill, and the Representative of the Second Congressional District, a job which Mr. Natcher held, of course, for many years. I also commend the chairman, the gentleman from Wisconsin, Mr. PETRI, and the ranking member, Mr. RAHALL, for bringing this bill to the floor.

Bill Natcher was a patriot, pure and simple; a statesman, in every sense of the word, and a dear, dear friend to many in this institution; in fact, I would say all. He also served as an example of what every Member of this body aspires to be. He was of the highest character and the most impeccable integrity, with the moral courage and compass to follow his beliefs, to follow his tremendous sense of right and wrong. He was a longtime member, of course, of the Committee on Appropriations, its distinguished chairman beginning in December 1992. Before that, he served tirelessly for 18 years as chairman of the Subcommittee on Labor, Health and Human Services, and Education, and his accomplishments there have served this Nation in ways beyond our ability to fully appreciate.

There are many tributes that have been bestowed upon our State's former dean, and many more to come, I hope, but this tribute is especially fitting. Bill Natcher labored for years to build this bridge. When finished, the Natcher Bridge will be a daily reminder to his many beloved constituents of the tremendous service he gave to his district, his State, and the people of this Nation.

Again, I want to congratulate the gentleman from Kentucky [Mr. LEWIS] for sponsoring this memorial to one of our greatest statesmen in the House and the Congress, and I urge its adoption.

Mr. RAHALL. Mr. Speaker, I yield 3 minutes to the distinguished, very capable gentleman who is the Representative of the Third District of Kentucky, Mr. WARD.

Mr. WARD. Mr. Speaker, I thank the gentleman very much for yielding me time.

Mr. Speaker, I rise in support of this resolution and am very proud to be able to do so. I am disappointed that I was not able to get to know Bill Natcher. I had the opportunity on literally just a couple of occasions to introduce myself to him and to meet him. My service in this Congress began after his passing. But I do know very, very well of his reputation, because each of us who was involved in government and politics in Kentucky knew very well of Chairman Natcher.

We knew of him as an example to aspire to, not just his voting record, but obviously that reflected his commitment and his sense of duty, but more than that, to the way he conducted himself in office.

Chairman Natcher was a fellow who had no press secretary. Chairman Natcher was a fellow who regularly turned back some of his office budget to the Treasury. Chairman Natcher, in short, was a fellow who represented his district in a time-honored fashion that maybe is no longer to be seen and will never again be seen.

Chairman Natcher prided himself on campaigning out of his sedan. He drove around the Second Congressional District of Kentucky from courthouse to courthouse, from crossroads to crossroads, and made sure that the people of his district knew who he was and what he was about, and that he in turn knew who they were and what they were about.

I am delighted to have the opportunity to support this resolution, and look forward to driving across the William Natcher Bridge.

Mr. PETRI. Mr. Speaker, I yield such time as he may consume to the gentleman from New York [Mr. GILMAN], the chairman of the Committee on International Relations.

Mr. GILMAN. Mr. Speaker, I thank the distinguished gentleman for yielding me this time.

Mr. Speaker, I am pleased to rise in support of this resolution naming a bridge on behalf of our former leader, Chairman Natcher, who was a model for so many of us in the Congress. His dedication, his leadership, his devotion to public responsibilities, served as a reminder to all of us how much more we can and should be doing as we represent the people of our own districts.

I think this memorial is a befitting memorial in naming the bridge after Mr. Natcher, because he was like a sturdy bridge for all of us, between our constituents and the Congress and the Federal Government. I am pleased to rise in support of the resolution.

Mr. PETRI. Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois, Mr. HENRY HYDE, the distinguished chairman of the Committee on the Judiciary.

Mr. HYDE. Mr. Speaker, I just cannot let this opportunity pass without paying homage to one of the really great people I have been privileged to meet in a rather long life. Bill Natcher was as close to a perfect legislator as I have ever encountered, a man of impeccable rectitude. He was as straight as he stood, which was with ramrod severity. He was honorable, he was straightforward. You knew where he stood on any issue and every issue. But, most importantly, his contributions, which were many, most importantly they were not that he ran the Committee on Appropriations with an iron hand, but with compassion and a generous hand. He never turned anybody away who needed help, any cause. He was a liberal in the best sense of the term as anybody I have ever met, and yet he kept a very tight ship.

But I think his most important and lasting contribution was his defense of the unborn. It was not very popular for him, but he was pro-life, and there are literally millions of children alive today because Bill Natcher would not budge on the issue of Federal funding for abortion. He was a great man, he is a great man, and one bridge is hardly enough, but at least it is a start.

God bless you, Bill Natcher.

Mr. OBERSTAR. Mr. Speaker, it is with a great deal of pride that I support the consideration of H.R. 3572. This legislation, which is the same bill the House passed last Congress but the Senate failed to act on, acknowledges the contribution of one of our dear friends and colleagues, William H. Natcher of the State of Kentucky, by designating the bridge on U.S. Route 231 crossing the Ohio River between Maceo, KY and Rockport, IN, as the "William H. Natcher Bridge". It is only fitting and proper that a major infrastructure project serve as a long and lasting monument in honor of Bill Natcher. He worked closely with the then-Committee on Public Works and Transportation to provide funding for the construction of this project.

For over 40 years, Bill Natcher worked tirelessly to serve his constituents and the Nation. His public service record is exemplary with having never missed a day of work and with having cast 18,401 consecutive rollcall votes until advised by his physicians to remain at the Bethesda Naval Hospital to receive medical treatment.

Mr. Speaker, more importantly, the character of the gentleman is what set him apart

from many of his colleagues. He was a courteous, dignified, and considerate human being whom we all loved and respected. Throughout Bill Natcher's tenure in the House, he enjoyed tremendous respect. He exhibited true leadership virtues during his service as chairman of the Subcommittee on Labor, Health and Human Services, and Education and as chairman of the Committee on Appropriations. Under his tenure, all 13 appropriations bills were enacted on time, without the need for a continuing resolution.

In the 103d Congress, this committee worked closely with the gentlemen from Kentucky and was extremely proud of his willingness to work together to support legislation that maintained the integrity of the legislative process.

Mr. Speaker, it was an honor and privilege to have served for over 19 years in the House with my friend and colleague, Bill Natcher. I am pleased to support this legislation as a testament to the tremendous work he did for the State of Kentucky, its Second District, and the Nation, and I urge approval of the bill.

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

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

The SPEAKER pro tempore (Mr. NETHERCUTT). The question is on the motion offered by the gentleman from Wisconsin [Mr. PETRI] that the House suspend the rules and pass the bill, H.R. 3572.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. PETRI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 3572.

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

There was no objection.

SINGLE AUDIT ACT AMENDMENTS OF 1996

Mr. HORN. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 1579) to streamline and improve the effectiveness of chapter 75 of title 31, United States Code (commonly referred to as the "Single Audit Act").

The Clerk read as follows:

S. 1579

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

SECTION 1. SHORT TITLE; PURPOSES.

(a) SHORT TITLE.—This Act may be cited as the "Single Audit Act Amendments of 1996".

(b) PURPOSES.—The purposes of this Act are to—

(1) promote sound financial management, including effective internal controls, with respect to Federal awards administered by non-Federal entities;

(2) establish uniform requirements for audits of Federal awards administered by non-Federal entities;

(3) promote the efficient and effective use of audit resources;

(4) reduce burdens on State and local governments, Indian tribes, and nonprofit organizations; and

(5) ensure that Federal departments and agencies, to the maximum extent practicable, rely upon and use audit work done pursuant to chapter 75 of title 31, United States Code (as amended by this Act).

SEC. 2. AMENDMENT TO TITLE 31, UNITED STATES CODE.

Chapter 75 of title 31, United States Code, is amended to read as follows:

"CHAPTER 75—REQUIREMENTS FOR SINGLE AUDITS

"Sec.
"7501. Definitions.
"7502. Audit requirements; exemptions.
"7503. Relation to other audit requirements.
"7504. Federal agency responsibilities and relations with non-Federal entities.
"7505. Regulations.
"7506. Monitoring responsibilities of the Comptroller General.
"7507. Effective date.

"§ 7501. Definitions

"(a) As used in this chapter, the term—

"(1) 'Comptroller General' means the Comptroller General of the United States;

"(2) 'Director' means the Director of the Office of Management and Budget;

"(3) 'Federal agency' has the same meaning as the term 'agency' in section 551(1) of title 5;

"(4) 'Federal awards' means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities;

"(5) 'Federal financial assistance' means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property, cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, or other assistance, but does not include amounts received as reimbursement for services rendered to individuals in accordance with guidance issued by the Director;

"(6) 'Federal program' means all Federal awards to a non-Federal entity assigned a single number in the Catalog of Federal Domestic Assistance or encompassed in a group of numbers or other category as defined by the Director;

"(7) 'generally accepted government auditing standards' means the government auditing standards issued by the Comptroller General;

"(8) 'independent auditor' means—

"(A) an external State or local government auditor who meets the independence standards included in generally accepted government auditing standards; or

"(B) a public accountant who meets such independence standards;

"(9) 'Indian tribe' means any Indian tribe, band, nation, or other organized group or community, including any Alaskan Native village or regional or village corporation (as defined in, or established under, the Alaskan Native Claims Settlement Act) that is recognized by the United States as eligible for the special programs and services provided by the United States to Indians because of their status as Indians;

"(10) 'internal controls' means a process, effected by an entity's management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

"(A) Effectiveness and efficiency of operations.

"(B) Reliability of financial reporting.

"(C) Compliance with applicable laws and regulations;

"(11) 'local government' means any unit of local government within a State, including a county, borough, municipality, city, town, township, parish, local public authority, special district, school district, intrastate district, council of governments, any other instrumentality of local government and, in accordance with guidelines issued by the Director, a group of local governments;

"(12) 'major program' means a Federal program identified in accordance with risk-based criteria prescribed by the Director under this chapter, subject to the limitations described under subsection (b);

"(13) 'non-Federal entity' means a State, local government, or nonprofit organization;

"(14) 'nonprofit organization' means any corporation, trust, association, cooperative, or other organization that—

"(A) is operated primarily for scientific, educational, service, charitable, or similar purposes in the public interest;

"(B) is not organized primarily for profit; and

"(C) uses net proceeds to maintain, improve, or expand the operations of the organization;

"(15) 'pass-through entity' means a non-Federal entity that provides Federal awards to a subrecipient to carry out a Federal program;

"(16) 'program-specific audit' means an audit of one Federal program;

"(17) 'recipient' means a non-Federal entity that receives awards directly from a Federal agency to carry out a Federal program;

"(18) 'single audit' means an audit, as described under section 7502(d), of a non-Federal entity that includes the entity's financial statements and Federal awards;

"(19) 'State' means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the Trust Territory of the Pacific Islands, any instrumentality thereof, any multi-State, regional, or interstate entity which has governmental functions, and any Indian tribe; and

"(20) 'subrecipient' means a non-Federal entity that receives Federal awards through another non-Federal entity to carry out a Federal program, but does not include an individual who receives financial assistance through such awards.

"(b) In prescribing risk-based program selection criteria for major programs, the Director shall not require more programs to be identified as major for a particular non-Federal entity, except as prescribed under subsection (c) or as provided under subsection (d), than would be identified if the major programs were defined as any program for which total expenditures of Federal awards by the non-Federal entity during the applicable year exceed—

"(1) the larger of $30,000,000 or 0.15 percent of the non-Federal entity's total Federal expenditures, in the case of a non-Federal entity for which such total expenditures for all programs exceed $10,000,000,000;

"(2) the larger of $3,000,000, or 0.30 percent of the non-Federal entity's total Federal expenditures, in the case of a non-Federal entity for which such total expenditures for all programs exceed $100,000,000 but are less than or equal to $10,000,000,000; or

"(3) the larger of $300,000, or 3 percent of such total Federal expenditures for all programs, in the case of a non-Federal entity for which such total expenditures for all programs equal or exceed $300,000 but are less than or equal to $100,000,000.

"(c) When the total expenditures of a non-Federal entity's major programs are less than 50 percent of the non-Federal entity's total expenditures of all Federal awards (or such lower percentage as specified by the Director), the auditor shall select and test additional programs as major programs as necessary to achieve audit coverage of at least 50 percent of Federal expenditures by the non-Federal entity (or such lower percentage as specified by the Director), in accordance with guidance issued by the Director.

"(d) Loan or loan guarantee programs, as specified by the Director, shall not be subject to the application of subsection (b).

"§ 7502. Audit requirements; exemptions

"(a)(1)(A) Each non-Federal entity that expends a total amount of Federal awards equal to or in excess of $300,000 or such other amount specified by the Director under subsection (a)(3) in any fiscal year of such non-Federal entity shall have either a single audit or a program-specific audit made for such fiscal year in accordance with the requirements of this chapter.

"(B) Each such non-Federal entity that expends Federal awards under more than one Federal program shall undergo a single audit in accordance with the requirements of subsections (b) through (i) of this section and guidance issued by the Director under section 7505.

"(C) Each such non-Federal entity that expends awards under only one Federal program and is not subject to laws, regulations, or Federal award agreements that require a financial statement audit of the non-Federal entity, may elect to have a program-specific audit conducted in accordance with applicable provisions of this section and guidance issued by the Director under section 7505.

"(2)(A) Each non-Federal entity that expends a total amount of Federal awards of less than $300,000 or such other amount specified by the Director under subsection (a)(3) in any fiscal year of such entity, shall be exempt for such fiscal year from compliance with—

"(i) the audit requirements of this chapter; and

"(ii) any applicable requirements concerning financial audits contained in Federal statutes and regulations governing programs under which such Federal awards are provided to that non-Federal entity.

"(B) The provisions of subparagraph (A)(ii) of this paragraph shall not exempt a non-Federal entity from compliance with any provision of a Federal statute or regulation that requires such non-Federal entity to maintain records concerning Federal awards provided to such non-Federal entity or that permits a Federal agency, pass-through entity, or the Comptroller General access to such records.

"(3) Every 2 years, the Director shall review the amount for requiring audits prescribed under paragraph (1)(A) and may adjust such dollar amount consistent with the purposes of this chapter, provided the Director does not make such adjustments below $300,000.

"(b)(1) Except as provided in paragraphs (2) and (3), audits conducted pursuant to this chapter shall be conducted annually.

"(2) A State or local government that is required by constitution or statute, in effect on January 1, 1987, to undergo its audits less frequently than annually, is permitted to undergo its audits pursuant to this chapter biennially. Audits conducted biennially under the provisions of this paragraph shall cover both years within the biennial period.

"(3) Any nonprofit organization that had biennial audits for all biennial periods ending between July 1, 1992, and January 1, 1995, is permitted to undergo its audits pursuant to this chapter biennially. Audits conducted biennially under the provisions of this paragraph shall cover both years within the biennial period.

"(c) Each audit conducted pursuant to subsection (a) shall be conducted by an independent auditor in accordance with generally accepted government auditing standards, except that, for the purposes of this chapter, performance audits shall not be required except as authorized by the Director.

"(d) Each single audit conducted pursuant to subsection (a) for any fiscal year shall—

"(1) cover the operations of the entire non-Federal entity; or

"(2) at the option of such non-Federal entity such audit shall include a series of audits that cover departments, agencies, and other organizational units which expended or otherwise administered Federal awards during such fiscal year provided that each such audit shall encompass the financial statements and schedule of expenditures of Federal awards for each such department, agency, and organizational unit, which shall be considered to be a non-Federal entity.

"(e) The auditor shall—

"(1) determine whether the financial statements are presented fairly in all material respects in conformity with generally accepted accounting principles;

"(2) determine whether the schedule of expenditures of Federal awards is presented fairly in all material respects in relation to the financial statements taken as a whole;

"(3) with respect to internal controls pertaining to the compliance requirements for each major program—

"(A) obtain an understanding of such internal controls;

"(B) assess control risk; and

"(C) perform tests of controls unless the controls are deemed to be ineffective; and

"(4) determine whether the non-Federal entity has complied with the provisions of laws, regulations, and contracts or grants pertaining to Federal awards that have a direct and material effect on each major program.

"(f)(1) Each Federal agency which provides Federal awards to a recipient shall—

"(A) provide such recipient the program names (and any identifying numbers) from which such awards are derived, and the Federal requirements which govern the use of such awards and the requirements of this chapter; and

"(B) review the audit of a recipient as necessary to determine whether prompt and appropriate corrective action has been taken with respect to audit findings, as defined by the Director, pertaining to Federal awards provided to the recipient by the Federal agency.

"(2) Each pass-through entity shall—

"(A) provide such subrecipient the program names (and any identifying numbers) from which such assistance is derived, and the Federal requirements which govern the use of such awards and the requirements of this chapter;

"(B) monitor the subrecipient's use of Federal awards through site visits, limited scope audits, or other means;

"(C) review the audit of a subrecipient as necessary to determine whether prompt and appropriate corrective action has been taken with respect to audit findings, as defined by the Director, pertaining to Federal awards provided to the subrecipient by the pass-through entity; and

"(D) require each of its subrecipients of Federal awards to permit, as a condition of receiving Federal awards, the independent auditor of the pass-through entity to have such access to the subrecipient's records and financial statements as may be necessary for the pass-through entity to comply with this chapter.

"(g)(1) The auditor shall report on the results of any audit conducted pursuant to this section, in accordance with guidance issued by the Director.

"(2) When reporting on any single audit, the auditor shall include a summary of the auditor's results regarding the non-Federal entity's financial statements, internal controls, and compliance with laws and regulations.

"(h) The non-Federal entity shall transmit the reporting package, which shall include the non-Federal entity's financial statements, schedule of expenditures of Federal awards, corrective action plan defined under subsection (i), and auditor's reports developed pursuant to this section, to a Federal clearinghouse designated by the Director, and make it available for public inspection within the earlier of—

"(1) 30 days after receipt of the auditor's report; or

"(2)(A) for a transition period of at least 2 years after the effective date of the Single Audit Act Amendments of 1996, as established by the Director, 13 months after the end of the period audited; or

"(B) for fiscal years beginning after the period specified in subparagraph (A), 9 months after the end of the period audited, or within a longer timeframe authorized by the Federal agency, determined under criteria issued under section 7504, when the 9-month timeframe would place an undue burden on the non-Federal entity.

"(i) If an audit conducted pursuant to this section discloses any audit findings, as defined by the Director, including material noncompliance with individual compliance requirements for a major program by, or reportable conditions in the internal controls of, the non-Federal entity with respect to the matters described in subsection (e), the non-Federal entity shall submit to Federal officials designated by the Director, a plan for corrective action to eliminate such audit findings or reportable conditions or a statement describing the reasons that corrective action is not necessary. Such plan shall be consistent with the audit resolution standard promulgated by the Comptroller General (as part of the standards for internal controls in the Federal Government) pursuant to section 3512(c).

"(j) The Director may authorize pilot projects to test alternative methods of achieving the purposes of this chapter. Such pilot projects may begin only after consultation with the Chair and Ranking Minority Member of the Committee on Governmental Affairs of the Senate and the Chair and Ranking Minority Member of the Committee on Government Reform and Oversight of the House of Representatives.

"§ 7503. Relation to other audit requirements

"(a) An audit conducted in accordance with this chapter shall be in lieu of any financial audit of Federal awards which a non-Federal entity is required to undergo under any other Federal law or regulation. To the extent that such audit provides a Federal agency with the information it requires to carry out its responsibilities under Federal law or regulation, a Federal agency shall rely upon and use that information.

"(b) Notwithstanding subsection (a), a Federal agency may conduct or arrange for additional audits which are necessary to carry out its responsibilities under Federal law or regulation. The provisions of this chapter do not authorize any non-Federal entity (or subrecipient thereof) to constrain, in any manner, such agency from carrying out or arranging for such additional audits, except that the Federal agency shall plan such audits to not be duplicative of other audits of Federal awards.

"(c) The provisions of this chapter do not limit the authority of Federal agencies to conduct, or arrange for the conduct of, audits and evaluations of Federal awards, nor limit the authority of any Federal agency Inspector General or other Federal official.

"(d) Subsection (a) shall apply to a non-Federal entity which undergoes an audit in accordance with this chapter even though it is not required by section 7502(a) to have such an audit.

"(e) A Federal agency that provides Federal awards and conducts or arranges for audits of non-Federal entities receiving such awards that are in addition to the audits of non-Federal entities conducted pursuant to this chapter shall, consistent with other applicable law, arrange for funding the full cost of such additional audits. Any such additional audits shall be coordinated with the Federal agency determined under criteria issued under section 7504 to preclude duplication of the audits conducted pursuant to this chapter or other additional audits.

"(f) Upon request by a Federal agency or the Comptroller General, any independent auditor conducting an audit pursuant to this chapter shall make the auditor's working papers available to the Federal agency or the Comptroller General as part of a quality review, to resolve audit findings, or to carry out oversight responsibilities consistent with the purposes of this chapter. Such access to auditor's working papers shall include the right to obtain copies.

"§ 7504. Federal agency responsibilities and relations with non-Federal entities

"(a) Each Federal agency shall, in accordance with guidance issued by the Director under section 7505, with regard to Federal awards provided by the agency—

"(1) monitor non-Federal entity use of Federal awards, and

"(2) assess the quality of audits conducted under this chapter for audits of entities for which the agency is the single Federal agency determined under subsection (b).

"(b) Each non-Federal entity shall have a single Federal agency, determined in accordance with criteria established by the Director, to provide the non-Federal entity with technical assistance and assist with implementation of this chapter.

"(c) The Director shall designate a Federal clearinghouse to—

"(1) receive copies of all reporting packages developed in accordance with this chapter;

"(2) identify recipients that expend $300,000 or more in Federal awards or such other amount specified by the Director under section 7502(a)(3) during the recipient's fiscal year but did not undergo an audit in accordance with this chapter; and

"(3) perform analyses to assist the Director in carrying out responsibilities under this chapter.

"§ 7505. Regulations

"(a) The Director, after consultation with the Comptroller General, and appropriate officials from Federal, State, and local governments and nonprofit organizations shall prescribe guidance to implement this chapter. Each Federal agency shall promulgate such amendments to its regulations as may be necessary to conform such regulations to the requirements of this chapter and of such guidance.

"(b)(1) The guidance prescribed pursuant to subsection (a) shall include criteria for determining the appropriate charges to Federal awards for the cost of audits. Such criteria shall prohibit a non-Federal entity from charging to any Federal awards—

"(A) the cost of any audit which is—

"(i) not conducted in accordance with this chapter; or

"(ii) conducted in accordance with this chapter when expenditures of Federal awards are less than amounts cited in section 7502(a)(1)(A) or specified by the Director under section 7502(a)(3), except that the Director may allow the cost of limited scope audits to monitor subrecipients in accordance with section 7502(f)(2)(B); and

"(B) more than a reasonably proportionate share of the cost of any such audit that is conducted in accordance with this chapter.

"(2) The criteria prescribed pursuant to paragraph (1) shall not, in the absence of documentation demonstrating a higher actual cost, permit the percentage of the cost of audits performed pursuant to this chapter charged to Federal awards, to exceed the ratio of total Federal awards expended by such non-Federal entity during the applicable fiscal year or years, to such non-Federal entity's total expenditures during such fiscal year or years.

"(c) Such guidance shall include such provisions as may be necessary to ensure that small business concerns and business concerns owned and controlled by socially and economically disadvantaged individuals will have the opportunity to participate in the performance of contracts awarded to fulfill the audit requirements of this chapter.

"§ 7506. Monitoring responsibilities of the Comptroller General

"(a) The Comptroller General shall review provisions requiring financial audits of non-Federal entities that receive Federal awards that are contained in bills and resolutions reported by the committees of the Senate and the House of Representatives.

"(b) If the Comptroller General determines that a bill or resolution contains provisions that are inconsistent with the requirements of this chapter, the Comptroller General shall, at the earliest practicable date, notify in writing—

"(1) the committee that reported such bill or resolution; and

"(2)(A) the Committee on Governmental Affairs of the Senate (in the case of a bill or resolution reported by a committee of the Senate); or

"(B) the Committee on Government Reform and Oversight of the House of Representatives (in the case of a bill or resolution reported by a committee of the House of Representatives).

"§ 7507. Effective date

"This chapter shall apply to any non-Federal entity with respect to any of its fiscal years which begin after June 30, 1996.".

SEC. 3. TRANSITIONAL APPLICATION.

Subject to section 7507 of title 31, United States Code (as amended by section 2 of this Act) the provisions of chapter 75 of such title (before amendment by section 2 of this Act) shall continue to apply to any State or local government with respect to any of its fiscal years beginning before July 1, 1996.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California [Mr. HORN] and the gentlewoman from New York [Mrs. MALONEY] each will control 20 minutes.

The Chair recognizes the gentleman from California [Mr. HORN].

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

Mr. Speaker, this legislation is identical to H.R. 3184, legislation I introduced, the purpose of which is to improve the financial management of funds provided to grantees by the Federal Government. The bill would reduce paperwork burdens on States, local governments, universities, and other nonprofit organizations that receive Federal assistance.

I am very pleased that the chairman of the Committee on Government Reform and Oversight, Representative WILLIAM CLINGER, joins me in supporting the bill, as does Representative TOM DAVIS of Virginia, Representative CAROLYN MALONEY of New York, Representative COLLIN PETERSON of Minnesota, and Representative SCOTTY BAESLER of Kentucky.

This good government measure was developed on a bipartisan basis. It will strengthen accountability by recipients for the Federal assistance they receive, while providing flexibility to Federal agencies to place oversight resources where they are most effective.

S. 1579 amends the Single Audit Act of 1984. The 1984 act replaced multiple grant-by-grant audits of Federal Assistance programs with an annual entity-wide process for State and local governments that receive Federal financial assistance.

During the early 1990's groups affected by the Single Audit Act of 1984, such as the National State auditors Association and the President's Council on Integrity and Efficiency, began a comprehensive review of the efficacy of the act and from that effort developed suggestions on how it could be improved. The bill incorporates many of their ideas for improvement and has been endorsed by those groups.

The bill provides significant changes to the 1984 act. Those changes improve its usefulness.

The measure allows Federal program managers more flexibility in achieving the legislation's purpose, and reduces the audit burden on both the managers and the recipients of funding freeing up time and resources for programs. It improves the reporting process by asking

for reports on programs within a shorter time frame, with the addition of user-friendly summaries.

The legislation improves audit coverage by placing both State and local governments and nonprofit organizations under the same single audit process, and under the same rules. In accordance with current law, not-for-profits are not covered by the 1984 act, but instead by circular A–133 which is guidance created by the Office of Management and Budget. This change helps Federal auditors as well as recipients of Federal aid since there will be a single set of rules to follow affording less potential for confusion and error.

The bill reduces the burden of a fiscal audit on recipients. The threshold for requiring a single audit is raised from $100,000 annually to $300,000 annually. An organization receiving less than $100,000 would not be required to have an audit; however it would remain subject to monitoring and is required to report on the use of the funds. By raising the threshold for requiring an audit the bill reduces both the audit and paperwork burden, thereby allowing more funds for use by the program.

It is important to note that this change will still allow for 95 percent of Federal funds provided to recipients to be audited ensuring accountability of the use of Federal funds. This is the same percentage targeted for coverage by the 1984 act.

It is imperative that the Federal Government better account for the expenditure of the tax dollars of the American people. The Single Audit Act helps to accomplish this objective. It does so while eliminating unnecessary audits and requiring that all Federal agencies granting money to an organization use the single audit. As a former university president, I know that Government paperwork requirements cost staff time and financial resources that could be better used to provide services and jobs. Common sense must be applied to Government requirements. This bill does just that.

The Single Audit Act of 1984 replaced a disparate approach to audits of individual State and local recipients of Federal funds. Prior to its passage a system of multiple grant-by-grant audits existed. This created a scenario where an organization receiving Federal funds from more than one Federal source could find itself spending vast amounts of time and resources providing identical information to different Federal auditors simply because the funding came from different government agencies. Often the agencies would schedule audits at the same time resulting in a situation where several Federal auditors competed for the same records. Making matters worse, there also existed a variety of overlapping, inconsistent, and, too often, duplicative Federal agency requirements for audits of individual programs. The Single Audit Act replaced that with a unified approach which my legislation continues.

As I noted, the benefits of the bill include:

The broadening of the scope of the Single Audit Act to include nonprofit organizations, along with State and local governments that receive Federal assistance. State and local governments currently follows the guidance in OMB circular A–128; nonprofits follow the guidance in OMB circular A–133. This change will allow the Office of Management and Budget to develop one consolidated body of audit requirements for recipients of Federal assistance.

The Federal burden on many of those entities now required to have single audits will be reduced by the proposal, while retaining the same level of audit coverage that the 1984 act provided. This occurs by raising the Federal dollar threshold for requiring a single audit from $100,000 to $300,000. This will benefit small entities which will not longer be burdened by the existing OMB circular A–133 regulations.

In addition the bill will allow for a risk-based approach to audit testing. This will encourage the refocusing of audit resources to places where there is the greatest risk of waste, fraud or abuse. Based on guidance developed by the Office of Management and Budget, auditors will be able to exercise good professional judgment in selecting programs for testing rather than automatically auditing the same programs year after year.

Over the last few years we have made great strides in reforming Federal financial management. Much remains to be done. The Single Audit Act of 1984 started the process with States and local governments and devised great improvements in financial management by those governments. The Chief Financial Officers Act of 1990 continued the process and extended the concept of financial accountability to the executive branch. The Single Audit Act Amendments of 1996 continues the process further by allowing experimentation with performance auditing—the process of looking at the effectiveness of a program achievement of its goal—and allowing for the use of judgment, focusing on a risk-based approach to auditing rather than just mechanically following rules. S. 1579 builds on the accomplishments of the 1984 act, and will lead to additional improvement for both Federal agencies and recipients of Federal assistance. It is a good government, commonsense initiative. I urge support of this motion.

□ 1700

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

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

As the ranking Democrat of the Subcommittee on Government Management, Information and Technology, I am proud to be the ranking Democratic sponsor of H.R. 3184, the companion bill to S. 1579, the Single Audit Act Amendments of 1996. I would like to thank the gentleman from California [Mr. HORN], for the bipartisan spirit with which he has approached and worked on this legislation and for his leadership on this legislation.

This legislation builds on the Single Audit Act of 1984, which replaced the inefficient, cumbersome, multiple grant-by-grant audits of Federal assistance programs with an annual entitywide audit, greatly simplifying and improving the system.

H.R. 3184's major reforms would enhance audit coverage; reduce administrative burdens; increase effectiveness by establishing a risk-based approach for selecting programs for audit, as opposed to auditing every single program; thereby focusing resources where they are most needed; improve reporting and simplify reporting; and increase administrative flexibility.

Today, more than ever, with 20 percent of the Federal budget being passed through to the State and local governments, it is important that we have a good accounting of these funds.

In 1960 the Federal Government gave 7 percent of its funds to State and local governments, $7 billion out of $100 billion budget. In 1981, when Congress began discussing the single audit concept, the Federal budget had grown fivefold, but transfers to State and local governments had grown to $95 billion, nearly a 14-fold increase. Today, nearly 20 percent of the Federal budget of $1.5 trillion goes to State and local governments.

The Single Audit Act was designed to create a system of accountability for those dollars. Over the last 12 years it has served us well.

The Single Audit Act of 1984 addressed a serious problem of accountability. It replaced a system of multiple grant-by-grant audits with a single entitywide audit of all Federal funds.

Prior to the act, there were many overlapping, inconsistent and duplicative Federal requirements. The act eliminated this duplication and provided a set of uniform auditing requirements. At the same time, it improved accountability for billions of dollars and reduced the paperwork burden on State and local governments.

The Single Audit Act Amendments of 1996 updates the law and makes needed and necessary changes.

The threshold of $100,000 for auditing State and local governments was carefully selected in 1984 to cover 95 percent of all transfers. Because of inflation, that threshold now covers 99 percent of all transfers. This bill raises that threshold to $300,000, returning coverage to the 95 percent level.

To increase the administrative flexibility, this bill also gives the director

of the Office of Management and Budget the authority to adjust the threshold for future inflation. Currently, institutions of higher education and other nonprofit organizations of higher education and other nonprofit organizations receiving Federal funds are audited under executive authority. These amendments will codify the audit requirements for those entities. It is important to note that this bill also makes the results of these audits more useful to the officials responsible for overseeing Federal funds.

The bill calls for more timely reports, reducing the time from 13 months to 9, and reports that emphasize the auditor's conclusions, the quality of internal controls, and the continuing interest of the Federal Government.

This bill has been negotiated over the last year to address the concerns of a number of interested parties. The success of those negotiations is reflected in the wide support that the bill enjoys. In addition to bipartisan sponsorship in the House and Senate, the bill is endorsed by the National State Auditors Association and the administration.

Mr. Speaker, I thank the chairman, I urge my colleagues to support this bill, and I reserve the balance of my time.

Mr. HORN. Mr. Speaker, I thank my distinguished colleague from New York for her help and cooperation, and I likewise appreciate the help and cooperation of the gentleman from Minnesota [Mr. PETERSON], who, as an accountant, made a great contribution to the shaping of this bill.

Mr. Speaker, I yield 3 minutes to the gentleman from Virginia [Mr. DAVIS], one of the most active colleagues on our subcommittee and the full committee.

Mr. DAVIS. Mr. Speaker, I rise today in support of S. 1579, the Single Audit Act Amendments of 1996. S. 1579 is an important piece of legislation that will significantly reduce the Federal burden on State and local governments by amending the Single Audit Act of 1984. As the former head of government in Fairfax County, VA, I am keenly aware of the success of the Single Audit Act and the worthiness of these followup amendments.

The 1984 act replaced multiple grant-by-grant audits of Federal assistance programs with an annual entitywide audit process for State and local governments receiving Federal assistance.

S. 1579 will provide needed changes to the 1984 act by reducing unnecessary audit burdens on recipients of Federal assistance while at the same time ensuring that accountability for the use of Federal funds is maintained. The amendments also provide administrative flexibility to adjust statutory requirements and allow for a more efficient and cost-effective audit approach.

Several studies have been conducted that illustrate the influence of the 1984 act on the financial management practices of State and local governments receiving Federal assistance. All State and local participants of the studies have agreed that the single audit process has improved the approach to auditing Federal assistance, but that further improvements are desirable.

This bill will meet these desired changes by significantly reducing the Federal burden on State and local governments by raising the single audit threshold from $100,000 to $300,000 and eliminating the $25,000 threshold for program audits. These changes will reduce audit and paperwork burdens, while preserving audit coverage of the bulk of Federal assistance. Why spend $30,000 auditing a $25,000 grant?

The General Accounting Office has estimated that the $300,000 threshold would cover 95 percent of direct Federal assistance to local governments, which is commensurate with the coverage provided at the $100,000 threshold when the act was passed in 1984. In effect, the exempting of thousands of entities from single audits would reduce audit and paperwork burdens, but would not significantly diminish the percentage of Federal assistance covered by single audits.

Those entities that would fall below the $300,000 threshold would be exempt from federally mandated audit coverage but would still have to comply with the Federal requirements to maintain records or permit access to records. The elimination of the $25,000 threshold, which requires entities to have a program audit of each Federal program they administer, would further simplify the act by having only one single audit threshold.

This bill, Mr. Speaker, is a commonsense package of amendments that will serve to further enhance the effectiveness of the Single Audit Act by reducing the Federal burden on State and local governments. Therefore, I thank the gentleman from California [Mr. HORN], the gentleman from Pennsylvania [Mr. CLINGER], and the gentlewoman from New York [Mrs. MALONEY] for their leadership on this issue, and I urge support of the bill.

Mrs. MALONEY. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Illinois [Mrs. COLLINS], the distinguished ranking member of the Committee on Government Reform and Oversight.

Mrs. COLLINS of Illinois. Mr. Speaker, I rise in support of this bill, and commend Ranking Minority Member MALONEY and Chairman HORN for their hard efforts on behalf of this legislation.

The Single Audit Act of 1984 addressed a serious problem of accountability. It is more important today than ever.

The interaction between the Federal Government and State and local governments is far more complex than it was 35 years ago. In 1960, out of a total Federal budget of about $100 billion, the Federal Government gave $7 billion to State and local governments. In 1981, when Congress began discussing the single audit concept, the Federal budget had grown five-fold, but transfers to State and local governments had grown to $95 billion—nearly a 14-fold increase.

Today, nearly 20 percent of the Federal budget of $1.5 trillion, or 20 percent of the taxes collected by the IRS, goes to State and local governments. The Single Audit Act was designed to create a system of accountability for those dollars. Over the last 12 years it has served us well.

The experience of the last 12 years has also shown a number of places where the legislation can be improved. The Single Audit Act Amendments of 1996 incorporates those changes.

The threshold of $100,000 for auditing State and local governments was carefully selected in 1984 to cover 95 percent of all transfers. Because of inflation, that threshold now covers 99 percent of all transfers. This bill raises the threshold to $300,000, and returns coverage to the 95 percent level. This bill also give the Director of the Office of Management and Budget the authority to adjust the threshold for future inflation.

Among other changes to the Single Audit Act, this bill makes the results of these audits more useful to the administration officials responsible for overseeing these funds, by requiring more timely reports—reducing the time from 13 months to 9—and requiring that reports emphasize the auditors conclusions, the quality of internal controls, and the continuing interests of the Federal Government.

This bill has been negotiated over the last year to address the concerns of a number of interested parties. The success of those negotiations is reflected in the wide support this bill enjoys. In addition to bipartisan sponsorship in the House and Senate, the bill is endorsed by the National State Auditors Association, and the administration.

Mr. Speaker, I again commend the ranking member and the chairman of the subcommittee for this fine piece of work, and urge all of my colleagues to support this good piece of legislation.

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

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

The SPEAKER pro tempore (Mr. NETHERCUTT). The question is on the motion offered by the gentleman from California [Mr. HORN] that the House suspend the rules and pass the Senate bill, S. 1579.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill was passed.

A motion to reconsider was laid on the table.

□ 1715

IRAN AND LIBYA SANCTIONS ACT OF 1996

Mr. GILMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3107) to impose sanctions on persons exporting certain goods or technology that would enhance Iran's ability to explore for, extract, refine, or transport by pipeline petroleum resources, and for other purposes, as amended.

The Clerk read as follows:

H.R. 3107

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 "Iran and Libya Sanctions Act of 1996".

SEC. 2. FINDINGS.

The Congress makes the following findings:

(1) The efforts of the Government of Iran to acquire weapons of mass destruction and the means to deliver them and its support of acts of international terrorism endanger the national security and foreign policy interests of the United States and those countries with which the United States shares common strategic and foreign policy objectives.

(2) The objective of preventing the proliferation of weapons of mass destruction and acts of international terrorism through existing multilateral and bilateral initiatives requires additional efforts to deny Iran the financial means to sustain its nuclear, chemical, biological, and missile weapons programs.

(3) The Government of Iran uses its diplomatic facilities and quasi-governmental institutions outside of Iran to promote acts of international terrorism and assist its nuclear, chemical, biological, and missile weapons programs.

(4) The failure of the Government of Libya to comply with Resolutions 731, 748, and 883 of the Security Council of the United Nations, its support of international terrorism, and its efforts to acquire weapons of mass destruction constitute a threat to international peace and security that endangers the national security and foreign policy interests of the United States and those countries with which it shares common strategic and foreign policy objectives.

SEC. 3. DECLARATION OF POLICY.

(a) POLICY WITH RESPECT TO IRAN.—The Congress declares that it is the policy of the United States to deny Iran the ability to support acts of international terrorism and to fund the development and acquisition of weapons of mass destruction and the means to deliver them by limiting the development of Iran's ability to explore for, extract, refine, or transport by pipeline petroleum resources of Iran.

(b) POLICY WITH RESPECT TO LIBYA.—The Congress further declares that it is the policy of the United States to seek full compliance by Libya with its obligations under Resolutions 731, 748, and 883 of the Security Council of the United Nations, including ending all support for acts of international terrorism and efforts to develop or acquire weapons of mass destruction.

SEC. 4. MULTILATERAL REGIME.

(a) MULTILATERAL NEGOTIATIONS.—In order to further the objectives of section 3, the Congress urges the President to commence immediately diplomatic efforts, both in appropriate international fora such as the United Nations, and bilaterally with allies of the United States, to establish a multilateral sanctions regime against Iran, including provisions limiting the development of petroleum resources, that will inhibit Iran's efforts to carry out activities described in section 2.

(b) REPORTS TO CONGRESS.—The President shall report to the appropriate congressional committees, not later than 1 year after the date of the enactment of this Act, and periodically thereafter, on the extent that diplomatic efforts described in subsection (a) have been successful. Each report shall include—

(1) the countries that have agreed to undertake measures to further the objectives of section 3 with respect to Iran, and a description of those measures; and

(2) the countries that have not agreed to measures described in paragraph (1), and, with respect to those countries, other measures (in addition to that provided in subsection (d)) the President recommends that the United States take to further the objectives of section 3 with respect to Iran.

(c) WAIVER.—The President may waive the application of section 5(a) with respect to nationals of a country if—

(1) that country has agreed to undertake substantial measures, including economic sanctions, that will inhibit Iran's efforts to carry out activities described in section 2 and information required by subsection (b)(1) has been included in a report submitted under subsection (b); and

(2) the President, at least 30 days before the waiver takes effect, notifies the appropriate congressional committees of his intention to exercise the waiver.

(d) ENHANCED SANCTION.—

(1) SANCTION.—With respect to nationals of countries except those with respect to which the President has exercised the waiver authority of subsection (c), at any time after the first report is required to be submitted under subsection (b), section 5(a) shall be applied by substituting "$20,000,000" for "$40,000,000" each place it appears, and by substituting "$5,000,000" for "$10,000,000".

(2) REPORT TO CONGRESS.—The President shall report to the appropriate congressional committees any country with respect to which paragraph (1) applies.

(e) INTERIM REPORT ON MULTILATERAL SANCTIONS; MONITORING.—The President, not later than 90 days after the date of the enactment of this Act, shall report to the appropriate congressional committees on—

(1) whether the member states of the European Union, the Republic of Korea, Australia, Israel, or Japan have legislative or administrative standards providing for the imposition of trade sanctions on persons or their affiliates doing business or having investments in Iran or Libya;

(2) the extent and duration of each instance of the application of such sanctions; and

(3) the disposition of any decision with respect to such sanctions by the World Trade Organization or its predecessor organization.

SEC. 5. IMPOSITION OF SANCTIONS.

(a) SANCTIONS WITH RESPECT TO IRAN.—Except as provided in subsection (f), the President shall impose 2 or more of the sanctions described in paragraphs (1) through (6) of section 6 if the President determines that a person has, with actual knowledge, on or after the date of the enactment of this Act, made an investment of $40,000,000 or more (or any combination of investments of at least $10,000,000 each, which in the aggregate equals or exceeds $40,000,000 in any 12-month period), that directly and significantly contributed to the enhancement of Iran's ability to develop petroleum resources of Iran.

(b) SANCTIONS WITH RESPECT TO LIBYA.—

(1) TRIGGER OF MANDATORY SANCTIONS.—Except as provided in subsection (f), the President shall impose 2 or more of the sanctions described in paragraphs (1) through (6) of section 6 if the President determines that a person has, with actual knowledge, on or after the date of the enactment of this Act, exported, transferred, or otherwise provided to Libya any goods, services, technology, or other items the provision of which is prohibited under paragraph 4(b) or 5 of Resolution 748 of the Security Council of the United Nations, adopted March 31, 1992, or under paragraph 5 or 6 of Resolution 883 of the Security Council of the United Nations, adopted November 11, 1993, if the provision of such items significantly and materially—

(A) contributed to Libya's ability to acquire chemical, biological, or nuclear weapons or destabilizing numbers and types of advanced conventional weapons or enhanced Libya's military or paramilitary capabilities;

(B) contributed to Libya's ability to develop its petroleum resources; or

(C) contributed to Libya's ability to maintain its aviation capabilities.

(2) TRIGGER OF DISCRETIONARY SANCTIONS.—Except as provided in subsection (f), the President may impose 1 or more of the sanctions described in paragraphs (1) through (6) of section 6 if the President determines that a person has, with actual knowledge, on or after the date of the enactment of this Act, made an investment of $40,000,000 or more (or any combination of investments of at least $10,000,000 each, which in the aggregate equals or exceeds $40,000,000 in any 12-month period), that directly and significantly contributed to the enhancement of Libya's ability to develop its petroleum resources.

(c) PERSONS AGAINST WHICH THE SANCTIONS ARE TO BE IMPOSED.—The sanctions described in subsections (a) and (b) shall be imposed on—

(1) any person the President determines has carried out the activities described in subsection (a) or (b); and

(2) any person the President determines—

(A) is a successor entity to the person referred to in paragraph (1);

(B) is a parent or subsidiary of the person referred to in paragraph (1) if that parent or subsidiary, with actual knowledge, engaged in the activities referred to in paragraph (1); or

(C) is an affiliate of the person referred to in paragraph (1) if that affiliate, with actual knowledge, engaged in the activities referred to in paragraph (1) and if that affiliate is controlled in fact by the person referred to in paragraph (1).

For purposes of this Act, any person or entity described in this subsection shall be referred to as a "sanctioned person".

(d) PUBLICATION IN FEDERAL REGISTER.—The President shall cause to be published in the Federal Register a current list of persons and entities on whom sanctions have been imposed under this Act. The removal of persons or entities from, and the addition of persons and entities to, the list, shall also be so published.

(e) PUBLICATION OF PROJECTS.—The President shall cause to be published in the Federal Register a list of all significant projects which have been publicly tendered in the oil and gas sector in Iran.

(f) EXCEPTIONS.—The President shall not be required to apply or maintain the sanctions under subsection (a) or (b)—

(1) in the case of procurement of defense articles or defense services—

(A) under existing contracts or subcontracts, including the exercise of options for production quantities to satisfy requirements essential to the national security of the United States;

(B) if the President determines in writing that the person to which the sanctions would otherwise be applied is a sole source supplier of the defense articles or services, that the defense articles or services are essential, and that alternative sources are not readily or reasonably available; or

(C) if the President determines in writing that such articles or services are essential to the national security under defense coproduction agreements;

(2) in the case of procurement, to eligible products, as defined in section 308(4) of the Trade Agreements Act of 1979 (19 U.S.C. 2518(4)), of any foreign country or instrumentality designated under section 301(b)(1) of that Act (19 U.S.C. 2511(b)(1));

(3) to products, technology, or services provided under contracts entered into before the date on which the President publishes in the Federal Register the name of the person on whom the sanctions are to be imposed;

(4) to—

(A) spare parts which are essential to United States products or production;

(B) component parts, but not finished products, essential to United States products or production; or

(C) routine servicing and maintenance of products, to the extent that alternative sources are not readily or reasonably available;

(6) to information and technology essential to United States products or production; or

(7) to medicines, medical supplies, or other humanitarian items.

SEC. 6. DESCRIPTION OF SANCTIONS.

The sanctions to be imposed on a sanctioned person under section 5 are as follows:

(1) EXPORT-IMPORT BANK ASSISTANCE FOR EXPORTS TO SANCTIONED PERSONS.—The President may direct the Export-Import Bank of the United States not to give approval to the issuance of any guarantee, insurance, extension of credit, or participation in the extension of credit in connection with the export of any goods or services to any sanctioned person.

(2) EXPORT SANCTION.—The President may order the United States Government not to issue any specific license and not to grant any other specific permission or authority to export any goods or technology to a sanctioned person under—

(i) the Export Administration Act of 1979;

(ii) the Arms Export Control Act;

(iii) the Atomic Energy Act of 1954; or

(iv) any other statute that requires the prior review and approval of the United States Government as a condition for the export or re-export of goods or services.

(3) LOANS FROM UNITED STATES FINANCIAL INSTITUTIONS.—The United States Government may prohibit any United States financial institution from making loans or providing credits to any sanctioned person totaling more than $10,000,000 in any 12-month period unless such person is engaged in activities to relieve human suffering and the loans or credits are provided for such activities.

(4) PROHIBITIONS ON FINANCIAL INSTITUTIONS.—The following prohibitions may be imposed against a sanctioned person that is a financial institution:

(A) PROHIBITION ON DESIGNATION AS PRIMARY DEALER.—Neither the Board of Governors of the Federal Reserve System nor the Federal Reserve Bank of New York may designate, or permit the continuation of any prior designation of, such financial institution as a primary dealer in United States Government debt instruments.

(B) PROHIBITION ON SERVICE AS A REPOSITORY OF GOVERNMENT FUNDS.—Such financial institution may not serve as agent of the United States Government or serve as repository for United States Government funds.

The imposition of either sanction under subparagraph (A) or (B) shall be treated as 1 sanction for purposes of section 5, and the imposition of both such sanctions shall be treated as 2 sanctions for purposes of section 5.

(5) PROCUREMENT SANCTION.—The United States Government may not procure, or enter into any contract for the procurement of, any goods or services from a sanctioned person.

(6) ADDITIONAL SANCTIONS.—The President may impose sanctions, as appropriate, to restrict imports with respect to a sanctioned person, in accordance with the International Emergency Economic Powers Act (50 U.S.C. 1701 and following).

SEC. 7. ADVISORY OPINIONS.

The Secretary of State may, upon the request of any person, issue an advisory opinion to that person as to whether a proposed activity by that person would subject that person to sanctions under this Act. Any person who relies in good faith on such an advisory opinion which states that the proposed activity would not subject a person to such sanctions, and any person who thereafter engages in such activity, will not be made subject to such sanctions on account of such activity.

SEC. 8. TERMINATION OF SANCTIONS.

(a) IRAN.—The requirement under section 5(a) to impose sanctions shall no longer have force or effect with respect to Iran if the President determines and certifies to the appropriate congressional committees that Iran—

(1) has ceased its efforts to design, develop, manufacture, or acquire—

(A) a nuclear explosive device or related materials and technology;

(B) chemical and biological weapons; and

(C) ballistic missiles and ballistic missile launch technology; and

(2) has been removed from the list of countries the governments of which have been determined, for purposes of section 6(j) of the Export Administration Act of 1979, to have repeatedly provided support for acts of international terrorism.

(b) LIBYA.—The requirement under section 5(b) to impose sanctions shall no longer have force or effect with respect to Libya if the President determines and certifies to the appropriate congressional committees that Libya has fulfilled the requirements of United Nations Security Council Resolution 731, adopted January 21, 1992, United Nations Security Council Resolution 748, adopted March 31, 1992, and United Nations Security Council Resolution 883, adopted November 11, 1993.

SEC. 9. DURATION OF SANCTIONS; PRESIDENTIAL WAIVER.

(a) DELAY OF SANCTIONS.—

(1) CONSULTATIONS.—If the President makes a determination described in section 5(a) or 5(b) with respect to a foreign person, the Congress urges the President to initiate consultations immediately with the government with primary jurisdiction over that foreign person with respect to the imposition of sanctions under this Act.

(2) ACTIONS BY GOVERNMENT OF JURISDICTION.—In order to pursue consultations under paragraph (1) with the government concerned, the President may delay imposition of sanctions under this Act for up to 90 days. Following such consultations, the President shall immediately impose sanctions unless the President determines and certifies to the Congress that the government has taken specific and effective actions, including, as appropriate, the imposition of appropriate penalties, to terminate the involvement of the foreign person in the activities that resulted in the determination by the President under section 5(a) or 5(b) concerning such person.

(3) ADDITIONAL DELAY IN IMPOSITION OF SANCTIONS.—The President may delay the imposition of sanctions for up to an additional 90 days if the President determines and certifies to the Congress that the government with primary jurisdiction over the person concerned is in the process of taking the actions described in paragraph (2).

(4) REPORT TO CONGRESS.—Not later than 90 days after making a determination under section 5(a) or 5(b), the President shall submit to the appropriate congressional committees a report on the status of consultations with the appropriate foreign government under this subsection, and the basis for any determination under paragraph (3).

(b) DURATION OF SANCTIONS.—A sanction imposed under section 5 shall remain in effect—

(1) for a period of not less than 2 years from the date on which it is imposed; or

(2) until such time as the President determines and certifies to the Congress that the person whose activities were the basis for imposing the sanction is no longer engaging in such activities and that the President has received reliable assurances that such person will not knowingly engage in such activities in the future, except that such sanction shall remain in effect for a period of at least 1 year.

(c) PRESIDENTIAL WAIVER.—

(1) AUTHORITY.—The President may waive the requirement in section 5 to impose a sanction or sanctions on a person described in section 5(c), and may waive the continued imposition of a sanction or sanctions under subsection (b) of this section, 30 days or more after the President determines and so reports to the appropriate congressional committees that it is important to the national interest of the United States to exercise such waiver authority.

(2) CONTENTS OF REPORT.—Any report under paragraph (1) shall provide a specific and detailed rationale for the determination under paragraph (1), including—

(A) a description of the conduct that resulted in the determination under section 5(a) or (b), as the case may be;

(B) in the case of a foreign person, an explanation of the efforts to secure the cooperation of the government with primary jurisdiction over the sanctioned person to terminate or, as appropriate, penalize the activities that resulted in the determination under section 5(a) or (b), as the case may be;

(C) an estimate as to the significance—

(i) of the provision of the items described in section 5(a) to Iran's ability to develop its petroleum resources, or

(ii) of the provision of the items described in section 5(b)(1) to the abilities of Libya described in subparagraph (A), (B), or (C) of section 5(b)(1), or of the investment described in section 5(b)(2) on Libya's ability to develop its petroleum resources,

as the case may be; and

(D) a statement as to the response of the United States in the event that the person concerned engages in other activities that would be subject to section 5(a) or (b).

(3) EFFECT OF REPORT ON WAIVER.—If the President makes a report under paragraph (1) with respect to a waiver of sanctions on a person described in section 5(c), sanctions need not be imposed under section 5(a) or (b) on that person during the 30-day period referred to in paragraph (1).

SEC. 10. REPORTS REQUIRED.

(a) REPORT ON CERTAIN INTERNATIONAL INITIATIVES.—Not later than 6 months after the date of the enactment of this Act, and every 6 months thereafter, the President shall transmit a report to the appropriate congressional committees describing—

(1) the efforts of the President to mount a multilateral campaign to persuade all countries to pressure Iran to cease its nuclear, chemical, biological, and missile weapons programs and its support of acts of international terrorism;

(2) the efforts of the President to persuade other governments to ask Iran to reduce the presence of Iranian diplomats and representatives of other government and military or quasi-governmental institutions of Iran and to withdraw any such diplomats or representatives who participated in the takeover of the United States embassy in Tehran on November 4, 1979, or the subsequent holding of United States hostages for 444 days;

(3) the extent to which the International Atomic Energy Agency has established regular inspections of all nuclear facilities in Iran, including those presently under construction; and

(4) Iran's use of Iranian diplomats and representatives of other government and military or quasi-governmental institutions of Iran to promote acts of international terrorism or to develop or sustain Iran's nuclear, chemical, biological, and missile weapons programs.

(b) OTHER REPORTS.—The President shall ensure the continued transmittal to the Congress of reports describing—

(1) the nuclear and other military capabilities of Iran, as required by section 601(a) of the Nuclear Non-Proliferation Act of 1978 and section 1607 of the National Defense Authorization Act for Fiscal Year 1993; and

(2) the support provided by Iran for acts of international terrorism, as part of the Department of State's annual report on international terrorism.

SEC. 11. DETERMINATIONS NOT REVIEWABLE.

A determination to impose sanctions under this Act shall not be reviewable in any court.

SEC. 12. EXCLUSION OF CERTAIN ACTIVITIES.

Nothing in this Act shall apply to any activities subject to the reporting requirements of title V of the National Security Act of 1947.

SEC. 13. EFFECTIVE DATE; SUNSET.

(a) EFFECTIVE DATE.—This Act shall take effect on the date of the enactment of this Act.

(b) SUNSET.—This Act shall cease to be effective on the date that is 5 years after the date of the enactment of this Act.

SEC. 14. DEFINITIONS.

As used in this Act:

(1) ACT OF INTERNATIONAL TERRORISM.—The term "act of international terrorism" means an act—

(A) which is violent or dangerous to human life and that is a violation of the criminal laws of the United States or of any State or that would be a criminal violation if committed within the jurisdiction of the United States or any State; and

(B) which appears to be intended—

(i) to intimidate or coerce a civilian population;

(ii) to influence the policy of a government by intimidation or coercion; or

(iii) to affect the conduct of a government by assassination or kidnapping.

(2) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term "appropriate congressional committees" means the Committee on Finance, the Committee on Banking, Housing, and Urban Affairs, and the Committee on Foreign Relations of the Senate and the Committee on Ways and Means, the Committee on Banking and Financial Services, and the Committee on International Relations of the House of Representatives.

(3) COMPONENT PART.—The term "component part" has the meaning given that term in section 11A(e)(1) of the Export Administration Act of 1979 (50 U.S.C. App. 2410a(e)(1)).

(4) DEVELOP AND DEVELOPMENT.—To "develop", or the "development" of, petroleum resources means the exploration for, or the extraction, refining, or transportation by pipeline of, petroleum resources.

(5) FINANCIAL INSTITUTION.—The term "financial institution" includes—

(A) a depository institution (as defined in section 3(c)(1) of the Federal Deposit Insurance Act), including a branch or agency of a foreign bank (as defined in section 1(b)(7) of the International Banking Act of 1978);

(B) a credit union;

(C) a securities firm, including a broker or dealer;

(D) an insurance company, including an agency or underwriter; and

(E) any other company that provides financial services.

(6) FINISHED PRODUCT.—The term "finished product" has the meaning given that term in section 11A(e)(2) of the Export Administration Act of 1979 (50 U.S.C. App. 2410a(e)(2)).

(7) FOREIGN PERSON.—The term "foreign person" means—

(A) an individual who is not a United States person or an alien lawfully admitted for permanent residence into the United States; or

(B) a corporation, partnership, or other nongovernmental entity which is not a United States person.

(8) GOODS AND TECHNOLOGY.—The terms "goods" and "technology" have the meanings given those terms in section 16 of the Export Administration Act of 1979 (50 U.S.C. app. 2415).

(9) INVESTMENT.—The term "investment" means any of the following activities if such activity is undertaken pursuant to an agreement, or pursuant to the exercise of rights under such an agreement, that is entered into with the Government of Iran or a nongovenmental entity in Iran, or with the Government of Libya or a nongovernmental entity in Libya, on or after the date of the enactment of this Act:

(A) The entry into a contract that includes responsibility for the development of petroleum resources located in Iran or Libya (as the case may be), or the entry into a contract providing for the general supervision and guarantee of another person's performance of such a contract.

(B) The purchase of a share of ownership, including an equity interest, in that development.

(C) The entry into a contract providing for the participation in royalties, earnings, or profits in that development, without regard to the form of the participation.

The term "investment" does not include the entry into, performance, or financing of a contract to sell or purchase goods, services, or technology.

(10) IRAN.—The term "Iran" includes any agency or instrumentality of Iran.

(11) IRANIAN DIPLOMATS AND REPRESENTATIVES OF OTHER GOVERNMENT AND MILITARY OR QUASI-GOVERNMENTAL INSTITUTIONS OF IRAN.—The term "Iranian diplomats and representatives of other government and military or quasi-governmental institutions of Iran" includes employees, representatives, or affiliates of Iran's—

(A) Foreign Ministry;

(B) Ministry of Intelligence and Security;

(C) Revolutionary Guard Corps;

(D) Crusade for Reconstruction;

(E) Qods (Jerusalem) Forces;

(F) Interior Ministry;

(G) Foundation for the Oppressed and Disabled;

(H) Prophet's Foundation;

(I) June 5th Foundation;

(J) Martyr's Foundation;

(K) Islamic Propagation Organization; and

(L) Ministry of Islamic Guidance.

(12) LIBYA.—The term "Libya" includes any agency or instrumentality of Libya.

(13) NUCLEAR EXPLOSIVE DEVICE.—The term "nuclear explosive device" means any device, whether assembled or disassembled, that is designed to produce an instantaneous release of an amount of nuclear energy from special nuclear material (as defined in section 11aa. of the Atomic Energy Act of 1954) that is greater than the amount of energy that would be released from the detonation of one pound of trinitrotoluene (TNT).

(14) PERSON.—The term "person" means—

(A) a natural person;

(B) a corporation, business association, partnership, society, trust, any other nongovernmental entity, organization, or group, and any governmental entity operating as a business enterprise; and

(C) any successor to any entity described in subparagraph (B).

(15) PETROLEUM RESOURCES.—The term "petroleum resources" includes petroleum and natural gas resources.

(16) UNITED STATES OR STATE.—The term "United States" or "State" means the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, American Samoa, Guam, the United States Virgin Islands, and any other territory or possession of the United States.

(17) UNITED STATES PERSON.—The term "United States person" means—

(A) a natural person who is a citizen of the United States or who owes permanent allegiance to the United States; and

(B) a corporation or other legal entity which is organized under the laws of the United States, any State or territory thereof, or the District of Columbia, if natural persons described in subparagraph (A) own, directly or indirectly, more than 50 percent of the outstanding capital stock or other beneficial interest in such legal entity.

The SPEAKER pro tempore (Mr. STEARNS). Pursuant to the rule, the gentleman from New York [Mr. GILMAN] and the gentleman from Indiana [Mr. HAMILTON] each will control 20 minutes.

The Chair recognizes the gentleman from New York [Mr. GILMAN].

Mr. Speaker, I rise in support of H.R. 3107, the Iran and Libya Sanctions Act of 1996 which mandates sanctions on

persons making investments that would enhance the ability of Iran to explore for, extract, refine, or transport by pipeline petroleum resources.

It would also establish a mandatory sanctions regime on foreign persons who violate United Nations Security Council Resolutions 748 and 883 by selling weapons, aviation equipment, and oil equipment to Libya, a country responsible for the cowardly and unforgivable attack on Pan Am flight 103 in December 1988.

I take great pleasure in bringing before the House a bill that would put our country on the front lines of our fight to combat state-supported terrorism and that will help to induce our allies in Europe and Asia to join us in a multilateral sanctions regime against Iran.

This multilateral sanctions regime will allow the President to waive the application of sanctions against the nationals of a country that has put in place its own sanctions regime against Iran, but it will also require him to impose an enhanced sanction—in the form of a reduction in the trigger level for investment in Iran from $40 to $20 million—against the nationals of all other countries.

In short, the bill requires foreign companies to choose between investing in our market and those of Iran and Libya. In the process, it gives the President the policy tools he needs to begin fulfilling his pledges to increase diplomatic and economic pressure on the Iranian and Libyan Governments.

As approved by the Ways and Means Committee in close consultation with the House International Relations Committee, this bill imposes a sanction regime on companies helping to develop the oil and gas industries in Iran and Libya. Its enactment can sharply diminish the future revenues from oil and gas production of these rogue regimes and will put a halt to their campaigns of state-sponsored terrorism and their efforts to develop weapons of mass destruction.

Iran looms as the principal long-term threat to United States interests in the Persian Gulf and the Middle East. It continues its terrorist and subversive activities against its neighbors in the Gulf states and around the world, as far away as Argentina. Over the past year, Iran has actively supported efforts to destabilize Bahrain, promoting the Gulf Cooperation Council to issue a public statement admonishing Iran to put a halt to its subversive policies in the region.

Its leaders openly advocate the destruction of the state of Israel and its support for terrorist groups in Lebanon have led to renewed rounds of violence in that country and have set back the prospects for a peace accord in the Middle East.

Iran, like Iraq, has launched a clandestine program to build nuclear weapons and missile systems capable of delivering weapons of mass destruction payloads to targets up to 1,000 kilometers from its borders, thereby threatening key allies in the region including Jordan, Israel, and Turkey.

In his testimony before the House International Relations Committee on November 9, 1995, Peter Tarnoff, Under Secretary of State for political Affairs, noted that any foreign investment to help increase offshore oil and gas production would inevitably lead to increase financial support by Iran for its weapons of mass destruction and terrorist activities.

An April 1996 report on proliferation issued by the Office of the Secretary of Defense came to the same conclusion in regard to Libya. It noted it particular, that and I quote:

> Libya probably dedicates several hundred million dollars annually to acquire nuclear, biological and chemical weapons and missiles made possible by its substantial income from oil and gas exports.

In the most recent State Department report on global terrorism, it was noted that the end of 1995 marked the 4th year of Libya's refusal to comply with the demands of U.N. Security Council Resolution 731. This measure was adopted following the indictments on November 1991 of two Libyan intelligence agents for the bombing in 1988 of Pan Am flight 103 which killed 189 Americans.

This resolution endorsed the demands of the United States, the United Kingdom, and France that Libya turn over the two suspects for trial in the United States or the United Kingdom, pay compensation to the victims and fully cooperate in the investigations into the bombings of Pan Am 103 and UTA flight 772.

U.N. Security Council Resolution 748 was adopted in April 1992 as a result of Libya's refusal to comply with UNSCR 731.

Resolution 748 imposed sanctions that embargoed Libya's civil aviation and military procurement efforts and required all states to reduce Libya's diplomatic presence.

Yet another resolution adopted in November 1993, UNSCR 883, imposed additional sanctions on Libya, including a freeze on limited assets and an oil technology ban. To date, none of these efforts have produced these two indicted officials for trial either in the U.S. or the U.K.

I have consistently argued for and urged the administration to increase the pressure to comply with all existing U.N. resolutions and should adopt policies that can begin to implement some of the campaign promises that Governor Bill Clinton made in September 1992 to the family of one of the Pan Am 103 victims to broaden oil sanctions on Libya.

Adoption of the provisions in this bill in regard to Libya will put teeth in these U.N. sanctions and give the President the authority he needs to begin imposing sanctions on companies making new investments in the oil and gas sector in this terrorist country.

By imposing a total embargo on Iran in March of last year, the administration took an important step in our efforts to isolate Iran. Together with the Junior Senator from New York, Mr. D'AMATO, I have been pressing the administration to take additional steps to reduce Iran's funding sources for its worldwide subversive activities and for its programs supporting weapons of mass destruction.

If we want our deeds to match our words in this effort, enactment of this bill is the next and necessary step to contain the terrorist activities of both Iran and Libya. By asking foreign companies to make a simple choice between the American market and those of Iran and Libya, this bill will help the administration deliver an unmistakable message to our European and Asian allies that the era of critical bilateral dialog is over and the time for multilateral action has now begun.

The bipartisan bill before us today requires the President to impose sanctions on companies making investments of $40 million or more that would enhance the ability of Iran to develop its petroleum resources.

If he made such a determination, the President would have to pick two or more sanctions from a list of six sanctions including: A denial of Eximbank assistance; a denial of specific licenses for the export of controlled technology; a suspension of imports under the provisions of the International Emergency Economic Powers Act; a prohibition on a sanctioned financial institution from serving as a primary dealer in U.S. Government debt instruments; a prohibition on any U.S. financial institution from making any loan to a sanctioned person over $10 million a year; and a ban on any U.S. Government procurement of any goods or services from a sanctioned person.

The legislation allows the President to delay imposition of sanctions for 90 days to pursue consultations with the government of the sanctioned person to end the sanctionable activities. An additional 90 day delay is permitted if he determines that he is making progress toward this goal.

The President may also waive any of these sanctions if he determines that doing so is in the national interest.

This bill also includes a 5-year sunset provision.

Adoption of a companion Iran and Libya sanctions bill in the Senate on December 22, 1995, has already had a deterrent effect on potential investors and oil field suppliers to Iran and Libya. The enactment of this measure today will ensure that we can maintain this deterrent on further investments in these rogue regimes.

Mr. Speaker, I would like to pay tribute to the many members on the International Relations Committee and the Ways and Means Committee who worked long and hard to make the legislation possible. Subcommittee Chairman DAN BURTON, Representative PETER KING, the respective ranking members of the Asia and Pacific Subcommittee and the International Economic Policy and Trade Subcommittee, Representatives HOWARD BERMAN and SAM GEJDENSON, as well as Chairman BILL ARCHER and Trade Subcommittee Chairman PHIL CRANE.

I urge the adoption of H.R. 3107.

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

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

Mr. HAMILTON. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, I want to begin by commending the Members I think are most responsible for producing this compromise bill. The gentleman from New York, Chairman GILMAN, the gentleman from Texas, Chairman ARCHER, and the gentleman from Iowa, Chairman LEACH, all deserve credit for their willingness to look for creative solutions to their differences.

I also want to say a word of appreciation to the gentleman from Connecticut [Mr. GEJDENSON] and the gentleman from California [Mr. BERMAN] and the other original cosponsors of the bill because of their willingness to advance the bill and to support the agreement that has been reached today.

Finally, may I say that the administration, which supports this bill, also deserves credit, I think, for helping Members understand the implications of the bill for U.S. diplomacy and U.S. economic interests.

There is very little disagreement between the United States and its allies about the challenges posed by the two countries that are the focus of this bill. Iran poses a serious threat to several shared security interests. It is a confirmed sponsor of terrorism. It is trying to develop weapons of mass destruction. It seeks to undermine the Middle East peace process. It is pursuing a military buildup that could enable it to threaten shipping traffic in the Persian Gulf. Libya continues to harbor terrorists responsible for the death of more than 300 Americans and others on Pan Am flight 103, and it is also developing weapons of mass destruction and threatening the security of its neighbors.

The premise of this bill, which I believe to be a correct one, is that the best way to curb Iran and Libya's dangerous conduct is to limit the oil and gas export earnings that help pay for it. This has been a principal goal of U.S. policy for several years. In our effort to squeeze the economies of Iran and Libya, the United States has cut off all of its trade with both countries. But the impact of unilateral sanctions is limited, so we also have urged Iran's and Libya's main trading partners to restrict or sever their economic ties.

Despite our efforts and despite the egregious conduct of Iran and Libya, many of our friends have maintained their ties with both countries. So the dilemma here for United States policy is to find ways to increase the economic isolation of Iran and Libya without, in the process, causing undue harm to our own economy or to our relations with our allies.

H.R. 3107 makes a very good start in responding to that policy dilemma. The ultimate goal of this bill is not to punish foreign firms but to persuade other governments to adopt measures that squeeze the economies of Iran and Libya.

We do not know whether we are going to achieve that goal for some time, but this bill does give to the President of the United States the tools to enable him to have the flexibility in implementing U.S. sanctions. For that and other reasons, I strongly urge the approval of this bill.

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

Mr. GILMAN. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. SOLOMON], distinguished chairman of our Committee on Rules.

Mr. SOLOMON. Mr. Speaker, I thank the gentleman, the chairman of the Committee on International Relations, for yielding time to me.

I rise in very strong support of this measure which would tighten economic sanctions against two deadly enemies of the United States, the dictatorial Governments of Iran and Libya. I commend the distinguished chairman of the Committee on International Relations for his outstanding work in bringing this bill to the floor. This measure uses our best weapon against these regimes and other countries which support them, the power of the American purse. With 260 million American people and the highest standard of living on Earth, the United States represents a market that is just too lucrative for other countries to ignore when they want to trade with us.

That is why this bill makes so much sense, Mr. Speaker.

It would impose a range of economic sanctions against other countries that irresponsibly abet the terrorist activities of Iran and Libya by investing their oil sectors or supplying them with oil-related goods or technologies.

When these countries face the prospect of losing part of our vast American market, they will think twice about their investments in these two outlaw nations, and that is what they are.

Mr. Speaker, the terrorist threat is real. It is growing. Stiff measures like this are called for. We all know that Libya, under Colonel Qadhafi, and Iran, under fundamentalist dictatorship, are two of the world's major sponsors of terrorism. Their capabilities to conduct acts of terror are increasing at an alarming rate.

Let us take a look at Iran. As we speak, Iran is in a furious drive to acquire weapons of mass destruction aided and abetted by Communist China, which by the way is another nation we ought to be imposing sanctions on instead of giving them carte blanche favored-nation treatment. We will deal with that a little bit later this month.

In the past few months alone, we have seen reports that Communist China has been supplying Iran with cruise missiles, chemical weapons technology and plutonium processing technology. Couple this with nuclear reactor technology supplied by another great country, Russia, and we can clearly see what Iran is up to and what kind of threat we face.

Mr. Speaker, it is time to act now before it is too late. That is why Chairman GILMAN and Chairman ARCHER deserve our highest praise for working so hard to bring this bill to the floor. Come over here and let us pass it. It is important.

Mr. HAMILTON. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Connecticut [Mr. GEJDENSON] who is an original sponsor of the bill.

Mr. GEJDENSON. Mr. Speaker, Iranian profits are used to murder innocent civilians on the streets of Tel Aviv and Jerusalem and those who trade with Iran, like those who traded with the Nazis, irrespective of their murderous act, aid and abet them.

The debate we have here today is what action we can take following support of the chairman and the ranking member of the Committee on International Relations and the President of the United States in trying to isolate Iran and reduce its ability to assist the murder of innocent civilians.

Unfortunately, most of our democratic allies in Europe and Japan are not being helpful. They will pay a price as surely as the nations who ignored terrorism in the early 1960's and 1970's soon found that it existed not just isolated in Israel and the Middle East but across the globe.

There is a clear and direct link between Iran's ability to profit from its oil sales and assistance to terrorist Hezbollah and other causes. When Secretary of State Christoper was in Syria, it was reported that Iranian planes with arms landed there to aid Hezbollah attacks on the Israelis and the peace process.

Today it is Iranian rockets, grenades and bombs. But what happens if Iran, months or years from now, when they have the ability to deliver nuclear or chemical weapons. Today Iran threatens women and children and men on

buses. An Iran which uses its profits to develop nuclear and chemical weapons will be an Iran that threatens the globe.

Corporate profits must be put aside here as the President has led us and in the so-called civilized world.

We must deny companies who profit from exports to Iran the opportunity to access our markets. We have begun that process with this legislation. I am writing to the banks and economic entities in the G–7 countries warning them that we will monitor their activity. And if they fail to join us, we will take further actions.

If the Baader Meinhof gang had territory, would the German Government have traded with them when they blew up innocent German civilians? I think not. The Iranians may have territory and a government, but they should not be allowed to continue to profit and murder innocent children.

Some of my European and Japanese friends have been offended that I point out their complicity. Well, if this offends them, it does not worry me in the least. It offends me to see the arms and legs and bodies of children and adults strewn on the streets of Israel.

Mr. Speaker, I include for the RECORD the following letter:

ONE HUNDRED FOURTH CONGRESS, CONGRESS OF THE UNITED STATES, COMMITTEE ON INTERNATIONAL RELATIONS, HOUSE OF REPRESENTATIVES,

Washington, DC, June 18, 1996.

Mr. JOCHEN SANIO,

Vice President, Federal Banking Supervisory Office, Gardschutzenweg 71–101, D–12203 Berlin, Germany.

DEAR MR. SANIO: As you may be aware, many of my colleagues and I are concerned about the flow of foreign money into Iran's petroleum sector. The U.S. State Department has found that Iran's financial capability to build weapons of mass destruction and to support international terrorism depends on Iran's ability to explore for, extract, refine, or transport by pipeline its petroleum resources.

In legislation now proceeding through Congress, the President will be required to impose sanctions on foreign companies that invest in Iran's oil sector. To some extent, the legislation will stop short of imposing sanctions on foreign entities that finance such investments. However, financing of these projects remains a major concern.

I know that your government shares our concern over the threat posed by an Iran armed with nuclear weapons. I would hope that your government would therefore take action to preclude the financing of petroleum development by the financial institutions in your country. The U.S. Congress will be carefully monitoring foreign funding of Iran's oil development. Should foreign banks choose to ignore the threat posed by Iran, I have no doubt that the U.S. Congress will revisit this issue and pass legislation that would impose sanctions on foreign institutions that finance petroleum development in Iran.

I look forward to working with you on this issue of mutual concern.

Sincerely,

SAM GEJDENSON,

Ranking Member, Subcommittee on International Economic Policy and Trade.

Mr. GILMAN. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Wisconsin [Mr. ROTH], chairman of our Subcommittee on International Economic Policy and Trade.

Mr. ROTH. Mr. Speaker, I thank the gentleman, my chairman, for yielding time to me.

Mr. SPEAKER, first let me commend the gentleman from New York [Mr. GILMAN] and the gentleman from Texas [Mr. ARCHER] for their work on this issue.

No one can question their commitment to fighting terrorism.

Moreover, there is no doubt that Iran and Libya are rogue states.

The leaders of these regimes have violated every standard of acceptable behavior.

I share the goal of turning Iran and Libya away from terrorism, away from making weapons of mass destruction and away from brutality against their own people.

But I believe this legislation is a step backward not forward.

In my judgment, this bill will not work, for three reasons.

First, economic sanctions simply do not work in today's world when the United States acts alone.

Sanctions did not work against Vietnam. They have not worked against Cuba. And they have not worked against China. Iran has 65 million people and a $300 billion economy.

Libya has 5 million people and a $33 billion economy.

Neither country can be isolated, geographically or economically. In both countries, exports are growing. From 1988 to 1994, Iran's exports grew nearly 50 percent, to $19 billion. Libya's exports grew nearly 10 percent, to $8 billion.

The reality is, none of Iran's or Libya's major trading partners will go along with our sanctions. Not Germany, not France, not Italy, not Spain, not Japan.

Without their cooperation, how will our sanctions ever work?

This brings me to the second flaw in this bill.

This legislation would impose a secondary boycott on our closest allies. The sponsors argue that the bill will force Europe to choose between trading with us and trading with Iran and Libya. This will never work.

The only effect of this bill has been to unify the European Union—all 15 members—against our policy toward Iran and Libya.

If this becomes law, we should expect blocking statutes to prevent European companies from complying. Aside from Europe, the Muslim countries of the Middle East, South Asia, and the Caucasus will not comply.

Look what is happening with Iran. Pakistan now has an economic alliance with Iran.

Kazakhstan and Armenia have started a new joint venture with Iran to develop a huge oil field and build a pipeline.

We have invested a lot to cultivate good relations with these former Soviet Republics.

Are we going to impose sanctions and throw away all our work over the past 5 years? And if we do sanction these countries, how will they respond?

This legislation is not isolating Iran or Libya—it is isolating ourselves. No one should be surprised. After all, the Arab League boycott of Israel has been a total failure.

We and the Europeans all prevented our companies from complying. The same thing will happen with this legislation.

Finally, this bill is a mistake because it provides the leaders of Iran and Libya with a convenient excuse for their own failures. Both regimes have inflicted great suffering on their people.

The elites siphon off more and more money to prop up their regimes.

But as the discontent rises among the Libyan and Iranian people, Gaddhafi and the Ayatollahs will just point to the United States and say: "See what the Americans are doing to you."

Mr. Speaker, our goal should be to change Iran's and Libya's behavior.

But whatever we do, it has to be effective. We need our allies with us, not against us.

There was a time when the United States could sound the alarm and Europe would rally to our side. That day is over.

Economic sanctions do not work when they are unilateral. If we enact this bill, we will take a step backwards.

Iran and Libya will still be rouge regimes. And we will have jeopardized our relations with the very countries whose support we need to eventually reach the goal of turning Iran and Libya away from terrorism. This bill will pass—but what will be the result?

□ 1730

Mr. HAMILTON. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from California [Mr. BERMAN], also an original cosponsor of the bill.

Mr. BERMAN. Mr. Speaker, I thank the ranking member of the committee for yielding this time.

Mr. Speaker, I would like to focus my comments in addressing the remarks just made by my friend, the gentleman from Wisconsin. First of all, given his comments, I am quite pleased that he was willing to support this bill when it moved through the Committee on International Relations, and I appreciate that support.

Second, Mr. Speaker, the bill does not affect exports to Iran. The bill affects and imposes sanctions on companies which invest in Iran, which meet

the threshold of investment in Iran, and just in Iran's energy sector. It is a targeted bill focused on trying to squeeze the source of financing for a totally accepted, universally acknowledged practice that the Iranians have of exporting terrorism and financing terrorism throughout the Middle East and in other areas, as well to meet their own purposes. It seeks to squeeze the financing by blocking the investments in Iran's energy sector so they are hampered in what everybody acknowledges is their concerted effort to develop weapons of mass destruction.

Iran is seeking a nuclear reactor. They claim they are for peaceful purposes. This is the most oil-rich country in the world. The notion that they need a peaceful nuclear energy program for energy sources is absurd on its face. No one but the most innocent and unsophisticated observer can assume there is any other purpose in their particular program.

I want to comment on the European reaction, particularly the German and Japanese reaction. They say our way is better, our way is constructive dialog. They have been engaged in this constructive dialog for years and years and years, with nothing to show for it. The Iranian and Libyan effort to develop weapons of mass destruction continues. The support for terrorism continues. I suggest that these arguments about finding moderate, geopolitical considerations, are all smokescreens for commercial interests which are governing that particular policy.

What happened to a western alliance of free would countries that was committed in the course of the cold war to dealing with totalitarian actions, imperialism, aggressive conduct, and seeking to reduce and avoid the threat of nuclear war? Has it been so blown apart that countries that share our values and claim to share our values turn their back, pursue policies that are just smokescreens for commercial interests, and watch this happen?

This bill that the gentleman from New York [Mr. GILMAN] and the gentleman from Connecticut [Mr. GEJDENSON] are sponsoring, and I am a cosponsor of, and has been supported in our committee, is one crucial step to make our sanctions meaningful. They are a message to countries that we are allied with normally, that they have to think twice about what has come from constructive dialog.

Mr. GILMAN. Mr. Speaker, I am pleased to yield 1 minute to the distinguished gentleman from Ohio [Mr. BOEHNER], the chairman of our House Republican Conference.

Mr. BOEHNER. Mr. Speaker, I rise today in strong support of the Iran Oil Sanctions Act of 1996. This legislation is the result of much hard work and compromise between the Committee on International Relations and the Committee on Ways and Means. I really want to commend my colleagues for bringing forward this very important piece of legislation.

The bill is necessary to erode Iran's and Libya's ability to finance international terrorism in chemical, biological, and nuclear weapons development programs. By targeting these countries' primary moneymaking industries, this legislation strikes at the heart of Iran's and Libya's efforts to undermine the Middle East peach process and to terrorize its peaceful neighbors.

This bill sends a clear message to these countries that the United States will not tolerate the flouting of international law and international norms of behavior. At the same time, it shows strong leadership to our allies and serves as an example to be followed.

I urge my colleagues to support this very important bill.

Mr. HAMILTON. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Maryland [Mr. CARDIN].

Mr. CARDIN. Mr. Speaker, I thank the distinguished ranking member of the Committee on International Relations for yielding me this time and for the work that he has done in this area.

Mr. Speaker, I rise today to urge all my colleagues to support the Iran-Libya Sanctions Act. This is a tough bill. It is a bill that I think has been made smarter and tougher as a result of the negotiations that took place between the three committees that had jurisdiction on the bill: the Committee on International Relations, the Committee on Banking and Financial Affairs, and the Committee on Ways and Means. I am particularly pleased that we were able to strengthen the bill in a very important area. That is for a multinational approach to dealing with this issue.

Mr. Speaker, we offer a carrot-stick approach to our allies to assume responsibility as to the terrorist activities that Iran and Libya are engaged in, to enter into an international effort to isolate these countries. Make no mistake about it, the investments that go into Iranian infrastructure for oil finance the money that are being used for terrorist activities. The President, the Secretary of State, the director of the CIA, have all identified Iran as the world's leading sponsor of international terrorism. This bill is directly aimed at dealing with that fact, it is indisputable, to dry up the dollars supporting international terrorist activities. That is in the security interests of the United States.

The families of the victims of PanAmerican 103 keep us focused on the continued treachery of Libya. We must continue to strengthen the enforcement of sanctions against Libya as approved by the United Nations. All this bill does is to make it clear that we are going to isolate those two countries. It preserves the leadership of the United States in making it clear to countries that harbor terrorists that we will not allow them to participate in the international marketplace and to secure international investments. That is what this stands for.

We, before, provided the leadership to the world in the actions that we did in the former Soviet Union. This is a bill that is worthy of the entire support of this membership and I urge Members to vote for it.

Mr. GILMAN. Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from New Jersey [Mr. ZIMMER].

Mr. ZIMMER. Mr. Speaker, I thank the gentleman for yielding time to me, and I thank the gentleman from New York and the gentleman from Texas [Mr. ARCHER] for bringing this important bill before us today.

Mr. Speaker, I am a cosponsor of the Iran and Libya Oil Sanctions Act. I strongly urge Congress to pass it, and the President to sign it into law swiftly. Terrorism has emerged in the wake of the cold war as the leading threat to democracy and world security. Innocent men, women, and children have been brutally murdered by vicious acts of violence of those who prefer destruction to peace. In many cases, this terrorism has been sponsored not by private fringe groups but by national governments. I strongly believe the United States should be as bold in isolating and weakening these governments as they are in the support that they lend to the destruction of innocents.

We have the opportunity to address this international pathology in the Iran and Libya Oil Sanctions Act, which is aimed at two of the world's leading sponsors of terrorism. The State Department considers Iran the No. 1 state sponsor of international terrorism, and reports that its terrorist activities are increasing. It is the major financier of some of the most sinister terrorism groups in the world, including Hamas and the Islamic Jihad.

Libya is constructing the world's largest chemical weapons complex. That rogue nation harbors terrorists and refuses, to this day, to hand over those suspected of instigating the terrorism bombing of Pan American Flight 103 over Lockerbie, Scotland, which took 270 innocent lives, including 189 Americans. My home State of New Jersey suffered more lost lives, 37, than any other single State in that deliberate act of horror.

Mr. Speaker, what Iran and Libya have sponsored is murder. We should never accept the idea of aiding and abetting, directly or indirectly, any nation that knowingly and willfully sponsors terrorism and threatens world peace.

Mr. HAMILTON. Mr. Speaker, I yield 2 minutes to the distinguished gentlewoman from California [Ms. PELOSI].

Ms. PELOSI. Mr. Speaker, I thank the gentleman for yielding time to me,

and I commend him and the gentleman from New York [Mr. GILMAN], as well as the leadership of the Committee on Ways and Means and everyone else who had anything to do with bringing this to the floor. I think it is a very important piece of legislation.

Mr. Speaker, we must have zero tolerance for terrorism. I think this bill sends a very strong message that we are serious about that. I support the bill, as I said, and I am particularly pleased about the requirement in the bill called Presidential reports. It says:

> The bill requires the President to report periodically to Congress on efforts to persuade other countries to pressure Iran to cease weapons of mass destruction programs, support of international terrorism, and on attempts to urge Iran's

and it goes on for some other consideration about diplomats.

It also only grants the President a waiver if the President certifies to Congress that Iran has ceased its efforts to develop and acquire a nuclear explosive device, chemical or biological weapons, or ballistic missiles or missile technology, and has been removed from the countries determined under the Export Administration Act of having supported international terrorism.

I call this to the attention of our colleagues, Mr. Speaker, because it seems to me this is a very important step to take. This requirement on the President is an important one. At the same time, though, as we are putting out these requirements, indeed even the same day, the Committee on Ways and Means is moving on China MFN. These two issues are not connected, except in one way: China is one of the leading suppliers of technology for nuclear, chemical, and missile weaponry, weapons of mass destruction.

So if our purpose in this legislation is to reduce terrorism, if our purpose in this legislation is to say that the President may only waive this bill when Iran stops developing nuclear and chemical, biological, and the list goes on, ballistic and other explosive devices, then why do we not get to the source and take action against those countries, China being leading among them, that are supplying Iran with that technology? The sanctions should be at the source as well as with Iran, who deserves them.

□ 1745

Mr. GILMAN. Mr. Speaker, I yield 2 minutes to the gentleman from Connecticut [Mr. GEJDENSON], the senior member of our Committee on International Relations.

Mr. GEJDENSON. Mr. Speaker, I would like to engage the chairman in a colloquy, if I may. I have several technical questions about H.R. 3107, as amended.

First, section 5(e) of the bill as amended states, "The President shall cause to be published in the Federal Register a list of all significant projects which have been publicly tendered in the oil and gas sector in Iran." Will this be a comprehensive list for purposes of the sanctions provisions of the bill?

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

Mr. GEJDENSON. I yield to the gentleman from New York.

Mr. GILMAN. No, Mr. Speaker the list may not necessarily be comprehensive. In such a case, the investor could be subject to sanctions under the bill notwithstanding that the project did not appear on the list published in the Federal Register.

Mr. GEJDENSON. Second, if section 5(f)(3) of the bill as amended exempts from the bill's requirement to impose sanctions "products, technology, or services provided under contracts entered into before the date on which the President publishes in the Federal Register the name of the person on whom the sanctions are to be imposed," does this provision mean the sanctions cannot be imposed under section 5(a) or 5(b) on a person for actions taken by that person prior to the publication of that person's name in the Federal Register?

Mr. GILMAN. No, that would be an illogical construction of the provisions. Section 5(f)(3) is essentially a contract sanctity provision.

Mr. GEJDENSON. Third, I was hoping the chairman could explain how section 5(d) of the bill as amended is intended to apply. Am I correct that under section 5(d), if a parent company engages in investment activities that cause the subsidiary to be subject to sanctions, the parent itself will be subject to sanctions?

Mr. GILMAN. That is correct.

Mr. GEJDENSON. Am I also correct that if the parent company supervises and guarantees the subsidiary's investment activities, the parent will be subject to sanctions?

Mr. GILMAN. That is correct.

Mr. GEJDENSON. Am I further correct that if the parent company has an equity share or profit-sharing relationship to the investment, the parent company also will be subject to sanctions?

Mr. GILMAN. That is correct.

Mr. GEJDENSON. Finally, I would like to draw the gentleman's attention to the concern I expressed in my statement about the prospect that foreign banks may finance oil development in Iran. I would ask the gentleman, does he share my concern?

Mr. GILMAN. I certainly do. The financing of oil development in Iran poses virtually the same threat as investments in those same projects.

Mr. HAMILTON. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Florida [Mr. DEUTSCH].

Mr. DEUTSCH. Mr. Speaker, this is a bill that unfortunately we might look back in 5 to 10 years and say this is one of the most important pieces of legislation that this Congress will pass in this session of Congress. It really is dealing with a threat that is out there, not just to the United States but to the entire world, a threat dealing with issues of Iran's terrorism in terms of their activism, in terms of the islands off Iran in the Strait of Hormuz, including their issues in terms of missiles, in terms of diesel submarines.

We have the ability by this legislation to weaken their potential to do that. That is exactly what we are trying to do. It is very narrowly, specifically drawn in terms of attacking them where it could hurt the most in terms of their ability to increase their production of oil and to gain revenues to do that.

Iran stands out as really a rogue nation today, committed to force terrorism throughout the entire planet, not just in our hemisphere. I urge support of the amendment.

Mr. GILMAN. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. BERMAN].

Mr. BERMAN. Mr. Speaker, I seek to have a colloquy with the chairman.

I have several technical questions about provisions in the amendment in the nature of a substitute to H.R. 3107.

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

Mr. BERMAN. I yield to the gentleman from New York.

Mr. GILMAN. Mr. Speaker, I will be pleased to respond to the questions of the distinguished ranking minority member of our Subcommittee on Asia and the Pacific.

Mr. BERMAN. First, I note in section 6 of the amendment in the nature of a substitute there are six possible sanctions that could be imposed pursuant to section 5. Is it the case that the President must, under section 5(a) for example, select two of the sanctions listed in section 6 to apply to a sanctioned person, but after selecting them the President may decide not to actually apply them to the sanctioned person?

Mr. GILMAN. No, that is not the intent of section 6. The sanctions identified in section 6 are intended to be mandatory when selected pursuant to either section 5(a) or 5(b)(1).

Mr. BERMAN. I thank the chairman.

Second, it is suggested that the President may have flexibility under sections 5 and 6 to impose sanctions on a person that, because of the nature of that person's business, are meaningless to that person as a practical matter. Would such action by the President be consistent with the intent of sections 5 and 6?

Mr. GILMAN. No, the imposition of meaningless sanctions would be inconsistent with our intent.

Mr. BERMAN. Finally, I note that the definition of "investment" set

forth in section 14(9) states, "The term 'investment' does not include the entry into, performance, or financing of a contract to sell or purchase goods, services, or technology." What is the purpose of this exception?

Mr. GILMAN. This language in the definition of "investment" is intended to underscore that, particularly with respect to Iran, the amendment in the nature of a substitute does not contain a trade trigger for the imposition of sanctions.

Mr. BERMAN. I thank the chairman.

Mr. HAMILTON. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from New Jersey [Mr. TORRICELLI].

Mr. TORRICELLI. I thank the gentleman for yielding time.

Mr. Speaker, I too, want to congratulate the gentleman from New York [Mr. GILMAN], the gentleman from Indiana [Mr. HAMILTON] and the work of our committee in bringing this sanctions legislation before the House today. But I would be less than honest if I did not also express some profound disappointment.

If this legislation today had come before the House in an amendable fashion, I would have been offering an amendment to provide that the sanctions against Iran would remain in place not simply until it ceases terrorism against the world but until it respects the rights of its own people. In enacting sanctions against Iraq, Vietnam and Cuba, this body respected the rights of the people in those countries and insisted upon strong sanctions until the war against them, their political rights, their freedom and their safety was respected. Somehow with regard to the Iranian people, despite the deaths of the Baha'is, Christians, Jews, a Moslem majority, we take no such action. Because this bill comes before us on the suspension calendar, that amendment is not possible and indeed it is on the suspension calendar so such amendments are not possible.

It will be difficult to explain to Iranian-Americans and indeed one day to the people of Iran when they ask, "You took sanctions to defend yourselves, why did you not take them to respect us?"

Second, Mr. Speaker, I also express profound disappointment because this is not the same legislation that left the Committee on International Relations. We had sanctions against Libya but they were mandatory. Until Colonel Qadhafi handed over to international justice those who were responsible for Pan Am 103, there were going to be sanctions, no ands, ifs, or buts. But between the cup and the lip, they became optional. A sigh of relief in Tripoli, and, frankly, Mr. Speaker, a difficult explanation in my State to the 37 families who thought we were going to have mandatory sanctions and now are left at home wondering why.

Mr. Speaker, I have participated in many proud and principled moments on this floor when this Congress has taken strong positions. I am glad today that we, if we alone in the world, stand up to Iran and Libya in their injustice. But frankly we could have done more, for Iranians locked in the prison of their own country who want someone to stand up not only to international terrorism but domestic abuse as well, and to those poor families left wondering why there is an option in standing up to Qadhafi.

Mr. HAMILTON. Mr. Speaker, I yield 1 minute to the distinguished gentlewoman from Connecticut [Ms. DELAURO].

Ms. DELAURO. Mr. Speaker, the Iran Oil Sanctions Act strikes at the heart of international terrorism.

For too long, terrorists have menaced innocent people around the world with their cowardly attacks. Sadly, we have seen the tragic effects of these attacks many times this year. Hamas bombings claimed nearly 60 lives in Israel while recent rocket launches by Hezbollah threatened the lives of those in northern Israel.

Talking reason will not get us very far with fanatics who are willing to kill men, women, and children whose only fault was to be in a marketplace, on a bus, or on an airplane at the wrong time. We need to cut the supply line that allows terrorist groups to continue their disgraceful campaigns. We need to cut the flow of funds to these criminals.

Iran and Libya stand out as major sponsors of terrorism around the world. This bill strikes at these backers of devastation and will limit their ability to underwrite acts of terror as they have done for far too long.

I urge my colleagues to take this stand against those who bankroll cruel terrorist violence.

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

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

Mr. Speaker, in the most recent State Department report on international terrorism, Iran was again deemed the most dangerous state sponsor of terrorism.

On May 21, in a speech before a symposium of a prominent Middle East think tank, the Washington Institute for Near East Policy, our Secretary of State, Mr. Christopher, said Iran was guiding, as well as funding and training, radical groups opposed to the Arab-Israeli peace process.

Earlier this month, Bahrain presented hard evidence that Iran was involved in attempts to destabilize that country, an important U.S. ally in the gulf. Several of those captured by Bahraini authorities admitted to have been trained in Iran and by Iranian agents in Lebanon.

We have learned just last week that Iran is using its virtual takeover of the Abu Musa island in the Persian Gulf to improve port facilities on that island and Iran could use that expanded port facility to handle the fast patrol boats it has recently received from China.

We are calling on other nations now to curtail any efforts to refinance Iran's mounting bilateral debts and to end their supply of arms and technology to Iran and to Libya. We strongly urge Russia to stop work on its contract to finish Iran's nuclear reactor in Iran.

Enactment of this bill is a vital element in the administration's policy of containment of Iran and of Libya and I urge its immediate adoption.

Mr. FAZIO of California. Mr. Speaker, I rise in strong support of the legislation before us today. The Iran Oil Sanctions Act of 1996 will impose sanctions on persons exporting certain goods or technology that would enhance the ability of Iran or Libya to explore for, extract, or refine their petroleum resources.

This bill will help to deter these rogue states from supporting international terrorism or acquiring weapons of mass destruction which would lead to greater regional instability.

I believe that this bill is a critically important element in our policy of cutting off the sources of funding to the Iranian and Libyan regimes who are responsible for much of the state-sponsored terrorism which continues to plague the region.

Since the 1979 seizure of the American Embassy in Tehran, economic sanctions have formed a key part of our Nation's policy toward Iran. Various actions taken by our Government have disqualified Iran from receiving United States foreign aid, sales of items on the United States munitions lists, Eximbank credits, and United States support for foreign loans. In addition, strict licensing requirements are needed for any United States exports of controlled goods or technology.

This legislation adds to these restrictions by exploiting Iran's economic vulnerabilities, particularly its shortages in hard currency. By pressuring the Iran Government in this fashion, we will force it to change its behavior.

Iran threatens our national interests. It openly sponsors groups bent on regional and global acts of terror and it is actively pursuing weapons of mass destruction. As Under Secretary of State Peter Tarnoff said before the House International Relations Committee last fall, "a straight line links Iran's oil income and its ability to sponsor terrorism * * *."

This bill serves that link. I urge all of my colleagues to support H.R. 3107.

Mr. ARCHER. Mr. Speaker, as many of my colleagues know, I was not a proponent of H.R. 3107 as introduced. I want to thank Mr. GILMAN, Mr. LEACH, Mr. CLINGER, and the respective committees involved for their efforts to work out the agreed substitute amendment, which was approved by the Committee on Ways and Means on June 13. These changes, which are incorporated in the bill before us today, make it possible for me to support the Iran and Libya Sanctions Act of 1996.

While we can differ on approach, Americans are united in their perception that Iran is using

economic benefits, gained through foreign investment in its oilfields, to support expanded terrorist attacks and the accumulation of weapons of mass destruction.

Likewise, Libya refuses to relinquish the two individuals accused of bombing the Pan Am 103 flight over Scotland to face criminal charges, and fails to respect norms governing weapons of mass destruction. Americans remain fundamentally dismayed that, as our firms pull back from investment and trade with these countries, our trading partners and allies are not restrained in their pursuit of lost United States contracts.

The bill reported from the Ways and Means Committee reaffirms my goal that our trading partners join with the United States in a multilaterally agreed regime to stem Iran's ability to export international terrorism to the rest of the world. Too many innocent individuals have suffered at the hands of Iran's Government for business as usual to persist. In this bill, we make clear that our allies cannot continue to look the other way.

However, this legislation puts a priority on supporting the achievement of a multilateral agreement to isolate Iran economically.

In order to keep the focus on achieving change in Iran, the substitute contains provisions providing discretion for the President. Thus, we ensure that he is in the best position to be persuasive with our trading partners, and to respond to violations judiciously. Where the President determines a country has taken substantial measures to join with us to contain the threat of Iran to international peace and security, section 4 of the bill permits a waiver of the application of sanctions.

While the investment trigger for Iran remains mandatory in the new bill, the substitute increases the number of choices available to the President on the menu of sanctions he has to choose from.

In this and all other cases the President has authority to waive sanctions if their application would hurt the national interest. The waiver authority is intended to be broad enough to accommodate instances when invoking sanctions would be violative to international trade obligations.

I want to emphasize that the bill as reported from the Committee on Ways and Means treats the cases of Iran and Libya differently, because of their unique economic histories and geopolitical circumstances. While a mandatory trade trigger is viewed by the Committee on Ways and Means as unworkable for Iran, and therefore not included in the substitute, such a mechanism has been included as a tool for Libya. The difference is that a multilateral regime is already in place for Libya.

Subsection 5(c) also provides the President with the discretion to impose sanctions in connection with new, large investments in Libya's petroleum sector, if he believes it would advance U.S. interests to do so.

I hope our allies can appreciate the deep and urgent commitment in Congress for increasing pressure on Iran and Libya to end their lawless behavior. While the approach of H.R. 3107 carries with it the risk of exposing U.S. exporters and investors to possible retaliation, this threat has been minimized in the substitute. With the addition of solid contract sanctity language, and strict limitations on vicarious liability for companies with parents or subsidiaries located abroad, the bill should not engender the same serious criticism.

Finally, the 5-year sunset provision in the bill ensures that this type of legislation does not remain on the books indefinitely. The committee report indicates that because this is such a difficult policy area, it will be important for Congress to revisit these issues in 5 years in order to evaluate the behavior of Iran and Libya, and whether this bill has been effective.

To summarize, Mr. Speaker, my greatest fear has been that world attention would shift to United States violations of trade agreements and away from the targets of our condemnation—Iran and Libya. I strongly urge the President to implement H.R. 3107 in a manner that respects our international trade obligations. To the nations of Europe, Japan, Australia, and others I renew a pledge to work together to establish a multilateral solution that isolates these two outlaw nations.

Let's join forces and accomplish the job. Working together involves each country taking substantial measures that achieve results—mere words will no longer suffice.

Mrs. JOHNSON of Connecticut. Mr. Speaker, I rise today to express my concern with the precedent that could be set by provisions of H.R. 3107, legislation originating in the International Relations Committee, and referred to the Ways and Means Committee on which I serve.

No one argues that the goal of bringing the Pan Am 103 bombers to justice, nor with containing international terrorism and the proliferation of weapons of mass destruction. We must find ways to increase United States and international pressure on these rogue nations and the threat they pose to U.S. interests. However, I do have concerns with H.R. 3107's provisions that may rely on unilateral actions rather than multilateral cooperation.

The concept of a secondary boycott was opposed by the United States when the Arab League used it against Israel in the 1970's and 1980's, and remains contrary to the principles endorsed by this very body when it approved NAFTA and GATT. Indeed, U.S. law, most recently enacted in the Export Administration Act, has long prohibited any U.S. person from "complying with or supporting" a foreign boycott against another country.

The use of trade sanctions to accomplish trade law compliance is vital and appropriate but the use of trade sanctions as a foreign policy tool to coerce other sovereign nations to do our bidding breaches America's commitment to preserving independence from international control. It is fundamental to U.S. participation in trade agreements that other governments should not be permitted to dictate business relationships among U.S. firms and citizens, as H.R. 3107 could do for our trading partners.

Mr. Speaker, as the world's greatest exporter, the United States benefits tremendously from free and open trade with our allies. Given our past commitment to an international trading regimen, the United States should not expose United States exporters and investors to possible retaliation through abrogation of international rules, or exacerbate the dispute with our allies over policies toward Iran and Libya. If it becomes possible for countries to dictate each other's policy under threat of trade sanctions, U.S. participation in these important organizations could be threatened.

Put at risk by unilateral U.S. action are the benefits to the U.S. economy created by strong protection of intellectual property rights, the guarantee of competitive bidding opportunities under the Government Procurement Code and dramatic tariff reductions for U.S. exports—all of which were improved and expanded by NAFTA and GATT.

Instead, I would urge that we work to avoid the painful consequences of trade retaliation and continue pressing for additional multilateral action and enforcement of existing agreements. As in the case with the extraterritorial Helms-Burton law which penalizes firms outside the jurisdiction of the United States for trading with Cuba, foreign governments will not permit their firms to comply with such legislation. As we seek to contain and punish terrorists and those states that sponsor them, we do not want to drive a costly wedge between the United States and its allies whose support we are seeking.

While I will be supporting H.R. 3107, I am doing so because it provides the administration adequate discretion in executing the provisions of this bill. Moreover, in doing so, it is my hope that the administration will effectively implement multilateral sanctions against Iran and Libya.

Mr. GILMAN. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. STEARNS). The question is on the motion offered by the gentleman from New York [Mr. GILMAN] that the House suspend the rules and pass the bill, H.R. 3107, as amended.

The question was taken.

Mr. GILMAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 5(b) of rule I, the Chair redesignates the time for resumption of further proceedings on the motions to suspend the rules and pass H.R. 3005 and H.R. 3107 as Wednesday, June 19, 1996.

□ 1800

CHURCH ARSON PREVENTION ACT OF 1996

The SPEAKER pro tempore (Mr. STEARNS). The pending business is the question of suspending the rules and passing the bill, H.R. 3525, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois [Mr. HYDE]

that the House suspend the rules and pass the bill, H.R. 3525, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—ayes 422, noes 0, not voting 12, as follows:

[Roll No. 248]

YEAS—422

Abercrombie
Ackerman
Allard
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Bellenson
Bentsen
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blumenauer
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
Campbell
Canady
Cardin
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Coburn
Coleman
Collins (GA)
Collins (IL)
Combest
Condit
Conyers
Cooley
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cremeans
Cubin
Cummings
Cunningham
Danner
Davis
de la Garza
Deal
DeFazio
DeLauro
DeLay
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Durbin
Edwards
Ehlers
Engel
English
Ensign
Eshoo
Evans
Everett
Ewing
Farr
Fattah
Fawell
Fazio
Fields (LA)
Fields (TX)
Filner
Flanagan
Foglietta
Foley
Forbes
Fowler
Fox
Frank (MA)
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Furse
Ganske
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Green (TX)
Greene (UT)
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 (IL)
Jackson-Lee (TX)
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
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Longley
Lowey
Lucas
Luther
Maloney
Manton
Manzullo
Markey
Martinez
Martini
Mascara
Matsui
McCarthy
McCollum
McCrery
McDermott
McHale
McHugh
McInnis
McIntosh
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Metcalf
Meyers
Mica
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murtha
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Peterson (MN)
Petri
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Rahall
Rangel
Reed
Regula
Richardson
Riggs
Rivers
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Roukema
Roybal-Allard
Royce
Rush
Sabo
Salmon
Sanders
Sanford
Sawyer
Saxton
Scarborough
Schaefer
Schiff
Schroeder
Schumer
Scott
Seastrand
Sensenbrenner
Serrano
Shadegg
Shaw
Shays
Shuster
Sisisky
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
Torricelli
Towns
Traficant
Upton
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Wamp
Ward
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Williams
Wilson
Wise
Wolf
Woolsey
Wynn
Yates
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—12

Collins (MI)
Ehrlich
Emerson
Flake
Ford
Gallegly
Lincoln
McDade
Myers
Peterson (FL)
Ramstad
Waters

□ 1820

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Ms. WATERS. Mr. Speaker, I was absent during votes on Tuesday, June 18, 1996, as I was attending my grandson's high school graduation ceremony. Had I been present I would have voted "yes" on H.R. 3525, the Church Arson Prevention Act.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE PRIVILEGED REPORT ON DEPARTMENT OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT APPROPRIATIONS BILL, 1997

Mr. LEWIS of California. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight Tuesday, June 18, 1996, to file a privileged report on a bill making appropriations for the Department of Veterans Affairs and Housing and Urban Development for the fiscal year ending September 30, 1997, and for other purposes.

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

There was no objection.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XXI, all points of order are reserved on the bill.

PERMISSION TO FILE AND PRINT SUPPLEMENTAL REPORT ON HOUSE REPORT 104–193 ON H.R. 1858 DEPOSITORY INSTITUTIONS PAPERWORK REDUCTION ACT

Mr. LEACH. Mr. Speaker, by direction of the Committee on Banking and Financial Services and pursuant to clause 2 of rule XIII, I ask unanimous consent to file a supplemental report to House Report 104–193, which accompanies H.R. 1858, and that such supplemental report be printed.

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

There was no objection.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 3662, DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS ACT, 1997

Ms. PRYCE, from the Committee on Rules, submitted a privileged report (Rept. No. 104–627) on the Resolution (H. Res. 455) providing for consideration of the bill (H.R. 3662) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1997, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF HOUSE JOINT RESOLUTION 182

Mr. ROHRABACHER. Mr. Speaker, I ask unanimous consent to remove the name of the gentleman from California [Mr. FAZIO] from the list of cosponsors of House Joint Resolution 182.

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

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1972

Mr. CHRISTENSEN. Mr. Speaker, I ask unanimous consent that the name of the gentleman from Pennsylvania [Mr. MCDADE] be removed as a cosponsor of H.R. 1972.

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

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 94

Mr. CHRISTENSEN. Mr. Speaker, I ask that my name be removed as a cosponsor of H.R. 94.

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

There was no objection.

HOUSTON JOURNALISM LOSES ONE OF ITS FINEST

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

Mr. FIELDS of Texas. Mr. Speaker, it is with a great deal of sadness that I wish to bring to the attention of my colleagues the untimely passing last evening of Stephen Gauvain, a constituent of mine who, for the past 14 years, has kept Houstonians informed of important events in our local community and around the globe.

Steve, a journalist with KTRK-TV in Houston, was killed in a tragic traffic accident just minutes after giving a live television report from Huntsville, where he was covering a high-profile murder case.

Steve's passing is, of course, a tremendous loss for his family—his wife, Jan, and his three sons: Stephen, Jr.; Taggart; and Dustin. To them, to Steve's extended family, and to his coworkers at KTRK-TV, Houston's ABC affiliate, I extend my deepest and most sincere sympathy.

Steve's untimely death was a loss for everyone in the Houston metropolitan area who had come to depend on his journalistic skill and his dedication to getting the story. Since 1984, Steve had served as KTRK-TV's space reporter. It was a high compliment to Steve that he was selected to cover space for the No. 1 television station in Houston—home of the Johnson Space Center and a city known widely as Space City.

As channel 13's space reporter, Steve covered more than 60 space shuttle missions, including the last, ill-fated flight of the Challenger. Following that disaster, Steve also kept Houstonians informed of the investigation into the cause of the accident, and he prepared an extraordinary series of reports on NASA's slow and painful program to recover from the Challenger disaster.

In 1988, Steve won the Aviation/Space Writers Association's award for the best locally produced television series for his reports on NASA's road to recovery. That same series also won Steve a second-place award for investigative reporting from the Houston Press Club.

Steve's interest in aviation and space exploration was well known. Throughout his distinguished career, Steve covered numerous aviation stories and flew with the U.S. Air Force Thunderbirds last year. In addition, Steve was a quarter-finalist in NASA's "Journalist in Space" program.

Mr. Speaker, I know that you join with me in extending our deep sympathy to Jan Gauvain and her three sons, to Steve's extended family, to Steve's coworkers at KTRK-TV, and to Steve's journalistic colleagues in Houston. His passing is a loss to all of us who knew him, who worked with him, and who appreciated his dedication and professionalism. We will miss him.

Ms. JACKSON-LEE of Texas. Mr. Speaker, will the gentleman yield?

Mr. FIELDS of Texas. I yield to the gentlewoman from Texas.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I am very much pleased to join the gentleman from Texas to honor Steve Gauvain and to acknowledge as well my great respect for his journalistic ability, but also his commitment to the Houston community. We recognize that when Steve Gauvain did a story, it was out of Compassion, knowledge, a sense of respect for the individuals that he queried, and, of course, a love for our community.

It is with great sadness that I join my colleague from Texas, and applaud him for coming to the floor, and to add my sympathies to Stephen's wife and children and, of course, his Channel 13 family. I hope that all of us will give to them our prayers and remember him for his service to our community.

Mr. FIELDS of Texas. Mr. Speaker, I know the gentlewoman would agree with me because she has been interviewed many times by Stephen, how professional he was, how well prepared. The gentlewoman mentioned the word "compassion." Certainly that fit him perfectly. I thought he was one of the finest reporters whom I ever had the pleasure to work with.

Ms. JACKSON-LEE of Texas. If the gentleman will yield further, I certainly agree. I thank the gentleman. Let me also say he had a love for NASA and the Johnson Space Center, and I appreciate all of his leadership on that issue. I thank the gentleman for his leadership on the floor.

□ 1830

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. STEARNS). 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.

MORE OFTEN THAN NOT, SPECIAL INTERESTS, NOT PUBLIC INTERESTS, DRIVE THE LEGISLATIVE AGENDA IN WASHINGTON

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts [Mr. MEEHAN] is recognized for 5 minuites.

Mr. MEEHAN. Mr. Speaker, when I came to the Congress 3 years ago, I brought a list of priorities: Balancing the budget, cleaning up the environment, and promoting economic development and small business opportunities. But after working on Capitol Hill for just a few months, I learned that more often than not, special interests, not public interests, drive the legislative agenda in Washington. That is why so much of the changes voters demanded, like cutting Government waste and curbing rising health care costs are so difficult to achieve.

Under our grossly deficient campaign finance system, well-heeled lobbyists and PACs have greater influence over Washington's business than the folks back home. A perfect example is the 2-year debate about how to balance the budget. Congress could have passed a credible plan to balance the budget last year in the absence of special interests. Year after year, programs that have long outlived their usefulness are preserved in the budget. Everything from tax loopholes for energy and marketing subsidies are taboo when it comes to cutting Government spending, while education, employment and training programs for the working poor are on the chopping block.

Even if we do get a balanced budget this year, Mr. Speaker, odds are that that balanced budget will contain costly tax breaks that benefit special interests and disproportionate cuts to the lower and middle class. Congress comes up against the special interest money barrier every time we try to take on the tobacco industry as well. Public decisions and public policies are often abstract, but this one could not be clearer.

Every day 3,000 young people are enticed into forming a deadly habit before they are old enough to truly make impartial decisions about their health. Yet even when the issue is clear-cut, Congress has been unable to pass legislation or even try to eliminate or regulate teenagers' access to tobacco products.

Last year, Common Cause released a report that illustrated the enormous

amount of money the tobacco industry pours into political campaigns to stop antitobacco legislation from passing. According to the report, tobacco giants like Philip Morris, R.J. Reynolds, U.S. Tobacco and the Tobacco Institute have donated millions of dollars to Members of Congress over the past 10 years. Without question, this report documents the way money in the form of campaign contributions influence decisions that are made in Washington.

During the last Congress, I joined with a group of like-minded freshman Democrats to pass campaign finance and lobby reform legislation. It is no secret now that our efforts failed largely due to the efforts of special interests. Both bills failed to pass, and many of my dedicated freshman colleagues lost in their bids for reelection as a result. I learned then that passing real congressional reform means forging new alliances across party and ideological lines to fight the embraced establishment and the entrenched establishment in Washington. That is how we passed lobby reform and the gift ban legislation last year, and that is the only way Congress can reform its corrupting campaign finance system.

This week the Senate will start debating the first bipartisan bicameral campaign finance reform in over a decade. S. 1219, the McCain-Feingold regulation, has the support of a coalition of 30 grass-roots organizations and editorial board from all across America. Last year LINDA SMITH, CHRIS SHAYS, and I introduced the House version of this campaign finance reform bill. H.R. 2566, the Bipartisan Clean Congress Act, was the result of months and months of negotiations between groups of Democrats and Republicans. Both bills are a remarkable example of what can happen when Members put aside their partisan differences and sit down to the same table to try to make Congress more accountable.

H.R. 2566 eliminates PACs, caps lobbyist donations, requires 60 percent of campaign contributions to originate in a candidate's home State. It eliminates loopholes and large political party contributions and sets voluntary spending limits, offering candidates discounted broadcast time and large mailings if they sign a pledge not to spend any more than $600,000.

If enacted, the Bipartisan Clean Congress Act will halt special interest influence in Washington and really clear the way for the truly representative democracy which our forefathers envisioned 200 years ago.

Now, it is difficult to change a system that is so favorable to incumbents, given the fact incumbents have access to PAC and lobbyist contributions. They help us win reelection in the Congress over 90 percent of the time. Incumbents receive 70 percent of their PAC contributions in each cycle. Seventy percent of all PAC contributions go to incumbents. Compare that with less than 12 percent for challengers; less than 12 percent.

Mr. Speaker, the time for campaign finance reform is now. We have to act in this Congress while we have a President willing to sign this bill. Let us give President Clinton this bipartisan bill and pass it into law.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 2618

Ms. SLAUGHTER. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 2618.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from New York?

There was no objection.

VACATION OF SPECIAL ORDER AND GRANTING OF SPECIAL ORDER

Mr. FARR of California. Mr. Speaker, I ask unanimous consent to claim the time of the gentlewoman from Ohio.

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

There was no objection.

TRIBUTE TO ADAM DARLING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. FARR] is recognized for 5 minutes.

Mr. FARR of California. Mr. Speaker, tonight I rise on the third anniversary of the day on which I took the oath of office 3 years ago in this Chamber to replace then-Congressman Leon Panetta, who had gone to work in the White House as head of OMB.

Standing in the well before me, I thanked the California State legislature, which I had left the night before, for the good work they were doing in guiding the State of California. At the same time I paid tribute to my mother, who had died of cancer while I was in the Peace Corps; and to my sister, who was killed while visiting me in the Peace Corps.

In the gallery at the time was my father, Fred Farr, and my sister, Francesca Farr. Also in the gallery from my district was Rev. Darrell Darling and his son Adam Darling, who grew up in Santa Cruz, part of the district I now represent.

Tonight, on the third anniversary, I want to pay tribute to that beautiful young man, Adam Darling, who lost his life in the plane crash with Secretary Ron Brown in Bosnia.

Adam Darling died doing precisely what he wanted: serving his country while working to make the world a better place. He was an eternal optimist. Adam had once offered to ride his bike across this country from his home State of California to Washington, DC for then-Governor Bill Clinton because he felt that he could make a difference in the 1992 presidential race just by riding a bicycle across the Nation. After the election he ended up in Washington working for the Commerce Department.

When I arrived to be sworn into Congress, Adam was there to meet me. He brought his father, Rev. Darrell Darling, with him from Santa Cruz all the way here to Washington, DC. According to his father, Adam Darling was a leader among his peers, his friends, his family and in his work. His leadership grew from a keen and uncluttered mind, a character free of shame, given or received, and thoroughly generous in spirit.

He was very realistic about both public policy and public service and the limitations and temptations of both. Adam's realism never was cynical. "When you decide to make a difference where there is risk, you cannot calculate the cost or be guaranteed delivery from pain or loss. Bosnia is a land of grief and turmoil and none of us are immune from it." Those were the words of his father upon learning of his son's death.

Adam was working for the Commerce Department when I arrived. He served on the staff of the press office for several months before becoming a personal assistant to the Deputy Secretary for 2 years. Adam was also instrumental in bringing state-of-the-art science to the central coast and to the country. Just 1 year ago he helped organize the first-ever link between the classrooms across America and marine biologists working in the Monterey Bay.

Ron Brown had asked Adam to handle press relations and advance planning for the economic development mission in Bosnia. According to Adam's family, Adam saw it as an opportunity to make a significant contribution to the peace effort where it was severely needed.

Rather than working hard to gain personal attention, Adam worked hard for the sheer pleasure of doing well and the satisfaction of knowing he had helped make someone else's life a little more livable.

Adam saw life as an opportunity to serve the world, telling his family at the age of 5 that he would be President of the United States someday; a young boy made his commitment to bettering the country at any cost. During the few years that he was afforded, Adam worked with the dedication and commitment of a President and accomplished more for the good of humankind during his lifetime than many even attempt in 100 years.

The loss of Adam Darling and 34 others in Bosnia will be sorely felt by all and will remain in our hearts as a memorial to all who pay the highest cost

possible in order to keep the world by serving their country. I want to thank the Darlings for being here on this day of my anniversary of being sworn into Congress, and I want to pay tribute to Adam Darling who was here to greet me when I first arrived, and wish that he was still here today.

Mr. Speaker, thank you for allowing me this time to pay tribute to this great young American.

WHITEWATER

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, I was kind of distressed today when I turned on the television set and saw the report that came out from the Senate Banking Committee on Whitewater. I was not upset about the report; I was upset about how it was presented by the media and that it was pooh-poohed as though it was nothing significant.

The fact of the matter is it is very, very significant and there were some very real possibilities of violations of law and obstruction of justice. For instance, Hillary Rodham Clinton, the President's wife, said she did not know anything about or have copies of the billing records from the Rose Law Firm that dealt with Castle Grande in the Whitewater episode.

□ 1845

Yet 2 years after they were subpoenaed by the independent counsel, 2 years after they were requested by the Congress of the United States, they were found in her living quarters in the library right next to her bedroom. Not only that, her fingerprints and the fingerprints of Vince Foster were all over the documents. For her to say that she did not know that those documents were there, did not have any idea or recollect where they were and they were next to her bedroom for 2 years and many believe were taken out of Vince Foster's office right after his death is just hard to believe.

The billing records contradict her previous sworn statements that she did very little work on the Castle Grande real estate project which helped bring about the downfall of Madison Guaranty Savings and Loan and the conviction of Jim Guy Tucker of Arkansas. The records document that Mrs. Clinton had 14 meetings or discussions concerning Castle Grande and drafted an important legal document. She said she had nothing to do with it. That is just one thing.

Second, during the last week of May, the House was scheduled to vote to hold White House counsel Jack Quinn in contempt of Congress for refusing to turn over thousands of pages of documents concerning another matter called Travelgate. At the last moment he turned over 1,000 pages of documents. However, the White House has refused to turn over 2,000 pages of documents that are more sensitive and have to do with this scandal. The White House is claiming executive privilege so it can keep these documents secret; they must contain some very damaging information.

These documents include 600 pages relating to Vince Foster, whose body was mysteriously found over at Fort Marcy Park. They include a 54-page analysis of custody and disclosure of Foster's travel office file, a 22-page chronological analysis of the handling of Foster's documents, and 33 pages of handwritten notes that were in his briefcase that nobody even knew about until just now. His briefcase was empty when they found it, and they started talking about it. They found two little pieces of paper that was allegedly a suicide note, but nobody has ever mentioned these 33 pages of documents that they are trying to keep the Congress from seeing.

Then we have now the confidential FBI files. The White House asked for and received files on 408 people, Republicans, and they were sought without justification. The Secret Service has said there was no way that they could have accidentally provided the White House with this out-of-date list. Usually, almost always, when the White House asks for evidence or an FBI background check on somebody, it is prospective, to find out if there is anything wrong with that person before they hire them and bring them into the Government. These were people who had already been investigated and they went back and got 408 files of Republicans, and we believe it was because they wanted to find some dirt on them that they could use in later political campaigns for political purposes.

The files of two of the Travel Office employees, Billy Dale and Barnaby Brasseux, were requested with the explanation that they were seeking access to the White House. This was several months after they had been fired from the White House. Apparently the White House was not content with launching an unjustified FBI investigation of these two men. They apparently decided to dig up a little dirt on them themselves.

The FBI Director appointed by Bill Clinton, Louis Freeh had this to say about the incident in his report to the public. This is an appointee by the President himself. He called the White House actions "egregious violations of privacy."

He went on to say, "The prior system of providing files to the White House relied on good faith and honor. Unfortunately, the FBI and I were victimized."

That is really a criticism, a severe criticism, of the White House and their policies.

Once again, Craig Livingstone is at the center of a White House dirty tricks operation. He will be called before our committee to testify before too long. As you will recall, earlier in 1993, he was seen by a Secret Service agent leaving the White House counsel's suite with a box of documents from the deceased assistant to the President, Vince Foster. However, it does not stop there.

Craig Livingstone is 37 years old. He is a midlevel White House aide. He would not be gathering these political intelligence reports from the FBI without authorization from somebody up above. We need to find out who that was and whether there was obstruction of justice or a violation of the law.

HEALTH CARE LEGISLATION

The SPEAKER pro tempore (Mr. STEARNS). Under a previous order of the House, the gentleman from New Jersey [Mr. PALLONE] is recognized for 5 minutes.

Mr. PALLONE. Mr. Speaker, I support the health care reform legislation that is known as the Kennedy-Kassebaum bill because it would make it easier for workers who lose or change jobs to buy health insurance coverage, and it would limit the length of time that insurers could refuse to cover a preexisting medical problem.

Essentially what this legislation does in its original form is to simply make it easier for people to get health insurance because we know that fewer and fewer people, fewer and fewer Americans today have health insurance as compared to, say, 5 or 10 years ago. But I should point out, Mr. Speaker, that this legislation was originally crafted to keep premiums affordable because it would not impact the insurance risk pool by encouraging healthy individuals to drop coverage.

It had bipartisan support in both the Senate and the House of Representatives in its original form, and the President indicated that he would support it or sign the bill in his State of the Union Address. However, from the very beginning the Republican leadership in the House insisted on messing up this very simple legislation with controversial poison pill amendments.

I mention this today because this morning during special orders the Speaker, Speaker GINGRICH, got up and talked about how good this legislation was. But He refused or he did not mention, I should say, one of the provisions that he and others in the Republican leadership insist on including. That is the poison pill of the medical savings accounts, or MSAs, which will favor the healthy and the wealthy and will be just another tax shelter for the rich. I say this because Americans who do not choose to join the MSAs because of the high risks involved will see their health insurance premiums actually

increase, and the MSAs among other extraneous provisions that have been placed in the Kennedy-Kassebaum bill here in the House will guarantee the failure of any health insurance reform in the Congress.

I just wanted to read, if I could, a section from the Washington Post editorial on April 9, 1996, where they explained in some detail why MSAs would essentially drive up insurance costs and ultimately cause fewer people to have insurance, just the opposite of what the Kennedy-Kassebaum bill is intended to do. It says in this editorial that the goal of the underlying bill is to strengthen the health insurance system by making it easier for people who can afford it to remain insured between jobs.

Mainly it would help the part of the population that already has insurance rather than one-seventh that largely for reasons of cost does not. But the likely effect of medical savings accounts would be to push in the opposite direction, weaken the insurance system and in the end add to the number of uninsured.

If the medical savings proposal becomes law, those who chose would buy so-called catastrophic insurance policies that kick in only after the first $3,000 or so of annual expenses.

The savings accounts would also likely split the insurance market. They represent a gamble. People who would most likely take the gamble would be the healthier and better off. To some degree, they would be choosing to withdraw from the broader insurance pool to fend for themselves. Left in the pool would be the more vulnerable, who would likely see their insurance costs go up; the increase would make insurance even harder to maintain than now.

In a sense this is the very opposite of the insurance principle. It is being pushed by companies that want to sell catastrophic coverage, plus people drawn to the individual responsibility that the idea entails, but for the population as a whole, it would do more harm than good. The President has rightly suggested that he would be disposed to veto a bill that included these accounts.

Well, the bottom line, Mr. Speaker, is that the Republican health plan with these MSAs would raise premiums for average Americans and make insurance less affordable. Hence fewer people would be able to get insurance under this bill. It is nothing more than a payback to the Golden Rule Insurance Co. Golden Rule has made big contributions to the Republicans and will reap big profits if the MSA proposal becomes law. Of the $1.2 million contribution that has been given to the Republicans by the Golden Rule president, J. Patrick Rooney and his family, even more has been given to other GOP candidates and causes. What causes.

What I am trying to say, Mr. Speaker, is essentially that Speaker GINGRICH got on the floor this morning and talked about what he is trying to do for health care reform. He neglects to mention that essentially he is trying to sabotage health insurance reform with the MSA provisions. This GOP provision provides no help for working families and just provides handouts for special interests. Essentially what we are seeing here is the Republican leadership jeopardizing health insurance reform by providing for rich man's insurance.

REFORM OF POLITICAL PROCESS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Washington [Mrs. SMITH] is recognized for 5 minutes.

Mrs. SMITH of Washington. Mr. Speaker, I stand here tonight recalling my first trip to Washington, DC, as someone who had just been written in for Congress. I did not run for Congress. I was written in. Within 3 weeks I found myself standing on the steps looking out at Washington, DC, thinking, oh God, why am I here? And I know that any citizen would have felt the same way; it was a Cinderella story. I did not have to spend all the time most people do. But as I listened to that speech, many speeches, I realized that we were making great promises to the American people.

Those promises were for a new way if the American people would give the Republicans control of Congress for the first time in 42 years. If we were elected, we Republicans, we would be different. Just trust us. I found out that most of my colleagues, who were new especially, were running against the corruption.

They said that things have happened over the years that we do not agree with.

Many of the quotes that we heard that day were resounding. I heard a man that I have learned to trust, learned to admire, one of the leaders of our party say, as I cheered, because I agreed with him, if you will give us control, we will wrestle or wrest control back for the people and take it out of the hands of special interests. I and my colleagues stood and cheered. We looked out. We promised America.

Today I call on my colleagues to keep our word. The theme was promises made, promises kept. You would not know what we meant except that we said we would clean it up. I believed those promises, and I say today the American people need to hold us to those promises.

I arrived to Washington, DC, to training, but the first night I arrived to dozens of the first and second and third night fundraisers. I said, well, this is interesting, did not think much about it, but found out that each Member of Congress was to give four to eight. I have got the written instructions still on my desk, that we were to focus on the people that came before our committees. They brought in people to train us. If you went to the right fundraiser training, they taught us how we could get people to help us, to dial for dollars, is that it is called. And that is in writing, and to focus on those that came before us so they would understand how important it was that they came to our fundraiser. And we could get leadership people to put their name on our fundraiser.

I looked at that and I thought, how does this fit in with cleaning up Congress? Then I found out the Democrats do it, too. And not only that, that the challengers had come with some of the new freshmen and they were doing it, too, all on the same night.

There are master schedules, you see, because there is only so much around here. They have built buildings. As you look out, some of the buildings are just fundraising buildings. They have floors where you dial for dollars, where there are funds, other floors where you have receptions and the Members set themselves up on the schedule.

I looked at that and I realized that clearly that would take a little bit of time. But the biggest thing I realized is I could not go back home and tell the American people I did it. Each Member is allotted a time, four to eight scheduled events, on the calendar. You make sure there are not too many because there are only so many places to have them. We make sure that we have votes that day so we are sure to be here so there are enough Members to come to the fundraisers. You see, the lobbyists come there to lobby us because we are in session most every night, and they have access to a lot of Members.

Then you go to someone's fundraiser, so they go to your fundraiser. The lobbyists come, and on the bill they send them is $500 to $1,000. They do not have to come. But if you were called by a Congressman or Congresswoman and you happened to need to go before their committee and you did not bring the $500 or $1,000, would you not think maybe your opponent would be there? It is not even subtle pressure anymore, folks. It is the pressure that I would have thought that we would take off.

I am called the Democrats who played games with this and the Republicans who tend to be looking like they might be playing games with this to a vote on a bipartisan bill. There are two of them. There is a Senate one, 1219, and a House one. Stop playing games. Vote, do not just talk.

□ 1900

NBA CHAMPION CHICAGO BULLS

The SPEAKER pro tempore (Mr. STEARNS): Under a previous order of

the House, the gentlewoman from Illinois [Mrs. COLLINS] is recognized for 5 minutes.

Mrs. COLLINS of Illinois. Mr. Speaker, I rise today to pay tribute to the Chicago Bulls who on Sunday night at the United Center in the Seventh Congressional District captured their fourth NBA championship in an 87 to 75 victory over the Seattle Supersonics. Many called it mission impossible. But the Bulls have won their fourth NBA championship in an amazing display of team play.

It has been a historical season for the Bulls, who finished the regular season with a 72–10 record, 87–13 record for the season, and a 15–3 record for the playoffs. The Bulls had an average margin of victory of 12.3 points, a feat only a few teams in any sport have had in any one season.

Chicago, the Seventh Congressional District and Chicago fans through the Nation are fat with pride. Some are saying that the, "NBA Champion Chicago Bulls have established a new level of play, and it's something all teams will have to chase."

I would also like to congratulate Phil Jackson and his coaching team comprised of Tex Winter, Jim Rodgers, Jim Cleamons, and John Paxson.

Mr. Speaker, I would also like to pay tribute to one of the greatest basketball players of all times, Michael Jordon, who finished off this great season with a 96 triple crown of MVP award in the league finals. His great leadership, and unparalleled performance have garnered him the title of one of the greatest ballplayers of all time. Dennis Rodman has also distinguished himself capturing his fifth rebounding title. And of course Scottie Pippen, and the entire club for an outstanding display of teamwork.

Mr. Speaker, I ask you and my colleagues to join me in congratulating one of the greatest teams in the annals of basketball, and of course one of the greatest players ever, Michael Jordon. In the more than 100 game that they played, the Bulls always delivered a championship performance.

And finally, I would like to congratulate and thank the greatest fans in the world for their undying support of the Chicago Bulls.

The SPEAKER pro tempore. The Chair certainly appreciates the gentlewoman from Illinois for holding up the shirt for display in her speech.

SUPPORT THE ELIMINATION OF NEA'S FUNDING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina [Mr. JONES] is recognized for 5 minutes.

Mr. JONES. Mr. Speaker, here we go again. Just as this Congress is set to debate the funding of the National Endowment for the Arts, NEA Chairwoman, Jane Alexander, has again shown us that both she and the taxpayer funded NEA, must go.

Last Sunday, at the New York Lesbian and Gay Video and Film Festival, director Cheryl Dunye premiered her film, "Watermelon Woman," funded by the tax dollars of hardworking Americans.

In the words of the director herself, this pornographic film depicts black "lesbians experiencing their sexual desire for each other." This film was produced from a $31,000 grant from the NEA.

I believe that in the opinion of most Americans, Watermelon Woman has absolutely no serious artistic, or political value.

NEA Chairwoman Alexander and the National Endowment for the Arts are attempting to pull the wool over the eyes of taxpaying Americans by marketing this sexually explicit film as black history.

As Edmund Peterson, chairman of Project 21 and a leading black conservative put it, in Friday's Washington Times, "There is no demand in the black community for this movie; this is a classic example, of the Clinton administration, being in bed with the gay-lesbian movement, and funding a project through tax dollars, that can't get funded any other way."

Mr. Speaker, this is not the first time that Miss Alexander and the NEA have demonstrated a desire to divert our tax dollars to controversial works that demean the religious beliefs and moral values of mainstream Americans. One should not forget the March 1994 performance of Ron Athey, at the Minneapolis Walker Art Center.

This NEA-funded performance featured Mr. Athey carving a design into the back of an assistant, mopping up the blood with paper towels, and then sending the paper towels on a line, out over the shocked audience.

Miss Alexander defended the performance, stating in the Washington Post, "not all art is for everybody."

Many in Congress denounced this performance as an obscenity. Miss Alexander and the NEA responded by awarding more of our hard-earned tax dollars to the Walker Art Center.

Miss Alexander and the NEA have repeatedly thumbed their noses at Congress and the American public.

I call on President Clinton to find the moral courage within himself to protect the children of America from these obscenities, and to demand the immediate resignation of Jane Alexander. Mr. President, you cannot have it both ways.

Middle America does not share the NEA's values. The American taxpayer and the working families of the Third District of North Carolina do not want their money spent on so-called works of art, like a crucifix in urine, or photographs, which exploit our children.

This week, the House is scheduled to debate funding for the National Endowment for the Arts.

It is time the Government got out of the business of funding this so-called art.

I urge each of my colleagues to support the elimination of the NEA's Federal funding. The taxpayer cannot afford it and our children do not deserve it.

INCLUSION OF REPUBLICAN MSA PROPOSAL THWARTS EFFORTS TO MAKE HEALTH INSURANCE ACCESSIBLE AND AFFORDABLE

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Connecticut [Ms. DELAURO] is recognized for 5 minutes.

Ms. DELAURO. Mr. Speaker, I am a very strong supporter of health care reform and of the Kennedy-Kassebaum bipartisan legislation to afford us a first step in dealing with some very important issues that face working families today on the issue of health care. There is a serious problem that we do have today that working families face, two particularly.

First, is the whole issue of health insurance portability, that when you leave one job and go to another, what happens to your health care? People find themselves in that position today more and more without the opportunity of having the kind of health care coverage they need in switching jobs that is good for them or for their families.

The second issue that is very critical and important is the limits on coverage for individuals who have a preexisting condition where insurance companies will deny the opportunity for health insurance to somebody who has a preexisting condition.

Mr. Speaker, I have a preexisting condition; I am a cancer survivor. Ten years ago I was diagnosed with ovarian cancer. Fortunately, today I am cancer free. But there is not a small business or some business who wants to put me in their insurance pool because it drives those premiums sky high. Or if I go out and get insurance on my own, it is 12 or $14,000 a year to cover people who are cancer survivors.

These are serious health care problems. They face approximately 21 million Americans in this Nation. Too many families, working families, in my district, the Third District in Connecticut, pay their bills, they work hard, they play by the rules, and they do live in fear of losing their health insurance if they change their jobs. Too many of them cannot even get health care coverage because of this preexisting medical condition. This is not only bad health care policy, it is wrong.

We have an opportunity with the Kennedy-Kassebaum bill, a bipartisan bill that addresses both of these issues.

As I said, this is a first step. It is not all that we want to accomplish in health care reform, but it is a way in which we can modestly reform the health insurance industry to meet the needs of working families.

Sadly, under the banner of reform with this bipartisan bill, the congressional majority and the Speaker of the House today took the floor to talk about an opportunity for health care reform, but under this banner of reform what we have seen the congressional majority and the Speaker of the House do is to twist this opportunity, and in fact what would result would hurt consumers, and it would, in fact, increase the number of insured, the reason being the introduction of something called a medical savings account.

Medical savings accounts are expensive, they are destructive, and they are bad health care policy. They encourage the healthiest and the wealthiest individuals to opt out of the insurance pool. They allow individuals to create private accounts to pay for their medical expenses, and in exchange individuals get a bare bones catastrophic insurance plan with extremely high deductibles. It is shortsighted. What it does by people opting out, the healthiest and the wealthiest opting out of the traditional insurance pool, you leave the most frail, the sickest people in that pool, thereby driving the premiums up.

Mr. Speaker, I will tell you in order for the insurance companies to take care of these more sickly people, that cost goes up, and I am going to quote you a group, The American Academy of Actuaries, not a liberal group. These are the green eye shade people who look very carefully at the cost of insurance. Their estimate is that the process of skimming, getting the healthy out of this system, would result in a possible 61 percent increase in health care premiums for those who remain in traditional plans. If rates rise, people will no longer be able to afford insurance, and you thereby increase the number of uninsured in this country, certainly not what we want to try to do.

Let me mention another group to my colleagues, the Consumers Union. These are folks who produce Consumer Reports; you know when you go to look at buying a car, an appliance, and you take their word for what is happening, you do a comparison look. This is what they said on Wednesday June 12: No health care reform this year is better than a bill with the Republican MSA proposal attached. The inclusion, and I quote, of the Republican MSA proposal in the Kassebaum-Kennedy bill makes the legislation worse than a wash for consumers. It takes us backward in our efforts to make health insurance accessible and affordable.

MSA's are a time bomb. They turn the very principle of insurance on its head. Instead of pooling resources to take care of people when they get sick, MSA's funnel money away from doctors' bills and into accounts that will help healthy people accumulate wealth.

Please, understand that we have an opportunity to do something good for working families and health care, not through what the Speaker of the House wants to do with medical savings accounts.

WHO REALLY SPEAKS FOR THE CHILDREN?

The SPEAKER pro tempore (Mr. FOX of Pennsylvania). Under a previous order of the House, the gentleman from Minnesota [Mr. GUTKNECHT] is recognized for 5 minutes.

Mr. GUTKNECHT. Mr. Speaker, when talking about children, there is one significant difference between Democrats and Republicans. Democrats believe it takes Washington programs and Washington spending and Washington bureaucrats to raise a child.

Republicans disagree. After 30 years of excessive taxation, after 30 years of a failed welfare system, after 30 years of a rapidly failing public education system, after 30 years of a deteriorating justice system, Republicans have a different answer—in just three words—two responsible parents. That's what it takes to raise a child successfully today—two responsible parents.

We should not be asking the question "what should government do for children." Instead, our question should be "What must we do to get parents to do more." What children need is not more Government spending but a mother and a father who care about them. Americans have correctly lost patience with Washington, but they have not lost their compassion for the children and their commitment to the common good.

When talking about children, Republicans begin with three principles:

First, that the moral health of a nation is no less important than its economic or military strength. That fact is, you cannot have a healthy moral environment to raise children in America when 12-year-olds are having babies, 15-year-olds are killing each other, 17-year-olds are dying of AIDS and 18-year-olds are graduating with diplomas they cannot read. If we are to restore the moral health of America, this behavior has got to stop,

Second, it is the results, not the rhetoric, that counts. Anyone can sound compassionate, but the truly compassionate are those that go out and find ways to make the lives of our children more happy and healthy, and

Third, we must be willing to face ourselves in the mirror and be honest with the American people about the failure of the Washington welfare system to help those who need it most. It is our responsibility as elected officials to acknowledge that Washington got it wrong, so that next time we can get it right.

We have created a welfare trap in this country that literally enslaves generations of Americans on Government assistance. Our welfare system has deprived hope, diminished opportunity, and destroyed the lives of our precious children.

Just look at our inner cities. You'll meet a generation fed on food stamps but starved of nurturing and hope. You'll see second graders who don't know their ABC's; fourth graders who cannot add or subtract.

Yet every year Washington spends more money on more programs to help more people—expanding the welfare trap from one community to another, from one family to another, from one child to another from one generation to another.

The Washington bureaucracy is well intentioned, but what the Democrats don't understand is that raising more taxes to hire more bureaucrats to expand a welfare system that doesn't work now will only make matters worse later.

And welfare isn't the only problem facing children. Among industrialized nations at the start of this decade, we had the most murders the worst schools the most abortions the highest infant mortality the most illegitimacy the most one-parent families the most children in jail and the most children on goverment aid. We were first only in the number of lawyers and lawsuits.

A Washington-based social policy does not help children. It destroys them. It does not keep families together. It tears them apart. Instead of turning urban areas of America into shining cities on a hill, it has made them into war zones where no one dares go out at night and often in the day as well. Instead of turning schools into bastions of knowledge and learning it has served as an employment agency for bureaucrats.

Washington politicians drag children to Washington to hear a couple of speeches by Washington politicians and Washington lobbyists. I want parents to take their children to school on weekdays and to religious services on Sundays.

Washington politicians talk the talk. We need to do the work.

And that work begins with welfare. Let me state this clearly so there is no confusion. We have spent over $5 trillion on welfare related programs, and yet we have more poverty, more crime, more drug addiction, more broken families, and more immoral behavior. The Washington welfare system is broken. The Washington welfare system does not work. The Washington welfare system needs to be shut down. We need to start over. Period.

Right now, there are alternatives to the Washington welfare bureaucracy

that are less expensive and work better than the current system. Let me just mention two.

Why does Habitat for Humanity work so much better than HUD? Because Habitat for Humanity first requires recipients to learn the responsibility of home ownership, then requires them to build a home for someone else, and only then do they build their own home. What does HUD require? Absolutely nothing. Do you see the difference? The private charity requires something of the individual. The Washington bureaucracy requires only something from the taxpayer.

Why does Earning for Learning work so much better than the Washington Department of Education? Earning for Learning pays young children in inner cities to read books. The more books they read, the more money they make. They gain knowledge and learn about positive incentives. Who does the Washington Department of Education educate? Absolutely no one. Do you see the difference? The Private charity produces results. The Washington bureaucracy produces rules, regulations and not much else.

The current Washington-based welfare system demands no responsibility, no work ethic, no learning, no commitment, and in the end, no pride. What we need is locally based solutions that involve local citizens working with local children on a face-to-face, person-to-person basis.

Spending more on the current Washington welfare system will not help children. It's time we take away the blindfold and accept reality. We have to rebuild parents, families, and communities, but you cannot do it from high-rise office buildings in Washington. It has to be done at home, in school and on Sunday.

Changing the welfare system will help children. Encouraging families to stay together will help children. Putting welfare recipients back to work will help children. Restoring the work ethic will help children. Improving the quality of local education will help children. Encouraging spirituality will help children.

But even that is not enough. It's time we tackle the problem of American culture. We have grown to accept prostitution on our streets, crime in our neighborhoods, and garbage on television and in movies. This complacency has to stop.

And so the question for America is whether we move into the future, or remain in the past. Do we demand more from parents, or do we leave it to Washington to solve all our ills? Do we return control of education to the local community, or do we run education from a Federal department in Washington? Do we change the welfare system and restore hope and optimism to the next generation, or do we continue to accept the welfare world of dependency, illegitimacy and despair?

And most importantly, do we make a real commitment to improve the lives of children across the country, or do we use children as political pawns in the upcoming election?

□ 1915

MFN AND HUMAN RIGHTS IN CHINA

The SPEAKER pro tempore (Mr. FOX of Pennsylvania). Under a previous order of the House, the gentlewoman from California [Ms. PELOSI] is recognized for 5 minutes.

Ms. PELOSI. Mr. Speaker, today the Subcommittee on International Operations and Human Rights of the Committee on International Relations, under the leadership of the chairman, the gentleman from New Jersey, CHRISTOPHER SMITH, held a hearing on most-favored-nation status for China and human rights in China. The purpose of the hearing was to take a measure of whatever progress might have occurred in China since our last review of most-favored-nation status.

Today, many distinguished witnesses testified to who will give you documentation on the worsening state of human rights in China and Tibet. I commend them for their ongoing efforts to shine the public light on a terrible situation, for their continuing fight to assist those who promote freedom and basic human rights. Their expertise and in some cases their willingness to expose themselves, their friends, and families to danger in order to document the continuing egregious violations of human rights in China and Tibet is inspiring and I look forward to their presentations.

It is important to note for the record that according to the State Department's own Annual Reports on Human Rights Practices for 1995, as well as Amnesty International, Human Rights Watch, the International Campaign for Tibet and other reputable independent human rights organizations, repression in China and Tibet continues. The State Department's own report documents the failure of constructive engagement to improve human rights in China, and notes that,

> The experience of China in the past few years demonstrates that while economic growth, trade, and social mobility create an improved standard of living, they cannot by themselves bring about greater respect for human rights in the absence of a willingness by political authorities to abide by the fundamental international norms.

It is clear that as the Beijing regime consolidates its power by increasing its foreign reserves through trade and the sale of weapons, China's authoritarian rulers are tightening their grip on freedom of speech, religion, press, and thought in China and Tibet.

Today we hear comparatively little about those fighting for freedom in China not because they are all busy making money, but because they have been exiled, imprisoned, or otherwise silenced by China's Communist leaders. According to the State Department's report, "by year's end almost all public dissent against the central authorities was silenced." We cannot allow this to continue. If they are not allowed to speak out for themselves, we must speak out on their behalf. We cannot forget the indomitable spirits of Wei Jingsheng, Bao Tong, Chen Ziming, Tong Yi, and the hundreds of thousands of others, known and unknown, who suffer under China's repressive regime.

Our great country is ignoring the plight of China's pro-democracy activists. In the process, we are not only undermining freedom in China, but we are also losing our ability to speak out for freedom and human rights throughout the world.

There is some reason for hope. I would like to bring to the attention of my colleagues here today an event held in San Francisco over the past weekend. Over 20 rock groups and other musical artists participated in a 2 day Tibetan Freedom concert to bring attention to the plight of the people of Tibet. Organized by the Milarepa Fund and the Beastie Boys, this concert was attended by over 100,000 young people who can take the message about Tibet to communities across this Nation. The energy and enthusiasm of the concert participants was inspiring and demonstrates that the fight for basic human rights is being taken up by the younger generation. The participants in the concert, like the pro-democracy activists in China, are the future. Our cause will utlimately prevail, but we must keep up the fight.

The past few months have seen China act to intimidate the people of Taiwan in their democratic elections, diminish democratic freedoms in Hong Kong, crack down on freedom of religion by Christians in China and Buddhists in Tibet, and smuggle AK–47s into the United States via its state-run companies.

The MFN vote provides us with the only opportunity to demonstrate our concern about United States-China relations and our determination to make trade fairer, the political climate freer and the world safer. I urge our colleagues not to turn their backs on these important principles.

WE MUST REBUILD AMERICA, AND PUT AMERICA FIRST

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee [Mr. WAMP] is recognized for 5 minutes.

Mr. WAMP. Mr. Speaker, I am probably a minority within this body, not just because I am a freshman, but because I did not come to Washington with wealth or money, to speak of. I had a good job. I have a nice home. I

have a loving wife and two small children. I have a lot to be grateful for. But I came here not to represent Wall Street, but to work real hard for Main Street. I came here to look after the underdog, the little guy, the working folks in this country that right now I think are having a hard time.

I am not talking about people on minimum wage. That is 3 percent of the work force. That is people at a starting level, just coming into the work force. I am talking specifically about the other 97 percent of the work force that are making more than minimum wage. They are also having a very difficult time today.

The gentlewoman from Washington talked about the special interest groups, Mr. Speaker, the PAC money, the influence these lobbyists actually have in Washington now. I am one of the very few Members of this body who do not take any of their money. I listen to the folks back in Polk County and Meigs County and small counties in east Tennessee. They are the ones that sent me here. They are the ones I take my campaign contributions from. They are the ones I listen to.

I listen to small business people real close to the ground, and I think they are having a difficult time. They are overtaxed, they are overlitigated, they are overregulated. I think of small business people like my father, who in the 1950's paid less than 10 percent of every dollar he made to the Government, total: Federal Government, State government, local government combined, less than 10 cents of every dollar. Today that obligation in this country is about half of every dollar a man or woman makes goes to the Government. It is climbing to where, when my children are my age, it is going to be more than 80 cents of every dollar. How much can we pay as a free nation and a free people in taxes?

We are overlitigated: too many lawsuits in America. We need lawyers in America, but we do not need this many lawsuits. We do not need so many lawsuits. We need tort reform, clean up the legal system, make it quicker and cleaner if you have a dispute. Frankly, we have too many lawyers in this body. We have 148 lawyers in Congress. No wonder the laws that are passed here help lawyers make money. We have too many lawyers in Congress.

We are overregulated. Frankly, a lot of our businesses are moving overseas because our regulations are extreme. Because of the new Congress, EPA and OSHA are making some reforms and going in the right direction. There has been a lot of screaming and yelling since we got here, this new Congress, but the fact is those agencies that have been screaming and yelling are actually making the reforms that we have advocated.

But the average person is losing ground. Economic insecurity I think is setting in. I think of single parents, single moms who are getting up in the morning and getting their kids ready, sending them off to day care, sending them off to school and going to work, humping it, working hard, trying to make ends meet, just to keep their head above water, not to get ahead, just to get by. I think of parents like myself with small children who are having a tough go of it, people in their thirties who are accumulating debt that frankly they do not know how they are going to pay. I think of people in their forties and fifties with strained family budgets right now, having a difficult time getting by.

Our senior citizens are worried right now that politicians are not going to do the right thing to preserve and protect Medicare. They are worried up here that they are not going to keep it intact, and we are trying to do that, and I think they are beginning to see through the smoke and mirrors of the people who are opposing the necessary changes to Medicare.

I look around the world, Mr. Speaker, and I see nationalism growing in other countries. We see Israel. In elections there, nationalism wins. We look at the Soviet Union, nationalism is on the rise. What about our country? Where is our nationalism? Where is our sense of country, our patriotism today? Mr. Speaker, I am for free trade, but by George, we need fair trade, not just free trade. We are losing our manufacturing base in the United States of America, and we are not willing to stop and say that we need to renegotiate NAFTA. We need to stop. It is not working. It is costing us farming jobs, it is costing us manufacturing jobs in appliance manufacturing. Our textile industry is moving overseas.

The gentlewoman talks about China. Most-favored-nation status should not be given to China. They are actually taking our intellectual property. They are pirating our goods. We have got to look at our country and look after what is best for America. I come from the Teddy Roosevelt-Abraham Lincoln school of Republicanism, where we have to preserve American jobs first. If this country is going to be the world leader that it has to be as the only superpower in the entire world, we have to rebuild America and put America first.

□ 1930

HOUSE URGED TO ISSUE CONTEMPT CITATIONS CONCERNING TRAVELGATE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. MICA] is recognized for 5 minutes.

Mr. MICA. Mr. Speaker, I come before the House today to again call on the Speaker and House leadership to bring forward the contempt citation against Mr. Quinn, legal counsel to the President, and other White House officials who have been involved in keeping documents relating to "Filegate" from the Congress and also from the Special Counsel.

I serve on the committee charged with the jurisdiction of investigations and oversight. It is the House Committee on Government Reform and Oversight. We have been investigating this matter now for over 2 years. We have requested files for over 2 years. The pattern of evasiveness, the pattern of deceit by the White House in keeping these records both again from the Congress, the Special Counsel, and our committee is abhorrent.

Let me just cite from our report, the contempt proceedings that were offered to the House, some of the facts relating to this matter. This all deals with Travelgate which our subcommittee was investigating.

Weeks after the firings of 7 long-time White House Travel Office employees, President William J. Clinton staved off a congressional inquiry into the growing controversy by committing to House Judiciary Committee Chairman Jack Brooks on July 13, 1993, and this is what the President said: "You can be assured that the Attorney General will have the administration's full cooperation in investigating those matters which the Department wishes to review."

No mention then of executive privilege from the President on withholding documents from the investigators. In fact this is quite unprecedented. Even in Irangate, President Reagan offered all materials to congressional investigators. This is almost unprecedented, and again an issue that does not deal with foreign policy or national policy but is an investigation of the conduct within the White House, that this information is kept from us.

This is what the President said in January 1996, this year. He stated, "We've told everybody we're in the cooperation business. That's what we want to do. We want to get this over with."

Yet we still have not, as of this day, gotten one-third of the documents relating to this matter. Let me read really the essence of what this is about, and let me quote from notes from a White House aide that we obtained just recently this year, dated May 27, 1993. This is the date of the document.

White House Management Review author Todd Stern wrote this. This is not the Republicans, this is a White House operative. He said: "Problem is that if we do any kind of report and fail to address those questions, the press jumps on you wanting to know answers; while if you give answers that aren't fully honest, e.g., nothing re: HRC"—Hillary Rodham Clinton, he uses the initials—"you risk hugely compounding the

problem by getting caught in half-truths. You run the risk of turning this into a cover-up."

Now, I did not say this. Our committee did not say this. No Republican said this. This is a White House aide.

We see why they have kept these documents from us. The fact is that two-thirds of the documents we sought, were sought by a bipartisan subpoena, have been withheld from the Congress by the White House.

The fact is, we now know why the White House has stonewalled the Congress. The fact is, the White House in this case misused the IRS and the FBI, the chief law enforcement agency of this Nation, in an incredible abuse of power. The fact is, and this will come out, the civil rights, the privacy rights, the Hatch Act, all of these laws I believe we will find have been violated. These are the rights and the privacy of past and present Federal employees. One of the most egregious violations is that they obtained the files of three of our staff directors of our Investigations, and Oversight Committee, the one on which I serve.

The fact is that more than 2,000 pages of documents are still being kept from the Congress, from the media, from the Special Counsel relating to this matter.

I call on the Speaker, I call on Chairman CLINGER, I call on the House leadership to bring forward to the floor of the House of Representatives this contempt citation. We must vote on it, and we must find Mr. Quinn and officials at the White House in contempt of Congress for their actions in this matter.

FIXING MEDICARE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio [Mr. HOKE], is recognized for 5 minutes.

Mr. HOKE. Mr. Speaker, the Medicare trustees have just issued their annual report and the news in that report is not good. Medicare is now losing money for the first time ever. We are actually taking in less than we are spending. It is going to be completely broke by 2001, according to the trustees, unless prompt, effective, and decisive action is taken to control costs.

I think it is important, Mr. Speaker, to understand that the trustees are not a partisan group. They include three members of the Clinton Cabinet. Last year those trustees projected that Medicare would not run out of money until 2002. This year they are saying that under the middle scenario, because the way that they do their projections, they have to come up with three different scenarios, best case, worst case, and middle case. They are saying that under the middle scenario, it is going to run out of money in 2001 and that under the worst scenario it could be 1999 when the trust fund runs out of money.

So as bad as the news is, what the American people need to know is that regardless of who wins in November, Medicare's financial crisis is going to be solved, because letting Medicare go bankrupt is simply not an option. It is not an option for the responsible legislators of this Congress and it is not an option that exists for the President or anybody who is elected to be President.

Both Congress and the White House have offered plans that limit the rate of growth in Medicare spending by strikingly similar amounts. The White House would increase spending 7.2 percent annually. Congress would increase spending 7.0 percent annually. To put this in perspective, bear in mind that right now the annual growth rate in private sector health care spending is less than 3 percent annually.

What I have just said will no doubt, Mr. Speaker, come as a great surprise to those who already have suffered from overexposure to the semihysterical, patently, false, and politically motivated mantra of cuts, cuts, cuts. President Clinton himself put it well when he said, "When you hear all this business about cuts, let me caution you that that is not what is going on. We are going to have increases in Medicare."

While the sides are essentially in agreement with respect to how much to restrict the rate of growth in Medicare, or how much to let it grow—7.0 percent, 7.2 percent—in fact there are very significant differences as to how to do that.

The President and those who believe that Washington knows best are committed to a top-down, bureaucratic solution that would increase the Government's role in the health care of our seniors. It is essentially identical to the plan that Mrs. Clinton was the chief architect of in 1994 and which we defeated in this House in 1994. That is, a plan that depends almost exclusively on forcing senior citizens into managed care. That is the President's notion of the way to get control of the Medicare crisis. But the far better solution is to modernize Medicare and give seniors the same kinds of options, including medical savings accounts, that are now available in some of the very best private sector plans while preserving their right to stay with traditional Medicare if that is what they choose.

In addition, we must mount the first ever attack on waste and fraud and the waste and fraud that has helped bring Medicare to the very brink of bankruptcy. I remember when Bob Reischauer was still the director of CBO, he testified before the Budget Committee that I serve on. He stated very clearly that somewhere between 15 and 20 percent of the money that is spent on Medicare goes down the drain in waste and fraud. Think about that—20 percent of $180 billion is $36 billion hard-earned taxpayer dollars thrown away.

Unfortunately, some folks, including politicians, Washington special-interest groups, even the President himself, have indulged their partisan ambitions by intentionally trying to scare seniors into believing that Congress might like their Medicare benefits away from them. Helping to spread that poison are the big labor bosses in Washington who have spent literally millions of dollars confiscated from their own rank-and-file membership on advertisements pursuing that same big lie. Yet when you cut through all the political grandstanding, one thing becomes crystal clear. The longer a Medicare solution is put off, the harder and more unplatatable the choices become. We need all sides working together now, not as Republicans and as Democrats but as Americans, to solve this problem.

So the next time that you hear someone attack Congress for killing Medicare, ask them to show you their plan to save it. The chances are they will not have one. That is because they are thinking more about the next election than they are about the next generation.

HEALTH CARE

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Arizona [Mr. SALMON] is recognized for 60 minutes as the designee of the majority leader.

Mr. SALMON. Mr. Speaker, tonight I would like to talk about a very crucial issue that I think probably most of us campaigned on the last election cycle, the issue of health care and the health care dilemma in our country.

Most estimate that there are probably about 40 million to 50 million Americans out there that have a lack of health insurance to take care of the needs of their family. As the father of 4 children, my heart goes out to those people, because frankly when your child is sick, there is nothing in the world that you would not do, nothing that you would not give up on the planet to pursue an effective remedy for that child's health malady. Or if a parent were sick or a wife or a husband, you would give up everything that you had to pursue the most state-of-the-art medical technologies available to try to rescue that individual.

I have some friends back home in Arizona that have a child with cystic fibrosis. Let me just tell a little about their story. They are both self-employed, have had health insurance for years and then they had a child with a serious health malady, cystic fibrosis. I think as most know, cystic fibrosis is a disorder that can be very, very debilitating, requires a lot of medical care, a

lot of money to be expended, a lot of time, love, and patience, and most people with cystic fibrosis do not live past their teenage years. If you have a child with cystic fibrosis that lives on into their twenties, you count yourself lucky to have had that time available to spend with them.

My own child, Jacob, when he was a young boy, had several health problems and there was a fear that he might have cystic fibrosis. They did a little medical test on him and they determined that he did not have it, but I remember in the 3 days that we were waiting for that diagnosis to come about after they had done the testing, I remember the agony that we went through, the fear that we went through as parents wondering whether or not our child had this debilitating illness. But, then, this is not about my problem, it is back to my friends in Arizona and their child. Because after their child was diagnosed with cystic fibrosis, their insurance rates skyrocketed. In fact, they went up about 5 or 6 times. The premiums went up exorbitantly. They could not afford it anymore. And so they had to drop their insurance.

The answer in today's society under our current administrative policies and State governments and Federal Government, at least in the State of Arizona, is they have to spend down all of their assets to qualify for Medicaid so that that child could get the kind of care that she needed to preserve her frail young life.

□ 1945

That is not right. We ought to be addressing the issue of preexisting conditions. We ought to be addressing the issue of portability. These things are not just campaign slogans, they are not rhetoric. They are real-life situations with people, with situations that would tug at your heart strings. Most of us that have children and recognize again that you would do anything for a child that was in harm's way, such as this child is, you would do anything, you would give up everything. There is no price too great to pay.

But why should they have to? Should we not hear, as representatives of our Nation's Government, the people that sent us back here to carve solutions? Should we not address the problem? Well, about 57 days ago, the House passed a measure, a health care reform bill that would do just that. It addressed the issue of preexisting conditions. For those people that are not self-employed, like my friends, but they work for a larger employer, they are not necessarily canceled from their insurance but they are job locked. They cannot ever change or go into a different job because they know that if they have to get another job that the likelihood that the insurance company from the new employer will pick them up is slim to none.

So for years and years and years, people have been locked into these jobs because they have no alternative if they want that kind of care for their little one, or for their mom and dad, or for their spouse, or whatever the case may be. But we passed a measure that would deal with that 57 days ago, but it is still stuck because the President has an aversion to one of the components in the bill that he says he cannot support.

So, thus, it has been held hostage for 56, 57 days, and the clock keeps ticking while these Americans keep waiting for health care reform. They keep waiting for us to cross partisan boundaries and be Americans first and do what is right by the American people, and it languishes because the President cannot support a particular component which I will get to later.

Mr. Speaker, up to 25 million Americans would benefit from preexisting conditions reform, which eliminates the preexisting conditions exclusions for people with prior health coverage. That helps America's roughly 4 million job-locked workers by freeing them to job hunt since companies will be required by law to accept persons who had prior health insurance coverage, a very, very substantial reform. Instead of making these changes happen, this President holds the reform package hostage.

This bill, this medical reform bill, also establishes a fraud and abuse hotline and, obviously, I think most of us know why we need that. There are those in the health care industry that would profit off of human misery and suffering. I think that probably the numbers of those people are probably relatively small, but just like any aspect of our society, lawyers, doctors, politicians, teachers, you name it, you will find fraud and abuse in virtually every aspect of our society. That is not to say all people are rotten. That is to say that fraud and abuse are two bad by-products of our society and things that we need to keep a lid on.

Most of us see the problems when we go to the hospital. We see the $10 aspirin and we see the wooden throat stick that they use that we are charged $15 for, and we know that there is a major problem where we have been in for surgery and we know that possibly we have been charged for things that never happened to us or services that were never rendered. So there needs to be a fraud hotline and the laws need to be tightened up, and this bill does that, but it languishes. We cannot get by the filibuster rule in the Senate because the President holds it hostage because there are things in it that he says that he cannot stomach.

Mr. Speaker, it increases access and it increases affordability. Our plan fights the discrimination that has been applied to small business for years. Why is it that a large company that employs thousands or maybe even tens of thousands of people, why is it that they can get full tax deductibility as a legitimate business expense for health care coverage that they provide to their employees, but yet a small employer that employs 50 or fewer or 100 or fewer, why is it that they do not enjoy the same kind of tax favorability that the large, big corporations do? Is it not known that in this country 80 percent to maybe 85 percent of all of the people that are employed in this country work in small business? Then we scratch our heads and we wonder aloud, I wonder why it is that these small businesses are not providing health care?

Well, when you have a discriminatory tax policy which favors the big corporations that yield the tremendous profits but yet you won't give the same kind of a tax break to small businesses, you understand part and parcel the dilemma and the problem that we are now faced with in the health care arena. Yet our bill addresses that problem. Right now they only enjoy a 30 percent deduction, and that, again, only happened after the Republicans took Congress a year and a half ago.

We are proposing to take it up to 80 percent. We would like to take it to 100, but the President has a problem with that, too. He does not want the people in small business to enjoy the same kind of tax favorability on their health care deductions as the large business people get, and yet it languishes because the President holds it hostage.

Seniors and the terminally ill, two Contract With America provisions, are provided in our plan. The first allows tax deductions for long-term health care needs, such as nursing homes and home care; home care, something that has not been provided ever by this body. The second allows terminally ill patients and their families to receive tax-free accelerated death benefits from their insurance companies. These provisions will provide greater financial security to families struggling with terminal and catastrophic illnesses, but yet that is also included in our health care reform plan. It is still languishing, day 57. It is held hostage by the President.

On cutting red tape, now, how many people out there think that we do not need to cut red tape when it comes to the health care bureaucracy? I think most people that have ever dealt with any kind of health care provider understand that probably 40 percent of a doctor or hospital's time is spent pushing paper, satisfying regulations of a State and Federal bureaucracy, as well as a big insurance company bureaucracy, and yet our plan has a measure that would cut through this red tape. In fact, it is one of the biggest measures, and this is the one that we want to talk about tonight, the thing that the

President is so adamantly opposed to, and that is the concept of medical savings accounts.

He would tell you that this is just another way that we are rewarding our rich friends. Well, let me talk to you about this commonsense solution, and you decide for yourselves if this is something that would help people or it would hurt people. The concept is easy. It is like an IRA fund where people can set aside or your employer can set aside for you pre-tax dollars with no taxation whatsoever, and it would be in your own account for you to spend on your medical needs. Now, coupled with that, the employer, or if the individual purchases the medical savings account or establishes a medical savings account for themselves, would then also purchase a higher deductible policy. Let us say they have in their medical savings account $2,000, so then they would purchase a policy with a deductible of $2,000.

Now, the actuaries will tell you and common sense will also tell you that the higher the deductible, the lower the premium coverage. So for pennies on the dollar, you can get a policy that covers your needs but has a higher deductible. Then you pay cash out of your medical savings account when you go to see whatever provider you want to see, whether that is a DO, or a chiropractor, or a naturopath or your own allopathic physician, your gynecologist, your OB/GYN, your orthopedic doctor, whatever health care provider you choose for yourself to meet your needs, and not have some bureaucrat dictate to you what your needs are and how your needs should be resolved or addressed, you decide. It puts ultimate freedom in the hands of the patient, and it puts it back to the free market solution that has worked so well for other aspects of our economy.

Let me tell you some of the reasons that medical savings account will work. When you are spending your own money, you are a little bit more cost conscious and probably a little bit better at detecting fraud and abuse than some of these big bureaucracies are. When you spend your own cash, you are going to be very frugal and you are going to be very cost conscious and you are going to shop around and get the best deal you can.

Mr. Speaker, let me illustrate from my life. When our last child was born, Matthew, the cost paid for his delivery by my insurance company to the hospital and the doctor was $3,500. Two months later, my sister-in-law had a baby, but she did not have insurance, so she paid cash, $1,500; $2,000 difference by paying cash. The same thing will happen for all individuals out there, we who are able to shop around and get the best deal they possibly can.

Also, when you do not have to worry about going through this big monstrous bureaucracy, be it an insurance bureaucracy or be it a Federal, local or State bureaucracy, you do not have all the paperwork to go through. So obviously you are going to get a better price, and the cost will come down. It puts ultimate freedom in the patient's hand. It cuts costs.

At the end of the year, the other wonderful thing is that what you do you spend is yours. It does not revert to some insurance company's profits bottom line, and it does not go back to some wasteful bureaucracy in Washington, DC. It is your money to do with as you need to do. If you spent it on something other than health coverage, it will be taxed at the normal rate. But if you decide to roll it over the next year to grow the value of your medical savings account, then there is no taxation whatsoever. And a relatively healthy person of my age that started a medical savings account, kept rolling it over and did not have any serious health concerns to pay out of the medical savings account would be able to have a real healthy nest egg by the time they retire to deal with their own long-term care.

Mr. Speaker, this is a wonderful plan. I cannot understand why the President would hold it hostage. He says that it is a benefit to the rich people. Well, common sense would tell you again that, if you gave a medical savings account to some individual, they would be able to make just as smart decisions as a rich person could if they did not have money.

Common sense would also tell you that, when a person gets first-dollar coverage right out of their medical savings account provided to them by their employer in lieu of the traditional kind of health care coverage or forcing people into managed care, and giving them the ultimate freedom, that these individuals can make good decisions for themselves.

The real answer for why I think some of the liberal people hate medical savings accounts is that they fundamentally believe that people, that the American people are too stupid to take care of their own health care needs, and they have more faith in bureaucrats and bureaucratic systems than they do a father or a mother taking care of the health care needs of their child, or a spouse taking care of the health care needs of his or her spouse.

Well, we Republicans in Congress have a different idea. We agree with our Founding Fathers that the free market system indeed works. It works in the sale of cars. It works in the sale of food. It works in the sale of commodities. It also works in health care. It keeps everybody honest. It gets back to the idea that people are in charge, not bureaucrats. People are in charge of their health care destiny, and they can best determine what their needs are.

Let me read just real quickly a couple of letters that were written that show the real hypocrisy in this debate. One is dated September 8, 1992, and it says: dear colleague, and it was sent to all the colleagues in the Senate at the time:

> The United States is faced with a crisis in health care on two fronts: access and cost control. So far most of the proposals before Congress attempt to deal with access but do not adequately address the more important factor, cost control. We have introduced legislation that will begin to get medical spending under control by giving individual consumers a larger stake in spending decisions.

I do not need to keep reading the letter. I think you get the gist of it. But later on it says, in order to protect employees and their families from catastrophic health care expenses above the amount in medical care savings accounts, an employer could be required to purchase a high deductible catastrophic insurance policy, exactly the plan we are offering. In fact this is probably one of the most ringing endorsements for the concept of medical savings accounts coupled with the catastrophic care policy as I have ever seen or heard of.

Do you know who signed this ringing endorsement of medical savings account? Senators TOM DASCHLE, of all people, and JOHN BREAUX, two of the voices now that are echoing the President's concerns that this is only again tax breaks for the rich or medical care for the rich. Back then in 1992, when they were in control and when they were trying to approach it from a bipartisan instead of an extremely partisan approach, they said that medical savings accounts was an idea whose time had come and one of the best ways to control costs and provide ultimate freedom to people to make the health care decisions for their lives. But, oh, what a difference a day makes. Just a few years later right in the heat of a campaign for the Presidency, now they are taking the President's side and they are opposing medical savings accounts.

Mr. Speaker, could it be that they do not want the Republican Congress to get credit for such a wonderful idea and so they want to stall it for that reason? Or could it be that some of the managed care institutions who have lobbied them so hard because they fear that they will substantially lose market share when we do not force people into managed care have lobbied them so hard and heavy that they are afraid of losing those friends who have helped them get into office?

□ 2000

One last letter I would like to read to you and then I am going to yield the balance of my time to the distinguished majority whip in the House of Representatives. Just so you know that this is not a Republican approach, this is an idea whose time has come.

By the way, there are about 25,000 companies out there who are offering

medical savings accounts to their employees with phenomenal success. In fact, almost every one of them, to the company, have realized a decrease in their health care costs, happier and healthier employees controlling their own health care destiny and not having it mandated to them from either assurance bureaucracy or a Federal or State bureaucracy.

Who else has realized this? There are some, I think, very, very reasonable folks on the other side who have recognized this is the way it goes. This is a letter to President Clinton.

Dear President Clinton: As original cosponsors of medical savings account legislation in the House of Representatives, we urge your review of and your public support for this wonderfully innovative idea.

The recent vote on the House Republican plan should not be used to judge the Democratic Party's position on medical savings accounts. As you know, medical savings accounts have been a major plank in Congressman TORRICELLI's health care platform in his Senate race.

We cannot think of a more Democratic idea than MSA's. In fact, it was originally our idea. We want Democrats to get credit for it. In the Senate, Democrats JOHN BREAUX, TOM DASCHLE, SAM NUNN, and DAVID BOREN initiated the idea, an idea they are now saying is such a rotten terrible idea.

DICK GEPHARDT included MSA's in the House Democratic Leadership bill in 1994, just 2 short years ago. It was a great idea to DICK GEPHARDT.

There were 28 House Democrats who cosponsored our initial MSA legislation. There are currently three Democratic U.S. Senate candidates who have supported MSA legislation.

You also should know that the current contract of the United Mine Workers provides its members with MSA's. We do not believe the UMW qualifies as healthier and wealthier than the general population—a charge leveled by uninformed MSA opponents.

I could go on. Again, they are extolling the virtues of medical savings accounts. It is an idea whose time has come. Let us stop holding health care, innovative, life saving health care reform, hostage, because we owe some special interest a favor or because we do not want Republicans to get credit for a wonderful idea whose time has come. Let us do the right thing by the American people.

President Clinton, I urge you, with every fiber of my being, to sign this into law, to stop holding this legislation hostage. If you really feel our pain, as I know you say you do, then realize that there are millions of people out there who would benefit dramatically. My friends back in Arizona who have the child with cystic fibrosis, they are counting on you, President Clinton, to not only talk the talk, but to begin to walk the walk.

REPUBLICAN ACCOMPLISHMENTS

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Texas [Mr. DELAY] is recognized for 38 minutes as a designee of the majority leader.

Mr. DELAY. Mr. Speaker, I thank the gentleman from Arizona [Mr. SALMON] for his wonderful words, trying to straighten out exactly what is going on in this Congress, and particularly as it pertains to all the political rhetoric that gets thrown around out here.

People's memories seem to be rather short when it comes to remembering, one, that six Senators, six Democrat Senators on the Senate side campaigned on the notion that they wanted a balanced budget amendment to the Constitution, and yet they are the very ones who stopped us from being able to pass that amendment to the Constitution and send it to the States.

The gentleman from Arizona [Mr. SALMON] was very eloquent in pointing out the fact that leaders of both the House and the Senate supported medical savings accounts when they controlled the House, but when it came time to actually vote for them and work for them and actually put them into place, they were nowhere to be found and in fact worked very hard against it.

The same thing happened last week. Last week the House Democrat leadership issued a report regarding the efforts of the Republican Congress to bring change to the Federal Government. Now, not surprising, the Democrats had very few kind words to say about the Republican Congress. Coming from the guardians of gridlock, the masters of disaster, the stalwarts of the status quo, their words of disapproval should be seen by the American people as affirmation of all of our efforts over the last 16 months.

To the Democrat leadership, any change that makes the Government work better, that brings power back to the people, that cuts wasteful Washington spending, is mean and extreme. But my colleagues, who is the extremist? The one who fights to change Washington, or the one who battles that change? Let us go through 10 legislative issues, just 10 issues, that the Congress considered this last year to find out who really is extreme.

First, a balanced budget. Now, do you support a balanced budget amendment to the Constitution? Should the Congress actually balance the Nation's books like families are forced to balance their own books?

Eighty-three percent of the American people support a balanced budget amendment to the Constitution. The Democrat Congress, the 103d Congress, failed to pass a balanced budget and rejected a balanced budget amendment to the Constitution. But in the Republican Congress, the House passed a balanced budget amendment to the Constitution. It also passed a budget which balanced in 7 years, without raising taxes, the first balanced budget in a generation.

Second, taxes. Do you think the American people should be taxed more, like many Democrats think, or do you feel that cutting taxes is the right thing to do, both fiscally and morally, like many Republicans believe? Do you get tired of giving more and more of your money to Washington, or do you think that you need to give more of your fair share?

Two out of every three Americans think they pay too much in taxes. The Democrat Congress, I might point out on this chart, the Democrat Congress increased taxes by $241 billion, the largest tax increase in history. But the Republican Congress cut taxes by $223 billion, tax cuts that would have given families needed relief and would have spurred economic growth.

Sadly, the President vetoed these tax cuts. Just look: These are the facts. Under Clinton's tax increases, they imposed in 1994 $115 billion on the so-called rich. To them the rich is anyone that makes over $90,000.

Gasoline tax, they put a gasoline tax on the so-called rich, $4.3 cents a gallon, that amounted to $31 billion. They raised the Medicare payroll tax by $29 billion. They raised the Social Security benefit tax. They taxed senior citizens in this country by $25 billion. They put a tax on corporate and business by $32 billion. They did expand the EITC that saved $2 billion, and then raised another $11 billion, for a total of $240 billion.

Now, that did the Republican Congress do, that was vetoed by the President? We cut taxes on 30 percent health insurance deduction by $5 billion. We raised the earnings limit test. The earnings limit is where when senior citizens make over $11,520, then they are penalized by higher taxes. We raised that limit to $30,000, and we hope next year to repeal it altogether. That saved senior citizens $6 billion.

We had a $500 per child tax credit, that was $150 billion, vetoed by the President. We had a medical savings account that saved $2 billion, vetoed by the President. We had a capital gains tax cut. Now, this is the so-called tax cut for the rich. But you tell a small farmer that just sold their farm, or you tell your parents who are trying to sell their house in order to take care of themselves in their retirement years, they have to pay huge capital gains taxes. We cut it by $35 billion. Vetoed by the President.

We expanded the use of investment retirement accounts by $12 billion, vetoed by the President. We even gave estate tax relief, that is inheritance tax relief, so you could pass on what you worked for all your life to your children, we cut it by $12 billion, vetoed by the President. This comes to a total tax cut package of $223 billion.

The third issue is wasteful Washington spending. Do you think we need more wasteful Washington spending

programs? Or do you think that Washington should spend less of your hard-earned money?

Do you support questionable Washington spending on pork-barrel projects inserted by Washington insiders? Well, 71 percent of the American people support reducing funding for all Government agencies.

The Democrat Congress, I might say, on Government spending and under the line-item veto, the Democrat Congress passed spending bills that increased spending by $8 billion. It also tried to pass a pork-laden spending package, which they mistakenly named an economic stimulus package, a package that paid for efficient atlases or building swimming pools, to the tune of $3.2 billion. Have you ever heard of midnight basketball? That was in their stimulus package. they also gave the IRS $148 million more to get involved in your personal life. They even gave $800,000 to whitewater canoeing teams.

The Republican Congress though, the Republican Congress cut $43 billion in real wasteful Washington spending. The Republican Congress also passed a line-item veto to get rid of these pork-barrel spending projects, which the President did sign into law. We give him credit for that.

The next President of the United States, starting in January of next year, will be able to use for the first time in the history of the United States, the line-item veto.

The fourth issue is Congressional reform. Are you concerned that the Congress is out of touch, that special interests and lobbyists have too much power over what happens in Washington, that Members of Congress should live under the same laws as everyone else?

Ninety-two percent of the American people are concerned that special interests and lobbyists have too much power over what happens in Congress.

The Democrat Congress failed to pass any, any, Congressional reform. They failed to pass a law that required Congress to live under the laws it passes on everyone else. It also failed to pass any reform regarding ethics or lobbyist influence.

The Republican Congress succeeded in passing all kinds of reforms. It passed a Congressional compliance law, making it certain that Members of Congress live under the laws it passes on everyone else. I guarantee you, Members of Congress' eyes are growing bigger and bigger when they have the notion of an OSHA inspector coming in and inspecting their offices, they get an EOC complaint filed against them, or many other ways. Right now we have labor unions on the Hill trying to organize our employees. It has a lot of Members thinking about living in the real world, and it has changed their thinking about what this body does in imposing regulations on the rest of the country.

We also ban the gifts that Members can accept from lobbyists and require greater disclosure of lobbyist activities. We cut our committee staff by one-third. We eliminated ghost voting. Now, in committee, in order for a Member's vote to count he has got to be sitting in that chair and raise his hand and vote. No more ghost voting.

We have gone on and on with all kinds of reforms and opening this House up and giving it back to the people. These are real reforms desired by the American people.

The fifth legislative issue, welfare reform. Now, do you support a complete overhaul of the welfare system? Should we create a system where able-bodied Americans must work? That ends the cycle of dependency and despair? That limits the time people can spend collecting welfare without working?

Well, 71 percent of the American people support a mandatory 2-year cutoff for welfare without work. The Democrat Congress under welfare reform produced nothing, nothing, to end welfare as we know it. Not one proposal in the 103d Democrat Congress even passed out of the full committee. And this is when they controlled both houses and they had the President of the United States at the other end of Pennsylvania Avenue, who promised the American people in 1992 that he would end welfare as we know it.

□ 2015

Not one proposal got out of a full committee. But the Republican Congress produced far-reaching welfare reform that placed time limits, work requirements, and other incentives that give poor people a hand up, not a handout.

The President vetoed this plan twice. Now, we are going to send it to him again. Maybe he will wake up and honor his promises and will not veto it, because we are going to send him another welfare reform package.

The sixth legislative issue: Health care reform. Now, do you think we need government-run health care, where your family's health care decisions are made by bureaucrats based in Washington? Or should we have commonsense health care reform that allows families to make their own health care decisions, allows people who change jobs to take their health care with them, and weeds out waste, fraud, and abuse from the health care system?

The gentleman from Arizona, who spoke right before me, laid this out perfectly and eloquently. By the time the Democrat Congress gave up on the Clinton health care plan, a majority of Americans thought it would hurt health care quality and drive up health care costs. The Democrat Congress tried but failed to pass out of either House the President's huge government-run health care proposal.

The Republican Congress has passed a health care reform which will guarantee portability with no preexisting conditions. It creates medical savings accounts, it cuts down on frivolous lawsuits, and cuts out waste, fraud, and abuse in the health care system. We expect this measure to get to the President's desk in the next few days and we hope the President will sign it.

Part of the health care debate includes saving Medicare. Do you think that Congress should take responsible steps to rescue Medicare for the next generation, or do you prefer that the Congress put off until later any commonsense changes to the Medicare system, despite the overwhelming evidence that the system is going broke faster than previously anticipated? Should Congress pass Medicare reforms that will weed out waste, fraud, and abuse, as the Republicans want; or should it increase payroll taxes on working Americans to keep the current system in place, as the Democrats prefer?

The Medicare trustees, which include members of the President's own Cabinet, have concluded that Medicare is going broke faster than previously anticipated.

The Democrat Congress failed to enact any of these reforms of the Medicare system that will save it for the next generation, but the Republican Congress, this Congress, passed Medicare reforms which will maintain a growth rate of 7.2 percent in the program. A growth rate.

Now, a lot of Americans around the country are watching these commercials, millions of dollars spent buying commercials that claim that we cut Medicare, that we have slashed Medicare, that we are going to throw seniors out on the street. But in our plan we allow Medicare to grow faster than health care in the private sector, at the same time we are trying to weed out the waste and fraud and promoting greater choices in health care for seniors, which raises the quality of care for senior citizens.

The seventh legislative issue: Legal reform. Do you support commonsense legal reforms? Do you think trial lawyers make too much money filing frivolous lawsuits in this country? Do you think trial lawyers have too much influence on the White House? Two-thirds of southern California voters are afraid that either they or a loved one will someday be a victim of lawsuit abuse.

The Democrat Congress failed to even try to enact any significant reforms of our legal system, but the Republican Congress enacted, over the President's veto, securities litigation reform which will make it more difficult for trial lawyers to file frivolous lawsuits, and we also passed a product liability reform. Unfortunately, the President vetoed that, and we are working right now to try to get the votes to overturn his veto.

The eighth legislative issue: Immigration reform. Now, do you support giving illegal immigrants welfare benefits available to American citizens; or do you think that we need to make some commonsense changes to make it more difficult for illegal immigrants to get welfare? Do you believe that illegal immigration is becoming one of the biggest problems in America today; or do you think that it is all blown out of proportion by the media? Well, 83 percent of the American people favor a lower level of immigration.

Now, the Democrat Congress failed to pass any significant reform of immigration policies when they controlled the Congress and the White House. The Republican Congress has passed significant immigration reform that would make it more difficult for illegal immigrants to get welfare, while making it more difficult for illegal immigrants to enter the country.

And, finally, the legislation that is so important to all of us, and that is crime. Do you think anticrime initiatives should fund more social welfare programs; or should it make the death penalty more effective? Seventy-nine percent of the American people support the death penalty for murderers.

The Democrat Congress, in fighting crime, passed a crime bill, signed by the President, which would increase spending on prevention programs for things like midnight basketball.

The Republican Congress passed a crime bill, a real crime bill. It was signed by the President, and we got to give him credit for that, which would reform the death penalty procedure to end all these endless appeals, a process that has frustrated the American people, all these endless appeals by death row inmates.

Of course, there are other issues that are not reflected on this chart, issues such as regulatory reform, an issue very close to my heart as a former small businessowner. But do you think we need more Washington power, more crazy Washington regulations, more Washington mandates? Eighty-two percent of the American people believe that the Government is intruding more and more on their personal rights and freedom.

The Democrat Congress expanded on the regulatory state of earlier Congresses, putting more and more regulations on small- and medium-sized firms, costing jobs. The Republican Congress worked to clean up the regulatory environment, bringing commonsense, sound science, and cost-benefit analysis to regulations that come from the executive branch, to make regulations work better, to make regulations work more efficiently, to make regulations actually do some good.

Mr. Speaker, this Republican Congress can best be described as remarkable. We are doing the people's business the way that they want it done. Democrats have taken to calling the Republicans extremists. I say that defending the status quo is extreme. Defending the disastrous Democrat Congress is extreme. Defending a broken welfare system is extreme. Defending wasteful Washington spending is extreme. Defending the largest tax increase in the history of this country is extreme.

Make no mistake about it, when the Democrats ran the Congress, they did an extremely bad job. So, I urge my colleagues to remember this very simple point. Extremism in the defense of status quo is no virtue. And, sadly, that is all the liberal left has to offer these days.

WHAT APPROACH SHOULD WE TAKE TO THE TEACHING OF CURRENT EVENTS AND AMERICAN HISTORY

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from New York [Mr. OWENS] is recognized for 60 minutes as the designee of the minority leader.

Mr. OWENS. Mr. Speaker, today we passed the Church Arson Prevention Act, and I think practically every Member present voted for that act. It is to the credit of this Congress that this is a bipartisan effort to deal with a heinous set of crimes and to let the message go forth from the leadership of this Nation that we will not tolerate such acts.

There is a disease out there that every now and then manifests itself, and the leadership of the Government has the duty and obligation to let it be known that we will not encourage it, we will not condone it, and we will do everything possible to make certain that those who are guilty are punished.

I want to talk a little bit about the burning of black churches in the south, but I want to talk about four other things that also relate to it, although it is not obvious how closely related they are on the surface.

I want to talk about the recent controversy surrounding the standardization of a national curriculum for history, especially for American history.

I also want to talk about the controversy surrounding the invitation to Supreme Court Justice Clarence Thomas to speak at a Prince George's County school and what happened as a result of that controversy.

I want to talk about a man named Kenneth Johnson, who objected to Justice Thomas speaking there. Mr. Johnson is a school board member, and he felt that there was some problems there, and I think Mr. Johnson's allegations and his concerns deserve to be looked at more closely.

I also want to talk about the recent Supreme Court decision on the Voting Rights Act.

And, finally, I want to talk about the extremist budget cuts of the Republican majority, and I want to insist that all of these things are related and show how they are related.

I think the overall theme of what I am trying to say relates to a bigger issue of what approach should we take to the teaching of current events and of American history. What approach should we take to the teaching of current events and American history?

What was the controversy in Prince George's County all about? Why did Kenneth Johnson object as a school board member to Justice Clarence Thomas speaking at the school in a ceremony where people would not have a chance to question Justice Thomas; in a situation where children would be left with the impression that Justice Thomas was being offered as a role model and that they should pattern their lives after him?

Prince George's County is predominantly a county made up, the schools are predominantly African-American children. The school where Justice Thomas was speaking was composed primarily of African-American children. Kenneth Johnson, the school board member, was saying that African-American children should not be led to believe that Justice Thomas was a role model; that that would be really a slap in the face, considering the kinds of rulings that Justice Thomas has made, the kind of record Justice Thomas made before he became a Supreme Court justice, and the controversy which presently surrounds Justice Thomas and the decisions that he is making.

What does this have to do with church burnings and what does it have to do with Supreme Court decisions? Well, Supreme Court decisions relating to the Voting Rights Act are probably Justice Thomas's most controversial decisions.

The Voting Rights Act is an act which probably makes more sense than any other effort ever undertaken to remedy the situation caused by 232 years of American slavery. Two hundred thirty-two years of American slavery was a most criminal enterprise. Probably nowhere in the history of the world have we had a situation like those 232 years of American slavery.

We are very critical of Germany in that the current practices of Germany seek to minimize what happened in the Nazi era; that Germans do not rush to discuss what happened in the Nazi era. They do not rush to discuss the holocaust and what happened to 6 million Jews. They do not rush to discuss what happened to people with disabilities and what they did to gypsies and other people they labeled as political undesirables. They do not rush to talk about that and they do not rush to teach about that.

They have been criticized, and yet American slavery is far more ancient than the recent history of the Nazi era.

The Third Reich took place in the 1930's and 1940's.

□ 2030

Hitler was defeated in 1945. But the Civil War ended in 1865, and the Civil War was a war to end slavery. A lot of people call it different things. One of the problems they are trying to teach history nowadays is the fact that people do not want to face up to the fact that the Civil War was a war to end slavery.

The Civil War ended a cruel and inhuman set of circumstances. It ended 235 years of forced labor. It ended 235 years of the destruction of human beings. All of that is part of what we wrestle with when we try to set a new curriculum for the teaching of history. We had a lot of controversy in trying to establish a new curriculum for the teaching of history, especially American history. I sit on the Committee on Economic and Education Opportunities. I know that for some time now that the effort has been going forward to develop standardized curricula in various areas that were almost standardized so that you could compare the teaching from one State to another and then we could have a curriculum where we have a body of knowledge and we can expect all Americans to know.

Immediately there was agreement on a curriculum, a national standardized curriculum for the teaching of science. Math also, there was no great controversy over the teaching the math. I even think the arts came up with a curriculum that was pretty much accepted across the country, although it was not part of the official process. But when it came to the teaching of history, a great deal of controversy has resulted.

One of the reasons is that history has to deal with what is right and what is wrong. History has to deal with treading on people's holy ground in terms of what it is that they certify as being legitimate actions taken by their ancestors. So American history with its controversial problems with the Native Americans and what happened to them, American history with its very controversial problems related to 235 years of slavery presents us with a problem.

The problem manifests itself immediately in a current event related to how shall you handle current events as related to decisions of the Supreme Court. How should you handle current events as related to a controversial Supreme Court Justice who is making decisions which directly impact in a negative way on African American people. How should you handle the invitation to that Supreme Court Justice to come to speak to an African American school when he has made several decisions since he arrived on the court which directly move African American people in this country backwards from the forward progress that was being made over the last 10 years. How shall you handle a betrayal of Justice Thomas.

What does it have to do with burning black churches? There is an atmosphere that has been established in the last 5 or 6 years, it has been growing, escalating, an atmosphere of hate, an atmosphere of racism, coming in many different forms and directions. Some of that racism has come directly from the Supreme Court. Nobody has stepped forward to point a finger at the Supreme Court and said that this is a racist majority, that these decisions are racist. It is difficult to say that, when a black man is sitting there, when Clarence Thomas is sitting there, it is difficult to call it the way it is, that these decisions are racist with respect to affirmative action, setasides, school integration, and with respect to the Voting Rights Act.

Nobody has challenged the fact that the Voting Rights Act decisions and the other decisions related to segregation and discrimination remedies, remedies that are being attempted to take care of, to compensate for years of discrimination and years of segregation. Nobody has challenged the court's reasoning and the fact that the court seems to be hell bent on ignoring the intent of the law. The court has repeatedly used the 14th amendment as the justification for its decisions that nothing which is race based, nothing which takes race into consideration is acceptable or constitutional because the 14th amendment is an amendment which calls for equal protection under the law. Everybody should be treated equal. So the court has distorted that equal protection intent of the 14th amendment to mean that we should have a color-blind America, and the 14th amendment's purpose is to establish a color-blind America.

I think any sophomore who studies American history, certainly any law school student can look at the 14th amendment in the Constitution and clearly state that the 14th amendment, the 14th amendment was all about correcting the injustices caused by slavery. The clear intent of the law, the time in which it was established, makes it certain that it was there to deal with slavery. So because you have Justice Thomas there, the Supreme Court's logic, the Supreme Court's obvious refusal to interpret the Constitution in the context of what the framers intended, what the Congress intended at the time that it initiated the 14th amendment, what the States intended at the time they ratified the 14th amendment, the refusal to recognize that is a blatant omission that has to have a racist motivation.

They are hell bent on destroying affirmative action programs, setaside programs, and they really want to strike down the entire Voting Rights Act. Recent decisions related to Texas, related to North Carolina are moving in that direction. Pretty soon you will have the Supreme Court probably saying the whole Voting Rights Act must go because it militates against a color-blind America, where race should not ever have been considered. The 14th amendment is used as the rationale for that, and the 14th amendment certainly does not do that. The 14th amendment is established, was created and conceived, executed within the context of trying to remedy the past wrongs of slavery.

Mr. Speaker, there was a 13th amendment which freed the slaves. There was a 14th amendment which gave them, the salves, equal rights. There was a 15th amendment which gave the slaves the right to vote. If you want to look at the Constitution, you will see that the 14th amendment says much more than is usually quoted when the Supreme Court talks about equal protection. The 14th amendment really goes into other problems related to slavery. The 14th amendment talks about certain kinds of property arrangements and criticizes, and makes it clear that it is concerned with other aspects of correcting injustices done by slavery.

So I want to come back to the Constitution and the 13th, 14th, and 15th amendments. I also want to take a look at another reference to race within the Constitution, which came earlier. Article I of the Constitution refers to three-fifths of all of the persons, which everybody knows meant slaves, and that is still in our Constitution. Our Constitution is not without reference to slavery. Our Constitution clearly shows that we have a problem, America has a problem that should be remedied. Part of the remedy was undertaken in the 13th, 14th, and 15th amendments to the Constitution after a terrible Civil War has been fought over the issue of slavery.

The burnings of the black churches in the South relate to the fact that we still have this unfinished business that nobody wants to take care of. So from time to time we do things, we get into an era of 4 or 5 years where we are going backwards on race relations. We are saying and doing things at high levels of government that encourage the people at lower levels who have problems out on the fringes of society who believe in violence, who have deep-seated hatreds and prejudices that they cannot control. They get out of hand because they hear a message coming from the top that we want to roll back the clock and deal with these people in a different manner. It happened in Hitler Germany. It happens from time to time in this society.

Mr. Speaker, the best remedy for it of course is what happened today. That all the leadership, Republican, Democrats, the Speaker, the Democratic minority leader, everybody moved in immediately to try to send another message about the violence that is occurring.

Immediately we want to make certain that they understand that we are not in favor of those kinds of actions. On the other hand, we are undertaking from day-to-day activities which send a different message. When you have extreme budget cuts and those budget cuts fall primarily on the poorest people in our society and 60 to 70 percent of the poorest people in our society happen to be the descendants of slaves, they happen to be African Americans, I mean 60 to 70 percent of the descendants of slaves happen to be poor. African Americans are in that category, living in large cities. The hostility toward large cities is clearly manifest by the kind of legislation that has been promulgated by the Congress over the past 10 years, hostility toward the cities where we are taking away resources, destroying programs that help the populations in the city, the urban population from transportation programs to programs for housing, you name it.

Clearly everything that benefits people in the cities has been dealt with in a very negative way over the last 10 years. So these kinds of policies economic policies, budget policies, coupled with attacks on affirmative action, attacks on the Voting Rights Act, attacks on set-asides, when you couple them all together, it sends a message that we really do not want to deal with atoning for the terrible sins of slavery. We do not want to deal with trying to compensate for 235 years of forced labor, brutality, murder, rape. We do not want to deal with that.

I do not want to be misunderstood that I do not appreciate and am not grateful for the action taken today. I certainly think we acted in the most noble way in dealing with the burning of black churches in a forceful piece of legislation today. I agree wholeheartedly with the statement made by Democratic leader GEPHARDT last week when he called upon the Speaker to take immediate action to vote on a resolution condemning the burning of African American churches throughout the South.

Mr. GEPHARDT stated that we are here today, quoting from his statement of last Wednesday, June 12, we are here today for a very simple reason. There is no criminal act, no criminal act more cowardly, more outrageous, more offensive than the burning of places of worship. When these acts are motivated by racial hatred, the offense is even greater. We believe that the U.S. Congress has an obligation to condemn the recent rash of church fires and then to impose tougher laws to crack down on the people who perpetuate these crimes.

We are asking Speaker GINGRICH to schedule an immediate vote on a resolution condemning the burnings of African American churches throughout the South. The American people should know that their Representatives are united against such baseless acts and are willing to do everything in their power to prevent and punish them. The next step is passing the Church Arson Prevention Act of 1996, to make it much easier to prosecute and punish those who burn, desecrate or damage religious property. We believe this can be done on a bipartisan basis. When these kinds of crimes occur, it is not just the churchgoers who suffer; it is our conscience as a Nation. The right to worship in freedom and safety regardless of race, religious faith or ethnic origin is the very foundation of our country. We pledge to do everything in our power to protect that right for all Americans at all times.

I include Mr. GEPHARDT's full statement for the RECORD:

STATEMENT BY HOUSE DEMOCRATIC LEADER RICHARD A. GEPHARDT URGING HOUSE RESOLUTION CONDEMNING CHURCH-BURNING

"We're here today for a very simple reason: there is no criminal act more cowardly, more outrageous, more offensive than the burning of places of worship. When these acts are motivated by racial hated, the offense is even greater.

"We believe the United States Congress has an obligation to condemn the recent rash of church fires, and then to impose tougher laws to crack down on the people who perpetrate these crimes.

"We're asking Speaker Gingrich to schedule an immediate vote on a resolution condemning the burning of African-American churches throughout the South. The American people should know that their representatives are united against such baseless acts, and are willing to do everything in their power to prevent and punish them.

"The next step is passing the Church Arson Prevention Act of 1996—to make it much easier to prosecute and punish those who burn, desecrate, or damage religious property. We believe this can be done on a bipartisan basis.

"When these kinds of crimes occur, it is not just the church-goers who suffer—it is our conscience as a nation. The right to worship in freedom and safety—regardless of race, religious faith, or ethnic origin—is the very foundation of our country. We pledge to do everything in our power to protect that right for all Americans, at all times."

I think that we did it today. We passed that piece of legislation, the Church Arson Prevention Act. It may be interesting to note a few facts about the church burnings. More than 30 black churches in eight States from Louisiana to Virginia have been burned in the past 18 months. That is a very important fact. It has been escalating in the last 2 months, but now more than 30 black churches in eight southern States have been burned.

The largest percentage of those burnings have taken place in South Carolina. South Carolina, I will mention later, is a special State in terms of the kind of discussion that I am putting forth about American history and the need to confront the issue of slavery and what the impact of slavery has been on our Nation and what the consequences of slavery have been on the African-American population. The State of South Carolina still flies the Confederate flag above its capitol. It has something to answer. It has some important questions to answer. What does it do to have the flag, the Confederate flag flying over the capitol, which is the capitol of South Carolina for all the people of South Carolina, including the descendants of slaves?

Another fact that we ought to consider is that almost all those arrested so far, there have been churches burned and there have been no people arrested. They have not caught any suspects or perpetrators, but those who have been arrested have been young white men. They have been typically members of hate groups, including the Ku Klux Klan, the Aryan nation and the skinheads.

□ 2045

These are facts that are very important. There are people out there on the fringes of society who have these deep seated hatreds, prejudices, and who believe in violence, and they are acting out at this time, and I say the reason that they are acting out is something that we should look at very closely. We should not just be content to pass an act today which is going to deal with what is happening right now which will contain them. That is important, to send them a message we are not going to tolerate, they do not have any sympathy in high places. We also ought to look behind the causes and understand what is going on in order to prevent a spread, an escalation, of these kinds of activities out there with respect to the acting out of race hatreds and prejudices.

Another factor is that experts say that a volatile mix of polarizing social and economic events, pitting citizens against government and white against black, has exploded in a kind of domestic terrorism that has left these churches burning across the South polarizing social and economic events and political events. The fact that South Carolina has had a great debate over the removal of a Confederate flag, the fact that there are economic tensions in that part of the country as well as most of the country because of the fact that jobs are leaving and there are fears of losing jobs and all kinds of economic fears of this generation about what is going to happen to their children; those are all parts of these events that end up pitting citizens against citizens and citizens against government, and added to that is a message being sent that in particular there is an evil related to the Voting Rights Act, there is an evil related to the set-aside programs to affirmative action. The messages are being sent that these things are part of a problem and certain people are being encouraged to focus on black churches as being the

citadels of the movement or the institution which holds together black communities. When you strike at black churches, you are striking at the heart of the black community.

One other factor that ought to be pointed out is that since early 1995 the ATF has probed 25 suspicious fires at mostly white churches. In addition to predominantly black churches or all black churches, there have been 25 suspicious fires of mostly white churches.

Now the word "mostly" is the one you look at closely. A mostly white church means that it is a white church that has black members also. It means that it is a white church that was predominantly white or almost all white before that has admitted black parishioners or black members to the congregation. Nothing is hated more in the South by the racists and by the people who are capable of this kind of activity than integration. So a mostly white church is a church that has admitted black members. That is definitely going to be a target; they are in the same category as the black churches as far as being targets of hatred. So it is the same phenomena.

I think that if you are going to get to the heart of what is happening and not have it continue to escalate, you have to go back and take a look at the history of the South, the history of this Nation and what is going on with respect to race relations. One of the irritants that keeps occurring with respect to race relations in this country is favorable of the perception that favorable treatment of African-Americans, favorable treatment of the descendants of slaves, is wrong. This upsets people and angers them a great deal. It is wrong to have affirmative action, it is wrong to have set-asides, the rewarding of contracts, it is wrong to have a Voting Rights Act which, in my opinion, is a very conservative political remedy for a very clear problem that was identified for decades.

The Voting Rights Act was fashioned as a result of trying to deal with the fact that for more than a hundred years people of African-American descent, descendants of slaves, were not allowed to vote in the south. All kinds of tricks were used. We have to wage all kinds of legal battles in the courts, we have to have sit-ins and marches and demonstrations, and on and on it went for a long time before the simple matter of allowing a black person to go to a poll and vote could be accomplished, and the Voting Rights Act was an attempt to remedy the fact that as a result of that denial to vote, a right to vote, you had circumstances that generated a situation where there was no adequate representation by blacks in government at any level. At city levels and State levels and at the Federal level you had grossly inadequate representation as a result of all of these injustices related to voting rights that have been perpetrated for more than a hundred years. The Voting Rights Act was to correct that.

So the Voting Rights Act is part of the remedies that are necessary to deal with what has happened in American history with respect to slavery.

When we teach history to children in schools like the one that Clarence Thomas visited, the school that had an awards night and invited Justice Thomas; when you teach history to those children, how do you deal with the fact that most of the history books do not discuss this 235 years of slavery and the implications of having a population enslaved for 235 years? Most of the history books do not talk about slave labor and the fact that slaves had to work for nothing. Most of the history books do not talk about the fact that for 235 years the slaves were prevented from acquiring assets.

They were prevented from acquiring property. For 235 years one generation had nothing to pass on to another generation. Most of the history books do not talk about that. Most of the history books do not want to deal with the economic consequences of 235 years of slavery.

A youngster who is black in a school with whites, whites who have a history of having had assets, property handed down from one generation to another, most people in America who have assets, overwhelming majority of people who have assets, have property in the form of homes or real estate that was handed down from one generation to another or was sponsored and financed by the older generation. Couples have parents who either give or loan them the money for the mortgage. They have situations where furniture and property, stocks and bonds, various assets are passed down from one generation to another. If you have 235 years where you have nothing, where you are not allowed to own anything, you do not have any property, you are forced to work for nothing, then you start 235 years behind, and every black youngster in a school ought to know that your self-esteem and your sense of self-worth should not be impacted, should not be affected without taking that into consideration. You cannot compare yourself with your peers who have the benefits of all of this hand-down from one generation to another, who had the benefit of what goes along with assets and property and wealth.

There is a correlation which is clear, and nobody questions it, between assets, wealth, and education. The people who have more income get better education. There are recent studies that confirm the relationship between income and achievement regardless of race. A lot of statements have been made about the fact that middle class black youngsters do not achieve in the same way that middle class white youngsters achieve. Well, when you study middle class and you define it more closely in terms of real income, and when you make the comparisons by income and you compare the income on the basis of what was the income on a steady basis throughout the life of a child, was it there when they were young and most formative? Did they lose the income as they got older? There is a study which has been done which has been very useful in this respect, and they give the big lie to the theory that income does not impact on all groups regardless of race, religion or color, including African American children. They are as susceptible to the impact of income. When they have the income in black families, they behave in just the same way as children in white families.

There is a study that recently was concluded by Greg Duncan at Northwestern University National Institute of Childhood Health and Human Development which talked about, which is entitled, Family and Child Well-being Research Network, and it is part of the effort of family and child well-being research network, and their conclusions are that when you compare the income and you study it closely and you see that in the most formative years of life children have a certain income, those white children and black children who have the same income in the formative years of life, early years of schooling, they preform in much the same way regardless of race as they grow older. When you have youngsters who lose, who do not have the income that supports a certain level of family life at the early ages, and they later acquire it when they get into high school, then you do have a problem. The change is quite significant. Those whose families had inadequate income when they were in early education situations and later acquired it when they went to high school, they do not perform as well. The income is the variable. It is the same among whites who do not have the right income level that supports the right kind of nurturing environment at early ages. The same problem results in white families and with the white children as it does with the African American children.

Studies like these are sort of widely introduced into the academic stream, and there is not much said about it. There was a book put out called the Bell Curve, which was greatly celebrated, and the Bell Curve was out to demonstrate what scientists have generally disproven over the years, that there is definitely a correlation between IQ and achievement and race, and that black people, people of African decent, are inferior with respect to achievement and with respect to IQ. These studies will show you differently and show you that there is a factor of income and a factor of nurturing that goes with income and a factor of educational level that goes with income

that has a great impact on how children achieve and on their IQ.

So, if you have a situation where for 232 years nothing was passed down, for 232 years there was no property, income was at a measly level, then the recent prosperity of African Americans in the middle class is not enough because they do not come from a tradition that was handed down that was nurtured where there was books, where there was wisdom passed all around the table by people who were already educated. There is a whole culture that comes with income at a certain level, and the culture was not there to nurture educational achievement and to nurture IQ.

So the youngster, the child, who is African American in a public school needs to know that there is a whole history back there you have no control over. There is a whole history where you were deprived of the opportunity to pass on assets and property, and for that reason, for that reason, it is not a great shame for the society to develop programs which are going to seek to compensate for those 232 years and the tradition that they failed to hand down for those 232 years and the property that they fail to hand down. Affirmative action compensatory education programs become vital if you are going to try to remedy the evils of 232 years.

Justice Clarence Thomas says no. All of a sudden, although he is the beneficiary of compensatory programs, all of a sudden they are programs that might make people too reliant or too dependent. He has benefited in many ways, but now he joins with a group of racists on the Supreme Court to interpret the 14th amendment to mean that you cannot take race into consideration in trying to foster programs which are seeking to remedy and to compensate for and to counteract 232 years of slavery, and 100 years after that, by the way, of very intensive pressure.

There is an article that appeared in the Washington Post this past Sunday by Lynn Cooper, and that article talked about slavery that existed long after the Civil War, after the Emancipation Proclamation and after the 13th, 14th, and 15th amendments, slavery that was permitted by governments in the South, slavery that never was sufficiently challenged by the National Government, the Federal Government. He talks in great detail. It is a long article this past Sunday, June 16, in the Washington Post Sunday Style section by Lynn Cooper. It gives concrete examples of what happened as the share cropper system and the peon system and various other systems developed, which endured for almost 100 years after the Emancipation Proclamation.

□ 2100

So all of these things become a part of what history should teach, and if it fails to teach, it denies a basic ingredient to the public discourse and the public dialogue which one day might get it all straight and be able to deal in a more intelligent way and a more sympathetic way and a way which is more in the national interest and than we are presently doing.

If you do not look at history and acknowledge the truths of history, you are going to make decisions which are going to be distorted and continue to warp the public discourse and the public decision-making process. We are in that period now. We are right now in a period where the Voting Rights Act is about to be struck down, and yet that is probably the one piece of legislation which is most crucial to the correction of the 235 years of criminal slavery and the aftermath of that slavery.

The Voting Rights Act does put, not only in the Congress but in the State legislatures and in the local councils and local governments, put in place people who represent the descendents of slaves and who will be able to take action on an ongoing basis to have a point of view which is going to help correct some of the numerous problems that still exist in our society as a result of those 235 years of slavery.

The church burnings are there because at the top the Supreme Court is saying, blacks, you have been too arrogant. Blacks, you have demanded too much. Blacks, you do not deserve special treatment. Blacks, you are taking away from other people. The Supreme Court sends down that message.

The Congress of the United States says, blacks, you do not deserve to have programs which provide aid to poor people. A large percentage of your people are poor, but that is a crime that you have committed, being poor. Being poor has nothing to do with 235 years of slavery. Being poor has nothing to do with schools that for a long time were not equal. They were separate but not equal, schools that right now are still in horrible shape in our urban centers, where most black youngsters go to school All this has nothing to do with your condition. All this has nothing to do with the crime rate. All this has nothing to do with the high rate of blacks on welfare. Let us dismiss all of this. Let us not accept it as being there. It is not real.

In South Africa they have a truth commission. The truth commission has been appointed, not to get revenge, and not even to punish many people who are still living who committed gross and obvious crimes during the period when apartheid existed. They just want to tell the truth. They want to get it out. Nobody is going to be punished in many instances, but just tell the truth as to what is happening with the police and oppression, what is happening when people were put off their land by trickery and by various devices that were developed by the government. Tell the truth, no vengeance.

I said before on a couple of occasions here, especially in connection with Haiti, that reconciliation is more important than justice. Reconciliation sometimes is the only thing possible. You cannot get justice. In Haiti, they do not even have the resources to build jails and prisons for all the people who murdered people over a 3-year period after President Aristide was kicked out of Haiti. Five thousand people were killed, 5,000 people brutally murdered. Other people were tortured. All kinds of things happened.

But if they put their meager resources to work building prisons, trying to set up a court system, and paying attention only to getting justice, they would have nothing left over to build an economic system, to develop jobs and do other kinds of things that have to be done. They have to give up. There will be no justice. Reconciliation is what President Aristide is forced to preach.

It probably makes a lot of sense. The deep philosophy of Christianity, that vengeance belongs to God and turning the other cheek, a lot of things that have been ridiculed about the Christian religion, makes a lot of sense in the context where if you are in a situation where you do not have the capacity to get justice, then certainly life must go on and reconciliation becomes the only possibility.

I think Abraham Lincoln when he said malice towards none understood that very clearly; that to seek justice would have led to more chaos, guerrilla warfare, all kinds of confusion, but the malice towards none, and the fact that the Congress in the next 10 years proceeded to absolve all of the people who rebelled against the central government from any crimes, to give back property that had been threatened, all kinds of things were done to smooth it all out, going to an extreme. The malice towards none led to wiping out, taking a position of amnesia, that there was no crime committed. There were no crimes, there are no victims.

The 40 acres and a mule was promised by the Freedmens Bureau. The Freedmens Bureau was a social program, the very first social program the Federal Government ever financed. It probably had the shortest life, also. It endured for about 10 years a little less than 10 years. But the Freedmens Bureau was attached to the Union Army, and they at one point started experiments where slaves were given 40 acres and a mule in order to farm the land that had been owned by the Confederates, people who supported the Confederacy. That was an extensive measure that probably went to the extreme.

President Johnson wiped all that out with a decree, and Congress later on gave back all the lands. They went from one extreme of taking everything away from the southern plantation owners to giving everything back to

them and making no provision for the slaves who had labored for 235 years for no compensation. So we went from one extreme to another, and then we went into a period of amnesia, wiping it all out and acting as if it does not exist, so much so that when the Confederate flag is flown now, people do not understand why the victims, the slaves or the descendants of slaves, should be upset in South Carolina.

Why should they care about the Confederate flag being flown? After all, brave men died. We do not want to trample on memories and deeds of the brave men who died under that flag, but we do not think you are acknowledging history properly if you insist those brave men's flag must fly over the State Capitol and be the flag that has to be honored by the victims who, in large numbers their descendants still exist.

In fact, South Carolina, the State where you have the most church burnings, also happens to be the State that had the largest slave population. There is a book called Slavery and Social Death by Orlando Patterson which breaks out the populations for slaves in this country during certain periods when they were counting, and it talks about the fact that each State had a certain percentage of the population that was a slave percentage.

There were times in America where certain States had more slaves than other States, and South Carolina probably was in the worst shape. South Carolina is the State which has the most church burnings. South Carolina is the State which has a Confederate flag flying. There has been a lot of controversy about it. The oppressive previous government of South Carolina before the Civil War, everybody has amnesia about that, does not want to acknowledge that. They were heroes, the flag must be flown.

In 1708, 57 percent of the population of South Carolina were slaves, according to the records that were offered in this very thorough book called "Slavery and Social Death" by Orlando Patterson, published in 1982 by Harvard University Press. If you would like to get it, it is in the Library of Congress, and I am sure it is in other libraries.

South Carolina in 1708 had 57 percent of its population that were slaves. In 1720, 64 percent of the population of South Carolina was slaves. In 1830, they still had 54 percent of the population who were slaves. In 1860, 57 percent of the population were slaves. These are official counts that the States themselves used, because each State benefited by properly counting its slaves, or sometimes maybe overcounting them, but they were willing to offer these figures, and they were verified to some extent by national census takers. In 1860, 5 years before the end of the Civil War, 57 percent of the people of South Carolina were slaves. More slaves existed there than other people.

This is significant because if we look at the other Southern States we find similar patterns where large percentages, and at one point Virginia had as much as 45 percent of the population who were slaves. Mississippi had 55 percent in 1810, and Louisiana had 51 percent in 1830; you know, populations of slaves greater than the other people, and yet all of these victims and their descendants are sort of not to be regarded in the present situation which exists where we want to ignore and forget about the existence of slavery.

What am I trying to say? It is kind of complicated, but what I am trying to say is that all these various items that I have talked about here relate. The burning of the black churches is a symptom of a disease that runs in the blood of America. Every now and then that disease breaks forth, and the boils and the canker sores show themselves. They will get worse if you do not take action.

We took action today to start reversing that, but the disease has to be dealt with. We are not dealing with the disease when we have Supreme Court decisions which strike down the Voting Rights Act. We are not dealing with the disease when we attack affirmative action. We are not dealing with the disease when we go after set-asides for Federal contracts. We are not dealing with the disease when we have extremist budget cuts which cut programs that benefit the descendants of slaves who live in big cities on a regular basis. The hostility shown by the Congress and its policies are aimed at that population.

We are not dealing with the disease in the blood of America. We are not dealing with the disease when we fail to teach history that at least tells the truth and states the facts so you would have a chance of getting at the truth. We are not dealing with the disease when we allow black children to accept a Supreme Court Justice like Clarence Thomas as a role model without challenging that. It was challenged, and that is part of what I want to talk about, because it all relates.

When Justice Thomas was invited to speak to an awards ceremony at a school in Prince Georges County by a teacher, a school board member, once he heard about it, it happened to be a school in the district that he represented, once he heard about it, he challenged it. He said, given the fact that this is a predominantly black district, these are children who are black, they ought to know more about Clarence Thomas and the kinds of decisions that he is making, and we ought to have a way to communicate that if he is going to come to the school. An awards ceremony where he comes and makes a presentation and nobody has a chance to talk about him or he talk and answer any questions, so forth, that is not the appropriate arena for having a controversial figure like Clarence Thomas come and interact with black children.

I think this was a most appropriate challenge by Kenneth Johnson of the Prince Georges County Board of Education. I think Mr. Johnson was right in questioning. I do not think this was a matter of questioning free speech prerogatives of Mr. Thomas or the people who wanted to hear Mr. Thomas who were adults.

However, we always apply free speech differently when we are dealing with children. We do not allow free speech to predominate on our airways or in any arena, books. Nowhere do we say that free speech should be the order of the day when we are dealing with children. We make exceptions for children. If children should not see pornographic films, if children should not read pornographic passages in books, if children ought to be protected from pornography, if one of these days we are going to get around to properly protecting children from violence on the screen and violence in books and so forth, children are in a different category.

We do not protect adults. It is pretty clear. The Supreme Court says you do not have a right to apply those same standards to adults but you do have a right for children. So children should be protected against political fraud. They should be protected against the situation where they are asked to accept someone as a role model when that person is taking actions which directly are detrimental to them and their parents and to future generations.

How do you handle that? I think Mr. Thomas should clearly have been allowed to come to speak once he had been invited, but I think that the school board and the people responsible should have taken the responsibility of setting up an alternative forum of supporting Mr. Johnson and having it known exactly what Mr. Johnson was concerned about.

There is the bigger issue of how is Mr. Thomas going to be handled in the curriculum in the future. He can be handled in one way in the curriculum, and standardized curriculum across the whole country. You can handle it straight factually: He is a conservative, he is a man who turned his back on affirmative action that helped him, he is a man who is very hostile to policies and programs that promote opportunities for his own people, opportunities that are designed to correct the past injustices of slavery and discrimination and oppression. You could say factually that is the case.

But there should be an addendum to that curriculum in areas where black children are being taught. There should be clearly an opportunity to have a greater discussion of what that means. There should be a clear way to discuss

the fact that large percentages of the black population have branded Justice Clarence Thomas as a traitor to his own people.

What does it mean to be a traitor? Benedict Arnold was a traitor. Everybody accepts that. Benedict Arnold was a traitor. I do not think that necessarily the British schoolchildren of that time would call Benedict Arnold a traitor. Benedict Arnold may be called a hero in England in the service of the king. Benedict Arnold might have been given some great justification for his actions. The king and the people who supported keeping the American colonies as part of the British Empire might have argued that Benedict Arnold was a champion of law and order, that the colonists had no right to rebel against the lawful government of England.

They could argue that, and make a case for it, and make him a hero in the schools for the children of the British back in England. clearly he was a traitor here, because we had already taken another course. Right and wrong had been defined by the Declaration of Independence.

□ 2115

Thomas Jefferson talked about certain inalienable rights. He talked about self-evident truths. He did not deal with the fine points of English law. If he had continued to try to negotiate with the King and negotiate with the British, we would still probably be a colony of England. But he called upon higher powers and declared that there are some self-evident truths, that there are some inalienable rights. There is a right and a wrong.

This Nation said when Abraham Lincoln was mourned and lifted up as one of the greatest Presidents of the United States, there is a right and a wrong. Abraham Lincoln who presided over the war against slavery, he represents the right. The whole civilized world looks to Abraham Lincoln as a person who was right in a controversy that some people want to still argue about. It was right to end slavery in America. It was right to go to war and have the bloodiest battle ever fought by Americans, fought on the soil of America, to get rid of that slavery.

America would be in a very different position if two nations existed, one slave and one free, at the time Hitler came to power. We might have had on our very continent allies for the kind of philosophy that Hitler was advocating.

All kinds of things could have happened if the rightness of Lincoln's position had not been enforced by a challenge to the Confederacy.

There is a right and a wrong internationally. Lincoln is a great hero. The Prime Minister of Czechoslovakia, the first Prime Minister after Communist rule was overthrown, visited the White House and Mrs. Bush, upon the occasion that the Congressional Black Caucus was visiting the White House, she explained that when he came into the room where Lincoln had stayed and where the Emancipation Proclamation was signed, he looked at the Emancipation Proclamation and he broke down in tears.

Here is a man from Czechoslovakia, a man who had been under Communist rules, had been in prison, his great idol was Abraham Lincoln, and the Emancipation Proclamation, which was a Presidential Executive order that set the slaves free, brought him to tears immediately.

So internationally, in the court of international morality and justice, Abraham Lincoln was right and the other folks were wrong. Slavery was wrong. We have made that decision. Our textbooks are to reflect it that way. We are to recognize that that is the national norm.

If slavery was wrong, then remedies to correct the aftermath of slavery, remedies to correct the residue of the criminal actions of slavery, they have to have some kind of validity. The Voting Rights Act has to have validity. The Constitution has to have interpretation and must not be distorted by a racist Supreme Court that refuses to recognize that race in the Constitution is mentioned.

We are mentioned several times, starting with article 1, where they talk about three-fifths of all other persons, they are clearly referring to slaves. Everybody knows the intent of the Constitution. Nobody has challenged the fact that three-fifths of all other persons means three-fifths, that each slave, male, should be counted as three-fifths of a person when you are counting the population of America. And they correct that when they get to the 13th and 14th amendment where they set free the slaves in the 13th amendment.

The 13th amendment states: Neither slavery nor involuntary servitude, except as a punishment for crime whereof the party shall have been duly convicted, shall exist within the United States, or any place subject to their jurisdiction. That is the 13th amendment.

The 14th amendment, which is the subject of controversy, the 14th amendment which is being used by Sandra Day O'Connor and her colleagues on the Court as justification for calling for a colorblind America, the 14th amendment has section 1, section 2, section 3, section 4, and section 5, and I want to submit for the RECORD, just to have people reminded, the whole 14th amendment.

Mr. Speaker, I submit for the RECORD the whole 14th amendment.

AMENDMENT XIV[1]

Section 1. All persons born or naturalized in the United States and subject to the jurisdiction thereof, are citizens of the United States and of the State wherein they reside. No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any State deprive any person of life, liberty, or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws.

Section 2. Representatives shall be apportioned among the several States according to their respective numbers, counting the whole number of persons in each State, excluding Indians not taxed. But when the right to vote at any election for the choice of electors for President and Vice President of the United States, Representatives in Congress, the Executive and Judicial officers of a State, or the members of the Legislature thereof, is denied to any of the male inhabitants of such State, being twenty-one years of age, and citizens of the United States, or in any way abridged, except for participation in rebellion, or other crime, the basis of representation therein shall be reduced in the proportion which the number of such male citizens shall bear to the whole number of male citizens twenty-one years of age in such State.

Section 3. No person shall be a Senator or Representative in Congress, or elector of President and Vice President, or hold any office, civil or military, under the United States, or under any State, who, having previously taken an oath, as a member of Congress, or as an officer of the United States, or as a member of any State legislature, or as an executive or judicial officer of any State, to support the Constitution of the United States, shall have engaged in insurrection or rebellion against the same, or given aid or comfort to the enemies thereof. But Congress may by a vote of two-thirds of each House, remove such disability.

Section 4. The validity of the public debt of the United States, authorized by law, including debts incurred for payment of pensions and bounties for services in suppressing insurrection or rebellion, shall not be questioned. But neither the United States nor any State shall assume or pay any debt or obligation incurred in aid of insurrection or rebellion against the United States, or any claim for the loss or emancipation of any slave; but all such debts, obligations and claims shall be held illegal and void.

Section 5. The Congress shall have power to enforce, by appropriate legislation, the provisions of this article.

Section 1 states:

All persons born or naturalized in the United States, and subject to the jurisdiction thereof, are citizens of the United States and of the State wherein they reside. No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any State deprive any person of life, liberty, or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws.

Who are they talking about particularly, specifically? The 13th amendment that came before freed the slaves, but the 14th amendment is talking specifically about slaves, or people who were just freed from slavery, and the

[1]The Fourteenth Amendment was ratified July 9, 1868.

14th amendment is there primarily to deal with the descendants of slaves.

To argue that it is there to promote a colorblind America is to distort the Constitution, to throw out any concern about what the Congress meant when they wrote this, what the States meant when they drafted it. We never do that on any other laws. We are always looking for the intent of the Framers, what the law says. All that is important. Why all of a sudden is it not important that the 14th amendment was drafted, written, ratified in response to correcting the ills of slavery, establishing the fact that these people who have just been set free shall also have equal right, equal protection under the law, these people are the people who were slaves and their descendants.

Section 2, this is in the same 14th amendment. If you want to challenge my contention that the 14th amendment is about slavery and correcting the ills of slavery, take a look in section 2, section 3 and section 4. Take a look at what they say. They are talking about situations which are related to correcting the upheaval, the situation that resulted as a result of rebellion against the United States.

In Section 2, I will not read it all, they state: "But when the right to vote at any election for the choice of electors for President and Vice President of the United States, Representatives in Congress, the Executive and Judicial officers of a State, or the members of the Legislature thereof, is denied to any of the male inhabitants of such State, being 21 years of age, and citizens of the United States, or in any way abridged, except for participation in rebellion, or other crime, the basis of representation therein shall be reduced in the proportion which the number of such male citizens shall bear to the whole number" except in rebellion, participation in rebellion.

When the 14th amendment was written, they still had rebellion of the Confederacy on their mind. Section 2 makes it clear that they had that in their mind.

I will read all of section 3:

No person shall be a Senator or Representative in Congress, or elector of President and Vice President, or hold any office, civil or military, under the United States, or under any State, who, having previously taken an oath, as a member of Congress, or as an officer of the United States, or as a member of any State legislature, or as an executive or judicial officer of any State, to support the Constitution of the United States, shall have engaged in insurrection or rebellion against the same, or given aid or comfort to the enemies thereof.

They were concerned about the carryover and what was left over from the situation of the Civil War which was fought to end slavery.

Section 4. The validity of the public debt of the United States, authorized by law, including debts incurred for payment of pensions and bounties for services in suppressing insurrection or rebellion, shall not be questioned. But neither the United States nor any State shall assume or pay any debt or obligation incurred in aid of insurrection or rebellion against the United States, or any claim for the loss or emancipation of any slave; but all such debts, obligations and claims shall be held illegal and void.

The 14th amendment was not concerned and preoccupied with colorblind America. It was preoccupied with slavery, the Civil War, the aftermath of the Civil War, with dealing with people who had rebelled against the Federal Government. I offer this in the hope that somebody would go back and reread it, and especially the Supreme Court Justices who dwell on one section and refuse to accept the 14th amendment in its total context. It is distorted and twisted.

Kenneth Johnson did a great service when he pointed out that Justice Thomas is a part of this process of distorting the 14th amendment in what results in a racist series of decisions by the Court to roll back the clock and end various constructive kinds of things that have gone forth as a result of interpreting the 14th amendment in the proper way and understanding that the 14th amendment was the chance to deal with the problem of slavery in the proper context.

Mr. Speaker, I was going to also give an example of how a recent book by Daniel Gohagen called "Hitler's Willing Executioners" confirms the kind of situation I am talking about where if you fail to deal with underlying prejudices and hostilities in a society, it will blossom forth in a diseased way and sometimes it will get out of control. Certainly, if the central government and leaders of government condone it and encourage it, it gets out of control.

I would like to end my remarks by saying, by taking actions against the church burnings in a forceful way today, we have shown that the leaders of this central government will take firm action against such activities and elementary and rudimentary efforts have been taken to stamp out this disease. We need to go further and try to get to the root causes.

PROTECTING AMERICA'S PATENTS

The SPEAKER pro tempore (Mr. FOX of Pennsylvania). Under the Speaker's announced policy of May 12, 1995, the gentleman from California [Mr. ROHRABACHER] is recognized for 60 minutes.

Mr. ROHRABACHER. Mr. Speaker, I agree that we voted today to get to the root causes and to condemn the hatred that resulted in the warped mind that resulted in the burning of black churches in America, or synagogues or any other kind of churches, that this is not something we can tolerate in America.

But let us say the root causes of that type of bigotry are found in the same type of actions that try to limit people's right to speak because they disagree with you. They feel you have a right to prevent someone from speaking, whether at a high school graduation or a college graduation. Discourtesy is one step away from tyranny, and I have seen that throughout my life.

Clarence Thomas is a man of extraordinary courage, honor, and intelligence. He has stood up against a liberal political machine that he knew would try to destroy him personally rather than debate his ideas. It is tragic that this mean-spirited attack continues on Justice Thomas. He deserves the respect of America and at the very least he deserves to be treated courteously. Unfortunately, many liberals do not know what the meaning of courtesy is.

With that, let me say that one thing about America is that we have diverse values. This is something we rejoice in. We are a land of diversity. People cannot say it enough. This is a blessed land. Yes, it has faults, many faults. We will work together as Americans who love freedom to try to fix those faults.

That is the way it has been since our founding. We had a lot of faults back then. While I am grateful to our Founding Fathers and our founding mothers, I do not idealize them as being perfect. But in those days 200 years ago, they did have a dream and they did give us something to work with, and we have built a great Nation. They began that great Nation and expect us to try to perfect it.

Our Nation was founded not by Puritans alone—Puritans played a role in it—but also by malcontents, nonconformists, individualists, pathfinders, free thinkers, explorers, developers, people who were fiercely independent and lovers of freedom. Yes, there were also slaves that were brought here against their will, and we tried to correct that which was a major blot on America's soul.

They were an optimistic lot, those Americans of 100 and 200 years ago, firmly believing that with liberty and technology, ours would be a shining city on a hill, a beacon of hope for all mankind, where our problems and our faults would be corrected but where the common man, even then, through hard work and responsible behavior could raise a family in decency, and all would have an opportunity to improve themselves and build a Nation as they did.

This may sound like hyperbole but it is not hyperbole. Yes, we had faults, let us admit it. But the fact is we also had dreams. Those who founded our country were dreamers. They could see fields that would feed a hungry world and factories that would raise the standard of living of working people, and in times of great peril would become an arsenal for democracy to which freedom-loving people of the world could turn for salvation.

They knew America would succeed. The fundamentals were here. Freedom, guaranteed rights for all people. Yes, in the beginning it was not all people. Today we have not totally reached that dream but that is what we are trying to do. Here was also this richness of diversity that would make America unique among the nations.

□ 2130

Our new country would not be held together by a common culture or common race or common religion. No, it would be a love of liberty that would unite us and a commitment to the principles of liberty and justice that would hold us together. One thing else gave them an unbridled positive view toward the future. They believed that technology would lift the standard of all human beings with the production of new wealth.

America would not be about dividing wealth, it would be about building, planting, engineering, and creating new wealth. After all, we were the most undeveloped country of the world at that time. Thomas Jefferson's home in Monticello is filled with his personal inventions, inventions of little technologies that he know would help lift some of the burden right there on his own farm and, if emulated, lift the burden elsewhere throughout the country.

Ben Franklin was not just the grand old man of the American revolution. He was an internationally acclaimed technologist, having invented the potbellied stove, bifocals and having experimented with electricity. I do not even know if children these days, when they read their history books, know about Benjamin Franklin and his technological endeavors. They might not even know about Ben Franklin, for all I know.

Well, it is no coincidence that our Founding Fathers wrote into our Constitution a mandate for the establishment of a national Patent Office where any person could register an invention and would have a guaranteed property right to ownership of that innovation for a specific number of years. This was to ensure that inventors and investors would have an incentive to create the means to solve problems and to uplift the standard of living of our people. The guaranteed patent term works. America had the strongest patent laws in the world and our people reaped an unimaginable reward.

It was no mistake that it was here that Robert Fulton created the steamboat. How many people know that the steam engine was created long before Robert Fulton? In fact, in ancient Greece, there was a steam engine, but they did not believe the common person should have burdens lifted off of his shoulder, and in fact a steam engine had been put on a boat crossing the Rhine River much earlier but the boatmen gathered round and the boatman's guild forced that steam engine off the boat. But here Robert Fulton was able to put that steam engine on a boat and able to patent that concept and to create a piece of equipment that would change the world and uplift the standard of living of mankind.

What about Eli Whitney's cotton gin, which created enough clothing for people to wear and brought down the price of clothing, or Cyrus McCormick's reaper, or Thomas Edison's electric light bulb, or Sam Morse's telegraph, or Alexander Graham Bell's telephone, things that changed the world forever. Where were they created? Where were they invented? Right her in the United States.

In the late 1880's, it was seriously suggested, in fact, because our people had been so creative and created so much that the Patent Office be shut down because, "Everything that can be invented has been invented." At that very moment, two working men, brothers who owned a modest bicycle repair shop, were working on a machine that would lift mankind into the heavens.

Mr. Speaker, the Wright brothers demonstrated the indomitable spirit, what was hailed as exemplary, as the best of our country. Yet these two people were basically on their own. They had some investors. They were not men of education or wealth. They were ordinary working people who changed the lives of every person on this planet.

So why has it been America? Why was it that those two individuals were able to succeed? Certainly not our race because we have many different races and ethnic backgrounds. It certainly was not our religion. We have many religions. It is not our great universities. The Wright brothers never went to college, although I will have to admit our educational institutions certainly have helped this. The genius, the unparalleled inventiveness of our people can be found in the fact that our laws have protected inventors.

We have had the most stringent and all-encompassing patent laws and patent protection of any country of the world. Our laws have fostered private investment in innovation. The mainspring of America's progress can be found, above all else, in the guaranteed patent term and the honest enforcement of our laws, so that inventors knew their rights would he recognized and protected, investors knew they would be permitted to reap a reward for risking their money they invested in unproven technology.

One of the lesser known inventors in America, a man who had tremendous impact on the living of our people, was a man named Jan Matzeliger. He came from the humblest of beginnings and for years he was eating corn mush and just barely surviving. Because he was an American of Color, a black American, he suffered unforgivable discrimination, turned away even from churches where he sought to worship God. As he labored in a shoe company, strenuously stretching, cutting and stitching, he visualized a machine that would revolutionize production. With little education, he wrote and traced his idea for a complicated piece of equipment.

Living in poverty, he found a couple of old cigar boxes and strings to simulate a working model, and although he had no status, no credentials and certainly no collateral, he caught the ear and the eye of two investors who bankrolled his venture for a hefty share of the profit. On March 20, 1883, a patent was issued by the U.S. Patent Office.

Within a few years, Matzeliger's "lasting machine" is what it is called, "lasting machine" was standard equipment for shoe manufacturing. The price of shoes began to drop as the average worker, instead of putting out one or two pairs an hours, could put out 50 pairs an hour. The price of shoes was cut by 50 percent. Untold millions of people benefited from Matzeliger's invention. For Matzeliger and his investors, they had the guaranteed patent term of 17 years in which to reap the rewards of an innovation that had uplifted ordinary people. Matzeliger lived a fruitful life and a full life. When he died, he left a considerable sum of money to the churches of his community. But it was stipulated in his will that none of the money should go to any church that turned him away because of the color of his skin.

America should have respected all the rights of all of its citizens, but even in that great time of discrimination, the rights of technological ownership, through the patent law, was so ingrained in our people that the patent rights of black Americans and people of color were protected. This commitment served our Nation well.

Now, I am not saying that all of the patent rights and all the property rights of black Americans were protected because they obviously were not. But obviously they were protected to the point where this black American was able to benefit greatly from his invention. America went on and basically the history of our country can be seen in the development of these new technologies. We went from a desolate frontier to a powerhouse of freedom and opportunity. There were those who see the fundamental changes in America, and they are trying to affect what we do in America and they believe in America. But sometimes people who are trying to affect the course of our history are not so up front about their goals for our country.

One of the things Bill Clinton did after becoming President, one of the first things he did was to send Bruce Lehman, his appointee, to head America's Patent Office to Japan. Now, is that not funny? Right after getting elected, he appoints someone to head the Patent Office and immediately

sends him to Japan. There, Bruce Lehman, the new head of our Patent Office, concluded a hushed agreement to harmonize America's patent law to that of Japan's.

Now, we got almost nothing in exchange for the changes, for exchange for our changes. We got almost nothing in exchange in the sense that the Japanese law did not change almost anything. In fact, there were just a few anemic restrictions that were placed on Japanese corporate interferences and that is about it. But we, on the other hand, changed and agreed to totally harmonize our patent law with that of Japan. Now that may sound really strange to the American people. It may sound really strange to our colleagues that someone goes overseas and makes an agreement to change the basic law of our land, which has been in place since the founding of our Constitution, and make it mirror that of a foreign country.

We did that in exchange for some little anemic change in the Japanese law. By the way, that promise may be very similar to Japan's promises to open their markets. Decades ago, Japan promised us they would open their markets, and basically they promised and they promised and they promised. Yet decades later, we still are having trouble getting our goods into the Japanese market. Perhaps this even weak little thing that they gave us in exchange for totally changing our patent law, maybe they will treat that the same way as nothing more than scribbling on a piece of paper. In the meantime, Bruce Lehman and multinational corporations, are doing their God-awful best to change our patent law, our fundamental patent law. They made the agreement with the Japanese to do it.

Mr. Speaker, now they are coming here with legislation to the Congress to fulfill their promises to change or law and make it like the Japanese law. Well, they tried to do it as quickly as possible and as quietly as possible. Step No. 1 was eliminating that guaranteed patent term of 17 years. This has been a right of Americans for American inventors and American investors for 134 years; before that, it was a guaranteed patent term of 14 years. But it was always a guaranteed patent term. No matter how long it took you to get your patent issued, once you had applied, if it took them 10 years to get it issued, you would still have 17 years of guaranteed protection.

Well, trying to keep this downgrading of American patent rights quiet while, instead of coming to Congress originally with the very first attack on the patent system, and that is the legislation of changing our patent laws, a provision was snuck into the implementing legislation for the General Agreement on Trade and Tariff. Now that may sound odd as well. But you see, if you put something in that implementing legislation for the GATT Agreement, Congress was only able to vote up or down on this one omnibus bill. No amendments were allowed. Thus, a Member of Congress would be forced to vote against the entire world trading system in order to vote against changing our patent law.

Many Members of Congress had no idea that they put this into there because this was total, the tactic was a total betrayal because we were told that the only things that would be put into the GATT implementation legislation was that which was required by GATT itself. It was a betrayal on our citizens. The Members of Congress should understand that that indicates some foul play is going on. GATT again did not require the eliminating of the guaranteed patent term, so it should never have been put in there in the first place.

Well, I created a stir when I found out that in the GATT implementation legislation was this unnecessary or unrequired provision, something that would dramatically change our laws, and so that was 1½ years ago. I was promised that there would be a chance to correct this part of the implementing legislation, that eventually on the floor we would get our chance to change this.

Well, changes in the patent term of course are not easy to understand. Those people who are trying to fundamentally change how our Government has acted and what or fundamental laws are on the patent term know that this is a difficult issue for people to understand. They are relying on that ignorance, on that inability of Americans to focus on the intricacies of these kind of laws in order to do us in and to bring down America as the No. 1 leading economic power in the world.

Traditionally, when an American inventor or investor has filed for a patent, no matter how long it took, remember this was the traditional law, the Patent Office could take as long as they wanted, and many of the major patents take 5, 10, even 15 years. But once it was issued, there was a guaranteed patent term of 17 years to reap the benefits of new technology. Foreigners or anybody else would use that technology who have to pay royalties to those people who invented the new technologies. Again, it was their right to a guaranteed patent term of 17 years, and up until 1½ years ago, when that provision was snuck into GATT and the first move to harmonize our system with Japan's was put in place. During the time before, and this is before this change, when the patent was issued, everyone was secure in knowing they would have that 17 years of full benefit.

This system not only encouraged inventors but it encouraged investors. Thus private dollars by the billions have been allocated in our society for developing new technologies. Matzeliger's two investors knew that, no matter how long it took him to get that patent, that, once he got it, they all would benefit from this invention because they would have a guaranteed patent term of 17 years. We did not rely on Government bureaucracy. We relied on private investors. We did not rely on taxes by the Federal Government. We relief on innovation through the private sector because we gave people an incentive to invest by guaranteeing a patent term.

□ 2145

We relied on freedom and the profit motive. Well, the new system, which is nothing more than the Japanese system superimposed on us, is much different, though again it is very hard to understand the significance of these changes and these differences.

Under the new code, and that is under the code that was put in under this GATT implementation legislation, the day that an inventor fights for a patent, that day 20 years later he has no more rights, he or she has no more rights to that patent and to that technology. Twenty years later, and the time is up.

If it takes 10 years, and, by the way, this is the system now in place that replaced the old system, if it takes 10 years for a patent to be issued because the bureaucracy is slow or outsiders are trying to slow down the process, in the past the investor still had the guaranteed patent term of 17 years, even if it took 10 years to issue. Under this new system, after 10 years one-half of the investor's patent term has been eaten up. He or she only has 10 years left. In other words, the clock is ticking against the inventor, against the innovator, and not against the bureaucracy.

Now, anyone who has studied the process knows that it is not unusual for breakthrough technologies, that is the innovations that change the world, these are the innovations that we as Americans always invented, that the innovations that produce the tens of billions of dollars of new wealth often take from 5, 10, and even 15 years for a patent to issue.

For example, the laser took 21 years before the patent was granted. That means under the new system, the inventor of the laser would have received no benefit, zero benefit, from his invention, and the investors in that project would have reaped no benefits. The microprocessor took 17 years. The microprocessor took 17 years. Under the old system, once it was issued that man had 17 years of patent term left. Under the new system, he would have 3 years left.

Polypropylene, the plastic they make in which they use to store milk and other containers, took 33 years before

the inventor received the patent. He would have had absolutely no patent protection, and in fact would have probably died a dissolute person knowing that his invention had been stolen from him.

Now, what does this all mean when the clock is ticking against the inventor? It means the bureaucracy and special interests, not only domestic interests, but foreign interests as well, have leverage on the inventor. During negotiations, which are part of the patent process when someone is looking to get a patent granted, he has to go through these negotiations, the inventor, if the clock is ticking against him, he can be ground down, because he will or she is vulnerable. If a patent can be delayed and the time shortened, what does that mean? Well, it means all those royalties that were once going into the bank account, if you can shorten the time period that the person actually holds that patent, because now you elongated the process and he only has that 20 years, and it is ticking against him, all those royalties that were going into the bank account of American inventors, because they have that 17 guaranteed years, now they do not have it. All that money that used to be flowing into their bank accounts is now rerouted into the account of huge foreign and domestic and multinational corporations.

To claim stolen royalties, of course, someone is eventually issued a patent. An individual must pay lawyers and legal specialists to go to court. Get the picture? The little American inventor going to Samsung or going to Mitsubishi or going to Sony and trying to beat them in court, especially in a Japanese court? The little guy in our country gets ground down. The Wright Brothers, had that law been in place, would be smashed by the Mitsubishis of the world.

Now, get that. The Wright Brothers, the equivalent of a Wright brother today, beaten down by Mitsubishi, and we end up in the years ahead with the Japanese building all of the major airplanes flown all around the world, and Japanese aircraft workers living at a higher standard of living, and our aerospace engineers living in poverty.

This system which our Patent Commissioner Bruce Lehman wants to emulate, he wants American law to be like the Japanese, has ill-served the Japanese people. It might have helped some of these big corporations and those people who run the corporations, but little, if any, innovation is born in Japan. Few, if any, inventions are started there. The Japanese are rightfully known as copiers and improvers, not inventors nor innovators. Their laws, which Bruce Lehman wants America to emulate, have permitted powerful business conglomerates to run rough-shod over their people. They have beaten down anyone who raises his or her head.

As far as technological development, in Japan an inventor who applies for a significant patent is immediately confronted with hostile interferences with the process. Pressures, official and unofficial, are applied to beat down the applicant so that by the time the patent is issued it is a hollow shell. The rewards are limited.

However, the rewards are great for some people in Japan. Yeah, the big guys, the giant corporations envelop the innovation and pay little, if anything, in royalties for the benefit they receive, or should we say steal. It is the difference between a society based on individual freedom versus collectivist egalitarianism. During the patent debate that we have been having here over the last year, Bruce Lehman, the head of the American Patent Office, constantly claimed the purpose of a strong patent law is to facilitate the dissemination of information to the society as a whole. That is the ultimate in antifreedom, collectivist freedom, and has nothing to do with what our Founding Fathers had in mind.

In our country, the rights of the individual are paramount. These patent laws were meant to protect individuals' property rights over the rights of necessarily some huge interest group claiming to speak for the benefit of society as a whole.

We basically believe the individual has the right to own his or her prompt and especially if it is his or her own creation. That is what our Founding Fathers did when they put the Patent Office into our Constitution. Our respect for the property rights of the small farmer and the individual businessman is based on an understanding that by protecting the rights of the little guy, especially the property rights, all of us are going to benefit in the long run.

We believe it is through individual endeavors and personal responsibility that someone prospers, and when a population of individuals acts in that way, the society prospers. Lehman's approach treats individuals as secondary and in a collectivist whole, who if they insist on their rights for themselves, must and will be crushed.

Of course those trying to challenge our system will never admit this. Those trying to change the fundamental patent law will never believe that is what is really guiding them and that is their philosophical premise.

A change is coming, not as part of a major debate, basically a major debate in our whole democratic process. That is not the way the change in our society and patent rights for future technology is happening. Instead, it is happening by subterfuge, sneaking provisions into treaty legislation or an omnibus bill so that the evil that is taking place will be hard to understand and the actual changes will be obscured by all the rest of the things in the bill.

When one can force the advocates who are trying to press these patent changes, when we force them to engage, they claim that their goal is not to destroy America's traditional patent system. That is not what we are trying to do, they say, no. Instead, they are trying to solve a new problem that has been plaguing American business, and that is this problem that basically is enriching inventors. They say these inventors are being enriched, and these inventors are the ones manipulating and gaming the patent system so that by the time that a 17-year patent term is actually granted to someone, that they have actually more time to collect on the other side of their patent.

What they throw up as an excuse for changing the fundamentals and eliminating the right of Americans to a 17-year guaranteed patent term is something we call the submarine patent. Well, that is what they say. You people are gaming the system.

Certainly, that is true. A few, a very few self-serving inventors have been able to elongate the process in which their patent application is being considered, thus putting off the issuing date, which means that the 17 years of patent protection which they are guaranteed end a little bit later rather than a little bit sooner. Of course, they are not getting the protection up front as well during that time period.

Some inventors enjoy royalty benefits then in the outer years, and if they had not gamed the system they would not be receiving the same benefits in the outer years of their 17-year guaranteed patent time, because their patent would have expired.

Well, making things worse, according to the other side, if the system is gamed for a number of years, let us say somebody is able to game the system for 10 years to prevent their patent from being issued. Other companies may come up with the same idea and those companies must now, because the other person has already applied for their patent, those other companies must pay royalties to the submarine patenter when he comes to the surface and gets his patent. Because a patent application is secret until the patent is issued, the other companies did not even know they were going to have to pay royalties for using this innovation.

Thus, it is a ripoff and unfair. That is the argument on the other side.

Submarine patents, however, may or may not be the problem. Whatever. That some people game the process, well, that could be true, but that is no excuse for eliminating the guaranteed patent term of the American people. That is like saying if someone abuses the right of freedom of speech, that we can come in and destroy people's right for freedom of speech. Or someone abuses a religious freedom, we just eliminate the religious freedom guaranteed our people.

Let us remember this: The vast majority of all patent applicants, and I am talking about more than 99 percent, are doing everything in their power that they can possibly do to get their patent issued as soon as possible. They beg, they plead, please, issue the patent, because they will not receive any benefits until it is issued.

By the way, those people who are gaming the system to elongate the process, some new invention might come along that makes their invention obsolete and they are taking that chance. That is why almost all inventors, nearly all inventors, do everything they can to get the patent issued right away. As you know, this new innovation could leave them behind, whether they are submariners or people trying to get through the process and the bureaucracy is not issuing the patent.

A few submarine patents do represent a minuscule part of the system and have been a problem. So this problem can be dealt with by reforming the process, not by eliminating the guaranteed rights of all Americans.

My bill, in fact, H.R. 359, which will be on the floor as a substitute to the Steal American Technologies Act, H.R. 3460, includes a provision to publish any application of an inventor who uses a continuance to intentionally delay the process. Over and over again, in the year and a half that I pushed on this issue, I have offered to put into law anything that would curb submarine patenting, which some people claim is a big problem and I am saying it is a minuscule problem, but I will do anything, put it in my bill, just so long as the change does not eliminate the guaranteed patent term.

Let us have it flagged. If someone is delaying it, let us try to change it by getting administrative change. Let us make sure that if someone is delaying the process, it goes to a special board to make sure they cannot delay it.

But the other side would have no compromise. They would not agree to any changes, except eliminate the guaranteed patent term. Why? Because that is what is in the Japanese law. In order to harmonize Japanese law, that is what we had to do.

So, what was their motive if they were not going to change the law? It might have been they wanted to harmonize our law with Japan, and submarine patent, well, maybe that was just something used as an excuse or perhaps they were really upset about it. But whatever it is, let us say this: That if someone tells you that they are concerned about your health and you are complaining to a doctor, you have trusted yourself to someone to make a medical decision for you, and have a hangnail on your foot, if that doctor insists on cutting your leg off in order to correct that problem with your hangnail, you better get a new doctor.

□ 2200

And that is what they are proposing here. We have a submarine patent problem that affects a minuscule number of people, so we are going to destroy the patent rights of all of the American people to a guaranteed patent right.

Well, that makes no sense. And if a doctor tried to tell me, well, no, I am really concerned; I am concerned about your health, and that is why we are going to cut the leg off. And when I say, well, do you not want to clip my toenail off rather than cut my whole leg off? No, no, we will cut the leg off, then you will not have any more hangnails. You should say wait a minute. Maybe you better think twice about that person's motives when he is trying to sell that kind of logic.

Let me note that this change we are talking about which they implemented in the GATT implementation legislation was the first crucial step in harmonizing our patent laws to those of Japan, and that is what I assume is the real goal of this legislation of H.R. 3460, which will be coming, and the real purpose of these people's activities.

Let us note this push for the harmonization with Japanese law started long before anyone ever heard of the term submarine patent. This has been going on for 10 years now, and yet no one ever heard of submarine patents all those years ago. Those words were not even part of the patent lexicon when the attempt was made to dismantle America's patent system and harmonize it with Japan so long ago.

During the debate over patent law, Mr. LEHMAN has used the bogeyman of the submarine patents; yet when we have checked his figures, we found many of the so-called submarine patents he has spotlighted are not issued and published. Why? Yes, there are some patents that have not been published and not been issued for a long time. Do you know why? Almost all of them, not almost all but a huge portion of them are defense-related technologies.

Yes, the figures Mr. LEHMAN has given trying to say these are submarine patents, a lot have been not issued because they deal with sensitive defense technologies we did not want the world to know about. But, again, if it is a problem in terms of having people game the system and delaying the application, we can handle it with basically administrative reforms, rather than totally obliterating the system and eliminating the guaranteed patent term.

My bill, H.R. 359, would reinstate the guaranteed patent term of 17 years and facilitate any action against the manipulation of the system. Then, by mandating the publication of applications of people who are intentionally delaying the system, we could prevent them from delaying the system and having a submarine patent.

I am offering this as a substitute for H.R. 3460, which is a patent bill designed basically to complete the destruction of our current patent protection system. And basically this whole maneuver to destroy our patent system and replace it with the Japanese started, step one, with the GATT implementation legislation.

H.R. 3460 is step two, and better than anything else it demonstrates what is really going on. This one is easy to understand. It is understandable to the point that it unmasks the goals of the very powerful international as well as domestic forces that are at work trying to change our patent system.

H.R. 3460, which I call the Steal American Technologies Act, is officially called the Moorhead-Schroeder Patent Act, is a package that obscures the mind-boggling provisions that it claims by lumping it together with other things, but not enough to obscure the real facts.

One of the provisions introduced in this bill was introduced last year under a bill that was entitled the Patent Application Publications Act. Now this bill is part of 3460, the Patent Application Publication Act, that was really a title people could understand. Basically, it is early publication of patent applications. People can understand what those words mean. The title is too self-explanatory, so that is why basically they changed it to the Moorhead-Schroeder Patent Act.

The provisions of this bill, now get into this, because everybody can understand what is going on when they hear this, this bill mandates that after 18 months every American patent application, that is every application of our innovators and our creators, when they apply, all this was always kept secret until the patent was issued in the past. Well, now it is mandated that every one of those applications, whether or not a patent has been issued, will be published for the world to see.

Every thief, every brigand, every pirate, every multinational corporation, every Asian copycat will be handed the details of every application to our patent office. Our newest and most creative ideas will be outlined for them, even before the patent is issued to the American inventor. It is an invitation for every thief in the world to steal American technology. Lines will form at copy machines and fax machines to get this information out to America's worst enemies and our fiercest competitors.

H.R. 3460 is entitled, as I say, the Moorhead-Schroeder Patent Act. Again, the provisions that we are talking about, it is almost mind-boggling that someone could, without shame, promote this on the floor of the House.

The authors of this bill suggest that we should not worry about if domestic, foreign, and multilateral corporations steal the new ideas. The patent applicant, once he gets the patent issued,

which may be 5 or 10 years down the road, they can sue the new applicant, can sue the pirates once he has been issued that patent. The price tag on a simple infringement suit begins at one quarter of a million dollars.

Boy, that makes you feel good, does it not? The average American is now going to be up against Sony, Mitsubishi, Honda, you name it, every company in Japan, and you might even have to go to court in Japan or China or Thailand, or anywhere else, in order to fight them. And you have to pay your legal bills and they have got the profit from your technology already to use as the basis to beat you in court.

As this bill was being passed through the subcommittee, this bill already passed the subcommittee and the committee, I was in my office talking to the president of a medium-sized solar energy company in Ohio. And when I asked what would happen if this provision became law, he clenched his fist and angrily predicted that his Asian competitors would be manufacturing his new technologies before his patent was issued; that they would then use the profit from selling his new technology to defeat any court challenge and destroy his company in the process.

His overseas competitors would have the further advantage, get into this, of never having to pay for the research and development of that new product in the first place. The Americans flip the bill, they use it, they develop the technology, profit from it, and they beat us in court with money that we have had to pay to develop the technology in the first place.

This is a nightmare and it faces every American small and medium-sized company. Anyone who cannot afford a stable of expensive lawyers is at the mercy of the worst thieves in the world. Of course, the big guys and the huge corporations are backing this change in our law because they want to globalize the world trading system, even if it means diminishing the rights of the American people.

Those big guys, they have the contacts overseas to make sure their products are not being stolen, and of course they have the money to spend on lawyers to deter such thievery. But for the little guys, it is open season.

Of course, we must do this. You have to remember, now, the reason we are doing this is to prevent the evil submarines, these evil submarine patenters who might elongate their patent by a couple of years. We have to make everybody in this country, we have to make them vulnerable to the worst thieves in the world because there are a few people who might want to elongate their patent protection for a few years by gaming the system in a submarine patent.

Yes, I am sure that is really what it is all about. This provision is another part of harmonizing our patent law with Japan, and that is what this is really all about. It is not about submarines. That is baloney.

Another provision of H.R. 3460 is, hold on to your hats because here is another provision, it is the abolition of the U.S. patent office. It is in our constitution and it has played a vital role in protecting the American people and the rights of the American people for all of these years. Yet now, H.R. 3460, the Steal American Technologies Act, will separate it from the Government, limiting congressional oversight.

Now it is part of our Government, so Congress has a right to investigate. It will limit congressional oversight. H.R. 3460, the Moorhead-Schroeder Act, will make the patent office into a Government corporation, sort of like the post office.

Now, I am in favor of privatization of services that our Government need not provide. Corporatization of a core function of Government, however, is a terrible idea. Something that the Government should do? Should we privatize all the judges in our country? Basically, we are trying to corporatize and take out of the Government's sphere the job of protecting the intellectual property rights of our people. This has been a core function of our Government since 1784.

Along with corporatization, by the way, what comes with that? That is the stripping of our patent examiners. They do not have any oversight by Congress, or very little, and then they will strip these patent examiners of their civil service protection. This opens up all of these people to outside pressures and influences.

These are the individuals, these patent examiners, who work really hard. They are trying to make determinations, basically quasi-legal decisions, to determine who owns what. Well, taking away their civil service protection is like stripping the robes off a judge. It opens the door to corruption of the entire process. And if the patent office is corporatized, the head of the patent office, guess who it is, Bruce Lehman, Mr. Harmonizer of our laws with Japan, can make the changes that he and the board of directors want to make, with very limited congressional scrutiny, of course.

In the coming era, when technology and creativity will be more important than ever to determine America's future, we are, through H.R. 3460, decoupling the protection of patent rights from our Government, cutting it off from congressional oversight and leaving our people in the hands of an autonomous board of unelected officials. Who will be on that board? Unelected officials representing Lord knows what special interests will be represented on that board. Foreign and domestic special interests. These people will be making determinations as to who owns America's technology; basically determining our well-being in the future, which depends on America's leadership in technology.

The Steal American Technologies Act, H.R. 3460, which will be coming to a vote here in Congress next week, must be defeated. And my substitute, the Rohrabacher substitute, should take its place, which is basically the Patent Restoration Act. That is the choice our Members of Congress will have, H.R. 3460, the Moorhead-Schroeder Patent Bill or the Rohrabacher substitute.

One might ask why has a bill as obviously detrimental to America's interest gone so far as it has? First and foremost our big businesses have been bought off, or they have bought off, excuse me, on the idea of globalizing the world economy and harmonizing our patent rights as part of that deal of creating this new global economy, basically, even if our foreign competitors renege later.

We are going to make sure we make these deals now to create the global economy, even if our competitors renege on the deals they are making right now. So we are going to change the law now, the patent law and other things, to create the global marketplace, and that is going to be a sign of good faith so that these foreigners that are making deals with us for our global economy will not go back on their word.

Huge foreign and domestic and multinational corporations have been visiting individual Members and lobbying hard, spending loads of money, buying their influence peddlers around town. And sometimes those influence peddlers look just like former Members of Congress, interestingly enough. And that is a big factor of why this thing is sliding through Congress.

Second, the Members of Congress hear from the biggest companies in their district, and it makes a difference if the biggest company in your district comes to you. You do not say, well, you do not represent the interest of the people as a whole; you do not even represent the interest of our employees. They do not say that. They listen to what that big boss in that company has to say.

These big company executives with the dreams of a global market dancing through their corporate heads basically have no, absolutely no commitment to the rights and the well-being of the American people because they are secondary to this great dream. If somebody has a dream to renew the world, watch out, brother. Whether it is a Communist or anybody else, if they are going to redo and make this world into a nirvana, watch out.

In this case they are going to create a new global marketplace, and in the process, what is going to happen? If in order to accomplish this they have to

cut deals to bring down the rights and standard of living of the American people, so he is equal to other people's rights, well, they are willing to do it. We cannot allow that to happen.

Finally, there is another factor. Two Members of Congress pushing H.R. 3460, the Steal American Technologies Act, these two Members are retiring from Congress. Mr. MOORHEAD and Mrs. SCHROEDER are asking Members to support their bill because it is their swan song. CARLOS MOORHEAD has worked long and hard here and he is a good man. Mrs. SCHROEDER has worked long and hard, and I am sure many people agree with her basic philosophy. Well, they are asking others to basically, well, even if you do not agree with us, vote for it because it is our swan song. Do it as a favor to us, as a tribute to our many years of service.

□ 2215

That is true. They want people to vote in that way to do them a favor, voting for legislation that will determine America's economic competitiveness and the standard of living of our people for decades to come.

After the subcommittee markup of this bill, most of the Members I spoke to did not even know that H.R. 3460 mandates the publication of all patents issued or not, whether those patents have been issued or not after 18 months. They did not know that the bill obliterates the patent office and corporatizes it, stripping away any Civil Service protection from the patent examiners and limiting congressional oversight.

The people on the committees did not even know this. I talked to them and they were oblivious to it. They knew they were giving CARLOS MOORHEAD and PAT SCHROEDER their swan song, the last big piece of legislation that they wanted. We cannot permit this unsavory tactic to succeed, as much as we all admire in our respective parties CARLOS MOORHEAD and PAT SCHROEDER, and we do admire them, they have worked long and hard here for the things they believe in, the votes on this issue are as vital to America's futures as anything I can—I have never seen anything that is more important than this coming through this body.

We cannot vote on something so important to America's future as a part of a tribute to someone in their last year of office. If they want a swan song, give them a commemorative coin, but do not destroy America's technological advantage. The swan song argument is nothing less than no argument at all. They have not been arguing at all. They have been using the pressure of huge corporations who have no loyalty to the well-being of the American people and no loyalty to the values that we talk about overseas.

This battle will determine, this battle that we are in will determine if America remains the number one technological power in the world, and these huge corporations are in talking to every Member of Congress. The only argument that the authors of this are giving is, please pay us a tribute. They are going to, one way or the other, Members are getting hammered on this. This is the ultimate, when we really look at it, the ultimate little guy versus big guy fight. Standing for the Rohrabacher substitute and a strong American patent system is a coalition that includes the NFIB, small business organizations and every inventors association in the country is supporting the Rohrabacher substitute.

Over 50 top research universities and colleges nationwide who rely on patent income to bolster their research programs are supporting my substitute, including Harvard, MIT, the University of Florida, LSU, Columbia, Northwestern, the University of Wisconsin. Also strongly supporting the Rohrabacher substitute for H.R. 3460 is Patent Office union, these men and women who struggle and work so hard to try to be diligent in their work who are going to find their entire civil service protection stripped from them.

On the other side is just about every big business organization you can imagine. With interlocking directorates and foreign ownership, no one can be sure how much foreign and multinational influence is being exerted on this issue. But it is considerable.

Who will win? It is up to the people. Members of Congress need to be personally contacted. H.R. 3460, the Moorhead-Schroeder Patent Act, which I call the Steal American Technologies Act, must be defeated and the Rohrabacher substitute put in its place. This vote could well come to the floor early next week.

Anyone who needs more information, by the way, interestingly enough, if someone wants to read the bill in fact for themselves, they can. It is available on the Internet. The terrible details are there for the American people to see. If someone has got a home computer, they can get it on the Internet and take the time, if they want to take the time, to go and do this and to download the information and see it for themselves.

They actually, they can actually go to their Internet computer and get the copies of the bills and try to decide for themselves. It is available at WWW dot House dot gov and then slash Rohrabacher. That is R-o-h-r-a-b-a-c-h-e-r. Here is the Internet information again: www dot house dot gov slash Rohrabacher.

So this decision that we are about to make in this body will determine the well-being of our people, the standard of living of every American. It will determine the competitiveness of the United States of America and it will determine our future.

Is the United States going to be a shining city on the hill, a shining city of innovation and progress, sparkling there, or a backwater subservient to the dictates of a global elite? A land of free, prosperous people looking to the future, or a Nation looking back and wondering why and how we lost our edge in the world?

Together we can make democracy work. H.R. 3460, the Steal American Technologies Act, can be defeated and our rights to the best technology in the world and to make sure America is the technological leader in the world can be restored by the Rohrabacher substitute. It is now time for people to become part of the democratic process. Those people who are trying insidiously to change the law in a way that would, 10 years down the road, be a sneak attack on the well-being of our people, they are basically confident that they are going to win because they think this issue, the patent issue, that people are going to yawn or they will not be able to understand it or will not be able to understand just what is going on here. They are thinking this is going to slide through Congress because they have got these big corporate heads calling on Members of Congress.

Unless we take the power in our own hands and participate in the system, which is what our Founding Fathers wanted us to do, I believe that Thomas Jefferson today would be so proud that internet is being used to give people the actual wording of the bills that are being considered here on the floor of the House of Representatives. Thomas Jefferson, Benjamin Franklin, they would say, that is exactly the kind of society we had in mind because we knew America would not be perfect. The Founding Fathers knew there would be special interests working in our country, but they knew and they trusted in the free people of this country to get involved.

Let us make sure we do get involved. Let us make sure that Ben Franklin and Thomas Jefferson, who are looking down on us today, will know that we have picked up the torch because we are, after all, the children of Thomas Jefferson. We will not give up our rights, and we will fight for this democratic process.

I would invite all of my colleagues to join me in this effort to ensure that the American people's right to a decent standard of living, to freedom beyond anywhere else in the world, that that right, those rights are protected.

COMMEMORATING THE 150TH ANNIVERSARY OF THE FIRST OFFICIALLY RECORDED BASEBALL GAME, HOBOKEN, NJ, JUNE 19, 1846

The SPEAKER pro tempore (Mr. FOX of Pennsylvania). Under a previous order of the House, the gentleman from

New Jersey [Mr. MENENDEZ] is recognized for 60 minutes.

Mr. MENENDEZ. Mr. Speaker, for the purposes of the Chair as well as the staff here, I do not intend to take the hour. That is the good news. It should take only about 15 minutes, but they are important minutes.

Mr. Speaker, I rise not to speak about the weighty matters of state that we often get up here and speak about but a little bit about history. Tomorrow, Mr. Speaker, in Hoboken, NJ, which is in my congressional district, the city of Hoboken and its mayor, Anthony Russo, will celebrate the 150th anniversary of the first officially recorded game of baseball. Yes, I am talking about baseball, the national pastime.

On June 19, 1846, the first officially recorded baseball game was played on the Elysian Fields in Hoboken, NJ. Yes, Cooperstown, NY, has the National Baseball Hall of Fame, but history clearly makes Hoboken the birthplace of modern baseball. Through the courtesy of the National Baseball Hall of Fame and Museum and Frank Borsky of the Hoboken Development Agency, who compiled much of this information in 1976, I would like to highlight this memorable occasion by reading from various accounts of this immortal game.

The game pitted the New York Nine against the Knickerbockers. The Knickerbockers were the most renowned club of that time. The crowded urban conditions in Manhattan forced the clubs to take the ferry across the Hudson to play in Hoboken, then a well-to-do resort.

The scene was described by Seymour Church. He said: "A walk of about a mile and a half from the ferry up the Jersey shore of the Hudson River, along a road that skirted the river bank on one side and was hugged by trees and thickets on the other, brought one suddenly to an opening in the 'forest primeval.' This open spot was a level grass covered plain, some 200 yards across, and as deep—surrounded on three sides by the typical eastern undergrowth and woods, and on the east by the Hudson. It was a perfect greensward for almost the year around."

The umpire was an American civil engineer named Alexander Cartwright, who many historians say invented baseball contrary to the proponents of Abner Doubleday and for good reason. Under Cartwright's direction, the baseball diamond was laid out. Cartwright's ordering of the game has not appreciably changed in the past 150 years. Prior to this game, there was a casual placement of bases, but not on the Cartwright's plans. Players were stationed at each base with only three outfielders, instead of the random hordes which had previously manned the baselines and the outfield. There were 9 men instead of 11 on a side. Cartwright recognized that most hits were between second and third base, so he placed the player in a new position called a shortstop. Teams batted in regular order with three outs in order to exchange sides batting. This is in contrast with cricket in which a side continues at bat until the entire team was out. Finally outs were made by throwing to bases instead of trying to hit the player with the ball.

Here are some of the rules that governed the first game in Hoboken:

In section 1 of these rules that were written out, it said the bases shall go from home to second 42 paces, from first to third, 42 paces equidistant.

The ball must be pitched, underhand, and not thrown, freehand, for the bat.

A ball knocked outside the range of first or third is foul.

Three balls being struck at and missed and the last one caught in a hand is out; and if not caught, is considered fair. And the striker is bound to run.

A player running the bases shall be out if the ball is in the hands of an adversary and the runner touched by it before he makes his base, it being understood, however, that in no instance, is the ball to be thrown at him.

These are just some of the rules, but what is interesting is that Cartwright laid out the game as we know it today, and he did so in Hoboken, NJ.

The pitcher stood 45 feet from the batter. The catcher stood back far enough to take the ball on a bounce. The umpire stood between the plate and the catcher but to the right and out of the way of the ball. The ball itself was 10 inches in circumference, weighing 6 ounces and had a rubber center.

In September 1845, a group of Cartwright's social acquaintances established a club called the Knickerbockers, the first organized baseball club. The challenge was issued to the New York Nine. At stake was a banquet at McCarty's Hotel near the Elysian Fields of Hoboken. Overconfident, the Knickerbockers did not practice and the team's best player, Cartwright himself, volunteered to umpire. As a matter of fact, baseball's first fine for "cussing" was levied by Cartwright for 6 cents against a New York Nine player named Davis.

Despite crafting the rules, the Knickerbockers could not match the Nine pitcher with cricket experience who whipped pitches past the Knick batters.

Although it was a perfect day, the Knickerbockers took a drubbing. While beating the New York Nine in their fashion with their uniforms of blue pantaloons and white flannel shirts, mohair caps, and patent leather belts, the Knickerbockers failed to win the game, losing by a score of 23 to 1.

The final result of that game came in the box score, which was subsequently published and is in the New York Public Library.

One hundred years later, the city of Hoboken celebrated the centennial with a bronze marker erected by the New Jersey Commission on Historic Sites.

□ 2230

It reads:

On June 19, 1846, the first match game of baseball was played here on the Elysian Fields between the Knickerbockers and the New Yorks. It is generally conceded that until this time the game was not seriously regarded.

That is the quote on the marker.

That game is seriously regarded today. The people of Hoboken are still proud that America's national pastime was played there, and the people of Hoboken still love the game and will cherish this anniversary, the 150th anniversary, by parades and award dinners that will be held tomorrow evening.

Now, Mr. Speaker, why do I come to the floor of the House to talk about an issue like this? This is more than just hometown pride. This is about a stake in history and about a game that is as American as apple pie, a game that brings families together whether at the stadium, around the TV set, or on the Little League field. It is about dreams, realized; some, broken. It is about a sense of community as cities from coast to coast cheer on their hometown boys. It is about tradition, a great American tradition, for no matter where in the world baseball is played, we know that it was made here in the United States.

I am proud to proclaim Hoboken, NJ, a city with a great tradition. A great city in the 13th Congressional District is the birthplace of baseball.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Ms. WATERS (at the request of Mr. GEPHARDT), for today, on account of personal business.

Mrs. LINCOLN (at the request of Mr. GEPHARDT), for today and the balance of the week, on account of medical reasons.

Mr. RAMSTAD (at the request of Mr. ARMEY), for today, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any Special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. PALLONE) to revise and extend their remarks and include extraneous material:)

Mr. MEEHAN, for 5 minutes, today.

Mrs. COLLINS of Illinois, for 5 minutes, today.

Ms. KAPTUR, for 5 minutes, today.
Mr. FARR, for 5 minutes, today.
Mr. PALLONE, for 5 minutes, today.
Ms. DELAURO, for 5 minutes, today.
(The following Members (at the request of Mr. MICA) to revise and extend their remarks and include extraneous material:)
Mrs. SMITH of Washington, for 5 minutes each day, on today and June 19.
Mr. JONES, for 5 minutes, today.
Mr. GUTKNECHT, for 5 minutes, today.
Mr. WAMP, for 5 minutes, today.
Mrs. KELLY, for 5 minutes, today.
Mr. FIELDS of Texas, for 5 minutes, today.
Mr. MICA, for 5 minutes, today.
Mr. SMITH of Michigan, for 5 minutes each day, on today and June 19.
Mr. WELDON of Florida, for 5 minutes, today.
(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)
Mr. HOKE, for 5 minutes, today.
(The following Member (at her own request) to revise and extend her remarks and include extraneous material:)
Ms. PELOSI, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:
(The following Members (at the request of Mr. PALLONE) and to include extraneous matter:)
Mr. SERRANO.
Mr. MANTON.
Mr. DELLUMS.
Mr. SCHUMER.
Mr. WAXMAN.
Mrs. SCHROEDER.
Mr. BROWN of California.
Ms. HARMAN.
Mr. CLEMENT.
Ms. EDDIE BERNICE JOHNSON of Texas.
Mr. REED.
Mr. BARRETT of Nebraska.
Mr. KLECZKA.
Mr. BENTSEN.
Mrs. MEEK of Florida.
Mr. GORDON.
Mr. MARKEY.
Mr. UNDERWOOD.
Mr. ACKERMAN.
Ms. WATERS.
(The following Members (at the request of Mr. MICA) and to include extraneous material:)
Mr. SMITH of New Jersey in two instances.
Mr. CRANE.
Mr. BILIRAKIS.
Mrs. KELLY.
Mr. CANADY of Florida.
Mr. SMITH of Michigan.
Mr. GILMAN.
Mr. CLINGER.
(The following Members (at the request of Mr. MENENDEZ) and to include extraneous matter:)
Mr. SHAW in two instances.
Mr. FRAZER.
Mr. KLUG.
Ms. MCCARTHY.
Mr. PASTOR.
Mr. MENENDEZ in two instances.
Mr. DEUTSCH.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1488. An act to convert certain excepted service positions in the United States Fire Administration to competitive service positions, and for other purposes; to the Committee on Government Reform and Oversight, and in addition to the Committee on Science, 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.

ADJOURNMENT

Mr. MENENDEZ. 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.), the House adjourned until tomorrow, Wednesday, June 19, 1996, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3686. A letter from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, transmitting the Service's final rule—Viruses, Serums, and Toxins and Analogous Products; Master Labels [Docket No. 93-167-2] received June 17, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3687. A communication from the President of the United States, transmitting his request for a fiscal year 1996 supplemental appropriation to increase the ability of the Department of the Treasury's Bureau of Alcohol, Tobacco and Firearms to investigate and solve acts of arson against African-American churches, pursuant to 31 U.S.C. 1107 (H. Doc. No. 104-234); to the Committee on Appropriations and ordered to be printed.

3688. A letter from the Secretary of the Navy, transmitting the Secretary's determination and findings: Authority to award a contract to privatize the Naval Air Warfare Center, Aircraft Division, Indianapolis, based on public interest exception to requirement for full and open competition, pursuant to 10 U.S.C. 2304(c)(7); to the Committee on National Security.

3689. A letter from the Secretary of the Navy, transmitting the Secretary's determination and findings: Authority to award a contract for overhaul, remanufacture, repair and life cycle maintenance support of Navy MK15 Phalanx, MK49 Rolling Airframe Missile Launcher, MK23 Target Acquisition System, based on public interest exception to requirement for full and open competition, pursuant to 10 U.S.C. 2304(c)(7); to the Committee on National Security.

3690. A letter from the Assistant General Counsel for Regulations, Department of Education, transmitting the Department's final rule—Bilingual Education: Graduate Fellowship Program (RIN: 1885-AA21) received June 13, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Economic and Educational Opportunities.

3691. A letter from the Assistant General Counsel for Regulations, Department of Education, transmitting the Department's final rule—William D. Ford Federal Direct Loan Program (RIN: 1840-AC19) received June 13, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Economic and Educational Opportunities.

3692. A letter from the Secretary of Education, transmitting final regulations—William D. Ford Federal Direct Loan Program, pursuant to 20 U.S.C. 1232(d)(1); to the Committee on Economic and Educational Opportunities.

3693. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Federal Motor Vehicle Safety Standards; Child Restraint Systems (National Highway Traffic Safety Administration) [Docket No. 74-09; Notices 46] (RIN: 2127-AF02) received June 17, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3694. A letter from the Acting Assistant Secretary for Legislative Affairs, Department of State, transmitting a copy of Presidential Determination No. 96-32: Suspending restrictions on United States relations with the Palestine Liberation Organization, pursuant to Public Law 104-107, section 604(b)(1) (110 Stat. 756); to the Committee on International Relations.

3695. A letter from the Director, Resource Management and Planning Staff, Trade Development, International Trade Administration, transmitting the Administration's final rule—Market Development Cooperator Program [Docket No. 950207043-6128-02] (RIN: 0625-ZA03) received June 14, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on International Relations.

3696. A letter from the Deputy Director, Office of Public/Private Initiatives, International Trade Administration, transmitting the Administration's final rule—International Buyer Program (Formerly know as the Foreign Buyer Program); Support for Domestic Trade Shows [Docket No. 960611170-6170-01] (RIN: 0625-XX07) received June 14, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on International Relations.

3697. A letter from the Executive Director, Committee for Purchase From People Who Are Blind or Severely Disabled, transmitting the Committee's final rule—Additions to the Procurement List—received June 17, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

3698. A letter from the Secretary, Smithsonian Institution, transmitting the semiannual report on activities of the inspector general for the period October 1, 1995, through March 31, 1996, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform and Oversight.

3699. A letter from the Commissioner, Social Security Administration, transmitting the semiannual report on activities of the inspector general for the period October 1, 1995, through March 31, 1996, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform and Oversight.

3700. A letter from the Assistant Secretary for Fish and Wildlife and Parks, Department of the Interior, transmitting the Department's final rule—Addition of Great Bay National Wildlife Refuge to the List of Open Areas for Hunting in New Hampshire (Fish and Wildlife Service) (RIN: 1018–AD44) received June 17, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3701. A letter from the Assistant Secretary for Fish and Wildlife and Parks, Department of the Interior, transmitting the Department's final rule—Addition of Ohio River Islands National Wildlife Refuge to the List of Open Areas for Sport Fishing in West Virginia, Pennsylvania, and Kentucky (Fish and Wildlife Service) (RIN: 1018–AD43) received June 17, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3702. A letter from the Director, Office of Fisheries Conservation and Management, National Marine Fisheries Service, transmitting the Service's final rule—Groundfish of the Bering Sea and Aleutian Islands Area; Trawl Rock Sole/Flathead Sole/"Other Flatfish" Fishery Category [Docket No. 960129019–6019–01; I.D. 060696E] received June 14, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3703. A letter from the Director, Office of Fisheries Conservation and Management, National Marine Fisheries Service, transmitting the Service's final rule—Groundfish of the Gulf of Alaska; Pollock in Statistical Area 630 [Docket No. 960129018–6018–01; I.D. 052896D] received June 17, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3704. A letter from the Program Management Officer, National Marine Fisheries Service, transmitting the Service's final rule—Fisheries of the Exclusive Economic Zone Off Alaska [Docket No. 960531152–6152–01; I.D. 042996B] received June 13, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3705. A letter from the Assistant General Counsel, U.S. Information Agency, transmitting the Agency's final rule—Exchange Visitor Program (22 CFR Part 514) received June 7, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

3706. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Drawbridge Operation Regulations: Atlantic Intracoastal Waterway, Sunset Beach, NC (U.S. Coast Guard) [CGD05–95–048] (RIN: 2115–AE47) received June 17, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3707. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Regulatory Review: Gas Pipeline Safety Standards Final Regulatory Evaluation (Research and Special Programs Administration) [Docket PS–124; Final Rule] (RIN: 2137–AC25) received June 17, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3708. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Oil Spill Prevention and Response Plans (Research and Special Programs Administration) [Docket Nos. HM–214 and PC–1; Amendment No. 130–2] (RIN: 2137–AC31) received June 17, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3709. A letter from the Director, Office of Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—Veterans Education: Course Measurement for Graduate Courses (RIN: 2900–AH39) received June 11, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Veterans' Affairs.

3710. A letter from the Assistant Secretary for Employment and Training, Department of Labor, transmitting the Department's final rule—Unemployment Insurance Program Letter 23–96—received June 5, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

3711. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Revision of Section 482 Cost Sharing Regulations (RIN: 1545–AU20) received May 9, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

3712. A letter from the Chief of Staff, Social Security Administration, transmitting the Administration's final rule—Payment For Vocational Rehabilitation Services Furnished Individuals During Certain Months of Nonpayment of Supplemental Security Income Benefits (20 CFR Parts 404 and 406) [Regulation Nos. 4 and 16] (RIN 0960–AD39) received June 17, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LEACH: Committee on Banking and Financial Services. Supplemental report on H.R. 1858. A bill to reduce paperwork and additional regulatory burdens for depository institutions (Rept. 104–193, Pt. 2).

Mr. REGULA: Committee on Appropriations. H.R. 3662. A bill making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1997, and for other purposes (Rept. 104–625). Referred to the Committee of the Whole House on the State of the Union.

Mr. SHUSTER: Committee on Transportation and Infrastructure. H.R. 3572. A bill to designate the bridge on U.S. Route 231 which crosses the Ohio River between Maceo, KY, and Rockport, IN, as the "William H. Natcher Bridge" (Rept. 104–626). Referred to the House Calendar.

Ms. PRYCE: Committee on Rules. House Resolution 455. Resolution providing for consideration of the bill (H.R. 3662) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1997, and for other purposes (Rept. 104–627). Referred to the House Calendar.

Mr. LEWIS of California: Committee on Appropriations. H.R. 3666. 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 the fiscal year ending September 30, 1997, and for other purposes (Rept. 104–628). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. REGULA:

H.R. 3662. A bill making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1997, and for other purposes.

By Mr. DAVIS (for himself, Ms. NORTON, Mr. MCHUGH, Mr. GUTKNECHT, Mr. LATOURETTE, Mr. FLANAGAN, Mr. TOWNS, Miss COLLINS of Michigan, Mr. HOYER, Mrs. MORELLA, Mr. MORAN, and Mr. WYNN):

H.R. 3663. A bill to amend the District of Columbia Self-Government and Governmental Reorganization Act to permit the Council of the District of Columbia to authorize the issuance of revenue bonds with respect to water and sewer facilities, and for other purposes; to the Committee on Government Reform and Oversight.

By Mr. DAVIS:

H.R. 3664. A bill to make miscellaneous and technical corrections to improve the operations of the government of the District of Columbia; to the Committee on Government Reform and Oversight.

By Mr. ROBERTS (for himself, Mr. DE LA GARZA, Mr. EMERSON, Mr. ROSE, Mr. COMBEST, Mr. STENHOLM, Mr. BOEHNER, Mr. JOHNSON of South Dakota, Mr. BAKER of Louisiana, Mr. HILLIARD, Mr. CALVERT, Mr. POMEROY, Mr. COOLEY, Mr. BISHOP, Mr. LAHOOD, Mr. BALDACCI, and Mr. WISE):

H.R. 3665. A bill to transfer to the Secretary of Agriculture the authority to conduct the census of agriculture; to the Committee on Government Reform and Oversight, and in addition to the Committee on Agriculture, 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. LEWIS of California:

H.R. 3666. 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 the fiscal year ending September 30, 1997, and for other purposes.

By Mr. CRANE:

H.R. 3667. A bill to amend the Internal Revenue Code of 1986 to exclude tips from gross income; to the Committee on Ways and Means.

By Mr. DORNAN:

H.R. 3668. A bill to require the Secretary of Defense to provide back pay to the Vietnamese commandos who were employed by the United States during the Vietnam conflict to conduct covert operations in North Vietnam so as to compensate the commandos for the years in which they were imprisoned and persecuted in Vietnam; to the Committee on National Security.

By Mr. FILNER:

H.R. 3669. A bill to establish sources of funding for certain transportation infrastructure projects in the vicinity of the border between the United States and Mexico that are necessary to accommodate increased traffic resulting from the implementation of the North American Free-Trade Agreement, including construction of new Federal border crossing facilities, and for other purposes; to the Committee on Transportation and Infrastructure.

By Mr. SCHAEFER:

H.R. 3670. A bill to extend certain programs under the Energy Policy and Conservation Act through fiscal year 1998, and for other purposes; to the Committee on Commerce,

and in addition to the Committee on Rules, 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. TAUZIN:

H.R. 3671. A bill to provide for the recognition of the United Houma Nation and to provide for the settlement of land claims of the United Houma Nation; to the Committee on Resources.

By Mr. WAXMAN:

H.R. 3672. A bill to amend the Federal Food, Drug, and Cosmetic Act to repeal the provisions for the certification of drugs containing insulin and antibiotics; to the Committee on Commerce.

By Mr. GILMAN (for himself, Mr. BEREUTER, Mr. FALEOMAVAEGA, and Mr. BERMAN):

H. Con. Res. 189. Concurrent resolution expressing the sense of the Congress regarding the importance of U.S. membership in regional South Pacific organizations; to the Committee on International Relations.

MEMORIALS

Under clause 4 of rule XXII:

226. The SPEAKER presented a memorial of the Senate of the State of Oklahoma, relative to Senate Concurrent Resolution No. 57 relating to atomic veterans; requesting recognition of such veterans; requesting the Oklahoma congressional delegation to propose or support certain benefits and medals for such veterans; and directing distribution; to the Committee on Veterans' Affairs.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 351: Mr. BILBRAY and Mr. MCKEON.

H.R. 550: Mr. FRELINGHUYSEN.

H.R. 797: Mr. FRAZER and Ms. LOFGREN.

H.R. 820: Mr. MARTINEZ, Mr. STUPAK, Mr. MATSUI, Mr. WOLF, Mr. VISCLOSKY, Mr. DIXON, Mr. PORTMAN, Mr. JOHSNON of South Dakota, Mr. BUNNING of Kentucky, and Mr. CRAPO.

H.R. 938: Mr. WICKER.

H.R. 972: Ms. DELAURO.

H.R. 1000: Mr. COYNE.

H.R. 1023: Mr. BARRETT of Nebraska.

H.R. 1462: Mr. STOKES, Mr. CHRISTENSEN, Mr. MEEHAN, Mr. PETERSON of Minnesota, Mr. COLEMAN, Mr. SCHUMER, Ms. DUNN of Washington, Mr. CLYBURN, and Mr. CALVERT.

H.R. 1512: Mr. BARR.

H.R. 1859: Ms. JACKSON-LEE.

H.R. 1998: Mr. LAUGHLIN, Mr. ZELIFF, Mr. CRAPO, and Ms. MCKINNEY.

H.R. 2026: Mr. SCHUMER, Mr. SHAW, Mr. HOBSON, Mr. BISHOP, and Mr. BUNNING of Kentucky.

H.R. 2200: Mr. BEVILL and Mr. SAWYER.

H.R. 2209: Mr. RADANOVICH, Mr. WALSH, and Mrs. MORELLA.

H.R. 2246: Mr. GORDON and Mr. WELDON of Pennsylvania.

H.R. 2270: Mr. NEUMANN.

H.R. 2333: Mr. MCDERMOTT.

H.R. 2421: Mr. NEAL of Massachusetts, Mr. RAMSTAD, and Mr. FRISA.

H.R. 2579: Mrs. MEEK of Florida, Mr. SISISKY, Mr. VOLKMER, Mr. WISE, Mr. MARTINI, and Mr. MOLLOHAN.

H.R. 2587: Mrs. FOWLER and Mr. KOLBE.

H.R. 2654: Mr. TORRICELLI.

H.R. 2796: Mr. HINCHEY.

H.R. 2892: Mr. FARR, Mr. HASTINGS of Washington, Mr. FRANK of Massachusetts, and Mr. LANTOS.

H.R. 2900: Mr. CALLAHAN, Mr. SPENCE, Mr. RIGGS, Ms. DANNER, Mr. METCALF, Mr. HILLEARY, Mr. FOLEY, Mr. WHITFIELD, and Mr. DOOLITTLE.

H.R. 2951: Mr. UPTON.

H.R. 2976: Mr. FLANAGAN, Ms. KAPTUR, and Mr. REED.

H.R. 3002: Mr. CRAPO.

H.R. 3012: Mr. ENSIGN, Mr. JONES, Mr. ACKERMAN, Mr. DEAL of Georgia, Mr. DUNCAN, Mr. JACOBS, and Mr. HEFNER.

H.R. 3030: Mr. NADLER.

H.R. 3089: Mr. ACKERMAN.

H.R. 3119: Ms. DELAURO.

H.R. 3211: Mr. ZIMMER, Mr. LINDER, Mr. ROBERTS, Mr. GANSKE, Mr. MCCOLLUM, Mr. STEARNS, Mr. GILCHREST, Mr. SHADEGG, Mr. TAYLOR of North Carolina, and Mr. SAM JOHNSON.

H.R. 3245: Mr. MOAKLEY and Mr. GREEN of Texas.

H.R. 3258: Mr. RADANOVICH.

H.R. 3294: Mr. THOMPSON and Mr. CUMMINGS.

H.R. 3341: Mr. STEARNS, Mr. CALVERT, Mr. GALLEGLY, Mr. OXLEY, Mr. GREEN of Texas, Mr. BAKER of Louisiana, Mr. GREENWOOD, Mr. MANTON, Mr. ACKERMAN, and Mr. TATE.

H.R. 3396: Mr. ALLARD, Mr. LAHOOD, Ms. DANNER, Mr. FIELDS of Texas, and Mr. KNOLLENBERG.

H.R. 3449: Mr. HAYWORTH and Mr. CHAPMAN.

H.R. 3455: Ms. WOOLSEY and Mr. ACKERMAN.

H.R. 3460: Mr. HEINEMAN, Mr. GEKAS, Mr. FROST, and Mr. DREIER.

H.R. 3520: Mr. LIPINSKI and Mr. DEFAZIO.

H.R. 3580: Mr. MCCOLLUM, Mr. WELDON of Florida, Mr. GILCHREST, Mr. QUILLEN, Mr. MCKEON, Mr. SOUDER, Mr. DORNAN, Mr. SAM JOHNSON, Mr. BARTON of Texas, Mr. COBURN, Mr. CHAMBLISS, Mr. EHRLICH, and Mr. MILLER of Florida.

H.R. 3596: Mr. FOX.

H.R. 3604: Mr. NORWOOD.

H.R. 3606: Mr. MATSUI, Mr. BERMAN, Mr. HINCHEY, Ms. RIVERS, and Ms. NORTON.

H.R. 3619: Mr. LEWIS of Georgia.

H.R. 3643: Mr. WELLER, Mr. WATTS of Oklahoma, Mr. BILIRAKIS, Mr. SMITH of New Jersey, Ms. BROWN of Florida, Mr. FLANAGAN, Mr. STEARNS, Mr. DEAL of Georgia, and Mr. QUINN.

H.R. 3645: Mr. TOWNS

H.J. Res. 174: Mr. SHADEGG.

H.J. Res. 182: Mr. SPRATT, Mr. HALL of Ohio, Mr. DELLUMS, and Mr. ENGEL.

H. Con. Res. 50: Mr. DURBIN, and Mr. LEVIN.

H. Con. Res. 173: Mr. MASCARA, Mr. BREWSTER, Mr. GORDON, Mr. CUNNINGHAM, Mr. LIPINSKI, Mr. HINCHEY, Ms. DANNER, Ms. NORTON, Mr. ACKERMAN, Mr. VOLKMER, Mr. EVANS, Mrs. KENNELLY, and Mr. GREEN of Texas.

H. Con. Res. 183: Mr. HOYER, Mr. FAZIO of California, Mr. OBEY, Mr. DE LA GARZA, Mr. BROWN of Ohio, Mr. LAFALCE, Mr. COLEMAN, Mr. TEJEDA, Mr. SOUDER, Ms. BROWN of Florida, Mr. KILDEE, Mr. COYNE, Mr. FOX, Mr. TOWNS, Mr. BEILENSON, Mr. QUINN, Mr. DIXON, Mr. MCDERMOTT, Mr. BALLENGER, Ms. LOFGREN, Mr. SPRATT, Mr. CARDIN, Mr. STENHOLM, Mr. STUPAK, Mr. POSHARD, Mr. TORRES, Mrs. JOHNSON of Connecticut, Ms. MCCARTHY, Mr. POMEROY, Mr. NEAL of Massachusetts, Mr. SISISKY, Mr. SCHUMER, Mr. DOOLEY, Mr. VOLKMER, Mr. GORDON, Mr. DICKEY, Mr. CHAMBLISS, Mr. BAKER of California, Mr. SKEEN, Mr. WATTS of Oklahoma, Mr. MINGE, Mr. KENNEDY of Rhode Island, Mr. GUTIERREZ, Mr. CONYERS, Mr. UNDERWOOD, and Mr. GREEN of Texas.

H. Res. 30: Mr. LEWIS of Kentucky.

H. Res. 123: Mr. PORTER.

H. Res. 423: Mr. MINGE, Mr. HAYWORTH, Mr. LEACH, Mr. ZIMMER, and Mr. GOSS.

H. Res. 439: Mrs. ROUKEMA and Ms. DELAURO.

H. Res. 454: Mr. DEFAZIO, Mrs. CLAYTON, and Mr. FRANK of Massachusetts.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 94: Mr. CHRISTENSEN.

H.R. 1972: Mr. MCDADE.

H.R. 2618: Ms. SLAUGHTER.

H.J. Res. 182: Mr. FAZIO of California.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 3662

OFFERED BY: MR. CONDIT

AMENDMENT NO. 1: At the end of the bill (before the short title), add the following new section:

SEC. . None of the funds made available by this Act may be expended for disposition under section 4(b)(3) of the Endangered Species Act of 1973 (16 U.S.C. 1533(b)(3)) of any petition that is received by the Secretary (as that term is used in that section) after the date of the date of the enactment of this Act.

H.R. 3662

OFFERED BY: MR. DEFAZIO

AMENDMENT NO. 2: In section 319 (relating to timber), strike the first, second, and third sentences.

H.R. 3662

OFFERED BY: MR. DICKS

AMENDMENT NO. 3: In Title I, General Provisions of the bill, strike all of Section 116, dealing with Critical Habitat designation.

H.R. 3662

OFFERED BY: MR. FALEOMAVAEGA

AMENDMENT NO. 4: Strike section 317.

H.R. 3662

OFFERED BY: MR. FALEOMAVAEGA

AMENDMENT NO. 5: Strike section 318.

H.R. 3662

OFFERED BY: MR. FALEOMAVAEGA

AMENDMENT NO. 6: Insert after section 320 the following new section:

SEC. 321. None of the funds appropriated or otherwise made available by this Act may be used to permit or facilitate the planning, construction, or operation of a third telescope on Mt. Graham in the Coronado National Forest unless it is made known that the planning, construction, or operation of that telescope first complies with all applicable laws, notwithstanding section 335 of Public Law 104–134.

H.R. 3662

OFFERED BY: MR. FARR

AMENDMENT NO. 7: In the item relating to the DEPARTMENT OF THE INTERIOR—Bureau of Land Management—Land Acquisition, insert "(increased by $4,750,000)" after the dollar amount.

In the item relating to the DEPARTMENT OF THE INTERRIOR—United States Fish and Wildlife Service—Land Acquisition, insert "(increased by $37,300,000)" after the dollar amount.

In the item relating to the DEPARTMENT OF THE INTERIOR—National Park Service—Land Acquisition and State Assistance—

(1) insert "(increased by $57,790,000)" after the first dollar amount; and

(2) insert "(increased by $2,240,000)" after the second dollar amount.

In the item relating to RELATED AGENCIES—Department of Agriculture—Forest Service—Land Acquisition, insert "(increased by $35,310,000)" after the dollar amount.

In the item relating to DEPARTMENT OF ENGERGY—Fossil Energy Research Development, insert "(reduced by $135,150,000)" after the dollar amount.

H.R. 3662

OFFERED BY: MR. FOX OF PENNSYLVANIA

AMENDMENT NO. 8: In the item relating to "DEPARTMENT OF ENGERGY—FOSSIL ENERGY RESEARCH AND DEVELOPMENT", after the dollar amount, insert the following: "(reduced by $20,636,000)".

In the item relating to "DEPARTMENT OF ENERGY—ENERGY CONSERVATION—

(1) after the first dollar amount, insert the following: "(increased by $20,636,000)"'

(2) after the second dollar amount, insert the following: "(increased by $20,636,000)";

(3) after the third dollar amount, insert the following: "(increased by $14,196,000)"; and

(4) after the fourth dollar amount, insert the following: "(increased by $6,440,000)".

H.R. 3662

OFFERED BY: MR. FOX OF PENNSYLVANIA

AMENDMENT NO. 9: In the item relating to "DEPARTMENT OF ENERGY—ENERGY CONSERVATION"—

(1) after the second dollar amount, insert the following: "(increased by $18,204,000)";

(2) after the third dollar amount, insert the following: "(increased by $11,764,000)"; and

(3) after the fourth dollar amount, insert the following: "(increased by $6,440,000)".

H.R. 3662

OFFERED BY: MS. FURSE

AMENDMENT NO. 10: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. . (a) REPEAL OF EMERGENCY SALVAGE TIMBER SALE PROGRAM OF PUBLIC LAW 104–19.—Hereafter, section 2001 of Public Law 104–19 (109 Stat. 240) is repealed.

(b) IMPLEMENTATION.—Notwithstanding any outstanding judicial order or administrative proceeding interpreting section 2001 of Public Law 104–19 (109 Stat. 240), the Secretary of Agriculture and the Secretary of the Interior shall suspend, effective on the date of the enactment of this Act, each and every activity that is being undertaken in whole or in part under the authority provided in such section unless the Secretary concerned determines that the activity would have been undertaken even in the absence of such section. All such suspended activities shall be subject to all applicable environmental and natural resource laws. The Secretary concerned may not resume an activity suspended under this subsection unless and until the Secretary concerned determines that the activity (as originally commenced or as modified after the date of the enactment of this Act) complies with all environmental and natural resource laws applicable to the activity.

(c) SECRETARY CONCERNED DEFINED.—In this section, the term "Secretary concerned" means—

(1) the Secretary of Agriculture, with respect to activities involving lands within the National Forest System; and

(2) the Secretary of the Interior, with respect to activities involving Federal lands under the jurisdiction of the Bureau of Land Management.

H.R. 3662

OFFERED BY: MS. FURSE

AMENDMENT NO. 11: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. . None of the funds appropriated or otherwise made available in this Act (including funds appropriated or otherwise made available for salaries and expenses of employees of the Department of Agriculture or the Department of the Interior) may be used to prepare, advertise, offer, or award any contract under any provision of the emergency salvage timber sale program established under section 2001 of Public Law 104–19 (109 Stat. 240; 16 U.S.C. 1611 note).

H.R. 3662

OFFERED BY: MR. GOSS

AMENDMENT NO. 12: In the item relating to "NATIONAL PARK SERVICE—LAND ACQUISITION AND STATE ASSISTANCE", after the first dollar amount, insert the following: "(increased by $15,000,000)".

In the item relating to "FOREST SERVICE—RECONSTRUCTION AND CONSTRUCTION", after the first dollar amount, insert the following: "(reduced by $15,000,000)".

H.R. 3662

OFFERED BY: MR. GOSS

AMENDMENT NO. 13: In the item relating to "NATIONAL PARK SERVICE—LAND ACQUISITION AND STATE ASSISTANCE", after the first dollar amount, insert the following: "(increased by $19,100,000)".

In the item relating to "FOREST SERVICE—RECONSTRUCTION AND CONSTRUCTION", after the first dollar amount, insert the following: "(reduced by $19,100,000)".

H.R. 3662

OFFERED BY: MR. GOSS

AMENDMENT NO. 14: In the item relating to "NATIONAL PARK SERVICE—LAND ACQUISITION AND STATE ASSISTANCE", insert before the period at the end the following:

: *Provided further*, That, of the funds made available in this paragraph, $15,000,000 shall be for acquisition of Everglades restoration areas

H.R. 3662

OFFERED BY: MR. GUTKNECHT

AMENDMENT NO. 15: At the end of the bill before the short title, insert the following new section:

SEC. . Each amount appropriated or otherwise made available by this Act that is not required to be appropriated or otherwise made available by a provision of law is hereby reduced by 1.9 percent.

H.R. 3662

OFFERED BY: MR. HOEKSTRA

AMENDMENT NO. 16: In the item relating to "NATIONAL ENDOWMENT FOR THE ARTS—GRANTS AND ADMINISTRATION", after the dollar amount, insert the following: "(reduced by $31,500)".

H.R. 3662

OFFERED BY: MR. ISTOOK

AMENDMENT NO. 17: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. . None of the funds made available in this Act may be used by the Bureau of Indian Affairs to transfer any land into trust under section 5 of the Indian Reorganization Act (25 U.S.C. 465), or any other Federal statute that does not explicitly denominate and identify a specific tribe or specific property, except when it is made known to the Federal official having authority to obligate or expend such funds that—

(1) a binding agreement is in place between the tribe that will have jurisdiction over the land to the taken into trust and the appropriate State and local officials; and

(2) such agreement provides, for as long as the land is held in trust, for the collection and payment, by any retail establishment located on the land to be taken into trust, of State and local sales and excise taxes, including any special tax on motor fuel, tobacco, or alcohol, on any retail item sold to any nonmember of the tribe for which the land is held in trust, or an agreed upon payment in lieu of such taxes.

H.R. 3662

OFFERED BY: MR. KENNEDY OF MASSACHUSETTS

AMENDMENT NO. 18: In the item relating to "FOREST SERVICE—RECONSTRUCTION AND CONSTRUCTION"—

(1) after the first dollar amount, insert the following: "(reduced by $12,000,000)"; and

(2) after the second dollar amount, insert the following: "(reduced by $30,000,000)".

H.R. 3662

OFFERED BY: MR. KLUG

AMENDMENT NO. 19: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. . (a) REPEAL OF PROGRAM TO AWARD AND RELEASE UNAWARDED TIMBER SALE CONTRACTS.—Hereafter, subsection (k) of section 2001 of Public Law 104–19 (109 Stat. 240 is repealed.

(b) EXISTING TIMBER SALE CONTRACTS.—

(1) SUSPENSION.—Notwithstanding any outstanding judicial order or administrative proceeding interpreting subsection (k) of section 2001 of Public Law 104–19 (109 Stat. 240), as in existence prior to the date of the enactment of this Act, the Secretary of Agriculture and the Secretary of the Interior shall immediately suspend each timber sale or activity that is being undertaken in whole or in part under the authority provided in such subsection.

(2) TERMINATION.—Upon suspension of each timber sale or activity under paragraph (1), the Secretary concerned shall exercise any provision of the original contract that authorizes termination and payment of specified damages.

H.R. 3662

OFFERED BY: MR. KOLBE

AMENDMENT NO. 20: In Title I of the bill, strike all of Section 117 dealing with the prohibition of the Bureau of Indian Affairs (BIA) from transferring any land into trust under section 5 of the Indian Reorganization Act or any other federal statute.

H.R. 3662

OFFERD BY: MR. MILLER OF CALIFORNIA

AMENDMENT NO. 21: In the item relating to the DEPARTMENT OF THE INTERIOR—National Park Service—National Recreation and Preservation, insert "(increased by $10,000,000)" after the dollar amount.

In the item relating to DEPARTMENT OF ENGERY—Fossil Energy Research and Development, insert "(reduced by $10,000,000)" after the dollar amount.

H.R. 3662

OFFERED BY: MR. MILLER OF CALIFORNIA

AMENDMENT NO. 22: At the end of the bill, insert after the last section (preceding the short title) the following new section:

"None of the funds appropriated or otherwise made available by this Act may be used for the purposes of implementing Tongass National Forest timber contract A10fs-1042 between the United States and Ketchikan Pulp Company."

H.R. 3662

OFFERED BY: MR. PARKER

AMENDMENT NO. 23: In the item relating to "DEPARTMENT OF ENERGY—ENERGY CONSERVATION"—

(1) after the second dollar amount, insert the following: "(increased by $18,204,000)"; and

(2) after the third dollar amount, insert the following: "(increased by $11,764,000)"; and

(3) after the fourth dollar amount, insert the following: "(increased by $6,440,000)".

H.R. 3662

OFFERED BY: MR. RICHARDSON

AMENDMENT NO. 24: On page 10 under the item "UNITED STATES FISH AND WILDLIFE SERVICE", under the item "RESOURCE MANAGEMENT", after the second dollar amount insert "(increased by $5,000,000)".

On page 58 under the item "DEPARTMENT OF ENERGY", under the item "FOSSIL ENERGY RESEARCH AND DEVELOPMENT", after the first dollar amount insert "(reduced by $7,000,000)".

H.R. 3662

OFFERED BY: MR. RICHARDSON

AMENDMENT NO. 25: On page 15 under the item "NATIONAL PARK SERVICE", under the item "OPERATION OF THE NATIONAL PARK SYSTEM", after the 3d dollar amount insert "(increased by $43,165,000)".

On page 58 under the item "DEPARTMENT OF ENERGY", under the item "FOSSIL ENERGY RESEARCH AND DEVELOPMENT", after the 1st dollar amount insert "(reduced by $85,000,000)".

H.R. 3662

OFFERED BY: MR. SANDERS

AMENDMENT NO. 26: In the item relating to "NATIONAL PARK SERVICE—OPERATIONS", after the dollar amount, insert the following: "(increased by $340,000)".

In the item relating to "NATIONAL PARK SERVICE—OPERATIONS", insert before the period the following:

: *Provided further*, That, of the funds provided in this paragraph, $340,000 shall be for the Marsh Billings Park, in Vermont

In the item relating to "DEPARTMENT OF ENERGY—NAVAL PETROLEUM AND OIL SHALE RESERVES", after the dollar amount, insert the following: "(reduced by $340,000)".

H.R. 3662

OFFERED BY: MR. SANDERS

AMENDMENT NO. 27: In the item relating to "BUREAU OF LAND MANAGEMENT—PAYMENTS IN LIEU OF TAXES", after the first dollar amount, insert the following: "(increased by $10,000,000)".

In the item relating to "DEPARTMENT OF ENERGY—FOSSIL ENERGY RESEARCH AND DEVELOPMENT, after the dollar amount, insert the following: "(reduced by $25,000,000)".

H.R. 3662

OFFERED BY: MR. SANDERS

AMENDMENT NO. 28: In the item relating to "DEPARTMENT OF ENERGY—NAVAL PETROLEUM AND OIL SHALE RESERVES", after the dollar amount, insert the following: "(reduced by $11,764,000)".

In the item relating to "DEPARTMENT OF ENERGY—ENERGY CONSERVATION", after each of the first, second, and third dollar amounts, insert the following: "(increased by $11,764,000)".

H.R. 3662

OFFERED BY: MR. SHADEGG

AMENDMENT NO. 29: In the item relating to "OTHER RELATED AGENCIES—NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES—NATIONAL ENDOWMENT FOR THE HUMANITIES—GRANTS AND ADMINISTRATION", strike "$92,994,000" and insert "$80,000,000".

H.R. 3662

OFFERED BY: MR. SHADEGG

AMENDMENT NO. 30: In the items under the heading "OTHER RELATED AGENCIES—NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES", strike all the items relating to "NATIONAL ENDOWMENT FOR THE HUMANITIES".

H.R. 3662

OFFERED BY: MR. SKAGGS

AMENDMENT NO. 31: In Title I of the bill, under the heading of "Minerals Management Service, Royalty and Offshore Minerals Management", strike "$186,555,000" and in lieu thereof insert "$182,555,000"; in Title II, under the heading "Department of Energy, Fossil Energy Research and Development", strike "$358,754,000" and in lieu thereof insert "$354,754,000"; and under the heading "Energy Conservation", strike "$499,680,000" and in lieu thereof insert "$507,680,000".

H.R. 3662

OFFERED BY: MR. STUPAK

AMENDMENT NO. 32: At the end of the bill (preceding the short title) add the following new section:

SEC. . None of the amounts made available by this Act may be used for design, planning, implementation, engineering, construction, or any other activity in connection with a scenic shoreline drive in Pictured Rocks National Lakeshore.

H.R. 3662

OFFERED BY: MR. VENTO

AMENDMENT NO. 33: In the item relating to the DEPARTMENT OF THE INTERIOR—National Park Service—Operation of the National Park System, insert "(increased by $23,480,000)" after the third dollar amount.

In the item relating to RELATED AGENCIES—Department of Agriculture—Forest Service—Reconstruction and Construction, insert "(reduced by $28,050,000)" after the first dollar amount.

H.R. 3662

OFFERED BY: MR. WALKER

AMENDMENT NO. 34: In the item relating to "NATIONAL PARK SERVICE—OPERATION OF THE NATIONAL PARK SYSTEM", after the third dollar amount, insert the following: "(increased by $62,000,000)".

In the item relating to "BUREAU OF INDIAN AFFAIRS—OPERATION OF INDIAN PROGRAMS"—

(1) after the first dollar amount insert the following: "(increased by $27,534,000)"; and

(2) after the fourth dollar amount, insert the following: "(increased by $27,534,000)"; and

In the item relating to "DEPARTMENT OF ENERGY—FOSSIL ENERGY RESEARCH AND DEVELOPMENT", after the dollar amount, insert the following: "(reduced by $137,804,000)"

H.R. 3666

OFFERED BY: MR. ORTON

AMENDMENT NO. 1: At the end of the item relating to "DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—ADMINISTRATIVE PROVISIONS", insert the following new section:

SEC. 207. Sections 401 and 402 of the bill, H.R. 1708, 104th Congress, as introduced in the House of Representatives on May 24, 1995, are hereby enacted into law.

H.R. 3666

OFFERED BY: MR. ORTON

AMENDMENT NO. 2: At the end of the item relating to "DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—ADMINISTRATIVE PROVISIONS", insert the following new section:

SEC. 207. AUTHORITY TO USE AMOUNTS BORROWED FROM FAMILY MEMBERS FOR DOWNPAYMENTS ON FHA-INSURED LOANS.—(a) IN GENERAL.—Section 203(b)(9) of the National Housing Act (12 U.S.C. 1709(b)(9)) is amended by inserting before the period at the end the following: ": *Provided further*, That for purposes of this paragraph, the Secretary shall consider as cash or its equivalent any amounts borrowed from a family member (as such term is defined in section 201), subject only to the requirements that, in any case in which the repayment of such borrowed amounts is secured by a lien against the property, such lien shall be subordinate to the mortgage and the sum of the principal obligation of the mortgage and the obligation secured by such lien may not exceed 100 percent of the appraised value of the property plus any initial service charges, appraisal, inspection, and other fees in connection with the mortgage".

(b) DEFINITION OF FAMILY MEMBER.—Section 201 of the National Housing Act (12 U.S.C. 1707) is amended by adding at the end the following new subsections:

"(e) The term 'family member' means, with respect to a mortgagor under such section, a child, parent, or grandparent of the mortgagor (or the mortgagor's spouse). In determining whether any of the relationships referred to in the preceding sentence exist, a legally adopted son or daughter of an individual (and a child who is a member of an individual's household, if placed with such individual by an authorized placement agency for legal adoption by such individual), and a foster child of an individual, shall be treated as a child of such individual by blood.

"(f) The term 'child' means, with respect to a mortgagor under such section, a son, stepson, daughter, or stepdaughter of such mortgagor.".

H.R. 3666

OFFERED BY: MR. SANDERS

AMENDMENT NO. 3: In the item relating to "DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—Management and Administration—Salaries and expenses", after the first dollar amount, insert the following: "(reduced by $1,411,000)".

In the item relating to "INDEPENDENT AGENCIES—Court of Veterans Appeals—Salaries and expenses", after the dollar amount, insert the following: "(increased by $1,411,000)".

SENATE—*Tuesday, June 18, 1996*

The Senate met at 10 a.m., and was called to order by the President pro tempore [Mr. THURMOND.]

PRAYER

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

Gracious Father, help us not to lose our sense of humor. Free us to laugh at ourselves when we do the wrong thing at the right time or the right thing at an inappropriate time. Sometimes we say things that make us cringe when we review the day. When we take ourselves too seriously we tighten up and become tense. Little issues become so crucial we miss the big issues confronting us. We worry about what others think of us.

Relieve us of our assumed importance and help us realize they seldom do think of us. Forgive us for all the good energy we waste on checking our own popularity pulse. Make us so secure in Your love that we can lighten up, and then, listen up to what You want us to be and do about what really matters. Make us carefree, but never careless. In the name of Jesus who taught us that by worrying we could not add one cubit to our stature, but by seeking first Your kingdom all things that are truly important would be ours as well. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The able majority leader, Senator LOTT, is recognized.

THE SENATE CHAPLAIN

Mr. LOTT. Thank you, Mr. President.

Again, I want to express our appreciation for the wonderful words of our Chaplain, as he offers the blessing in this institution and helps us maintain our balance as we do our jobs.

SCHEDULE

Mr. LOTT. Mr. President, today, we will immediately begin considering S. 1745, the Department of Defense authorization bill. Under the terms of the consent agreement reached last week, Senators may debate the bill this morning. However, no amendments will be in order prior to 2:15 p.m. today.

I hope the Senate can make substantial progress on the DOD bill today and this evening. I expect to complete action on that bill this week. All Senators can, therefore, expect rollcall votes throughout the day.

The Senate will recess between the hours of 12:30 and 2:15 for the weekly policy conferences to meet. As a reminder to all Senators, at 9:30 on Thursday, the Senate will resume consideration of the nomination of Alan Greenspan to be Chairman of the Federal Reserve Board. Under a consent order, a vote will occur at 2 p.m. Thursday on the Greenspan nomination, and that will be followed by votes on the other nominees to the Federal Reserve Board.

I also hope that this week the Senate may act on legislation regarding the church burnings, Mr. President. We are very close to a bipartisan resolution on this matter. We need to express the outrage of the Senate, and we need to make sure that our law enforcement officials have whatever tools they need to investigate these despicable acts and take appropriate action to find the guilty parties and help bring an end to these activities across our country.

NATIONAL DEFENSE AUTHORIZATION ACT

Mr. LOTT. Mr. President, I want to say, before I yield the floor, that I am very pleased that we are ready to go now with the Department of Defense authorization bill. The committee has been ready to go for about 3 weeks. There have been some problems that are being ironed out with other committees. I know that in the years I have been on the Armed Services Committee this has been the most cooperative atmosphere we have had in the committee.

I think we have a good bill. I know there are going to be some very serious amendments offered and debated. We will have plenty of opportunity to express our concerns and to change the bill in ways that Members feel strongly about.

I commend, again, the chairman of the committee, Senator THURMOND from South Carolina, for the leadership he has shown on this bill. He said that we were not going to wait way into the summer and get tangled up into the appropriations process. We are going to have the authorization bill ready. He did that. The bill was ready by the Memorial Day recess. I appreciate him and have enjoyed so much working with him. I know he is raring to go, so, Mr. Chairman, it is yours.

I yield the floor.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1997

The PRESIDING OFFICER (Mr. BROWN). Under the previous order, the Senate will proceed, for debate only, to the consideration of S. 1745, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 1745) to authorize appropriations for fiscal year 1997 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Armed Services, with amendments, as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets and the parts of the bill intended to be inserted are shown in italic.)

S. 1745

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Defense Authorization Act for Fiscal Year 1997".

SEC. 2. ORGANIZATION OF ACT INTO DIVISIONS; TABLE OF CONTENTS.

(a) DIVISIONS.—This Act is organized into three divisions as follows:

(1) Division A—Department of Defense Authorizations.

(2) Division B—Military Construction Authorizations.

(3) Division C—Department of Energy National Security Authorizations and Other Authorizations.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

TITLE I—PROCUREMENT

Subtitle A—Authorization of Appropriations

Sec. 101. Army.
Sec. 102. Navy and Marine Corps.
Sec. 103. Air Force.
Sec. 104. Defense-wide activities.
Sec. 105. Reserve components.
Sec. 106. Defense Inspector General.
Sec. 107. Chemical demilitarization program.
Sec. 108. Defense health program.
Sec. 109. Defense Nuclear Agency.

Subtitle B—Army Programs

Sec. 111. Multiyear procurement of Javelin missile system.
Sec. 112. Army assistance for Chemical Demilitarization Citizens' Advisory Commissions.

Subtitle C—Navy Programs

Sec. 121. EA-6B aircraft reactive jammer program.
Sec. 122. Penguin missile program.
Sec. 123. Nuclear attack submarine programs.
Sec. 124. Arleigh Burke class destroyer program.

Subtitle D—Air Force Programs

Sec. 131. Multiyear contracting authority for the C-17 aircraft program.

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

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Subtitle A—Authorization of Appropriations

Sec. 201. Authorization of appropriations.
Sec. 202. Amount for basic research and exploratory development.
Sec. 203. Defense Nuclear Agency.

Subtitle B—Program Requirements, Restrictions, and Limitations

Sec. 211. Space launch modernization.
Sec. 212. Department of Defense Space Architect.
Sec. 213. Space-based infrared system program.
Sec. 214. Research for advanced submarine technology.
Sec. 215. Clementine 2 micro-satellite development program.
Sec. 216. Tactical unmanned aerial vehicle program.
Sec. 217. Defense airborne reconnaissance program.
Sec. 218. Cost analysis of F-22 aircraft program.
Sec. 219. F-22 aircraft program reports.
Sec. 220. Nonlethal weapons and technologies programs.
Sec. 221. Counterproliferation support program.
Sec. 222. Federally funded research and development centers and university-affiliated research centers.

Subtitle C—Ballistic Missile Defense

Sec. 231. United States compliance policy regarding development, testing, and deployment of theater missile defense systems.
Sec. 232. Prohibition on use of funds to implement an international agreement concerning theater missile defense systems.
Sec. 233. Conversion of ABM treaty to multilateral treaty.
Sec. 234. Funding for upper tier theater missile defense systems.
Sec. 235. Elimination of requirements for certain items to be included in the annual report on the ballistic missile defense program.
Sec. 236. ABM treaty defined.

Subtitle D—Other Matters

Sec. 241. Live-fire survivability testing of F-22 aircraft.
Sec. 242. Live-fire survivability testing of V-22 aircraft.

Subtitle E—National Oceanographic Partnership

Sec. 251. Short title.
Sec. 252. National Oceanographic Partnership Program.

TITLE III—OPERATION AND MAINTENANCE

Subtitle A—Authorization of Appropriations

Sec. 301. Operation and maintenance funding.
Sec. 302. Working capital funds.
Sec. 303. Defense Nuclear Agency.
Sec. 304. Transfer from National Defense Stockpile Transaction Fund.
Sec. 305. Civil Air Patrol.
Sec. 306. SR-71 contingency reconnaissance force.

Subtitle B—Program Requirements, Restrictions, and Limitations

Sec. 311. Funding for second and third maritime prepositioning ships out of National Defense Sealift Fund.
Sec. 312. National Defense Sealift Fund.
Sec. 313. Nonlethal weapons capabilities.
Sec. 314. Restriction on Coast Guard funding.

Subtitle C—Depot-Level Activities

Sec. 321. Department of Defense performance of core logistics functions.
Sec. 322. Increase in percentage limitation on contractor performance of depot-level maintenance and repair workloads.
Sec. 323. Report on depot-level maintenance and repair.
Sec. 324. Depot-level maintenance and repair workload defined.
Sec. 325. Strategic plan relating to depot-level maintenance and repair.
Sec. 326. Annual report on competitive procedures.
Sec. 327. Annual risk assessments regarding private performance of depot-level maintenance work.
Sec. 328. Extension of authority for naval shipyards and aviation depots to engage in defense-related production and services.
Sec. 329. Limitation on use of funds for F-18 aircraft depot maintenance.
Sec. 330. Depot maintenance and repair at facilities closed by BRAC.

Subtitle D—Environmental Provisions

Sec. 341. Establishment of separate environmental restoration transfer accounts for each military department.
Sec. 342. Defense contractors covered by requirement for reports on contractor reimbursement costs for response actions.
Sec. 343. Repeal of redundant notification and consultation requirements regarding remedial investigations and feasibility studies at certain installations to be closed under the base closure laws.
Sec. 344. Payment of certain stipulated civil penalties.
Sec. 345. Authority to withhold listing of Federal facilities on National Priorities List.
Sec. 346. Authority to transfer contaminated Federal property before completion of required remedial actions.
Sec. 347. Clarification of meaning of uncontaminated property for purposes of transfer by the United States.
Sec. 348. Shipboard solid waste control.
Sec. 349. Cooperative agreements for the management of cultural resources on military installations.
Sec. 350. Report on withdrawal of public lands at El Centro Naval Air Facility, California.
Sec. 351. Use of hunting and fishing permit fees collected at closed military reservations.

Subtitle E—Other Matters

Sec. 361. Firefighting and security-guard functions at facilities leased by the Government.
Sec. 362. Authorized use of recruiting funds.
Sec. 363. Noncompetitive procurement of brand-name commercial items for resale in commissary stores.
Sec. 364. Administration of midshipmen's store and other Naval Academy support activities as nonappropriated fund instrumentalities.
Sec. 365. Assistance to committees involved in inauguration of the President.
Sec. 366. Department of Defense support for sporting events.
Sec. 367. Renovation of building for Defense Finance and Accounting Service Center, Fort Benjamin Harrison, Indiana.

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

Subtitle A—Active Forces

Sec. 401. End strengths for active forces.
Sec. 402. Temporary flexibility relating to permanent end strength levels.
Sec. 403. Authorized strengths for commissioned officers in grades O-4, O-5, and O-6.
Sec. 404. Extension of requirement for recommendations regarding appointments to joint 4-star officer positions.
Sec. 405. Increase in authorized number of general officers on active duty in the Marine Corps.

Subtitle B—Reserve Forces

Sec. 411. End strengths for Selected Reserve.
Sec. 412. End strengths for Reserves on active duty in support of the reserves.

Subtitle C—Authorization of Appropriations

Sec. 421. Authorization of appropriations for military personnel.

TITLE V—MILITARY PERSONNEL POLICY

Subtitle A—Officer Personnel Policy

Sec. 501. Extension of authority for temporary promotions for certain Navy lieutenants with critical skills.
Sec. 502. Exception to baccalaureate degree requirement for appointment in the Naval Reserve in grades above O-2.
Sec. 503. Time for award of degrees by unaccredited educational institutions for graduates to be considered educationally qualified for appointment as Reserve officers in grade O-3.
Sec. 504. Chief Warrant Officer promotions.
Sec. 505. Frequency of periodic report on promotion rates of officers currently or formerly serving in joint duty assignments.

Subtitle B—Matters Relating to Reserve Components

Sec. 511. Clarification of definition of active status.
Sec. 512. Amendments to Reserve Officer Personnel Management Act provisions.
Sec. 513. Repeal of requirement for physical examinations of members of National Guard called into Federal service.
Sec. 514. Authority for a Reserve on active duty to waive retirement sanctuary.
Sec. 515. Retirement of Reserves disabled by injury or disease incurred or aggravated during overnight stay between inactive duty training periods.
Sec. 516. Reserve credit for participation in the Health Professions Scholarship and Financial Assistance Program.
Sec. 517. Report on Guard and Reserve force structure.

Subtitle C—Officer Education Programs

Sec. 521. Increased age limit on appointment as a cadet or midshipman in the Senior Reserve Officers' Training Corps and the service academies.

Sec. 522. Demonstration project for instruction and support of Army ROTC units by members of the Army Reserve and National Guard.

Subtitle D—Other Matters

Sec. 531. Retirement at grade to which selected for promotion when a physical disability is found at any physical examination.
Sec. 532. Limitations on recall of retired members to active duty.
Sec. 533. Disability coverage for officers granted excess leave for educational purposes.
Sec. 534. Uniform policy regarding retention of members who are permanently nonworldwide assignable.
Sec. 535. Authority to extend period for enlistment in regular component under the delayed entry program.
Sec. 536. Career service reenlistments for members with at least 10 years of service.
Sec. 537. Revisions to missing persons authorities.
Sec. 538. Inapplicability of Soldiers' and Sailors' Civil Relief Act of 1940 to the period of limitations for filing claims for corrections of military records.
Sec. 539. Medal of Honor for certain African-American soldiers who served in World War II.

Subtitle E—Commissioned Corps of the Public Health Service

Sec. 561. Applicability to Public Health Service of prohibition on crediting cadet or midshipmen service at the service academies.
Sec. 562. Exception to grade limitations for Public Health Service officers assigned to the Department of Defense.

Subtitle F—Defense Economic Adjustment, Diversification, Conversion, and Stabilization

Sec. 571. Authority to expand law enforcement placement program to include firefighters.
Sec. 572. Troops-to-teachers program improvements.

Subtitle G—Armed Forces Retirement Home

Sec. 581. References to Armed Forces Retirement Home Act of 1991.
Sec. 582. Acceptance of uncompensated services.
Sec. 583. Disposal of real property.
Sec. 584. Matters concerning personnel.
Sec. 585. Fees for residents.
Sec. 586. Authorization of appropriations.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

Subtitle A—Pay and Allowances

Sec. 601. Military pay raise for fiscal year 1997.
Sec. 602. Rate of cadet and midshipman pay.
Sec. 603. Pay of senior noncommissioned officers while hospitalized.
Sec. 604. Basic allowance for quarters for members assigned to sea duty.
Sec. 605. Uniform applicability of discretion to deny an election not to occupy Government quarters.
Sec. 606. Family separation allowance for members separated by military orders from spouses who are members.
Sec. 607. Waiver of time limitations for claim for pay and allowances.

Subtitle B—Bonuses and Special and Incentive Pays

Sec. 611. Extension of certain bonuses for reserve forces.
Sec. 612. Extension of certain bonuses and special pay for nurse officer candidates, registered nurses, and nurse anesthetists.
Sec. 613. Extension of authority relating to payment of other bonuses and special pays.
Sec. 614. Increased special pay for dental officers of the Armed Forces.
Sec. 615. Retention special pay for Public Health Service optometrists.
Sec. 616. Special pay for nonphysician health care providers in the Public Health Service.
Sec. 617. Foreign language proficiency pay for Public Health Service and National Oceanic and Atmospheric Administration officers.

Subtitle C—Travel and Transportation Allowances

Sec. 621. Round trip travel allowances for shipping motor vehicles at Government expense.
Sec. 622. Option to store instead of transport a privately owned vehicle at the expense of the United States.
Sec. 623. Deferral of travel with travel and transportation allowances in connection with leave between consecutive overseas tours.
Sec. 624. Funding for transportation of household effects of Public Health Service officers.

Subtitle D—Retired Pay, Survivor Benefits, and Related Matters

Sec. 631. Effective date for military retiree cost-of-living adjustment for fiscal year 1998.
Sec. 632. Allotment of retired or retainer pay.
Sec. 633. Cost-of-living increases in SBP contributions to be effective concurrently with payment of related retired pay cost-of-living increases.
Sec. 634. Annuities for certain military surviving spouses.
Sec. 635. Adjusted annual income limitation applicable to eligibility for income supplement for certain widows of members of the uniformed services.

Subtitle E—Other Matters

Sec. 641. Reimbursement for adoption expenses incurred in adoptions through private placements.
Sec. 642. Waiver of recoupment of amounts withheld for tax purposes from certain separation pay received by involuntarily separated members and former members of the Armed Forces.

TITLE VII—HEALTH CARE PROVISIONS

Sec. 701. Implementation of requirement for Selected Reserve dental insurance plan.
Sec. 702. Dental insurance plan for military retirees and certain dependents.
Sec. 703. Uniform composite health care system software.
Sec. 704. Clarification of applicability of CHAMPUS payment rules to private CHAMPUS providers for care provided to enrollees in health care plans of Uniformed Services Treatment Facilities.
Sec. 705. Enhancement of third-party collection and secondary payer authorities under CHAMPUS.
Sec. 706. Codification of authority to credit CHAMPUS collections to program accounts.
Sec. 707. Comptroller General review of health care activities of the Department of Defense relating to Persian Gulf illnesses.

TITLE VIII—ACQUISITION POLICY, ACQUISITION MANAGEMENT, AND RELATED MATTERS

Sec. 801. Procurement technical assistance programs.
Sec. 802. Extension of pilot mentor-protege program.
Sec. 803. Modification of authority to carry out certain prototype projects.
Sec. 804. Revisions to the program for the assessment of the national defense technology and industrial base.
Sec. 805. Procurements to be made from small arms industrial base firms.
Sec. 806. Exception to prohibition on procurement of foreign goods.
Sec. 807. Treatment of Department of Defense cable television franchise agreements.
Sec. 808. Remedies for reprisals against contractor employee whistleblowers.
Sec. 809. Implementation of information technology management reform.

TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

Subtitle A—General Matters

Sec. 901. Repeal of reorganization of Office of Secretary of Defense.
Sec. 902. Codification of requirements relating to continued operation of the Uniformed Services University of the Health Sciences.
Sec. 903. Codification of requirement for United States Army Reserve Command.
Sec. 904. Transfer of authority to control transportation systems in time of war.
[Sec. 905. Executive oversight of defense human intelligence personnel.
[Sec. 906. Coordination of defense intelligence programs and activities.]
Sec. [907.] *905.* Redesignation of Office of Naval Records and History Fund and correction of related references.
Sec. 906. Role of Director of Central Intelligence in appointment and evaluation of certain intelligence officials.

Subtitle B—National Imagery and Mapping Agency

Sec. 911. Short title.
Sec. 912. Findings.

PART I—ESTABLISHMENT

Sec. 921. Establishment, missions, and authority.
Sec. 922. Transfers.
Sec. 923. Compatibility with authority under the National Security Act of 1947.
Sec. 924. Other personnel management authorities.
Sec. 925. Creditable civilian service for career conditional employees of the Defense Mapping Agency.
Sec. 926. Saving provisions.
Sec. 927. Definitions.
Sec. 928. Authorization of appropriations.

PART II—CONFORMING AMENDMENTS AND EFFECTIVE DATES

Sec. 931. Redesignation and repeals.
Sec. 932. References.
Sec. 933. Headings and clerical amendments.
Sec. 934. Effective dates.

TITLE X—GENERAL PROVISIONS

Subtitle A—Financial Matters

Sec. 1001. Transfer authority.
Sec. 1002. Authority for obligation of certain unauthorized fiscal year 1996 defense appropriations.
Sec. 1003. Authorization of prior emergency supplemental appropriations for fiscal year 1996.
Sec. 1004. Use of funds transferred to the Coast Guard.
Sec. 1005. Use of military-to-military contacts funds for professional military education and training.
Sec. 1006. Payment of certain expenses relating to humanitarian and civic assistance.
[Sec. 1007. Prohibition on expenditure of Department of Defense funds by officials outside the department.]
Sec. [1008.] *1007.* Prohibition on use of funds for Office of Naval Intelligence representation or related activities.
Sec. [1009.] *1008.* Reimbursement of Department of Defense for costs of disaster assistance provided outside the United States.
Sec. [1010.] *1009.* Fisher House Trust Fund for the Navy.
Sec. [1011.] *1010.* Designation and liability of disbursing and certifying officials for the Coast Guard.
Sec. [1012.] *1011.* Authority to suspend or terminate collection actions against deceased members of the Coast Guard.
Sec. [1013.] *1012.* Check cashing and exchange transactions with credit unions outside the United States.

Subtitle B—Naval Vessels and Shipyards

Sec. 1021. Authority to transfer naval vessels.
Sec. 1022. Transfer of certain obsolete tugboats of the Navy.
Sec. 1023. Repeal of requirement for continuous applicability of contracts for phased maintenance of AE class ships.
Sec. 1024. Contract options for LMSR vessels.

Subtitle C—Counter-Drug Activities

Sec. 1031. Authority to provide additional support for counter-drug activities of Mexico.
Sec. 1032. Limitation on defense funding of the National Drug Intelligence Center.
Sec. 1033. Investigation of the National Drug Intelligence Center.

Subtitle D—Matters Relating to Foreign Countries

Sec. 1041. Agreements for exchange of defense personnel between the United States and foreign countries.
Sec. 1042. Authority for reciprocal exchange of personnel between the United States and foreign countries for flight training.
Sec. 1043. Extension of counterproliferation authorities.

Subtitle E—Miscellaneous Reporting Requirements

Sec. 1051. Annual report on emerging operational concepts.
Sec. 1052. Annual joint warfighting science and technology plan.
Sec. 1053. Report on military readiness requirements of the Armed Forces.

Subtitle F—Other Matters

Sec. 1061. Uniform Code of Military Justice amendments.
Sec. 1062. Limitation on retirement or dismantlement of strategic nuclear delivery systems.
Sec. 1063. Correction of references to Department of Defense organizations.
Sec. 1064. Authority of certain members of the Armed Forces to perform notarial or consular acts.
Sec. 1065. Training of members of the uniformed services at non-Government facilities.
Sec. 1066. Third-party liability to United States for tortious infliction of injury or disease on members of the uniformed services.
Sec. 1067. Display of State flags at installations and facilities of the Department of Defense.
Sec. 1068. George C. Marshall European Center for Strategic Security Studies.
Sec. 1069. Authority to award to civilian participants in the defense of Pearl Harbor the Congressional medal previously authorized only for military participants in the defense of Pearl Harbor.
Sec. 1070. Michael O'Callaghan Federal Hospital, Las Vegas, Nevada.
Sec. 1071. Naming of building at the Uniformed Services University of the Health Sciences.

TITLE XI—DEPARTMENT OF DEFENSE CIVILIAN PERSONNEL

Subtitle A—Personnel Management, Pay, and Allowances

Sec. 1101. Scope of requirement for conversion of military positions to civilian positions.
Sec. 1102. Retention of civilian employee positions at military training bases transferred to National Guard.
Sec. 1103. Clarification of limitation on furnishing clothing or paying a uniform allowance to enlisted National Guard technicians.
Sec. 1104. Travel expenses and health care for civilian employees of the Department of Defense abroad.
Sec. 1105. Travel, transportation, and relocation allowances for certain former nonappropriated fund employees.
Sec. 1106. Employment and salary practices applicable to Department of Defense overseas teachers.
Sec. 1107. Employment and compensation of civilian faculty members at certain Department of Defense schools.
Sec. 1108. Reimbursement of Department of Defense domestic dependent school board members for certain expenses.
Sec. 1109. Extension of authority for civilian employees of Department of Defense to participate voluntarily in reductions in force.
Sec. 1110. Compensatory time off for overtime work performed by wage-board employees.
Sec. 1111. Liquidation of restored annual leave that remains unused upon transfer of employee from installation being closed or realigned.
Sec. 1112. Waiver of requirement for repayment of voluntary separation incentive pay by former Department of Defense employees reemployed by the Government without pay.
Sec. 1113. Federal holiday observance rules for Department of Defense employees.
Sec. 1114. Revision of certain travel management authorities.

Subtitle B—Defense Economic Adjustment, Diversification, Conversion, and Stabilization

Sec. 1121. Pilot programs for defense employees converted to contractor employees due to privatization at closed military installations.
Sec. 1122. Troops-to-teachers program improvements applied to civilian personnel.

TITLE XII—FEDERAL CHARTER FOR THE FLEET RESERVE ASSOCIATION

Sec. 1201. Recognition and grant of Federal charter.
Sec. 1202. Powers.
Sec. 1203. Purposes.
Sec. 1204. Service of process.
Sec. 1205. Membership.
Sec. 1206. Board of directors.
Sec. 1207. Officers.
Sec. 1208. Restrictions.
Sec. 1209. Liability.
Sec. 1210. Maintenance and inspection of books and records.
Sec. 1211. Audit of financial transactions.
Sec. 1212. Annual report.
Sec. 1213. Reservation of right to amend or repeal charter.
Sec. 1214. Tax-exempt status.
Sec. 1215. Termination.
Sec. 1216. Definition.

DIVISION B—MILITARY CONSTRUCTION AUTHORIZATIONS

Sec. 2001. Short title.

TITLE XXI—ARMY

Sec. 2101. Authorized Army construction and land acquisition projects.
Sec. 2102. Family housing.
Sec. 2103. Improvements to military family housing units.
Sec. 2104. Authorization of appropriations, Army.

TITLE XXII—NAVY

Sec. 2201. Authorized Navy construction and land acquisition projects.
Sec. 2202. Family housing.
Sec. 2203. Improvements to military family housing units.
Sec. 2204. Defense access roads.
Sec. 2205. Authorization of appropriations, Navy.

TITLE XXIII—AIR FORCE

Sec. 2301. Authorized Air Force construction and land acquisition projects.
Sec. 2302. Family housing.
Sec. 2303. Improvements to military family housing units.
Sec. 2304. Authorization of appropriations, Air Force.

TITLE XXIV—DEFENSE AGENCIES

Sec. 2401. Authorized Defense Agencies construction and land acquisition projects.
Sec. 2402. Military housing planning and design.
Sec. 2403. Improvements to military family housing units.
Sec. 2404. Military housing improvement program.
Sec. 2405. Energy conservation projects.
Sec. 2406. Authorization of appropriations, Defense Agencies.

TITLE XXV—NORTH ATLANTIC TREATY ORGANIZATION SECURITY INVESTMENT PROGRAM
Sec. 2501. Authorized NATO construction and land acquisition projects.
Sec. 2502. Authorization of appropriations, NATO.
Sec. 2503. Redesignation of North Atlantic Treaty Organization Infrastructure program.
TITLE XXVI—GUARD AND RESERVE FORCES FACILITIES
Sec. 2601. Authorized Guard and Reserve construction and land acquisition projects.
TITLE XXVII—EXPIRATION AND EXTENSION OF AUTHORIZATIONS
Sec. 2701. Expiration of authorizations and amounts required to be specified by law.
Sec. 2702. Extension of authorizations of certain fiscal year 1994 projects.
Sec. 2703. Extension of authorizations of certain fiscal year 1993 projects.
Sec. 2704. Extension of authorizations of certain fiscal year 1992 projects.
Sec. 2705. Effective date.
TITLE XXVIII—GENERAL PROVISIONS
Subtitle A—Military Construction Program and Military Family Housing Changes
Sec. 2801. Increase in certain thresholds for unspecified minor construction projects.
Sec. 2802. Clarification of authority to improve military family housing.
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SEC. 3. CONGRESSIONAL DEFENSE COMMITTEES DEFINED.

For purposes of this Act, the term "congressional defense committees" means—

(1) the Committee on Armed Services and the Committee on Appropriations of the Senate; and

(2) the Committee on National Security and the Committee on Appropriations of the House of Representatives.

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

TITLE I—PROCUREMENT

Subtitle A—Authorization of Appropriations

SEC. 101. ARMY.

Funds are hereby authorized to be appropriated for fiscal year 1997 for procurement for the Army as follows:

(1) For aircraft, $1,508,515,000.

(2) For missiles, $1,160,829,000.

(3) For weapons and tracked combat vehicles, $1,460,115,000.

(4) For ammunition, $1,156,728,000.

(5) For other procurement, $3,298,940,000.

SEC. 102. NAVY AND MARINE CORPS.

(a) NAVY.—Funds are hereby authorized to be appropriated for fiscal year 1997 for procurement for the Navy as follows:

(1) For aircraft, $6,911,352,000.

(2) For weapons, including missiles and torpedoes, $1,513,263,000.

(3) For shipbuilding and conversion, $6,567,330,000.

(4) For other procurement, $3,005,040,000.

(b) MARINE CORPS.—Funds are hereby authorized to be appropriated for fiscal year 1997 for procurement for the Marine Corps in the amount of $816,107,000.

SEC. 103. AIR FORCE.

Funds are hereby authorized to be appropriated for fiscal year 1997 for procurement for the Air Force as follows:

(1) For aircraft, $7,003,528,000.

(2) For missiles, $2,847,177,000.

(3) For other procurement, $5,880,519,000.

SEC. 104. DEFENSE-WIDE ACTIVITIES.

Funds are hereby authorized to be appropriated for fiscal year 1997 for Defense-wide procurement in the amount of $1,908,012,000.

SEC. 105. RESERVE COMPONENTS.

Funds are hereby authorized to be appropriated for fiscal year 1997 for procurement of aircraft, vehicles, communications equipment, and other equipment for the reserve components of the Armed Forces as follows:

(1) For the Army National Guard, $224,000,000.

(2) For the Air National Guard, $305,800,000.

(3) For the Army Reserve, $90,000,000.

(4) For the Naval Reserve, $40,000,000.

(5) For the Air Force Reserve, $40,000,000.

(6) For the Marine Corps Reserve, $60,000,000.

SEC. 106. DEFENSE INSPECTOR GENERAL.

Funds are hereby authorized to be appropriated for fiscal year 1997 for procurement

for the Inspector General of the Department of Defense in the amount of $2,000,000.

SEC. 107. CHEMICAL DEMILITARIZATION PROGRAM.

There is hereby authorized to be appropriated for fiscal year 1997 the amount of $802,847,000 for—

(1) the destruction of lethal chemical agents and munitions in accordance with section 1412 of the Department of Defense Authorization Act, 1986 (50 U.S.C. 1521); and

(2) the destruction of chemical warfare materiel of the United States that is not covered by section 1412 of such Act.

SEC. 108. DEFENSE HEALTH PROGRAM.

Funds are hereby authorized to be appropriated for fiscal year 1997 for the Department of Defense for procurement for carrying out health care programs, projects, and activities of the Department of Defense in the total amount of $269,470,000.

SEC. 109. DEFENSE NUCLEAR AGENCY.

Of the amounts authorized to be appropriated for the Department of Defense under section 104, $7,900,000 shall be available for the Defense Nuclear Agency.

Subtitle B—Army Programs

SEC. 111. MULTIYEAR PROCUREMENT OF JAVELIN MISSILE SYSTEM.

The Secretary of the Army may, in accordance with section 2306b of title 10, United States Code, enter into multiyear procurement contracts for the procurement of the Javelin missile system.

SEC. 112. ARMY ASSISTANCE FOR CHEMICAL DEMILITARIZATION CITIZENS' ADVISORY COMMISSIONS.

Subsections (b) and (f) of section 172 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102-484; 106 Stat. 2341; 50 U.S.C. 1521 note) are each amended by striking out "Assistant Secretary of the Army (Installations, Logistics and Environment)" and inserting in lieu thereof "Assistant Secretary of the Army (Research, Development and Acquisition)".

Subtitle C—Navy Programs

SEC. 121. EA-6B AIRCRAFT REACTIVE JAMMER PROGRAM.

(a) LIMITATION.—None of the funds appropriated pursuant to section 102(a)(1) for modifications or upgrades of EA-6B aircraft may be obligated, other than for a reactive jammer program for such aircraft, until 30 days after the date on which the Secretary of the Navy submits to the congressional defense committees in writing—

(1) a certification that some or all of such funds have been obligated for a reactive jammer program for EA-6B aircraft; and

(2) a report that sets forth a detailed, well-defined program for—

(A) developing a reactive jamming capability for EA-6B aircraft; and

(B) upgrading the EA-6B aircraft of the Navy to incorporate the reactive jamming capability.

(b) CONTINGENT TRANSFER OF FUNDS TO AIR FORCE.—(1) If the Secretary of the Navy has not submitted the certification and report described in subsection (a) to the congressional defense committees before June 1, 1997, then, on that date, the Secretary of Defense shall transfer to Air Force, out of appropriations available to the Navy for fiscal year 1997 for procurement of aircraft, the amount equal to the amount appropriated to the Navy for fiscal year 1997 for modifications and upgrades of EA-6B aircraft.

(2) Funds transferred to the Air Force pursuant to paragraph (1) shall be available for maintaining and upgrading the jamming capability of EF-111 aircraft.

SEC. 122. PENGUIN MISSILE PROGRAM.

(a) MULTIYEAR PROCUREMENT AUTHORITY.—The Secretary of the Navy may, in accordance with section 2306b of title 10, United States Code, enter into multiyear procurement contracts for the procurement of not more than 106 Penguin missile systems.

(b) LIMITATION ON TOTAL COST.—The total amount obligated or expended for procurement of Penguin missile systems under contracts under subsection (a) may not exceed $84,800,000.

SEC. 123. NUCLEAR ATTACK SUBMARINE PROGRAMS.

(a) AMOUNTS AUTHORIZED.—(1) Of the amount authorized to be appropriated by section 102(a)(3)—

(A) $804,100,000 shall be available for construction of the third vessel (designated SSN-23) in the Seawolf attack submarine class;

(B) $296,200,000 shall be available for long-lead and advance construction and procurement of components for construction of a submarine (previously designated by the Navy as the New Attack Submarine) beginning in fiscal year 1998 to be built by Electric Boat Division; and

(C) $701,000,000 shall be available for long-lead and advance construction and procurement of components for construction of a second submarine (previously designated by the Navy as the New Attack Submarine) beginning in fiscal year 1999 to be built by Newport News Shipbuilding.

(2) Funds authorized to be appropriated by section 201(2) for the design of the submarine previously designated by the Navy as the New Attack Submarine shall be available for obligation and expenditure under contracts with Electric Boat Division and Newport News Shipbuilding to carry out the provisions of the "Memorandum of Agreement Among the Department of the Navy, Electric Boat Corporation (EB) and Newport News Shipbuilding and Drydock Company (NNS) Concerning the New Attack Submarine", dated April 5, 1996, relating to design data transfer, design improvements, integrated process teams, updated design base, and other research and development initiatives related to the design of such submarine.

(b) CONTRACTS AUTHORIZED.—(1) The Secretary of the Navy is authorized, using funds available pursuant to subparagraphs (B) and (C) of subsection (a)(1), to enter into contracts with Electric Boat Division and Newport News Shipbuilding, and suppliers of components, during fiscal year 1997 for—

(A) the procurement of long-lead components for the submarines referred to in such subparagraphs; and

(B) advance construction of such components and other components for such submarines.

(2) The Secretary of the Navy may enter into a contract or contracts under this section with the shipbuilder of the submarine referred to in subsection (a)(1)(B) only if the Secretary enters into a contract or contracts under this section with the shipbuilder of the submarine referred to in subsection (a)(1)(C).

(c) COMPETITION AND LIMITATIONS ON OBLIGATIONS.—(1)(A) Of the amounts made available pursuant to subsection (a)(1), not more than $100,000,000 may be obligated or expended until the Secretary of Defense certifies in writing to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives that procurement of nuclear attack submarines described in subparagraph (B) will be provided for under one or more contracts that are entered into after a competition between Electric Boat Division and Newport News Shipbuilding in which the Secretary of the Navy solicits competitive proposals and awards the contract or contracts on the basis of price.

(B) The submarines referred to in subparagraph (A) are nuclear attack submarines that are to be constructed beginning—

(i) after fiscal year 1999; or

(ii) if four submarines are to be procured as provided for in the plan required under section 131(c) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104-106; 110 Stat. 209), after fiscal year 2001.

(2) Of the amounts made available pursuant to subsection (a)(1), not more than $100,000,000 may be obligated or expended until the Under Secretary of Defense for Acquisition and Technology submits to the committees referred to in paragraph (1) a written report that describes in detail—

(A) the oversight activities undertaken by the Under Secretary up to the date of the report pursuant to section 131(b)(2)(C) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104-106; 110 Stat. 207), and the plans for the future development and improvement of the nuclear attack submarine program of the Navy;

(B) the implementation of, and activities conducted under, the program required to be established by the Director of the Defense Advanced Research Projects Agency by section 131(i) of such Act (110 Stat. 210) for the development and demonstration of advanced submarine technologies and a rapid prototype acquisition strategy for both land-based and at-sea subsystem and system demonstrations of such technologies; and

(C) all research, development, test, and evaluation programs, projects, or activities within the Department of Defense which, in the opinion of the Under Secretary, are designed to contribute to the development and demonstration of advanced submarine technologies leading to a more capable, more affordable nuclear attack submarine, together with a specific identification of ongoing involvement, and plans for future involvement, in any such program, project, or activity by Electric Boat Division, Newport News Shipbuilding, or both.

(d) REFERENCES TO SHIPBUILDERS.—For purposes of this section—

(1) the shipbuilder referred to as "Electric Boat Division" is the Electric Boat Division of the General Dynamics Corporation; and

(2) the shipbuilder referred to as "Newport News Shipbuilding" is the Newport News Shipbuilding and Drydock Company.

SEC. 124. ARLEIGH BURKE CLASS DESTROYER PROGRAM.

(a) FUNDING.—(1) Subject to paragraph (3), funds authorized to be appropriated by section 102(a)(3) may be made available for contracts entered into in fiscal year 1996 under subsection (b)(1) of section 135 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104-106; 110 Stat. 211) for construction for the third of the three Arleigh Burke class destroyers covered by that subsection. Such funds are in addition to amounts made available for such contracts by the second sentence of subsection (a) of that section.

(2) Subject to paragraph (3), funds authorized to be appropriated by section 102(a)(3) may be made available for contracts entered into in fiscal year 1997 under subsection (b)(2) of such section 135 for construction (including advance procurement) for the Arleigh Burke class destroyers covered by such subsection (b)(2).

(3) The aggregate amount of funds available under paragraphs (1) and (2) for contracts referred to in such paragraphs may not exceed $3,483,030,000.

(4) Within the amount authorized to be appropriated by section 102(a)(3), $750,000,000 is authorized to be appropriated for advance procurement for construction for the Arleigh Burke class destroyers authorized by subsection (b).

(b) AUTHORITY FOR PROCUREMENT OF TWELVE VESSELS.—The Secretary of the Navy is authorized to construct 12 Arleigh Burke class destroyers in accordance with subsections (c) and (d).

(c) CONTRACTS.—(1) The Secretary is authorized, in fiscal year 1998, to enter into contracts for the construction of three Arleigh Burke class destroyers covered by subsection (b), subject to the availability of appropriations for such destroyers.

(2) The Secretary is authorized, in fiscal year 1999, to enter into contracts for the construction of three Arleigh Burke class destroyers covered by subsection (b), subject to the availability of appropriations for such destroyers. The destroyers covered by this paragraph are in addition to the destroyers covered by paragraph (1).

(3) The Secretary is authorized, in fiscal year 2000, to enter into contracts for the construction of three Arleigh Burke class destroyers covered by subsection (b), subject to the availability of appropriations for such destroyers. The destroyers covered by this paragraph are in addition to the destroyers covered by paragraphs (1) and (2).

(4) The Secretary is authorized, in fiscal year 2001, to enter into contracts for the construction of three Arleigh Burke class destroyers covered by subsection (b), subject to the availability of appropriations for such destroyers. The destroyers covered by this paragraph are in addition to the destroyers covered by paragraphs (1), (2), and (3).

(d) USE OF AVAILABLE FUNDS.—(1) Subject to paragraph (2), the Secretary may take appropriate actions to use for full funding of a contract entered into in accordance with subsection (c)—

(A) any funds that, having been appropriated for shipbuilding and conversion programs of the Navy other than Arleigh Burke class destroyer programs pursuant to the authorization in section 102(a)(3), become excess to the needs of the Navy for such programs by reason of cost savings achieved for such programs;

(B) any unobligated funds that are available to the Secretary for shipbuilding and conversion for any fiscal year before fiscal year 1997; and

(C) any funds that are appropriated after the date of the enactment of the Department of Defense Appropriations Act, 1997, to complete the full funding of the contract.

(2) The Secretary may not, in the exercise of authority provided in subparagraph (A) or (B) of paragraph (1), obligate funds for a contract entered into in accordance with subsection (c) until 30 days after the date on which the Secretary submits to the congressional defense committees in writing a notification of the intent to obligate the funds. The notification shall set forth the source or sources of the funds and the amount of the funds from each such source that is to be so obligated.

Subtitle D—Air Force Programs

SEC. 131. MULTIYEAR CONTRACTING AUTHORITY FOR THE C-17 AIRCRAFT PROGRAM.

(a) MULTIYEAR CONTRACTS AUTHORIZED.—The Secretary of the Air Force may, pursuant to section 2306b of title 10, United States Code (except as provided in subsection (b)(1)), enter into one or more multiyear contracts for the procurement of not more than a total of 80 C-17 aircraft.

(b) CONTRACT PERIOD.—(1) Notwithstanding section 2306b(k) of title 10, United States Code, the period covered by a contract entered into on a multiyear basis under the authority of subsection (a) may exceed five years, but may not exceed seven years.

(2) Paragraph (1) shall not be construed as prohibiting the Secretary of the Air Force from entering into a multiyear contract for a period of less than seven years. In determining to do so, the Secretary shall consider whether—

(A) sufficient funding is provided for in the future-years defense program for procurement, within the shorter period, of the total number of aircraft to be procured (within the number set forth in subsection (a)); and

(B) the contractor is capable of delivering that total number of aircraft within the shorter period.

(c) OPTION TO CONVERT TO ONE-YEAR PROCUREMENTS.—Each multiyear contract for the procurement of C-17 aircraft authorized by subsection (a) shall include a clause that permits the Secretary of the Air Force—

(1) to terminate the contract as of September 30, 1998, without a modification in the price of each aircraft and without incurring any obligation to pay the contractor termination costs; and

(2) to then enter into follow-on one-year contracts with the contractor for the procurement of C-17 aircraft (within the total number of aircraft authorized under subsection (a)) at a negotiated price that is not to exceed the price that is negotiated before September 30, 1998, for the annual production contract for the C-17 aircraft in lot VIII and subsequent lots.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Subtitle A—Authorization of Appropriations

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

Funds are hereby authorized to be appropriated for fiscal year 1997 for the use of the Department of Defense for research, development, test, and evaluation as follows:

(1) For the Army, $4,958,140,000.

(2) For the Navy, $9,041,534,000.

(3) For the Air Force, $14,788,356,000.

(4) For Defense-wide activities, $9,662,542,000, of which—

(A) $252,038,000 is authorized for the activities of the Director, Test and Evaluation; and

(B) $21,968,000 is authorized for the Director of Operational Test and Evaluation.

SEC. 202. AMOUNT FOR BASIC RESEARCH AND EXPLORATORY DEVELOPMENT.

(a) FISCAL YEAR 1997.—Of the amounts authorized to be appropriated by section 201, $4,005,787,000 shall be available for basic research and exploratory development projects.

(b) BASIC RESEARCH AND EXPLORATORY DEVELOPMENT DEFINED.—For purposes of this section, the term "basic research and exploratory development" means work funded in program elements for defense research and development under Department of Defense category 6.1 or 6.2.

SEC. 203. DEFENSE NUCLEAR AGENCY.

Of the amounts authorized to be appropriated for the Department of Defense under section 201, $221,330,000 shall be available for the Defense Nuclear Agency.

Subtitle B—Program Requirements, Restrictions, and Limitations

SEC. 211. SPACE LAUNCH MODERNIZATION.

(a) FUNDING.—Funds appropriated pursuant to the authorization of appropriations in section 201(3) are authorized to be made available for space launch modernization for purposes and in amounts as follows:

(1) For the Evolved Expendable Launch Vehicle program, $44,457,000.

(2) For a competitive reusable launch vehicle technology program, $25,000,000.

(b) LIMITATIONS.—(1) Of the funds made available for the reusable launch vehicle technology program pursuant to subsection (a)(2), the total amount obligated for such purpose may not exceed the total amount allocated in the fiscal year 1997 current operating plan of the National Aeronautics and Space Administration for the Reusable Space Launch program of the National Aeronautics and Space Administration.

(2) None of the funds made available for the Evolved Expendable Launch Vehicle program pursuant to subsection (a)(1) may be obligated until the Secretary of Defense certifies to Congress that the Secretary has made available for obligation the funds, if any, that are made available for the reusable launch vehicle technology program pursuant to subsection (a)(2).

SEC. 212. DEPARTMENT OF DEFENSE SPACE ARCHITECT.

(a) REQUIRED PROGRAM ELEMENT.—The Secretary of Defense shall include the kinetic energy tactical anti-satellite program of the Department of Defense as an element of the space control architecture being developed by the Department of Defense Space Architect.

(b) LIMITATION ON USE OF FUNDS.—None of the funds authorized to be appropriated pursuant to this Act, or otherwise made available to the Department of Defense for fiscal year 1997, may be obligated or expended for the Department of Defense Space Architect until the Secretary of Defense certifies to Congress that—

(1) the Secretary is complying with the requirement in subsection (a);

(2) funds appropriated for the kinetic energy tactical anti-satellite program for fiscal year 1996 have been obligated in accordance with section 218 of Public Law 104-106 and the Joint Explanatory Statement of the Committee of Conference accompanying S. 1124 (House Report 104-450 (104th Congress, second session)); and

(3) the Secretary has made available for obligation the funds appropriated for the kinetic energy tactical anti-satellite program for fiscal year 1997 in accordance with this Act.

SEC. 213. SPACE-BASED INFRARED SYSTEM PROGRAM.

(a) FUNDING.—Funds appropriated pursuant to the authorization of appropriations in section 201(3) are authorized to be made available for the Space-Based Infrared System program for purposes and in amounts as follows:

(1) For Space Segment High, $192,390,000.

(2) For Space Segment Low (the Space and Missile Tracking System), $247,221,000.

(3) For Cobra Brass, $6,930,000.

(b) CONDITIONAL TRANSFER OF MANAGEMENT OVERSIGHT.—Not later than 30 days after the date of the enactment of this Act, the Secretary of Defense shall transfer the management oversight responsibilities for the Space and Missile Tracking System from the Secretary of the Air Force to the Director of the Ballistic Missile Defense Organization.

(c) CERTIFICATION.—If, within the 30-day period described in subsection (b), the Secretary of Defense submits to Congress a certification that the Secretary has established a program baseline for the Space-Based Infrared System that satisfies the requirements of section 216(a) of Public Law 104–106 (110 Stat. 220), then subsection (b) of this section shall cease to be effective on the date on which the Secretary submits the certification.

SEC. 214. RESEARCH FOR ADVANCED SUBMARINE TECHNOLOGY.

Section 132 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 210) is repealed.

SEC. 215. CLEMENTINE 2 MICRO-SATELLITE DEVELOPMENT PROGRAM.

(a) AMOUNT FOR PROGRAM.—Of the amount authorized to be appropriated under section 201(3), $50,000,000 shall be available for the Clementine 2 micro-satellite near-Earth asteroid interception mission.

(b) LIMITATION.—None of the funds authorized to be appropriated pursuant to this Act for the global positioning system (GPS) Block II F Satellite system may be obligated until the Secretary of Defense certifies to Congress that—

(1) funds appropriated for fiscal year 1996 for the Clementine 2 Micro-Satellite development program have been obligated in accordance with Public Law 104–106 and the Joint Explanatory Statement of the Committee of Conference accompanying S. 1124 (House Report 104–450 (104th Congress, second session)); and

(2) the Secretary has made available for obligation the funds appropriated for fiscal year 1997 for the Clementine 2 micro-satellite development program in accordance with this section.

SEC. 216. TACTICAL UNMANNED AERIAL VEHICLE PROGRAM.

No official of the Department of Defense may enter into a contract for the procurement of (including advance procurement for) a higher number of Dark Star (tier III) low observable, high altitude endurance unmanned aerial vehicles than is necessary to complete procurement of a total of three such vehicles until flight testing has been completed.

SEC. 217. DEFENSE AIRBORNE RECONNAISSANCE PROGRAM.

(a) REPORT REQUIRED.—The Secretary of Defense shall submit to Congress a report comparing the Predator unmanned aerial vehicle program with the Dark Star (tier III) low observable, high altitude endurance unmanned aerial vehicle program. The report shall contain the following:

(1) A comparison of the capabilities of the Predator unmanned aerial vehicle with the capabilities of the Dark Star unmanned aerial vehicle.

(2) A comparison of the costs of the Predator program with the costs of the Dark Star program.

(3) A recommendation on which program should be funded in the event that funds are authorized to be appropriated, and are appropriated, for only one of the two programs in the future.

(b) LIMITATION ON USE OF FUNDS PENDING SUBMISSION OF REPORT.—Funds appropriated pursuant to section 104 may not be obligated for any contract to be entered into after the date of the enactment of this Act for the procurement of Predator unmanned aerial vehicles until the date that is 60 days after the date on which the Secretary of Defense submits the report required by subsection (a).

SEC. 218. COST ANALYSIS OF F-22 AIRCRAFT PROGRAM.

(a) REVIEW OF PROGRAM.—The Secretary of Defense shall direct the Cost Analysis Improvement Group in the Office of the Secretary of Defense to review the F–22 aircraft program, analyze and estimate the production costs of the program, and submit to the Secretary a report on the results of the review.

(b) REPORT.—Not later than March 30, 1997, the Secretary shall transmit to the congressional defense committees the report prepared under paragraph (1), together with the Secretary's views on the matters covered by the report.

(c) LIMITATION ON USE OF FUNDS PENDING SUBMISSION OF REPORT.—Not more than 92 percent of the funds appropriated for the F–22 aircraft program pursuant to the authorization of appropriations in section 103(1) may be expended until the Secretary of Defense submits the report required by subsection (b).

SEC. 219. F-22 AIRCRAFT PROGRAM REPORTS.

(a) ANNUAL REPORT.—(1) At the same time as the President submits the budget for a fiscal year to Congress pursuant to section 1105(a) of title 31, United States Code, the Secretary of Defense shall submit to Congress a report on event-based decision-making for the F–22 aircraft program for that fiscal year. The Secretary shall submit the report for fiscal year 1997 not later than October 1, 1996.

(2) The report for a fiscal year shall include the following:

(A) A discussion of each decision (known as an "event-based decision") that is expected to be made during that fiscal year regarding whether the F–22 program is to proceed into a new phase or into a new administrative subdivision of a phase.

(B) The criteria (known as "exit criteria") to be applied, for purposes of making the event-based decision, in determining whether the F–22 aircraft program has demonstrated the specific progress necessary for proceeding into the new phase or administrative subdivision of a phase.

(b) REPORT ON EVENT-BASED DECISIONS.—Not later than 30 days after an event-based decision has been made for the F–22 aircraft program, the Secretary of Defense shall submit to Congress a report on the decision. The report shall include the following:

(1) A discussion of the commitments made, and the commitments to be made, under the program as a result of the decision.

(2) The exit criteria applied for purposes of the decision.

(3) How, in terms of the exit criteria, the program demonstrated the specific progress justifying the decision.

SEC. 220. NONLETHAL WEAPONS AND TECHNOLOGIES PROGRAMS.

(a) FUNDING.—Of the amount authorized to be appropriated under section 201(2), $15,000,000 shall be available for joint service research, development, test, and evaluation of nonlethal weapons and nonlethal technologies under the program element established pursuant to subsection (b).

(b) NEW PROGRAM ELEMENT REQUIRED.—The Secretary of Defense shall establish a new program element for the funds authorized to be appropriated under subsection (a). The funds within that program element shall be administered by the executive agent designated for joint service research, development, test, and evaluation of nonlethal weapons and nonlethal technologies.

(c) LIMITATION PENDING RELEASE OF FUNDS.—(1) None of the funds authorized to be appropriated for the Department of Defense for fiscal year 1997 for foreign comparative testing (program element 605130D) may be obligated until the funds authorized to be appropriated in section 219(d) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 223) are released for obligation by the executive agent referred to in subsection (b).

(2) Not more than 50 percent of the funds authorized to be appropriated for the Department of Defense for fiscal year 1997 for NATO research and development (program element 603790D) may be obligated until the funds authorized to be appropriated in subsection (a) are released for obligation by the executive agent referred to in subsection (b).

SEC. 221. COUNTERPROLIFERATION SUPPORT PROGRAM.

(a) FUNDING.—Of the funds authorized to be appropriated to the Department of Defense under section 201(4), $176,200,000 shall be available for the Counterproliferation Support Program, of which $75,000,000 shall be available for a tactical antisatellite technologies program.

(b) ADDITIONAL AUTHORITY TO TRANSFER AUTHORIZATIONS.—(1) In addition to the transfer authority provided in section 1001, upon determination by the Secretary of Defense that such action is necessary in the national interest, the Secretary may transfer amounts of authorizations made available to the Department of Defense in this division for fiscal year 1997 to counterproliferation programs, projects, and activities identified as areas for progress by the Counterproliferation Program Review Committee established by section 1605 of the National Defense Authorization Act for Fiscal Year 1994 (22 U.S.C. 2751 note). Amounts of authorizations so transferred shall be merged with and be available for the same purposes as the authorization to which transferred.

(2) The total amount of authorizations transferred under the authority of this subsection may not exceed $50,000,000.

(3) The authority provided by this subsection to transfer authorizations—

(A) may only be used to provide authority for items that have a higher priority than the items from which authority is transferred; and

(B) may not be used to provide authority for an item that has been denied authorization by Congress.

(4) A transfer made from one account to another under the authority of this subsection shall be deemed to increase the amount authorized for the account to which the amount is transferred by an amount equal to the amount transferred.

(5) The Secretary of Defense shall promptly notify Congress of transfers made under the authority of this subsection.

(c) LIMITATION ON USE OF FUNDS FOR TECHNICAL STUDIES AND ANALYSES PENDING RELEASE OF FUNDS.—(1) None of the funds authorized to be appropriated to the Department of Defense for fiscal year 1997 for program element 605104D, relating to technical studies and analyses, may be obligated or expended until the funds referred to in paragraph (2) have been released to the program manager of the tactical anti-satellite technology program for implementation of that program.

(2) The funds for release referred to in paragraph (1) are as follows:

(A) Funds authorized to be appropriated by section 218(a) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 222) that are available for the program referred to in paragraph (1).

(B) Funds authorized to be appropriated to the Department for fiscal year 1997 by this Act for the Counterproliferation Support Program that are to be made available for that program.

SEC. 222. FEDERALLY FUNDED RESEARCH AND DEVELOPMENT CENTERS AND UNIVERSITY-AFFILIATED RESEARCH CENTERS.

(a) CENTERS COVERED.—Funds authorized to be appropriated for the Department of Defense for fiscal year 1997 under section 201 may be obligated to procure work from a federally funded research and development center (in this section referred to as an "FFRDC") or a university-affiliated research center (in this section referred to as a "UARC") only in the case of a center named in the report required by subsection (b) and, in the case of such a center, only in an amount not in excess of the amount of the proposed funding level set forth for that center in such report.

(b) REPORT ON ALLOCATIONS FOR CENTERS.—(1) Not later than 30 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report containing—

(A) the name of each FFRDC and UARC from which work is proposed to be procured for the Department of Defense for fiscal year 1997; and

(B) for each such center, the proposed funding level and the estimated personnel level for fiscal year 1997.

(2) The total of the proposed funding levels set forth in the report for all FFRDCs and UARCs may not exceed the amount set forth in subsection (d).

(c) LIMITATION PENDING SUBMISSION OF REPORT.—Not more than 15 percent of the funds authorized to be appropriated for the Department of Defense for fiscal year 1997 for FFRDCs and UARCs under section 201 may be obligated to procure work from an FFRDC or UARC until the Secretary of Defense submits the report required by subsection (b).

(d) FUNDING.—Of the amounts authorized to be appropriated by section 201, not more than a total of $1,668,850,000 may be obligated to procure services from the FFRDCs and UARCs named in the report required by subsection (b).

(e) AUTHORITY TO WAIVE FUNDING LIMITATION.—The Secretary of Defense may waive the limitation regarding the maximum funding amount that applies under subsection (a) to an FFRDC or UARC. Whenever the Secretary proposes to make such a waiver, the Secretary shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives notice of the proposed waiver and the reasons for the waiver. The waiver may then be made only after the end of the 60-day period that begins on the date on which the notice is submitted to those committees, unless the Secretary determines that it is essential to the national security that funds be obligated for work at that center in excess of that limitation before the end of such period and notifies those committees of that determination and the reasons for the determination.

Subtitle C—Ballistic Missile Defense

SEC. 231. UNITED STATES COMPLIANCE POLICY REGARDING DEVELOPMENT, TESTING, AND DEPLOYMENT OF THEATER MISSILE DEFENSE SYSTEMS.

(a) FINDINGS.—Congress makes the following findings:

(1) Pursuant to article VI(a) of the ABM Treaty, the United States is bound by the following obligations:

(A) Not to give missiles, launchers, or radars (other than antiballistic missile interceptor missiles, launchers, or radars) capabilities to counter strategic ballistic missiles or elements of strategic ballistic missiles in the flight trajectory.

(B) Not to test missiles, launchers, or radars (other than antiballistic missile interceptor missiles, launchers, or radars) in an antiballistic missile mode.

(2) It is a sovereign right and obligation of the parties to the ABM Treaty, on a unilateral basis, to establish compliance standards to implement the obligations specified in article VI(a) of the ABM Treaty.

(3) From October 3, 1972 (the date on which the ABM Treaty entered into force) to the present, the United States has maintained unilateral compliance standards with regard to the obligations specified in Article VI(a) of the ABM Treaty, and those standards have changed over time to accommodate evolving technical, political, and strategic circumstances.

(4) Pursuant to article XIII of the ABM Treaty, the parties established the Standing Consultative Commission in which to "consider questions concerning compliance with the obligations assumed and related situations which may be considered".

(b) COMPLIANCE POLICY.—It is the policy of the United States that unless a missile defense system, system upgrade, or system component (including one that exploits data from space-based or other external sensors) is flight tested in an ABM-qualifying flight test (as defined in subsection (c)), that system, system upgrade, or system component has not, for purposes of the ABM Treaty, been tested in an ABM mode nor been given capabilities to counter strategic ballistic missiles and, therefore, is not subject to any application, limitation, or obligation under the ABM Treaty.

(c) ABM-QUALIFYING FLIGHT TEST DEFINED.—For purposes of this section, an ABM-qualifying flight test is a flight test against a ballistic missile which, in that flight test, exceeds—

(1) a range of 3,500 kilometers; or

(2) a velocity of 5 kilometers per second.

SEC. 232. PROHIBITION ON USE OF FUNDS TO IMPLEMENT AN INTERNATIONAL AGREEMENT CONCERNING THEATER MISSILE DEFENSE SYSTEMS.

(a) PROHIBITION ON FUNDING.—Funds appropriated or otherwise made available to the Department of Defense for fiscal year 1997 may not be obligated or expended to implement any agreement, or any understanding with respect to interpretation of the ABM Treaty, between the United States and any of the independent states of the former Soviet Union entered into after January 1, 1995, that—

(1) would establish a demarcation between theater missile defense systems and anti-ballistic missile defense systems for purposes of the ABM Treaty; or

(2) would restrict the performance, operations, or deployment of United States theater missile defense systems.

(b) EXCEPTIONS.—Subsection (a) does not apply—

(1) to the extent otherwise provided in a law that is enacted after the date of the enactment of this Act; or

(2) to expenditures to implement any agreement or understanding described in subsection (a) that is entered into in the exercise of the treaty-making power under the Constitution.

SEC. 233. CONVERSION OF ABM TREATY TO MULTILATERAL TREATY.

(a) FISCAL YEAR 1997.—During fiscal year 1997, the United States shall not be bound by any international agreement entered into by the President that would substantively modify the ABM Treaty, including any agreement that would add one or more countries as signatories to the treaty or would otherwise convert the treaty from a bilateral treaty to a multilateral treaty, unless the agreement is entered pursuant to the treaty making power of the President under the Constitution.

(b) RELATIONSHIP TO OTHER LAW.—This section shall not be construed as superseding section 232 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103-337; 108 Stat. 2701) for any fiscal year other than fiscal year 1997, including any fiscal year after fiscal year 1997.

SEC. 234. FUNDING FOR UPPER TIER THEATER MISSILE DEFENSE SYSTEMS.

(a) FUNDING.—Funds authorized to be appropriated under section 201(4) shall be available for purposes and in amounts as follows:

(1) For the Theater High Altitude Area Defense (THAAD) System, $621,798,000.

(2) For the Navy Upper Tier (Theater Wide) system, $304,171,000.

(b) LIMITATION.—None of the funds appropriated or otherwise made available for the Department of Defense pursuant to this or any other Act may be obligated or expended by the Office of the Under Secretary of Defense for Acquisition and Technology for official representation activities, or related activities, until the Secretary of Defense certifies to Congress that—

(1) the Secretary has made available for obligation the funds provided under subsection (a) for the purposes specified in that subsection and in the amounts appropriated pursuant to that subsection; and

(2) the Secretary has included the Navy Upper Tier theater missile defense system in the theater missile defense core program.

SEC. 235. ELIMINATION OF REQUIREMENTS FOR CERTAIN ITEMS TO BE INCLUDED IN THE ANNUAL REPORT ON THE BALLISTIC MISSILE DEFENSE PROGRAM.

Section 224(b) of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (10 U.S.C. 2431 note), is amended—

(1) by striking out paragraphs (3), (4), (7), (9), and (10); and

(2) by redesignating paragraphs (5), (6), and (8), as paragraphs (3), (4), and (5), respectively.

SEC. 236. ABM TREATY DEFINED.

In this subtitle, the term "ABM Treaty" means the Treaty Between the United States of America and the Union of Soviet Socialist Republics on the Limitation of Anti-Ballistic Missile Systems, signed in Moscow on May 26, 1972, with related protocol, signed in Moscow on July 3, 1974.

Subtitle D—Other Matters

SEC. 241. LIVE-FIRE SURVIVABILITY TESTING OF F-22 AIRCRAFT.

(a) AUTHORITY FOR RETROACTIVE WAIVER.—The Secretary of Defense may, in accordance with section 2366(c) of title 10, United States Code, waive for the F-22 aircraft program the survivability tests required by that section, notwithstanding that such program has entered full-scale engineering development.

(b) REPORTING REQUIREMENT.—(1) If the Secretary of Defense submits in accordance with section 2366(c)(1) of title 10, United States Code, a certification that live-fire testing of the F-22 aircraft would be unreasonably expensive and impractical, the Secretary of Defense shall require that F-22 aircraft components and subsystems be made available for any alternative live-fire test program.

(2) The components and subsystem required by the Secretary to be made available

for such a program shall be components that—

(A) could affect the survivability of the F-22 aircraft; and

(B) are sufficiently large and realistic that meaningful conclusions about the survivability of F-22 aircraft can be drawn from the test results.

(c) FUNDING.—Funds available for the F-22 aircraft program may be used for carrying out any alternative live-fire testing program for F-22 aircraft.

SEC. 242. LIVE-FIRE SURVIVABILITY TESTING OF V-22 AIRCRAFT.

(a) AUTHORITY FOR RETROACTIVE WAIVER.—The Secretary of Defense may, in accordance with section 2366(c) of title 10, United States Code, waive for the V-22 aircraft program the survivability tests required by that section, notwithstanding that such program has entered engineering and manufacturing development.

(b) ALTERNATIVE SURVIVABILITY TEST REQUIREMENTS.—If the Secretary of Defense submits in accordance with section 2366(c)(1) of title 10, United States Code, a certification that live-fire testing of the V-22 aircraft would be unreasonably expensive and impractical, the Secretary of Defense shall require that a sufficient number of components critical to the survivability of the V-22 aircraft be tested in an alternative live-fire test program involving realistic threat environments that meaningful conclusions about the survivability of V-22 aircraft can be drawn from the test results.

(c) FUNDING.—Funds available for the V-22 aircraft program may be used for carrying out any alternative live-fire testing program for V-22 aircraft.

Subtitle E—National Oceanographic Partnership

SEC. 251. SHORT TITLE.

This subtitle may be cited as the "National Oceanographic Partnership Act".

SEC. 252. NATIONAL OCEANOGRAPHIC PARTNERSHIP PROGRAM.

(a) PROGRAM REQUIRED.—(1) Subtitle C of title 10, United States Code, is amended by inserting after chapter 663 the following new chapter:

"CHAPTER 665—NATIONAL OCEANOGRAPHIC PARTNERSHIP PROGRAM

"Sec.
"7901. National Oceanographic Partnership Program.
"7902. National Ocean Research Leadership Council.
"7903. Partnership program projects.

"§ 7901. National Oceanographic Partnership Program

"(a) ESTABLISHMENT.—The Secretary of the Navy shall establish a program to be known as the 'National Oceanographic Partnership Program'.

"(b) PURPOSES.—The purposes of the program are as follows:

"(1) To promote the national goals of assuring national security, advancing economic development, protecting quality of life, and strengthening science education and communication through improved knowledge of the ocean.

"(2) To coordinate and strengthen oceanographic efforts in support of those goals by—

"(A) identifying and carrying out partnerships among Federal agencies, institutions of higher education, industry, and other members of the oceanographic scientific community in the areas of data, resources, education, and communication; and

"(B) reporting annually to Congress on the program.

"§ 7902. National Ocean Research Leadership Council

"(a) COUNCIL.—There is a National Ocean Research Leadership Council (hereinafter in this chapter referred to as the 'Council').

"(b) MEMBERSHIP.—The Council is composed of the following members:

"(1) The Secretary of the Navy who shall be the chairman of the Council.

"(2) The Administrator of the National Oceanic and Atmospheric Administration, who shall be the vice chairman of the Council.

"(3) The Director of the National Science Foundation.

"(4) The Administrator of the National Aeronautics and Space Administration.

"(5) The Commandant of the Coast Guard.

"(6) With their consent, the President of the National Academy of Sciences, the President of the National Academy of Engineering, and the President of the Institute of Medicine.

"(7) Up to five members appointed by the Chairman from among individuals who will represent the views of ocean industries, institutions of higher education, and State governments.

"(c) TERM OF OFFICE.—The term of office of a member of the Council appointed under paragraph (7) of subsection (b) shall be two years, except that any person appointed to fill a vacancy occurring before the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term.

"(d) ANNUAL REPORT.—Not later than March 1 of each year, the Council shall submit to Congress a report on the National Oceanographic Partnership Program. The report shall contain the following:

"(1) A description of activities of the program carried out during the fiscal year before the fiscal year in which the report is prepared. The description also shall include a list of the members of the Ocean esearch Partnership Coordinating Group (established pursuant to subsection (e)), the Ocean Research Advisory Panel (established pursuant to subsection (f)), and any working groups in existence during the fiscal year covered.

"(2) A general outline of the activities planned for the program during the fiscal year in which the report is prepared.

"(3) A summary of projects continued from the fiscal year before the fiscal year in which the report is prepared and projects expected to be started during the fiscal year in which the report is prepared and during the following fiscal year.

"(4) A description of the involvement of the program with Federal interagency coordinating entities.

"(5) The amounts requested, in the budget submitted to Congress pursuant to section 1105(a) of title 31 for the fiscal year following the fiscal year in which the report is prepared, for the programs, projects, and activities of the program and the estimated expenditures under such programs, projects, and activities during such following fiscal year.

"(e) OCEAN RESEARCH PARTNERSHIP COORDINATING GROUP.—(1) The Council shall establish an Ocean Research Partnership Coordinating Group consisting of not more than 10 members appointed by the Council from among officers and employees of the Government, persons employed in the maritime industry, educators at institutions of higher education, and officers and employees of State governments.

"(2) The Council shall designate a member of the Coordinating Group to serve as Chairman of the group.

"(3) The Council shall assign to the Coordinating Group responsibilities that the Council considers appropriate. The Coordinating Group shall be subject to the authority, direction, and control of the Council in the performance the assigned responsibilities.

"(f) OCEAN RESEARCH ADVISORY PANEL.—(1) The Council shall establish an Ocean Research Advisory Panel consisting of members appointed by the Council from among persons eminent in the fields of oceanography, ocean sciences, or marine policy (or related fields) who are representative of the interests of governments, institutions of higher education, and industry in the matters covered by the purposes of the National Oceanographic Partnership Program (as set forth in section 7901(b) of this title).

"(2) The Council shall assign to the Advisory Panel responsibilities that the Council consider appropriate. The Coordinating Group shall be subject the authority, direction, and control of the Council to in the performance of the assigned responsibilities.

"§ 7903. Partnership program projects

"(a) SELECTION OF PARTNERSHIP PROJECTS.—The National Ocean Research Leadership Council shall select the partnership projects that are to be considered eligible for support under the National Oceanographic Partnership Program. A project partnership may be established by any instrument that the Council considers appropriate, including a memorandum of understanding, a cooperative research and development agreement, and any similar instrument.

"(b) CONTRACT AND GRANT AUTHORITY.—(1) The Council may authorize one or more of the departments and agencies of the Federal Government represented on the Council to enter into contracts or to make grants for the support of partnership projects selected under subsection (a).

"(2) Funds appropriated or otherwise made available for the National Oceanographic Partnership Program may be used for contracts entered into or grants awarded under authority provided pursuant to paragraph (1).".

(2) The table of chapters at the beginning of subtitle C of title 10, United States Code, and at the beginning of part IV of such subtitle, are each amended by inserting after the item relating to chapter 663 the following:

"665. National Oceanographic Partnership Program ..... 7901".

(b) INITIAL APPOINTMENTS OF COUNCIL MEMBERS.—The Chairman of the National Ocean Research Leadership Council established under section 7902 of title 10, United States Code, as added by subsection (a)(1), shall make the appointments required by subsection (b)(7) of such section not later than December 1, 1996.

(c) FIRST ANNUAL REPORT OF NATIONAL OCEAN RESEARCH LEADERSHIP COUNCIL.—The first annual report required by section 7902(d) of title 10, United States Code, as added by subsection (a)(1), shall be submitted to Congress not later than March 1, 1997. The first report shall include, in addition to the information required by such section, information about the terms of office, procedures, and responsibilities of the Ocean Research Advisory Panel established by the Council.

(d) FUNDING.—Of the funds authorized to be appropriated by section 201(2), $13,000,000 shall be available for the National Oceanographic Partnership Program.

TITLE III—OPERATION AND MAINTENANCE

Subtitle A—Authorization of Appropriations

SEC. 301. OPERATION AND MAINTENANCE FUNDING.

Funds are hereby authorized to be appropriated for fiscal year 1997 for the use of the Armed Forces and other activities and agencies of the Department of Defense for expenses, not otherwise provided for, for operation and maintenance, in amounts as follows:

(1) For the Army, $18,147,623,000.

(2) For the Navy, $20,298,339,000.

(3) For the Marine Corps, $2,279,477,000.

(4) For the Air Force, $17,953,039,000.

(5) For Defense-wide activities, $9,863,942,000.

(6) For the Army Reserve, $1,094,436,000.

(7) For the Naval Reserve, $851,027,000.

(8) For the Marine Corps Reserve, $110,367,000.

(9) For the Air Force Reserve, $1,493,553,000.

(10) For the Army National Guard, $2,218,477,000.

(11) For the Air National Guard, $2,692,473,000.

(12) For the Defense Inspector General, $136,501,000.

(13) For the United States Court of Appeals for the Armed Forces, $6,797,000.

(14) For Environmental Restoration, Army, $356,916,000.

(15) For Environmental Restoration, Navy, $302,900,000.

(16) For Environmental Restoration, Air Force, $414,700,000.

(17) For Environmental Restoration, Defense-wide, $258,500,000.

(18) For Drug Interdiction and Counterdrug Activities, Defense-wide, $793,824,000.

(19) For Medical Programs, Defense, $9,375,988,000.

(20) For Cooperative Threat Reduction programs, $327,900,000.

(21) For Overseas Humanitarian, Disaster, and Civic Aid programs, $49,000,000.

SEC. 302. WORKING CAPITAL FUNDS.

Funds are hereby authorized to be appropriated for fiscal year 1997 for the use of the Armed Forces and other activities and agencies of the Department of Defense for providing capital for working capital and revolving funds in amounts as follows:

(1) For the Defense Business Operations Fund, $947,900,000.

(2) For the National Defense Sealift Fund, $1,268,002,000.

SEC. 303. DEFENSE NUCLEAR AGENCY.

Of the amounts authorized to be appropriated for the Department of Defense under section 301(5), $88,083,000 shall be available for the Defense Nuclear Agency.

SEC. 304. TRANSFER FROM NATIONAL DEFENSE STOCKPILE TRANSACTION FUND.

(a) TRANSFER AUTHORITY.—To the extent provided in appropriations Acts, not more than $150,000,000 is authorized to be transferred from the National Defense Stockpile Transaction Fund to operation and maintenance accounts for fiscal year 1997 in amounts as follows:

(1) For the Army, $50,000,000.

(2) For the Navy, $50,000,000.

(3) For the Air Force, $50,000,000.

(b) TREATMENT OF TRANSFERS.—Amounts transferred under this section—

(1) shall be merged with, and be available for the same purposes and the same period as, the amounts in the accounts to which transferred; and

(2) may not be expended for an item that has been denied authorization of appropriations by Congress.

(c) RELATIONSHIP TO OTHER TRANSFER AUTHORITY.—The transfer authority provided in this section is in addition to the transfer authority provided in section 1001.

SEC. 305. CIVIL AIR PATROL.

(a) FUNDING.—Of the amounts authorized to be appropriated pursuant to this Act, $14,526,000 may be made available to the Civil Air Patrol Corporation.

(b) AMOUNT FOR SEARCH AND RESCUE OPERATIONS.—Of the amount made available pursuant to subsection (a), not more than 75 percent of such amount may be available for costs other than the costs of search and rescue missions.

SEC. 306. SR-71 CONTINGENCY RECONNAISSANCE FORCE.

Of the funds authorized to be appropriated by section 301(4), $30,000,000 is authorized to be made available for the SR-71 contingency reconnaissance force.

Subtitle B—Program Requirements, Restrictions, and Limitations

SEC. 311. FUNDING FOR SECOND AND THIRD MARITIME PREPOSITIONING SHIPS OUT OF NATIONAL DEFENSE SEALIFT FUND.

(a) NATIONAL DEFENSE SEALIFT FUND.—To the extent provided in appropriations Acts, funds in the National Defense Sealift Fund may be obligated and expended for the purchase and conversion, or construction, of a total of three ships for the purpose of enhancing Marine Corps prepositioning ship squadrons.

(b) AUTHORIZATION OF APPROPRIATIONS.—Of the amount authorized to be appropriated under section 302(2), $240,000,000 is authorized to be appropriated for the purpose stated in subsection (a).

SEC. 312. NATIONAL DEFENSE SEALIFT FUND.

Section 2218 of title 10, United States Code, is amended—

(1) in subsection (c)(1)(E), by striking out ", but only for vessels built in United States shipyards";

(2) in subsection (f)—

(A) in paragraph (1)—

(i) by striking out "five" and inserting in lieu thereof "ten"; and

(ii) by striking out "(c)(1)" and inserting in lieu thereof "(c)(1)(A)"; and

(B) in paragraph (2), by striking out "(c)(1)" and inserting in lieu thereof "(c)(1)(A)"; and

(3) in subsection (j), by striking out "(c)(1)(A), (B), (C), and (D)" and inserting in lieu thereof "(c)(1) (A), (B), (C), (D), and (E)".

SEC. 313. NONLETHAL WEAPONS CAPABILITIES.

Of the amount authorized to be appropriated under section 301, $5,000,000 shall be available for the immediate procurement of nonlethal weapons capabilities to meet existing deficiencies in inventories of such capabilities, of which—

(1) $2,000,000 shall be available for the Army; and

(2) $3,000,000 shall be available for the Marine Corps.

SEC. 314. RESTRICTION ON COAST GUARD FUNDING.

No funds are authorized by this Act to be appropriated to the Department of Defense for the Coast Guard within budget subfunction 054.

Subtitle C—Depot-Level Activities

SEC. 321. DEPARTMENT OF DEFENSE PERFORMANCE OF CORE LOGISTICS FUNCTIONS.

Section 2464(a) of title 10, United States Code is amended by striking out paragraph (2) and inserting in lieu thereof the following:

"(2) The Secretary of Defense shall maintain within the Department of Defense those logistics activities and capabilities that are necessary to provide the logistics capability described in paragraph (1). The logistics activities and capabilities maintained under this paragraph shall include all personnel, equipment, and facilities that are necessary to maintain and repair the weapon systems and other military equipment identified under paragraph (3).

"(3) The Secretary of Defense, in consultation with the Joint Chiefs of Staff, shall identify the weapon systems and other military equipment that it is necessary to maintain and repair within the Department of Defense in order to maintain within the department the capability described in paragraph (1).

"(4) The Secretary shall require that the core logistics functions identified pursuant to paragraph (3) be performed in Government-owned, Government-operated facilities of the Department of Defense by Department of Defense personnel using Department of Defense equipment.".

SEC. 322. INCREASE IN PERCENTAGE LIMITATION ON CONTRACTOR PERFORMANCE OF DEPOT-LEVEL MAINTENANCE AND REPAIR WORKLOADS.

(a) FIFTY PERCENT LIMITATION.—Section 2466(a) of title 10, United States Code, is amended by striking out "40 percent" in the first sentence and inserting in lieu thereof "50 percent".

(b) INCREASE DELAYED PENDING RECEIPT OF STRATEGIC PLAN FOR THE PERFORMANCE OF DEPOT-LEVEL MAINTENANCE AND REPAIR.—(1) Notwithstanding the first sentence of section 2466(a) of title 10, United States Code (as amended by subsection (a)), until the strategic plan for the performance of depot-level maintenance and repair is submitted under section 325, not more than 40 percent of the funds made available in a fiscal year to a military department or a Defense Agency for depot-level maintenance and repair workload may be used to contract for the performance by non-Federal Government personnel of such workload for the military department or the Defense Agency.

(2) In paragraph (1), the term "depot-level maintenance and repair workload" has the meaning given such term in section 2466(f) of title 10, United States Code.

SEC. 323. REPORT ON DEPOT-LEVEL MAINTENANCE AND REPAIR.

Subsection (e) of section 2466 of title 10, United States Code, is amended to read as follows:

"(e) REPORT.—(1) Not later than February 1 of each year, the Secretary of Defense shall submit to Congress a report identifying, for each military department and Defense Agency—

"(A) the percentage of the funds referred to in subsection (a) that were used during the preceding fiscal year for performance of depot-level maintenance and repair workloads by Federal Government personnel; and

"(B) the percentage of the funds referred to in subsection (a) that were used during the preceding fiscal year to contract for the performance of depot-level maintenance and repair workloads by non-Federal Government personnel.

"(2) Not later than 90 days after the date on which the Secretary submits the annual report under paragraph (1), the Comptroller General shall submit to the Committees on Armed Services and on Appropriations of the Senate and the Committees on National Security and on Appropriations of the House of Representatives the Comptroller's views on

whether the Department of Defense has complied with the requirements of subsection (a) for the fiscal year covered by the report.".

SEC. 324. DEPOT-LEVEL MAINTENANCE AND REPAIR WORKLOAD DEFINED.

Section 2466 of title 10, United States Code, is amended by adding at the end the following:

"(f) DEPOT-LEVEL MAINTENANCE AND REPAIR WORKLOAD DEFINED.—In this section, the term 'depot-level maintenance and repair workload'—

"(1) means material maintenance requiring major overhaul or complete rebuilding of parts, assemblies, or subassemblies, and testing and reclamation of equipment as necessary, including all aspects of software maintenance;

"(2) includes those portions of interim contractor support, contractor logistics support, or any similar contractor support for the performance of services described in paragraph (1); and

"(3) does not include ship modernization and other repair activities that—

"(A) are funded out of appropriations available to the Department of Defense for procurement; and

"(B) were not considered to be depot-level maintenance and repair workload activities under regulations of the Department of Defense in effect on February 10, 1996.".

SEC. 325. STRATEGIC PLAN RELATING TO DEPOT-LEVEL MAINTENANCE AND REPAIR.

(a) STRATEGIC PLAN REQUIRED.—(1) As soon as possible after the enactment of this Act, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a strategic plan for the performance of depot-level maintenance and repair.

(2) The strategic plan shall cover the performance of depot-level maintenance and repair for the Department of Defense in fiscal years 1998 through 2007. The plan shall provide for maintaining the capability described in section 2464 of title 10, United States Code.

(b) ADDITIONAL MATTERS COVERED.—The Secretary of Defense shall include in the strategic plan submitted under subsection (a) a detailed discussion of the following matters:

(1) For each military department, as determined after consultation with the Secretary of that military department and the Chairman of the Joint Chiefs of Staff, the depot-level maintenance and repair activities and workloads that are necessary to perform within the Department of Defense in order to maintain the core logistics capability required by section 2464 of title 10, United States Code.

(2) For each military department, as determined after consultation with the Secretary of that military department and the Chairman of the Joint Chiefs of Staff, the depot-level maintenance and repair activities and workloads that the Secretary of Defense plans to perform within the Department of Defense in order to satisfy the requirements of section 2466 of title 10, United States Code.

(3) For the activities identified pursuant to paragraphs (1) and (2), a discussion of which specific existing weapon systems or other existing equipment, and which specific planned weapon systems or other planned equipment, are weapon systems or equipment for which it is necessary to maintain a core depot-level maintenance and repair capability within the Department of Defense.

(4) The core capabilities, including sufficient skilled personnel, equipment, and facilities, that—

(A) are of sufficient size—

(i) to ensure a ready and controlled source of the technical competencies, and the maintenance and repair capabilities, that are necessary to meet the requirements of the national military strategy and other requirements for responding to mobilizations and military contingencies; and

(ii) to provide for rapid augmentation in time of emergency; and

(B) are assigned a sufficient workload to ensure cost efficiency and technical proficiency in peacetime.

(5) The environmental liability issues associated with any projected privatization of the performance of depot-level maintenance and repair, together with detailed projections of the cost to the United States of satisfying environmental liabilities associated with such privatized performance.

(6) Any significant issues and risks concerning exchange of technical data on depot-level maintenance and repair between the Federal Government and the private sector.

(7) Any deficiencies in Department of Defense financial systems that hinder effective evaluation of competitions (whether among private-sector sources or among depot-level activities owned and operated by the Department of Defense and private-sector sources), and merit-based selections (among depot-level activities owned and operated by the Department of Defense), for a depot-level maintenance and repair workload, together with plans to correct such deficiencies.

(9) The type of facility (whether a private sector facility or a Government owned and operated facility) in which depot-level maintenance and repair of any new weapon systems that will reach full scale development is to be performed.

(10) The workloads necessary to maintain Government owned and operated depots at 50 percent, 70 percent, and 85 percent of operating capacity.

(11) A plan for improving the productivity of the Government owned and operated depot maintenance and repair facilities, together with management plans for changing administrative and missions processes to achieve productivity gains, a discussion of any barriers to achieving desired productivity gains at the depots, and any necessary changes in civilian personnel policies that are necessary to improve productivity.

(12) The criteria used to make decisions on whether to convert to contractor performance of depot-level maintenance and repair, the officials responsible for making the decision to convert, and any depot-level maintenance and repair workloads that are proposed to be converted to contractor performance before the end of fiscal year 2001.

(13) A detailed analysis of savings proposed to be achieved by contracting for the performance of depot-level maintenance and repair workload by private sector sources, together with the report on the review of the analysis (and the assumptions underlying the analysis) provided for under subsection (c).

(c) INDEPENDENT REVIEW OF SAVINGS ANALYSIS.—The Secretary shall provide for a public accounting firm (independent of Department of Defense influence) to review the analysis referred to in subsection (b)(13) and the assumptions underlying the analysis for submission to the committees referred to in subsection (a) and to the Comptroller General.

(d) REVIEW BY COMPTROLLER GENERAL.—(1) At the same time that the Secretary of Defense transmits the strategic plan under subsection (a), the Secretary shall transmit a copy of the plan (including the report of the public accounting firm provided for under subsection (c)) to the Comptroller General of the United States and make available to the Comptroller General all information used by the Department of Defense in preparing the plan and analysis.

(2) Not later than 60 days after the date on which the Secretary submits the strategic plan required by subsection (a), the Comptroller General shall transmit to Congress a report containing a detailed analysis of the strategic plan.

(e) ADDITIONAL REPORTING REQUIREMENT FOR COMPTROLLER GENERAL.—Not later than February 1, 1997, the Comptroller General shall submit to the committees referred to in subsection (a) a report on the effectiveness of the oversight by the Department of Defense of the management of existing contracts with private sector sources of depot-level maintenance and repair of weapon systems, the adequacy of Department of Defense financial and information systems to support effective decisions to contract for private sector performance of depot-level maintenance and repair workloads that are being or have been performed by Government personnel, the status of reengineering efforts at depots owned and operated by the United States, and any overall management weaknesses within the Department of Defense that would hinder effective use of contracting for the performance of depot-level maintenance and repair.

SEC. 326. ANNUAL REPORT ON COMPETITIVE PROCEDURES.

(a) ANNUAL REPORT.—Section 2469 of title 10, United States Code, is amended by adding at the end the following:

"(d) ANNUAL REPORT.—Not later than March 31 of each year, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report describing the competitive procedures used during the preceding fiscal year for competitions referred to in subsection (a).".

(b) FIRST REPORT.—The first report under subsection (d) of section 2469 of title 10, United States Code (as added by subsection (a)), shall be submitted not later than March 31, 1997.

SEC. 327. ANNUAL RISK ASSESSMENTS REGARDING PRIVATE PERFORMANCE OF DEPOT-LEVEL MAINTENANCE WORK.

(a) REPORTS.—Chapter 146 of title 10, United States Code, is amended by adding at the end the following:

"§ 2473. Reports on privatization of depot-level maintenance work

"(a) ANNUAL RISK ASSESSMENTS.—(1) Not later than January 1 of each year, the Joint Chiefs of Staff shall submit to the Secretary of Defense a report on the privatization of the performance of the various depot-level maintenance workloads of the Department of Defense.

"(2) The report shall include with respect to each depot-level maintenance workload the following:

"(A) An assessment of the risk to the readiness, sustainability, and technology of the Armed Forces in a full range of anticipated scenarios for peacetime and for wartime of—

"(i) using public entities to perform the workload;

"(ii) using private entities to perform the workload; and

"(iii) using a combination of public entities and private entities to perform the workload.

"(B) The recommendation of the Joint Chiefs as to whether public entities, private

entities, or a combination of public entities and private entities could perform the workload without jeopardizing military readiness.

"(3) Not later than 30 days after receiving the report under paragraph (2)(B), the Secretary shall transmit the report to Congress. If the Secretary does not concur in the recommendation made by the Joint Chiefs pursuant to paragraph (2)(B), the Secretary shall include in the report under this paragraph—

"(A) the recommendation of the Secretary; and

"(B) a justification for the differences between the recommendation of the Joint Chiefs and the recommendation of the Secretary.

"(b) ANNUAL REPORT ON PROPOSED PRIVATIZATION.—(1) Not later than February 28 of each year, the Joint Chiefs of Staff shall submit to the Secretary of Defense a report on each depot-level maintenance workload of the Department of Defense that the Joint Chiefs believe could be converted to performance by private entities during the next fiscal year without jeopardizing military readiness.

"(2) Not later than 30 days after receiving a report under paragraph (1), the Secretary shall transmit the report to Congress. If the Secretary does not concur in the proposal of the Joint Chiefs in the report, the Secretary shall include in the report under this paragraph—

"(A) each depot-level maintenance workload of the Department that the Secretary proposes to be performed by private entities during the fiscal year concerned; and

"(B) a justification for the differences between the proposal of the Joint Chiefs and the proposal of the Secretary.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following:

"2473. Reports on privatization of depot-level maintenance work.".

SEC. 328. EXTENSION OF AUTHORITY FOR NAVAL SHIPYARDS AND AVIATION DEPOTS TO ENGAGE IN DEFENSE-RELATED PRODUCTION AND SERVICES.

(a) EXTENSION OF AUTHORITY.—Section 1425(e) of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510) is amended by striking out "expires on September 30, 1995" and inserting in lieu thereof "may not be exercised after September 30, 1997".

(b) REVIVAL OF EXPIRED AUTHORITY.—The authority provided in section 1425 of the National Defense Authorization Act for Fiscal Year 1991 may be exercised after September 30, 1995, subject to the limitation in subsection (e) of such section as amended by subsection (a) of this section.

SEC. 329. LIMITATION ON USE OF FUNDS FOR F-18 AIRCRAFT DEPOT MAINTENANCE.

Of the amounts authorized to be appropriated by section 301(2), not more than $5,000,000 may be used for the performance of depot maintenance on F-18 aircraft until 30 days after the date on which the Secretary of Defense submits to the congressional defense committees a report on aviation depot maintenance. The report shall contain the following:

(1) The results of a competition which the Secretary shall conduct between all Department of Defense aviation depots for selection for the performance of depot maintenance on F-18 aircraft.

(2) An analysis of the total cost of transferring the F-18 aircraft depot maintenance workload to an aviation depot not performing such workload as of the date of the enactment of this Act.

SEC. 330. DEPOT MAINTENANCE AND REPAIR AT FACILITIES CLOSED BY BRAC.

The Secretary may not contract for the performance by a private sector source of any of the depot maintenance workload performed as of the date of the enactment of this Act at Sacramento Air Logistics Center or the San Antonio Air Logistics Center until the Secretary—

(1) publishes criteria for the evaluation of bids and proposals to perform such workload;

(2) conducts a competition for the workload between public and private entities;

(3) pursuant to the competition, determines in accordance with the criteria published under paragraph (1) that an offer submitted by a private sector source to perform the workload is the best value for the United States; and

(4) submits to Congress the following—

(A) a detailed comparison of the cost of the performance of the workload by civilian employees of the Department of Defense with the cost of the performance of the workload by that source; and

(B) an analysis which demonstrates that the performance of the workload by that source will provide the best value for the United States over the life of the contract.

Subtitle D—Environmental Provisions

SEC. 341. ESTABLISHMENT OF SEPARATE ENVIRONMENTAL RESTORATION TRANSFER ACCOUNTS FOR EACH MILITARY DEPARTMENT.

(a) ESTABLISHMENT.—(1) Section 2703 of title 10, United States Code, is amended to read as follows:

"§ 2703. Environmental restoration transfer accounts

"(a) ESTABLISHMENT OF TRANSFER ACCOUNTS.—

"(1) ESTABLISHMENT.—There are hereby established in the Department of Defense the following accounts:

"(A) An account to be known as the 'Defense Environmental Restoration Account'.

"(B) An account to be known as the 'Army Environmental Restoration Account'.

"(C) An account to be known as the 'Navy Environmental Restoration Account'.

"(D) An account to be known as the 'Air Force Environmental Restoration Account'.

"(2) TREATMENT OF APPROPRIATIONS.—All sums appropriated to the Department of Defense to carry out functions of the Secretary of Defense or of the Secretaries of the military departments relating to environmental restoration under this chapter or under any other provision of law shall be appropriated to the transfer account concerned.

"(3) REQUIREMENT OF AUTHORIZATION OF APPROPRIATIONS.—No funds may be appropriated to a transfer account unless such sums have been specifically authorized by law.

"(4) AVAILABILITY OF FUNDS IN TRANSFER ACCOUNTS.—Amounts appropriated to a transfer account shall remain available until transferred under subsection (b).

"(b) AUTHORITY TO TRANSFER TO OTHER ACCOUNTS.—Amounts in a transfer account shall be available for transfer by the Secretary of Defense (in the case of the Defense Environmental Restoration Account) or by the Secretary of a military department (in the case of the environmental restoration account of that military department) to any appropriation account or fund of the Department of Defense (including an account or fund of a military department) for obligation from the account or fund to which transferred.

"(c) OBLIGATION OF TRANSFERRED AMOUNTS.—Funds transferred under subsection (b) may only be obligated or expended from the account or fund to which transferred in order to carry out the environmental restoration functions of the Secretary of Defense and the Secretaries of the military departments under this chapter and under any other provision of law.

"(d) BUDGET REPORTS.—In proposing the budget for any fiscal year pursuant to section 1105 of title 31, the President shall set forth separately the amounts requested for environmental restoration programs of the Department of Defense and of each of the military departments under this chapter and under any other Act.

"(e) AMOUNTS RECOVERED.—The following amounts shall be credited to the appropriate environmental restoration account:

"(1) Amounts recovered under CERCLA for response actions.

"(2) Any other amounts recovered from a contractor, insurer, surety, or other person to reimburse the Department of Defense or a military department for any expenditure for environmental response activities.

"(f) PAYMENTS OF FINES AND PENALTIES.—None of the funds appropriated to the Defense Environmental Restoration Account for fiscal years 1995 through 1999, or to any environmental restoration account of a military department for fiscal years 1997 through 1999, may be used for the payment of a fine or penalty (including any supplemental environmental project carried out as part of such penalty) imposed against the Department of Defense or a military department unless the act or omission for which the fine or penalty is imposed arises out of an activity funded by the environmental restoration account concerned and the payment of the fine or penalty has been specifically authorized by law.".

(2) The table of sections at the beginning of chapter 160 of title 10, United States Code, is amended by striking out the item relating to section 2703 and inserting in lieu thereof the following new item:

"2703. Environmental restoration transfer accounts.".

(b) REFERENCES.—Any reference to the Defense Environmental Restoration Account in any Federal law, Executive Order, regulation, delegation of authority, or document of or pertaining to the Department of Defense shall be deemed to refer to the appropriate environmental restoration account established under section 2703(a)(1) of title 10, United States Code (as amended by subsection (a)(1)).

(c) CONFORMING AMENDMENT.—Section 2705(g)(1) of title 10, United States Code, is amended by striking out "the Defense Environmental Restoration Account" and inserting in lieu thereof "the environmental restoration account concerned".

(d) TREATMENT OF UNOBLIGATED BALANCES.—Any unobligated balances that remain in the Defense Environmental Restoration Account under section 2703(a) of title 10, United States Code, as of the effective date specified in subsection (e) shall be transferred on such date to the Defense Environmental Restoration Account established under section 2703(a)(1) of title 10, United States Code (as amended by subsection (a)(1)).

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on the later of—

(1) October 1, 1996; or

(2) the date of the enactment of this Act.

SEC. 342. DEFENSE CONTRACTORS COVERED BY REQUIREMENT FOR REPORTS ON CONTRACTOR REIMBURSEMENT COSTS FOR RESPONSE ACTIONS.

Section 2706(d)(1)(A) of title 10, United States Code, is amended by striking out "100" and inserting in lieu thereof "20".

SEC. 343. REPEAL OF REDUNDANT NOTIFICATION AND CONSULTATION REQUIREMENTS REGARDING REMEDIAL INVESTIGATIONS AND FEASIBILITY STUDIES AT CERTAIN INSTALLATIONS TO BE CLOSED UNDER THE BASE CLOSURE LAWS.

Section 334 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102-190; 105 Stat. 1340; 10 U.S.C. 2687 note) is repealed.

SEC. 344. PAYMENT OF CERTAIN STIPULATED CIVIL PENALTIES.

(a) AUTHORITY.—The Secretary of Defense may pay to the Hazardous Substance Superfund established under section 9507 of the Internal Revenue Code of 1986 (26 U.S.C. 9507) stipulated civil penalties assessed under CERCLA in amounts, and using funds, as follows:

(1) Using funds authorized to be appropriated to the Army Environmental Restoration Account established under section 2703(a)(1)(B) of title 10, United States Code, as amended by section 341 of this Act, $34,000 assessed against Fort Riley, Kansas, under CERCLA.

(2) Using funds authorized to be appropriated to the Navy Environmental Restoration Account established under section 2703(a)(1)(C) of that title, as so amended, $30,000 assessed against the Naval Education and Training Center, Newport, Rhode Island, under CERCLA.

(3) Using funds authorized to be appropriated to the Air Force Environmental Restoration Account established under section 2703(a)(1)(D) of that title, as so amended—

(A) $550,000 assessed against the Massachusetts Military Reservation, Massachusetts, under CERCLA, of which $500,000 shall be for the supplemental environmental project for a groundwater modeling project that constitutes a part of the negotiated settlement of a penalty against the reservation; and

(B) $10,000 assessed against F.E. Warren Air Force Base, Wyoming, under CERCLA.

(4) Using funds authorized to be appropriated to the Department of Defense Base Closure Account 1990 by section 2406(a)(13) of this Act, $50,000 assessed against Loring Air Force Base, Maine, under CERCLA.

(b) CERCLA DEFINED.—In this section, the term "CERCLA" means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.).

SEC. 345. AUTHORITY TO WITHHOLD LISTING OF FEDERAL FACILITIES ON NATIONAL PRIORITIES LIST.

Section 120(d) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9620(d)) is amended—

(1) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively;

(2) by striking "Not later than 18 months after the enactment of the Superfund Amendments and Reauthorization Act of 1986, the Administrator" and inserting the following:

"(1) IN GENERAL.—The Administrator"; and

(3) by striking "Such criteria" and all that follows through the end of the subsection and inserting the following:

"(2) APPLICATION OF CRITERIA.—

"(A) IN GENERAL.—Subject to subparagraph (B), the criteria referred to in paragraph (1) shall be applied in the same manner as the criteria are applied to facilities that are owned or operated by persons other than the United States.

"(B) RESPONSE UNDER OTHER LAW.—That the head of the department, agency, or instrumentality that owns or operates a facility has arranged with the Administrator or appropriate State authorities to respond appropriately, under authority of a law other than this Act, to a release or threatened release of a hazardous substance shall be an appropriate factor to be taken into consideration for the purposes of section 105(a)(8)(A).

"(3) COMPLETION.—Evaluation and listing under this subsection shall be completed in accordance with a reasonable schedule established by the Administrator.".

SEC. 346. AUTHORITY TO TRANSFER CONTAMINATED FEDERAL PROPERTY BEFORE COMPLETION OF REQUIRED REMEDIAL ACTIONS.

Section 120(h)(3) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9620(h)(3)) is amended—

(1) by redesignating subparagraph (A) as clause (i) and clauses (i), (ii), and (iii) of that subparagraph as subclauses (I), (II), and (III), respectively;

(2) by striking "After the last day" and inserting the following:

"(A) IN GENERAL.—After the last day";

(3) by redesignating subparagraph (B) as clause (ii) and clauses (i) and (ii) of that subparagraph as subclauses (I) and (II), respectively;

(4) by redesignating subparagraph (C) as clause (iii);

(5) by striking "For purposes of subparagraph (B)(i)" and inserting the following:

"(B) COMPLETION OF CONSTRUCTION.—For purposes of subparagraph (A)(ii)(I)"; and

(6) by adding at the end the following:

"(C) DEFERRAL.—The Administrator (in the case of real property at a Federal facility that is listed on the National Priorities List) or the Governor of the State in which the facility is located (in the case of real property at a Federal facility not listed on the National Priorities List) may defer the requirement of subparagraph (A)(ii) with respect to the property if the Administrator or the Governor, as the case may be, determines that—

"(i) the property is suitable for transfer; and

"(ii) the contract of sale or other agreement governing the transfer between the United States and the transferee of the property contains assurances that all appropriate remedial action will be taken with respect to any releases or threatened releases at or from the property that occurred or existed prior to the transfer.".

SEC. 347. CLARIFICATION OF MEANING OF UNCONTAMINATED PROPERTY FOR PURPOSES OF TRANSFER BY THE UNITED STATES.

Section 120(h)(4)(A) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9620(h)(4)(A)) is amended in the first sentence by striking "stored for one year or more, known to have been released," and inserting "known to have been released".

SEC. 348. SHIPBOARD SOLID WASTE CONTROL.

(a) IN GENERAL.—Section 3(c) of the Act to Prevent Pollution from Ships (33 U.S.C. 1902(c)) is amended—

(1) in paragraph (1), by striking "Not later than" and inserting "Except as provided in paragraphs (2) and (3), not later than"; and

(2) by striking paragraphs (2), (3), and (4) and inserting the following:

"(2)(A) Subject to subparagraph (B), any ship described in subparagraph (C) may discharge, without regard to the special area requirements of Regulation 5 of Annex V to the Convention, the following non-plastic, non-floating garbage:

"(i) A slurry of seawater, paper, cardboard, or food waste that is capable of passing through a screen with openings no larger than 12 millimeters in diameter.

"(ii) Metal and glass that have been shredded and bagged so as to ensure negative buoyancy.

"(B)(i) Garbage described subparagraph (A)(i) may not be discharged within 3 nautical miles of land.

"(ii) Garbage described in subparagraph (A)(ii) may not be discharged within 12 nautical miles of land.

"(C) This paragraph applies to any ship that is owned or operated by the Department of the Navy that, as determined by the Secretary of the Navy—

"(i) has unique military design, construction, manning, or operating requirements; and

"(ii) cannot fully comply with the special area requirements of Regulation 5 of Annex V to the Convention because compliance is not technologically feasible or would impair the operations or operational capability of the ship.

"(3)(A) Not later than December 31, 2000, the Secretary of the Navy shall prescribe and publish in the Federal Register standards to ensure that each ship described in subparagraph (B) is, to the maximum extent practicable without impairing the operations or operational capabilities of the ship, operated in a manner that is consistent with the special area requirements of Regulation 5 of Annex V to the Convention.

"(B) Subparagraph (A) applies to surface ships that are owned or operated by the Department of the Navy that the Secretary plans to decommission during the period beginning on January 1, 2001, and ending on December 31, 2005.

"(C) At the same time that the Secretary publishes standards under subparagraph (A), the Secretary shall publish in the Federal Register a list of the ships covered by subparagraph (B).".

(b) SENSE OF CONGRESS.—

(1) COMPLIANCE WITH ANNEX V.—It is the sense of Congress that it should be an objective of the Navy to achieve full compliance with Annex V to the Convention as part of the Navy's development of ships that are environmentally sound.

(2) DEFINITION.—In this subsection, the terms "Convention" and "ship" have the meanings provided in section 2(a) of the Act to Prevent Pollution from Ships (33 U.S.C. 1901(a)).

SEC. 349. COOPERATIVE AGREEMENTS FOR THE MANAGEMENT OF CULTURAL RESOURCES ON MILITARY INSTALLATIONS.

(a) AUTHORITY TO ENTER INTO AGREEMENTS.—Chapter 159 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2694. Cooperative agreements for management of cultural resources on military installations

"(a) AUTHORITY TO ENTER INTO AGREEMENTS.—The Secretary of Defense and the Secretaries of the military departments may enter into cooperative agreements with States, local governments, and appropriate public and private entities in order to provide for the preservation, management, maintenance, and rehabilitation of cultural resources on military installations.

"(b) INAPPLICABILITY OF CERTAIN FEDERAL FINANCIAL MANAGEMENT LAWS.—A cooperative agreement under subsection (a) shall not be treated as a cooperative agreement for purposes of chapter 63 of title 31.

"(c) LIMITATION ON AUTHORITY TO CARRY OUT AGREEMENTS.—The authority of the Secretary of Defense or the Secretary of a military department to carry out an agreement entered into under subsection (a) shall be subject to the availability of funds for that purpose.

"(d) DEFINITION.—For purposes of this section, the term 'cultural resource' means any of the following:

"(1) A building, structure, site, district, or object eligible for or included in the National Register of Historic Places maintained under section 101(a) of the National Historic Preservation Act (16 U.S.C. 470a(a)).

"(2) A cultural item as that term is defined in section 2(3) of the Native American Graves Protection and Repatriation Act (25 U.S.C. 3001(3)).

"(3) An archaeological resource as that term is defined in section 3(1) of the Archaeological Resources Protection Act of 1979 (16 U.S.C. 470bb(1)).

"(4) An archaeological artifact collection and associated records covered by section 79 of title 36, Code of Federal Regulations.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"2694. Cooperative agreements for management of cultural resources on military installations.".

SEC. 350. REPORT ON WITHDRAWAL OF PUBLIC LANDS AT EL CENTRO NAVAL AIR FACILITY, CALIFORNIA.

(a) REPORT.—Not later than March 15, 1997, the Secretary of Defense, acting through the Deputy Under Secretary of Defense for Environmental Security, shall submit to the congressional defense committees a report that assesses the effects of the proposed withdrawal of public lands at El Centro Naval Air Facility, California, on the operational and training requirements of the Department of Defense at that facility.

(b) REPORT ELEMENTS.—The report under subsection (a) shall—

(1) describe in detail the operational and training requirements of the Department of Defense at El Centro Naval Air Facility;

(2) assess the effects of the proposed withdrawal on such operational and training requirements;

(3) describe the relationship, if any, of the proposed withdrawal to the withdrawal of other public lands under the California Desert Protection Act of 1994 (Public Law 103-433);

(4) assess the additional responsibilities, if any, of the Navy for land management at the facility as a result of the proposed withdrawal; and

(5) assess the costs, if any, to the Navy resulting from the proposed withdrawal.

SEC. 351. USE OF HUNTING AND FISHING PERMIT FEES COLLECTED AT CLOSED MILITARY RESERVATIONS.

Subparagraph (B) of section 101(b)(4) of the Act of September 15, 1960 (commonly known as the "Sikes Act"; 16 U.S.C. 670a(b)(4)), is amended to read as follows:

"(B) the fees collected under this paragraph—

"(i) shall be expended at the military reservation with respect to which collected; or

"(ii) if collected with respect to a military reservation that is closed, shall be available for expenditure at any other military reservation for purposes of the protection, conservation, and management of fish and wildlife at such reservation.".

Subtitle E—Other Matters

SEC. 361. FIREFIGHTING AND SECURITY-GUARD FUNCTIONS AT FACILITIES LEASED BY THE GOVERNMENT.

Section 2465(b) of title 10, United States Code, is amended—

(1) by striking out "or" at the end of paragraph (2);

(2) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; or"; and

(3) by adding at the end the following:

"(4) to a contract to be carried out at a private facility at which a Federal Government activity is located pursuant to a lease of the facility to the Government.".

SEC. 362. AUTHORIZED USE OF RECRUITING FUNDS.

(a) AUTHORITY.—Chapter 31 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 520c. Authorized use of recruiting funds

"(a) MEALS AND REFRESHMENTS.—Under regulations prescribed by the Secretary concerned, funds appropriated to the Department of Defense for recruitment of military personnel may be expended for small meals and refreshments that are provided in the performance of personnel recruiting functions of the armed forces to—

"(1) persons who have enlisted under the Delayed Entry Program authorized by section 513 of this title;

"(2) persons who are objects of armed forces recruiting efforts;

"(3) influential persons in communities when assisting the military departments in recruiting efforts;

"(4) members of the armed forces and Federal Government employees when attending recruiting events in accordance with a requirement to do so; and

"(5) other persons when contributing to recruiting efforts by attending recruiting events.

"(b) ANNUAL REPORT.—Not later than February 1 of each year, the Secretary of Defense shall submit to Congress a report on the extent to which the authority under subsection (a) was exercised during the fiscal year ending in the preceding year.

"(c) TERMINATION OF AUTHORITY.—(1) The authority in subsection (a) may not be exercised after September 30, 2001.

"(2) No report is required under subsection (b) after 2002.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"520c. Authorized use of recruiting funds.".

SEC. 363. NONCOMPETITIVE PROCUREMENT OF BRAND-NAME COMMERCIAL ITEMS FOR RESALE IN COMMISSARY STORES.

(a) CLARIFICATION OF EXCEPTION TO COMPETITIVE PROCUREMENT.—Section 2486 of title 10, United States Code, is amended by adding at the end the following:

"(e) The Secretary of Defense may not, under the exception provided in section 2304(c)(5) of this title, use procedures other than competitive procedures for the procurement of a brand-name commercial item for resale in commissary stores unless the commercial item is regularly sold outside of commissary stores under the same brand name as the commercial item will be sold in commissary stores.".

(b) EFFECT ON EXISTING CONTRACTS.—The amendment made by subsection (a) shall not affect the terms, conditions, or duration of any contract entered into by the Secretary of Defense before the date of the enactment of this Act for the procurement of commercial items for resale in commissary stores.

SEC. 364. ADMINISTRATION OF MIDSHIPMEN'S STORE AND OTHER NAVAL ACADEMY SUPPORT ACTIVITIES AS NONAPPROPRIATED FUND INSTRUMENTALITIES.

(a) IN GENERAL.—(1) Chapter 603 of title 10, United States Code, is amended by striking out sections 6970 and 6971 and inserting in lieu thereof the following new section:

"§ 6970. Midshipmen's store and Naval Academy shops, laundry, and dairy: nonappropriated fund accounts

"(a) IN GENERAL.—Under regulations prescribed by the Secretary of the Navy, the Superintendent of the Naval Academy shall administer a nonappropriated fund account for each of the Academy activities referred to in subsection (b).

"(b) ACTIVITIES.—Subsection (a) applies to the following Academy activities:

"(1) The midshipmen's store.

"(2) The barber shop.

"(3) The cobbler shop.

"(4) The tailor shop.

"(5) The dairy.

"(6) The laundry.

"(c) CREDITING OF REVENUE.—The Superintendent shall credit to each account administered with respect to an activity under subsection (a) all revenue received from the activity.".

(2) The table of sections at the beginning of such chapter is amended by striking out the items relating to sections 6970 and 6971 and inserting in lieu thereof the following new item:

"6970. Midshipmen's store and Naval Academy shops, laundry, and dairy: nonappropriated fund accounts.".

(b) EMPLOYMENT STATUS OF EMPLOYEES OF ACTIVITIES.—Section 2105 of title 5, United States Code, is amended by striking out subsection (b).

SEC. 365. ASSISTANCE TO COMMITTEES INVOLVED IN INAUGURATION OF THE PRESIDENT.

(a) IN GENERAL.—Section 2543 of title 10, United States Code, is amended to read to read as follows:

"§ 2543. Equipment and services: Presidential inaugural committees

"(a) ASSISTANCE AUTHORIZED.—The Secretary of Defense may provide the assistance referred to in subsection (b) to the following committees:

"(1) An Inaugural Committee established under the first section of the Presidential Inaugural Ceremonies Act (36 U.S.C. 721).

"(2) A joint committee of the Senate and House of Representatives appointed under section 9 of that Act (36 U.S.C. 729).

"(b) ASSISTANCE.—The following assistance may be provided under subsection (a):

"(1) Planning and carrying out activities relating to security and safety.

"(2) Planning and carrying out ceremonial activities.

"(3) Loan of property.

"(4) Any other assistance that the Secretary considers appropriate.

"(c) REIMBURSEMENT.—(1) An inaugural committee referred to in subsection (a)(1) shall reimburse the Secretary for any costs incurred in connection with the provision to the committee of assistance referred to in subsection (b)(4).

"(2) Costs reimbursed under paragraph (1) shall be credited to the appropriations from

which the costs were paid. The amount credited to an appropriation shall be proportionate to the amount of the costs charged to that appropriation.

"(d) LOANED PROPERTY.—(1) Property loaned for a presidential inauguration under subsection (b)(3) shall be returned within nine days after the date of the ceremony inaugurating the President.

"(2) An inaugural committee referred to in subsection (a)(1) shall give good and sufficient bond for the return in good order and condition of property loaned to the committee under subsection (b)(3).

"(3) An inaugural committee referred to in subsection (a)(1) shall—

"(A) indemnify the United States for any loss of, or damage to, property loaned to the committee under subsection (b)(3); and

"(B) defray any expense incurred for the delivery, return, rehabilitation, replacement, or operation of the property.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of subchapter II of chapter 152 of such title is amended by striking out the item relating to section 2543 and inserting in lieu thereof the following:

"2543. Equipment and services: Presidential inaugural committees.".

SEC. 366. DEPARTMENT OF DEFENSE SUPPORT FOR SPORTING EVENTS.

(a) LOCAL SUPPORT.—The Secretary of Defense may authorize the commander of a military installation or other facility of the Department of Defense or the commander of a specified or unified combatant command to provide assistance for the World Cup Soccer Games, the Goodwill Games, the Olympics, and any other major civilian sporting event in support of essential security and safety at such event, but only in accordance with an agreement entered into by the Secretary and one or more organizations sponsoring the event and only to the extent that the essential security and safety needs cannot reasonably be met by a source other than the Department of Defense.

(b) AGREEMENT.—(1) An agreement entered into with an organization under this section shall provide for the Department of Defense to be reimbursed for amounts expended by the Department of Defense in providing support for the event, except that the agreement—

(A) may not require reimbursement to be made by an organization before the sporting event covered by the agreement is complete and all of the costs under the organization's other contractual obligations relating to the event have been paid; and

(B) shall include a clause providing that the amount of the reimbursement shall be the lesser of—

(i) the amount, if any, of the organization's surplus funds remaining after payment of all of the costs referred to in subparagraph (A); or

(ii) the amount expended by the Department in providing support for the event.

(2) The Secretary of Defense may include in the agreement such additional terms and conditions as the Secretary considers appropriate in the interests of the Federal Government.

(3) Paragraph (1) does not apply to support for civilian sporting events known as of the date of the enactment of this Act as "Special Olympics" or "Paralympics".

(c) INAPPLICABILITY TO EVENTS ALREADY FUNDED.—This section does not apply with respect to a sporting event for which funds have been appropriated before the date of the enactment of this Act.

(d) SURPLUS FUNDS DEFINED.—For the purposes of this section, the term "surplus funds", with respect to an organization sponsoring a sporting event, means the amount equal to the excess of—

(1) the total amount of the funds received by the organization for the event other than revenues derived from any tax, over

(2) the total amount expended by the organization for payment of all of the costs under the organization's contractual obligations (other than an agreement entered into with the Secretary of Defense under this section) that relate to the event.

SEC. 367. RENOVATION OF BUILDING FOR DEFENSE FINANCE AND ACCOUNTING SERVICE CENTER, FORT BENJAMIN HARRISON, INDIANA.

(a) TRANSFER AUTHORITY.—Subject to subsection (b), the Secretary of Defense may transfer funds available to the Department of Defense for the Defense Finance and Accounting Service for a fiscal year for operation and maintenance to the Administrator of General Services for paying the costs of planning, design, and renovation of Building One, Fort Benjamin Harrison, Indiana, for use as a Defense Finance and Accounting Service Center.

(b) AUTHORITY SUBJECT TO AUTHORIZATIONS AND APPROPRIATIONS.—To the extent provided in appropriations Acts—

(1) of funds appropriated for fiscal year 1997, $9,000,000 may be transferred pursuant to subsection (a); and

(2) of funds appropriated for fiscal years 1998, 1999, 2000, and 2001, funds may be transferred pursuant to subsection (a) in such amounts as are authorized to be transferred in an Act enacted after the date of the enactment of this Act.

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

Subtitle A—Active Forces

SEC. 401. END STRENGTHS FOR ACTIVE FORCES.

The Armed Forces are authorized strengths for active duty personnel as of September 30, 1997, as follows:

(1) The Army, 495,000, of which not more than 80,300 may be commissioned officers.

(2) The Navy, 407,318, of which not more than 56,165 may be commissioned officers.

(3) The Marine Corps, 174,000, of which not more than 17,978 may be commissioned officers.

(4) The Air Force, 381,222, of which not more than 74,445 may be commissioned officers.

SEC. 402. TEMPORARY FLEXIBILITY RELATING TO PERMANENT END STRENGTH LEVELS.

Section 691(d) of title 10, United States Code, is amended by striking out "not more than 0.5 percent" and inserting in lieu thereof "not more than 5 percent".

SEC. 403. AUTHORIZED STRENGTHS FOR COMMISSIONED OFFICERS IN GRADES O–4, O–5, AND O–6.

(a) ARMY, AIR FORCE, AND MARINE CORPS.—The table in section 523(a)(1) of title 10, United States Code, is amended to read as follows:

"Total number of commissioned officers (excluding officers in categories specified in subsection (b)) on active duty:	Number of officers who may be serving on active duty in the grade of:		
	Major	Lieutenant Colonel	Colonel
Army:			
20,000	6,848	5,253	1,613
25,000	7,539	5,642	1,796
30,000	8,231	6,030	1,980
35,000	8,922	6,419	2,163
40,000	9,614	6,807	2,347
45,000	10,305	7,196	2,530
50,000	10,997	7,584	2,713
55,000	11,688	7,973	2,897
60,000	12,380	8,361	3,080
65,000	13,071	8,750	3,264
70,000	13,763	9,138	3,447
75,000	14,454	9,527	3,631
80,000	15,146	9,915	3,814
85,000	15,837	10,304	3,997
90,000	16,529	10,692	4,181
95,000	17,220	11,081	4,364
100,000	17,912	11,469	4,548
110,000	19,295	12,246	4,915
120,000	20,678	13,023	5,281
130,000	22,061	13,800	5,648
170,000	27,593	16,908	7,116
Air Force:			
35,000	9,216	7,090	2,125
40,000	10,025	7,478	2,306
45,000	10,835	7,866	2,487
50,000	11,645	8,253	2,668
55,000	12,454	8,641	2,849
60,000	13,264	9,029	3,030
65,000	14,073	9,417	3,211
70,000	14,883	9,805	3,392
75,000	15,693	10,193	3,573
80,000	16,502	10,582	3,754
85,000	17,312	10,971	3,935
90,000	18,121	11,360	4,115
95,000	18,931	11,749	4,296
100,000	19,741	12,138	4,477
105,000	20,550	12,527	4,658
110,000	21,360	12,915	4,838
115,000	22,169	13,304	5,019
120,000	22,979	13,692	5,200
125,000	23,789	14,081	5,381
Marine Corps:			
10,000	2,525	1,480	571
12,500	2,900	1,600	592
15,000	3,275	1,720	613
17,500	3,650	1,840	633
20,000	4,025	1,960	654
22,500	4,400	2,080	675
25,000	4,775	2,200	695".

(b) NAVY.—The table in section 523(a)(2) of title 10, United States Code, is amended to read as follows:

"Total number of commissioned officers (excluding officers in categories specified in subsection (b)) on active duty:	Number of officers who may be serving on active duty in grade of:		
	Lieutenant Commander	Commander	Captain
Navy:			
30,000	7,331	5,018	2,116
33,000	7,799	5,239	2,223
36,000	8,267	5,460	2,330
39,000	8,735	5,681	2,437
42,000	9,203	5,902	2,544
45,000	9,671	6,123	2,651
48,000	10,139	6,343	2,758
51,000	10,606	6,561	2,864
54,000	11,074	6,782	2,971
57,000	11,541	7,002	3,078
60,000	12,009	7,222	3,185
63,000	12,476	7,441	3,292
66,000	12,944	7,661	3,398
70,000	13,567	7,954	3,541
90,000	16,683	9,419	4,254".

(c) REPEAL OF TEMPORARY AUTHORITY FOR VARIATIONS IN END STRENGTHS.—The following provisions of law are repealed:

(1) Section 402 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1639; 10 U.S.C. 523 note).

(2) Section 402 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2743; 10 U.S.C. 523 note).

(3) Section 402 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 286; 10 U.S.C. 523 note).

(d) EFFECTIVE DATE.—The amendments made by subsections (a), (b), and (c) shall take effect on September 1, 1997.

SEC. 404. EXTENSION OF REQUIREMENT FOR RECOMMENDATIONS REGARDING APPOINTMENTS TO JOINT 4-STAR OFFICER POSITIONS.

Section 604(c) of title 10, United States Code, is amended by striking out "September 30, 1997" and inserting in lieu thereof "September 30, 2000".

SEC. 405. INCREASE IN AUTHORIZED NUMBER OF GENERAL OFFICERS ON ACTIVE DUTY IN THE MARINE CORPS.

Section 526(a)(4) of title 10, United States Code, is amended by striking out "68" and inserting in lieu thereof "80".

Subtitle B—Reserve Forces

SEC. 411. END STRENGTHS FOR SELECTED RESERVE.

(a) IN GENERAL.—The Armed Forces are authorized strengths for Selected Reserve personnel of the reserve components as of September 30, 1997, as follows:

(1) The Army National Guard of the United States, 366,758.

(2) The Army Reserve, 214,925.

(3) The Naval Reserve, 96,304.

(4) The Marine Corps Reserve, 42,000.

(5) The Air National Guard of the United States, 108,594.

(6) The Air Force Reserve, 73,281.

(7) The Coast Guard Reserve, 8,000.

(b) WAIVER AUTHORITY.—The Secretary of Defense may vary the end strength authorized by subsection (a) by not more than 2 percent.

(c) ADJUSTMENTS.—The end strengths prescribed by subsection (a) for the Selected Reserve of any reserve component for a fiscal year shall be proportionately reduced by—

(1) the total authorized strength of units organized to serve as units of the Selected Reserve of such component which are on active duty (other than for training) at the end of the fiscal year, and

(2) the total number of individual members not in units organized to serve as units of the Selected Reserve of such component who are on active duty (other than for training or for unsatisfactory participation in training) without their consent at the end of the fiscal year.

Whenever such units or such individual members are released from active duty during any fiscal year, the end strength prescribed for such fiscal year for the Selected Reserve of such reserve component shall be proportionately increased by the total authorized strengths of such units and by the total number of such individual members.

SEC. 412. END STRENGTHS FOR RESERVES ON ACTIVE DUTY IN SUPPORT OF THE RESERVES.

Within the end strengths prescribed in section 411(a), the reserve components of the Armed Forces are authorized, as of September 30, 1997, the following number of Reserves to be serving on full-time active duty or full-time duty, in the case of members of the National Guard, for the purpose of organizing, administering, recruiting, instructing, or training the reserve components:

(1) The Army National Guard of the United States, 22,798.

(2) The Army Reserve, 11,475.

(3) The Naval Reserve, 16,603.

(4) The Marine Corps Reserve, 2,559.

(5) The Air National Guard of the United States, 10,378.

(6) The Air Force Reserve, 655.

Subtitle C—Authorization of Appropriations

SEC. 421. AUTHORIZATION OF APPROPRIATIONS FOR MILITARY PERSONNEL.

There is hereby authorized to be appropriated to the Department of Defense for military personnel for fiscal year 1997 a total of $69,878,430,000. The authorization in the preceding sentence supersedes any other authorization of appropriations (definite or indefinite) for such purpose for fiscal year 1997.

TITLE V—MILITARY PERSONNEL POLICY

Subtitle A—Officer Personnel Policy

SEC. 501. EXTENSION OF AUTHORITY FOR TEMPORARY PROMOTIONS FOR CERTAIN NAVY LIEUTENANTS WITH CRITICAL SKILLS.

Section 5721(g) of title 10, United States Code, is amended by striking out "September 30, 1996" and inserting in lieu thereof "September 30, 1997".

SEC. 502. EXCEPTION TO BACCALAUREATE DEGREE REQUIREMENT FOR APPOINTMENT IN THE NAVAL RESERVE IN GRADES ABOVE O–2.

Section 12205(b)(3) of title 10, United States Code, is amended by inserting "or the Seaman to Admiral program" after "(NAVCAD) program".

SEC. 503. TIME FOR AWARD OF DEGREES BY UNACCREDITED EDUCATIONAL INSTITUTIONS FOR GRADUATES TO BE CONSIDERED EDUCATIONALLY QUALIFIED FOR APPOINTMENT AS RESERVE OFFICERS IN GRADE O–3.

Section 12205(c)(2)(C) of title 10, United States Code, is amended by striking out "three years" and inserting in lieu thereof "eight years".

SEC. 504. CHIEF WARRANT OFFICER PROMOTIONS.

(a) REDUCTION OF MINIMUM TIME IN GRADE REQUIRED FOR CONSIDERATION FOR PROMOTION.—Section 574(e) of title 10, United States Code, is amended by striking out "three years of service" and inserting in lieu thereof "two years of service".

(b) BELOW-ZONE SELECTION.—Section 575(b)(1) of such title is amended by inserting "chief warrant officer, W–3," in the first sentence after "to consider warrant officers for selection for promotion to the grade of".

SEC. 505. FREQUENCY OF PERIODIC REPORT ON PROMOTION RATES OF OFFICERS CURRENTLY OR FORMERLY SERVING IN JOINT DUTY ASSIGNMENTS.

Section 662(b) of title 10, United States Code, is amended by striking out "not less often than every six months" in the parenthetical in the first sentence and inserting in lieu thereof "not less often than every twelve months".

Subtitle B—Matters Relating to Reserve Components

SEC. 511. CLARIFICATION OF DEFINITION OF ACTIVE STATUS.

Section 101(d)(4) of title 10, United States Code, is amended by striking out "a reserve commissioned officer, other than a commissioned warrant officer," and inserting in lieu thereof the following: "a member of a reserve component".

SEC. 512. AMENDMENTS TO RESERVE OFFICER PERSONNEL MANAGEMENT ACT PROVISIONS.

(a) SERVICE REQUIREMENT FOR RETIREMENT IN HIGHEST GRADE HELD.—Section 1370(d) of title 10, United States Code, is amended—

(1) by redesignating paragraph (3) as paragraph (4);

(2) in paragraph (2)(A), by striking out "(A)";

(3) by redesignating paragraph (2)(B) as paragraph (3); and

(4) in paragraph (3), as so redesignated—

(A) by designating the first sentence as subparagraph (A);

(B) by designating the second sentence as subparagraph (B) and realigning such subparagraph, as so redesignated, flush to the left margin;

(C) in subparagraph (B), as so redesignated, by striking out "the preceding sentence" and inserting in lieu thereof "subparagraph (A)"; and

(D) by adding at the end the following:

"(C) If a person covered by subparagraph (A) has completed at least six months of satisfactory service in grade, the person was serving in that grade while serving in a position of adjutant general required under section 314 of title 32 or while serving in a position of assistant adjutant general subordinate to such a position of adjutant general, and the person has failed to complete three years of service in that grade solely because the person's appointment to such position has been terminated or vacated as described in section 324(b) of such title, then such person may be credited with satisfactory service in that grade, notwithstanding the failure to complete three years of service in that grade.

"(D) To the extent authorized by the Secretary of the military department concerned, a person who, after having been recommended for promotion in a report of a promotion board but before being promoted to the recommended grade, served in a position for which that grade is the minimum authorized grade may be credited for purposes of subparagraph (A) as having served in that grade for the period for which the person served in that position while in the next lower grade. The period credited may not include any period before the date on which the Senate provides advice and consent for the appointment of that person in the recommended grade.

"(E) To the extent authorized by the Secretary of the military department concerned, a person who, after having been extended temporary Federal recognition as a reserve officer of the Army National Guard in a particular grade under section 308 of title 32 or temporary Federal recognition as a reserve officer of the Air National Guard in a particular grade under such section, served in a position for which that grade is the minimum authorized grade may be credited for purposes of subparagraph (A) as having served in that grade for the period for which the person served in that position while extended the temporary Federal recognition, but only if the person was subsequently extended permanent Federal recognition as a reserve officer in that grade and also served in that position after being extended the permanent Federal recognition.".

(b) EXCEPTION TO REQUIREMENT FOR RETENTION OF RESERVE OFFICERS UNTIL COMPLETION OF REQUIRED SERVICE.—Section 12645(b)(2) of such title is amended by inserting "or a reserve active-status list" after "active-duty list".

(c) TECHNICAL CORRECTION.—Section 14314(b)(2)(B) of such title is amended by striking out "of the Air Force".

SEC. 513. REPEAL OF REQUIREMENT FOR PHYSICAL EXAMINATIONS OF MEMBERS OF NATIONAL GUARD CALLED INTO FEDERAL SERVICE.

(a) REPEAL.—Section 12408 of title 10, United States Code, is repealed.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 1209 is

amended by striking out the item relating to section 12408.

SEC. 514. AUTHORITY FOR A RESERVE ON ACTIVE DUTY TO WAIVE RETIREMENT SANCTUARY.

Section 12686 of title 10, United States Code, is amended—

(1) by inserting "(a) LIMITATION.—" before "Under regulations"; and

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

"(b) WAIVER.—(1) The Secretary concerned may authorize a member described in paragraph (2) to waive the applicability of the limitation under subsection (a) to the member for the period of active duty described in that paragraph. A member shall exercise any such waiver option, if at all, before the period of active duty begins.

"(2) The authority provided in paragraph (1) applies to a member of a reserve component who is on active duty (other than for training) pursuant to an order to active duty under section 12301 of this title that specifies a period of less than 180 days.".

SEC. 515. RETIREMENT OF RESERVES DISABLED BY INJURY OR DISEASE INCURRED OR AGGRAVATED DURING OVERNIGHT STAY BETWEEN INACTIVE DUTY TRAINING PERIODS.

Paragraph (2) of section 1204 of title 10, United States Code, is amended to read as follows:

"(2) the disability is a result of—

"(A) performing active duty or inactive-duty training;

"(B) traveling directly to or from the place at which such duty is performed; or

"(C) an injury, illness, or disease incurred or aggravated while remaining overnight, between successive periods of inactive-duty training, at or in the vicinity of the site of the inactive duty training, if the site is outside reasonable commuting distance of the member's residence;".

SEC. 516. RESERVE CREDIT FOR PARTICIPATION IN THE HEALTH PROFESSIONS SCHOLARSHIP AND FINANCIAL ASSISTANCE PROGRAM.

(a) CREDIT AUTHORIZED.—Section 2126 of title 10, United States Code, is amended—

(1) by striking out "Service performed" and inserting in lieu thereof "(a) SERVICE NOT CREDITABLE.—Except as provided in subsection (b), service performed"; and

(2) by adding at the end the following:

"(b) EXCEPTION.—(1) The Secretary concerned may authorize service performed by a member of the program in pursuit of a course of study under this subchapter to be counted in accordance with this subsection if the member—

"(A) completes the course of study;

"(B) completes the active duty obligation imposed under section 2123(a) of this title; and

"(C) possesses a specialty designated by the Secretary concerned as critically needed in wartime.

"(2) Service credited under paragraph (1) counts only for the following purposes:

"(A) Award of retirement points for computation of years of service under section 12732 of this title and for computation of retired pay under section 12733 of this title.

"(B) Computation of years of service creditable under section 205 of title 37.

"(3) For purposes of paragraph (2)(A), a member may be credited in accordance with paragraph (1) with not more than 50 points for each year of participation in a course of study that the member satisfactorily completes as a member of the program.

"(4) Service may not be counted under paragraph (1) for more than four years of participation in a course of study as a member of the program.

"(5) A member who is dropped from the program under section 2123(c) of this title may not receive any credit under paragraph (1) for participation in a course of study as a member of the program. Any credit awarded for participation in the program before the member is dropped shall be rescinded.

"(6) A member is not entitled to any retroactive award of, or increase in, pay or allowances under title 37 by reason of an award of service credit under paragraph (1).".

(b) AWARD OF RETIREMENT POINTS.—(1) Section 12732(a)(2) of such title is amended—

(A) by inserting after clause (C) the following:

"(D) Points credited for the year under section 2126(b) of this title."; and

(B) in the matter following clause (D), as inserted by paragraph (1), by striking out "and (C)" and inserting in lieu thereof "(C), and (D)".

(2) Section 12733(3) of such title is amended by striking out "or (C)" and inserting in lieu thereof "(C), or (D)".

SEC. 517. REPORT ON GUARD AND RESERVE FORCE STRUCTURE.

(a) REPORT.—Not later than March 1, 1997, the Secretary of Defense shall submit to Congress a report on the current force structure and the projected force structure of the National Guard and the other reserve components.

(b) REPORT ELEMENTS.—The report required by subsection (a) shall address the following:

(1) The role of specific guard and reserve units in the current force structure of the guard and reserves.

(2) The projected role of specific guard units and reserve units in a major regional contingency.

(3) Whether or not the current force structure of the guard and reserves is excess to the combat readiness requirements of the Armed Forces and, if so, to what extent.

(4) The effect of decisions relating to the force structure of the guard and reserves on combat readiness within the tiered structure of combat readiness applied to the Armed Forces.

Subtitle C—Officer Education Programs

SEC. 521. INCREASED AGE LIMIT ON APPOINTMENT AS A CADET OR MIDSHIPMAN IN THE SENIOR RESERVE OFFICERS' TRAINING CORPS AND THE SERVICE ACADEMIES.

(a) SENIOR RESERVE OFFICERS' TRAINING CORPS.—Section 2107(a) of title 10, United States Code, is amended by striking out "25 years of age" and inserting in lieu thereof "27 years of age".

(b) UNITED STATES MILITARY ACADEMY.—Section 4346(a) of title 10, United States Code, is amended by striking out "twenty-second birthday" and inserting in lieu thereof "twenty-third birthday".

(c) UNITED STATES NAVAL ACADEMY.—Section 6958(a)(1) of title 10, United States Code, is amended by striking out "twenty-second birthday" and inserting in lieu thereof "twenty-third birthday".

(d) UNITED STATES AIR FORCE ACADEMY.—Section 9346(a) of title 10, United States Code, is amended by striking out "twenty-second birthday" and inserting in lieu thereof "twenty-third birthday".

SEC. 522. DEMONSTRATION PROJECT FOR INSTRUCTION AND SUPPORT OF ARMY ROTC UNITS BY MEMBERS OF THE ARMY RESERVE AND NATIONAL GUARD.

(a) IN GENERAL.—The Secretary of the Army shall carry out a demonstration project in order to assess the feasibility and advisability of providing instruction and similar support to units of the Reserve Officers Training Corps of the Army through members of the Army Reserve (including members of the Individual Ready Reserve) and members of the Army National Guard.

(b) PROJECT REQUIREMENTS.—(1) The Secretary shall carry out the demonstration project at least one institution.

(2) In order to enhance the value of the project, the Secretary may take actions to ensure that members of the Army Reserve and the Army National Guard provide instruction and support under the project in a variety of innovative ways.

(c) INAPPLICABILITY OF LIMITATION ON RESERVES IN SUPPORT OF ROTC.—The assignment of a member of the Army Reserve or the Army National Guard to provide instruction or support under the demonstration project shall not be treated as an assignment of the member to duty with a unit of a Reserve Officer Training Corps program for purposes of section 12321 of title 10, United States Code.

(d) REPORTS.—Not later than February 1 in each of 1998, 1999, 2000, and 2001, the Secretary shall submit to Congress a report assessing the activities under the project during the preceding year. The report submitted in 2000 shall include the Secretary's recommendation as to the advisability of continuing or expanding the authority for the project.

(e) TERMINATION.—The authority of the Secretary to carry out the demonstration project shall expire four years after the date of the enactment of this Act.

Subtitle D—Other Matters

SEC. 531. RETIREMENT AT GRADE TO WHICH SELECTED FOR PROMOTION WHEN A PHYSICAL DISABILITY IS FOUND AT ANY PHYSICAL EXAMINATION.

Section 1372(3) of title 10, United States Code, is amended by striking out "his physical examination for promotion" and inserting in lieu thereof "a physical examination".

SEC. 532. LIMITATIONS ON RECALL OF RETIRED MEMBERS TO ACTIVE DUTY.

(a) NUMBER ON ACTIVE DUTY CONCURRENTLY.—Subsection (c) of section 688 of title 10, United States Code, is amended—

(1) by striking out "(c) Except in time of war, or of national emergency declared by Congress or the President after November 30, 1980, not" and inserting in lieu thereof "(c)(1) Not"; and

(2) by adding at the end the following:

"(2) Not more than 25 officers of any one armed force may be serving on active duty concurrently pursuant to orders to active duty issued under this section.".

(b) OFFICERS RETIRED ON SELECTIVE EARLY RETIREMENT BASIS.—Such section is amended by adding at the end the following:

"(e) The following officers may not be ordered to active duty under this section:

"(1) An officer who retired under section 638 of this title.

"(2) An officer who—

"(A) after having been notified that the officer was to be considered for early retirement under section 638 of this title by a board convened under section 611(b) of this title and before being considered by that board, requested retirement under section 3911, 6323, or 8911 of this title; and

"(B) was retired pursuant to that request.".

(c) LIMITATION OF PERIOD OF RECALL SERVICE.—Such section, as amended by subsection (b), is further amended by adding at the end the following:

"(f)(1) A member ordered to active duty under subsection (a) may not serve on active duty pursuant to orders under such subsection for more than 12 months within the 24 months following the first day of the active duty to which ordered under this section.

"(2) Paragraph (1) does not apply to the following:

"(A) A chaplain who is assigned to duty as a chaplain for the period of active duty to which ordered.

"(B) A health care professional (as characterized by the Secretary concerned) who is assigned to duty as a health care professional for the period of the active duty to which ordered.

"(C) Any officer assigned to duty with the American Battle Monuments Commission for the period of active duty to which ordered.".

(d) WAIVER FOR PERIODS OF WAR OR NATIONAL EMERGENCY.—Such section, as amended by subsection (c), is further amended by adding at the end the following:

"(g)(1) Subsection (c)(1) does not apply in time of war or of national emergency declared by Congress or the President after November 30, 1980.

"(2) Subsections (c)(2), (e), and (f) do not apply in time of war or of national emergency declared by Congress or the President.".

SEC. 533. DISABILITY COVERAGE FOR OFFICERS GRANTED EXCESS LEAVE FOR EDUCATIONAL PURPOSES.

(a) ELIGIBILITY FOR RETIREMENT.—Section 1201 of title 10, United States Code, is amended—

(1) by inserting "(a) RETIREMENT.—" before "Upon a determination";

(2) by striking out "a member of a regular component of the armed forces entitled to basic pay, or any other member of the armed forces entitled to basic pay who has been called or ordered to active duty (other than for training under section 10148(a) of this title) for a period of more than 30 days," and inserting in lieu thereof "a member described in subsection (b)";

(3) by inserting after "incurred while entitled to basic pay" the following: "or incurred while absent as described in section 502(b) of title 37 to participate in an educational program (even though not entitled to basic pay by operation of such section)"; and

(4) by adding at the end the following:

"(b) ELIGIBLE MEMBERS.—This section applies to the following members:

"(1) A member of a regular component of the armed forces entitled to basic pay.

"(2) Any other member of the armed forces entitled to basic pay who has been called or ordered to active duty (other than for training under section 10148(a) of this title) for a period of more than 30 days.

"(3) A member of a regular component of the armed forces who is on active duty but is absent as described in section 502(b) of title 37 to participate in an educational program.".

(b) ELIGIBILITY FOR PLACEMENT ON TEMPORARY DISABILITY RETIREMENT LIST.—Section 1202 of title 10, United States Code, is amended—

(1) by inserting "(a) TEMPORARY RETIREMENT.—" before "Upon a determination"; and

(2) by striking out "a member of a regular component of the armed forces entitled to basic pay, or any other member of the armed forces entitled to basic pay who has been called or ordered to active duty (other than for training under section 10148(a) of this title) for a period of more than 30 days," and inserting in lieu thereof "a member described in section 1201(b) of this title".

(c) ELIGIBILITY FOR SEPARATION.—Section 1203 of title 10, United States Code, is amended—

(1) by inserting "(a) SEPARATION.—" before "Upon a determination";

(2) by striking out "a member of a regular component of the armed forces entitled to basic pay, or any other member of the armed forces entitled to basic pay who has been called or ordered to active duty (other than for training under section 10148(a) of this title) for a period of more than 30 days," and inserting in lieu thereof "a member described in section 1201(b) of this title"; and

(3) by inserting after "incurred while entitled to basic pay" the following: "or incurred while absent as described in section 502(b) of title 37 to participate in an educational program (even though not entitled to basic pay by operation of such section)".

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act and shall apply with respect to physical disabilities incurred on or after such date.

SEC. 534. UNIFORM POLICY REGARDING RETENTION OF MEMBERS WHO ARE PERMANENTLY NONWORLDWIDE ASSIGNABLE.

(a) POLICY REQUIRED.—Chapter 59 of title 10, United States Code, is amended by inserting after section 1176 the following:

"§ 1177. Uniform policy regarding retention of members who are permanently nonworldwide assignable

"The Secretary of Defense shall prescribe regulations setting forth uniform policies and procedures regarding retention of members of the Army, Navy, Air Force, and Marine Corps who are permanently nonworldwide assignable for medical reasons.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1176 the following:

"1177. Uniform policy regarding retention of members who are permanently nonworldwide assignable.".

SEC. 535. AUTHORITY TO EXTEND PERIOD FOR ENLISTMENT IN REGULAR COMPONENT UNDER THE DELAYED ENTRY PROGRAM.

(a) AUTHORITY.—Section 513(b) of title 10, United States Code, is amended by inserting after the first sentence the following: "The Secretary concerned may extend the 365-day period for a person for up to 180 additional days if the Secretary determines that it is in the best interests of the armed force under the Secretary's jurisdiction to do so.".

(b) TECHNICAL AMENDMENTS.—Section 513(b) of such title, as amended by subsection (a), is further amended—

(1) by inserting "(1)" after "(b)";

(2) by designating the third sentence as paragraph (2) and realigning such paragraph, as so designated, flush to the left margin; and

(3) in paragraph (2), as so designated, by striking out "the preceding sentence" and inserting in lieu thereof "paragraph (1)".

SEC. 536. CAREER SERVICE REENLISTMENTS FOR MEMBERS WITH AT LEAST 10 YEARS OF SERVICE.

Subsection (d) of section 505 of title 10, United States Code, is amended to read as follows:

"(d)(1) The Secretary concerned may accept a reenlistment in the Regular Army, Regular Navy, Regular Air Force, Regular Marine Corps, or Regular Coast Guard, as the case may be, for a period determined under this subsection.

"(2) In the case of a member who has less than 10 years of service in the armed forces as of the day before the first day of the period for which reenlisted, the period for which the member reenlists shall be at least two years but not more than six years.

"(3) In the case of a member who has at least 10 years of service in the armed forces as of the day before the first day of the period for which reenlisted, the Secretary concerned may accept a reenlistment for either—

"(A) a specified period of at least two years but not more than six years; or

"(B) an unspecified period.

"(4) No enlisted member is entitled to be reenlisted for a period that would expire before the end of the member's current enlistment.".

SEC. 537. REVISIONS TO MISSING PERSONS AUTHORITIES.

(a) REPEAL OF APPLICABILITY OF AUTHORITIES TO DEPARTMENT OF DEFENSE CIVILIAN EMPLOYEES AND CONTRACTOR EMPLOYEES.—(1) Section 1501 of title 10, United States Code, is amended—

(A) by striking out subsection (c) and inserting in lieu thereof the following new subsection (c):

"(c) COVERED PERSONS.—Section 1502 of this title applies in the case of any member of the armed forces on active duty who becomes involuntarily absent as a result of a hostile action, or under circumstances suggesting that the involuntary absence is a result of a hostile action, and whose status is undetermined or who is unaccounted for."; and

(B) by striking out subsection (f).

(2) Section 1503(c) of such title is amended—

(A) in paragraph (1), by striking out "one individual described in paragraph (2)" and inserting in lieu thereof "one military officer";

(B) by striking out paragraph (2); and

(C) by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively.

(3) Section 1504(d) of such title is amended—

(A) by striking out the text of paragraph (1) and inserting in lieu thereof the following new text: "A board under this section shall be composed of at least three members who are officers having the grade of major or lieutenant commander or above."; and

(B) in paragraph (4), by striking out "section 1503(c)(4)" and inserting in lieu thereof "section 1503(c)(3)".

(4) Paragraph (1) of section 1513 of such title is amended to read as follows:

"(1) The term 'missing person' means a member of the armed forces on active duty who is in a missing status.".

(b) REPORT ON PRELIMINARY ASSESSMENT OF STATUS.—(1) Section 1502 of title 10, United States Code, is amended—

(A) in subsection (a)(2)—

(i) by striking out "48 hours" and inserting in lieu thereof "10 days"; and

(ii) by striking out "theater component commander with jurisdiction over the missing person" and inserting in lieu thereof "Secretary concerned";

(B) by striking out subsection (b);

(C) by redesignating subsection (c) as subsection (b); and

(D) in subsection (b), as so redesignated, by striking out the second sentence.

(2) Section 1503(a) of such title is amended by striking out "section 1502(b)" and inserting in lieu thereof "section 1502(a)".

(3) Section 1513 of such title is amended by striking out paragraph (8).

(c) REPEAL OF REQUIREMENTS FOR COUNSELS FOR MISSING PERSONS.—(1) Section 1503 of title 10, United States Code, is amended—

(A) by striking out subsection (f); and

(B) by redesignating subsections (g) through (k) as subsections (f) through (j), respectively.

(2) Section 1504 of such title is amended—

(A) by striking out subsection (f); and

(B) by redesignating subsections (g) through (m) as subsections (f) through (l), respectively.

(3) Such section 1503 is further amended—

(A) in subsection (g)(3), as redesignated by paragraph (1)(B) of this subsection, by striking out "subsection (j)" and inserting in lieu thereof "subsection (i)";

(B) in subsection (h)(1), as so redesignated, by striking out "subsection (h)" and inserting in lieu thereof "subsection (g)";

(C) in subsection (i), as so redesignated—

(i) by striking out "subsection (i)" in the matter preceding paragraph (1) and inserting in lieu thereof "subsection (h)"; and

(ii) in paragraph (1)(B), by striking out "subsection (h)" and inserting in lieu thereof "subsection (g)"; and

(D) in subsection (j), as so redesignated, by striking out "subsection (i)" and inserting in lieu thereof "subsection (h)".

(4) Such section 1504 of such title is amended—

(A) in subsection (a), by striking out "section 1503(i)" and inserting in lieu thereof "section 1503(h)";

(B) in subsection (e)(1), by striking out "section 1503(h)" and inserting in lieu thereof "section 1503(g)";

(C) in subsection (f), as redesignated by paragraph (2)(B) of this subsection, by striking out "subsection (i)" each place it appears in paragraphs (4)(D) and (5)(B) and inserting in lieu thereof "subsection (h)";

(D) in subsection (g)(3)(A), as so redesignated, by striking out "and the counsel for the missing person appointed under subsection (f)";

(E) in subsection (j), as so redesignated—

(i) in paragraph (1)—

(I) by striking out "subsection (j)" in the matter preceding subparagraph (A) and inserting in lieu thereof "subsection (i)";

(II) by inserting "and" at the end of subparagraph (A);

(III) by striking out subparagraph (B); and

(IV) by redesignating subparagraph (C) as subparagraph (B) and in that subparagraph, as so redesignated, by striking out "subsection (g)(5)" and inserting in lieu thereof "subsection (f)(5)"; and

(ii) in paragraph (2), by striking out "subparagraph (C)" and inserting in lieu thereof "subparagraph (B)";

(F) in subsection (k), as redesignated by paragraph (2)(B) of this subsection, by striking out "subsection (k)" in the matter preceding paragraph (1) and inserting in lieu thereof "subsection (j)"; and

(G) in subsection (l), as so redesignated, by striking out "subsection (k)" and inserting in lieu thereof "subsection (l)".

(5) Section 1505(c) of such title is amended—

(A) in paragraph (2), by striking out "(A) the designated missing person's counsel for that person, and (B)"; and

(B) in paragraph (3), by striking out ", with the advice" and all that follows through "paragraph (2),".

(6) Section 1509(a) of such title is amended by striking out "section 1504(g)" and inserting in lieu thereof "section 1504(f)".

(d) FREQUENCY OF SUBSEQUENT REVIEWS.—Subsection (b) of section 1505 of title 10, United States Code, is amended to read as follows:

"(b) FREQUENCY OF SUBSEQUENT REVIEWS.—The Secretary concerned shall conduct inquiries into the whereabouts and status of a person under subsection (a) upon receipt of information that may result in a change of status of the person. The Secretary concerned shall appoint a board to conduct such inquiries.".

(e) REPEAL OF STATUTORY PENALTIES FOR WRONGFUL WITHHOLDING OF INFORMATION.—Section 1506 of title 10, United States Code, is amended—

(1) by striking out subsection (e); and

(2) by redesignating subsection (f) as subsection (e).

(f) INFORMATION TO ACCOMPANY RECOMMENDATION OF STATUS OF DEATH.—Section 1507(b) of title 10, United States Code, is amended by striking out paragraphs (3) and (4).

(g) REPEAL OF RIGHT OF JUDICIAL REVIEW.—Section 1508 of title 10, United States Code, is repealed.

(h) SCOPE OF PREENACTMENT REVIEW.—(1) Section 1509 of title 10, United States Code, is amended—

(A) in subsection (b)—

(i) by striking out paragraph (1); and

(ii) by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively;

(B) by striking out subsection (c);

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

(D) in subsection (c), as so redesignated—

(i) by striking out paragraph (1); and

(ii) by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively.

(2) The section heading of such section is amended by striking out ", **special interest cases**".

(i) CLERICAL AMENDMENTS.—The table of sections at the beginning of chapter 76 of title 10, United States Code, is amended—

(1) in the item relating to section 1509, by striking out ", special interest cases"; and

(2) by striking out the item relating to section 1509.

SEC. 538. INAPPLICABILITY OF SOLDIERS' AND SAILORS' CIVIL RELIEF ACT OF 1940 TO THE PERIOD OF LIMITATIONS FOR FILING CLAIMS FOR CORRECTIONS OF MILITARY RECORDS.

(a) EXTENSION OF PERIOD.—Section 1552(b) of title 10, United States Code, is amended—

(1) by inserting "(1)" after "(b)"; and

(2) by adding at the end the following:

"(2) Notwithstanding the provisions of section 205 of the Soldiers' and Sailors' Civil Relief Act of 1940 (50 U.S.C. App. 525), and any other provision of law, the three-year period for filing a request for correction of records is not extended by reason of military service. However, in determining under paragraph (1) whether it is in the interest of justice to excuse a failure timely to file a request for correction, the board shall consider the claimant's military service and its effect on the claimant's ability to file a claim.".

(b) EFFECTIVE DATE.—Paragraph (2) of section 1552(b) of such title, as added by subsection (a), shall take effect three years after the date of the enactment of this Act.

SEC. 539. MEDAL OF HONOR FOR CERTAIN AFRICAN-AMERICAN SOLDIERS WHO SERVED IN WORLD WAR II.

(a) INAPPLICABILITY OF TIME LIMITATIONS.—Notwithstanding the time limitations in section 3744(b) of title 10, United States Code, or any other time limitation, the President may award the Medal of Honor to each person identified in subsection (b), each such person having distinguished himself conspicuously by gallantry and intrepidity at the risk of his life above and beyond the call of duty while serving in the United States Army during World War II.

(b) APPLICABILITY.—The authority in this section applies with respect to the following persons:

(1) Vernon J. Baker, who served as a first lieutenant in the 370th Infantry Regiment, 92nd Infantry Division.

(2) Edward A. Carter, who served as a staff sergeant in the 56th Armored Infantry Battalion, 12th Armored Division.

(3) John R. Fox, who served as a first lieutenant in the 366th Infantry Regiment, 92nd Infantry Division.

(4) Willy F. James, Jr., who served as a private first class in the 413th Infantry Regiment, 104th Infantry Division.

(5) Ruben Rivers, who served as a staff sergeant in the 761st Tank Battalion.

(6) Charles L. Thomas, who served as a first lieutenant in the 614th Tank Destroyer Battalion.

(7) George Watson, who served as a private in the 29th Quartermaster Regiment.

(c) POSTHUMOUS AWARD.—The Medal of Honor may be awarded under this section posthumously, as provided in section 3752 of title 10, United States Code.

(d) PRIOR AWARD.—The Medal of Honor may be awarded under this section for service for which a Distinguished-Service Cross, or other award, has been awarded.

Subtitle E—Commissioned Corps of the Public Health Service

SEC. 561. APPLICABILITY TO PUBLIC HEALTH SERVICE OF PROHIBITION ON CREDITING CADET OR MIDSHIPMEN SERVICE AT THE SERVICE ACADEMIES.

Section 971(b) of title 10, United States Code, is amended—

(1) in subsection (a), by inserting before the period at the end the following: "or an officer in the Commissioned Corps of the Public Health Service"; and

(2) in subsection (b)—

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

(B) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; and"; and

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

"(4) no officer in the Commissioned Corps of the Public Health Service may be credited with service as a midshipman at the United States Naval Academy or as a cadet at the United States Military Academy, United States Air Force Academy, or United States Coast Guard Academy.".

SEC. 562. EXCEPTION TO GRADE LIMITATIONS FOR PUBLIC HEALTH SERVICE OFFICERS ASSIGNED TO THE DEPARTMENT OF DEFENSE.

Section 206 of the Public Health Service Act (42 U.S.C. 207 et seq.) is amended by adding at the end thereof the following new subsection:

"(f) EXCEPTION TO GRADE LIMITATIONS FOR OFFICERS ASSIGNED TO DEPARTMENT OF DEFENSE.—In computing the maximum number of commissioned officers of the Public Health Service authorized by law to hold a grade which corresponds to the grade of captain, major, lieutenant colonel, or colonel, there may be excluded from such computation officers who hold such a grade while the officers are assigned to duty in the Department of Defense.".

Subtitle F—Defense Economic Adjustment, Diversification, Conversion, and Stabilization

SEC. 571. AUTHORITY TO EXPAND LAW ENFORCEMENT PLACEMENT PROGRAM TO INCLUDE FIREFIGHTERS.

Section 1152(g) of title 10, United States Code, is amended—

(1) by striking out "(g) CONDITIONAL EXPANSION OF PLACEMENT TO INCLUDE FIREFIGHTERS.—(1) Subject to paragraph (2), the" and inserting in lieu thereof "(g) AUTHORITY TO EXPAND PLACEMENT TO INCLUDE FIREFIGHTERS.—The"; and

(2) in paragraph (2), by striking out the first sentence.

SEC. 572. TROOPS-TO-TEACHERS PROGRAM IMPROVEMENTS.

(a) SEPARATED MEMBERS OF THE ARMED FORCES.—(1) Subsection (a) of section 1151 of title 10, United States Code, is amended by striking out "may establish" and inserting in lieu thereof "shall establish".

(2) Such section is further amended—

(A) in subsection (f)(2), by striking out "five school years" in subparagraphs (A) and (B) and inserting in lieu thereof "two school years"; and

(B) in subsection (h)(3)(A), by striking out "five consecutive school years" and inserting in lieu thereof "two consecutive school years".

(3) Subsection (g)(2) of such section is amended—

(A) by striking out the comma after "section 1174a of this title" and inserting in lieu thereof "or"; and

(B) by striking out ", or retires pursuant to the authority provided in section 4403 of the National Defense Authorization Act for fiscal year 1993 (Public Law 102-484; 10 U.S.C. 1293 note)".

(4) Subsection (h)(3)(B) of such section is amended—

(A) in clause (i), by striking out "$25,000" and inserting in lieu thereof "$17,000";

(B) in clause (ii)—

(i) by striking out "40 percent" and inserting in lieu thereof "25 percent"; and

(ii) by striking out "$10,000" and inserting in lieu thereof "$8,000"; and

(C) by striking out clauses (iii), (iv), and (v).

(b) SAVINGS PROVISION.—The amendments made by this section do not effect obligations under agreements entered into in accordance with section 1151 of title 10, United States Code, before the date of the enactment of this Act.

Subtitle G—Armed Forces Retirement Home

SEC. 581. REFERENCES TO ARMED FORCES RETIREMENT HOME ACT OF 1991.

Except as otherwise expressly provided, whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Armed Forces Retirement Home Act of 1991 (title XV of Public Law 101-510; 24 U.S.C. 401 et seq.).

SEC. 582. ACCEPTANCE OF UNCOMPENSATED SERVICES.

(a) AUTHORITY.—Part A is amended by adding at the end the following:

"SEC. 1522. AUTHORITY TO ACCEPT CERTAIN UNCOMPENSATED SERVICES.

"(a) AUTHORITY TO ACCEPT SERVICES.—Subject to subsection (b) and notwithstanding section 1342 of title 31, United States Code, the Chairman of the Retirement Home Board or the Director of each establishment of the Retirement Home may accept from any person voluntary personal services or gratuitous services unless the acceptance of the voluntary services is disapproved by the Retirement Home Board.

"(b) REQUIREMENTS AND LIMITATIONS.—(1) The Chairman of the Retirement Home Board or the Director of the establishment accepting the services shall notify the person of the scope of the services accepted.

"(2) The Chairman or Director shall—

"(A) supervise the person providing the services to the same extent as that official would supervise a compensated employee providing similar services; and

"(B) ensure that the person is licensed, privileged, has appropriate credentials, or is otherwise qualified under applicable laws or regulations to provide such services.

"(3) A person providing services accepted under subsection (a) may not—

"(A) serve in a policymaking position of the Retirement Home; or

"(B) be compensated for the services by the Retirement Home.

"(c) AUTHORITY TO RECRUIT AND TRAIN PERSONS PROVIDING SERVICES.—The Chairman of the Retirement Home Board or the Director of an establishment of the Retirement Home may recruit and train persons to provide services authorized to be accepted under subsection (a).

"(d) STATUS OF PERSONS PROVIDING SERVICES.—(1) Subject to paragraph (3), while providing services accepted under subsection (a) or receiving training under subsection (c), a person shall be considered to be an employee of the Federal Government only for purposes of the following provisions of law:

"(A) Subchapter I of chapter 81 of title 5, United States Code (relating to compensation for work-related injuries).

"(B) Chapter 171 of title 28, United States Code (relating to claims for damages or loss).

"(2) A person providing services accepted under subsection (a) shall be considered to be an employee of the Federal Government under paragraph (1) only with respect to services that are within the scope of the services accepted.

"(3) For purposes of determining the compensation for work-related injuries payable under chapter 81 of title 5, United States Code (pursuant to this subsection) to a person providing services accepted under subsection (a), the monthly pay of the person for such services shall be deemed to be the amount determined by multiplying—

"(A) the average monthly number of hours that the person provided the services, by

"(B) the minimum wage determined in accordance with section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)).

"(e) REIMBURSEMENT OF INCIDENTAL EXPENSES.—The Chairman of the Retirement Board or the Director of the establishment accepting services under subsection (a) may provide for reimbursement of a person for incidental expenses incurred by the person in providing the services accepted under subsection (a). The Chairman or Director shall determine which expenses qualify for reimbursement under this subsection.".

(b) FEDERAL STATUS OF RESIDENTS PAID FOR PART-TIME OR INTERMITTENT SERVICES.—Paragraph (2) of section 1521(b) (24 U.S.C. 421(b)) is amended to read as follows:

"(2) being an employee of the United States for any purpose other than—

"(A) subchapter I of chapter 81 of title 5, United States Code (relating to compensation for work-related injuries); and

"(B) chapter 171 of title 28, United States Code (relating to claims for damages or loss).".

SEC. 583. DISPOSAL OF REAL PROPERTY.

(a) DISPOSAL AUTHORIZED.—Notwithstanding title II the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481 et seq.), title VIII of such Act (40 U.S.C. 531 et seq.), section 501 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11411), or any other provision of law relating to the management and disposal of real property by the United States, but subject to subsection (d), the Retirement Home Board may, by sale or otherwise, convey all right, title, and interest of the United States in a parcel of real property, including improvements thereof, consisting of approximately 49 acres located in Washington, District of Columbia, east of North Capitol Street, and recorded as District Parcel 121/19.

(b) MANNER, TERMS, AND CONDITIONS OF DISPOSAL.—The Retirement Home may determine—

(1) the manner for the disposal of the real property under subsection (a); and

(2) the terms and conditions for the conveyance of that property, including any terms and conditions that the Board considers necessary to protect the interests of the United States.

(c) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Board. The cost of the survey shall be borne by the party or parties to which the property is to be conveyed.

(d) CONGRESSIONAL NOTIFICATION.—(1) Before disposing of real property under subsection (a), the Board shall notify the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives of the proposed disposal. The Board may not dispose of the real property until the later of—

(A) the date that is 60 days after the date on which the notification is received by the committees; or

(B) the date of the next day following the expiration of the first period of 30 days of continuous session of Congress that follows the date on which the notification is received by the committees.

(2) For the purposes of paragraph (1)—

(A) continuity of session is broken only by an adjournment of Congress sine die; and

(B) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of any period of time in which Congress is in continuous session.

SEC. 584. MATTERS CONCERNING PERSONNEL.

(a) TERMS OF APPOINTMENT TO GOVERNING BOARDS.—Section 1515(e) (24 U.S.C. 415(e)) is amended—

(1) in paragraph (1), by striking out "subsection (f)" and inserting in lieu thereof "paragraph (2)";

(2) by redesignating paragraph (2) as paragraph (4); and

(3) by adding after paragraph (1) the following new paragraphs:

"(2)(A) In the case of a member of a board who is appointed or designated under subsection (b) or (c) on the basis of a particular status described in a paragraph under that subsection, the appointment or designation of that member terminates on the date on which the member ceases to hold that status. The preceding sentence applies only to members of the Armed Forces on active duty and employees of the United States.

"(B) Paragraph (1) does not apply with respect to an appointment or designation of a member of a board for a term of less than five years that is made in accordance with subsection (f).

"(3) A member of the Retirement Home Board and a member of a Local Board may be reappointed for one consecutive term by the Chairman of that board.".

(b) DUAL COMPENSATION.—(1) Section 1517 (24 U.S.C. 417) is amended—

(A) by redesignating subsection (f) as subsection (g); and

(B) by inserting after subsection (e) the following new subsection (f):

"(f) DUAL COMPENSATION.—(1) The Retirement Home Board may waive the application of section 5532 of title 5, United States Code, to the Director of an establishment of the Retirement Home or any employee of the Retirement Home (to the extent that such section would otherwise apply to the Director or employee by reason of the employment as Director or employee). The Chairman of the Board shall notify the Secretary of the Treasury of any waiver exercised under the preceding sentence and the effective date of the waiver.

"(2) If the application of section 5532 of title 5, United States Code, to a Director or employee is waived under paragraph (1), the rate of pay payable out of the Retirement Home Trust Fund for the Director or employee shall be the amount equal to the excess, if any, of the periodic rate of pay fixed for the position of the Director or employee over the amount by which the retired or retainer pay payable to the Director or employee would have been reduced (computed on the basis of that periodic rate of pay for that position) if section 5532 of title 5, United States Code, had not been waived.

"(3)(A) In the case of a Director or employee paid at a rate of pay that is reduced under paragraph (2), the amounts deducted and withheld from pay for purposes of chapter 81, subchapter III of chapter 83, chapter 84, chapter 87, or chapter 89 of title 5, United States Code, all agency contributions required under such provisions of law, the maximum amount of contributions that may be made to the Thrift Saving Fund under subchapter III of chapter 84 of title 5, United States Code, the rate of disability compensation payable under subchapter I of chapter 81 of such title, the levels of life insurance coverage provided under chapter 87 of such title, and the amounts of annuities under subchapter III of chapter 83 of such title and subchapter II of chapter 84 of such title shall be computed as if the Director or employee were paid the full rate of pay fixed for the position of the Director or employee for the period for which the Director was paid at the reduced rate of pay under that paragraph.

"(B) If the amount payable to a Director or employee under paragraph (2) is less than the total amount required to be deducted and withheld from the pay of the Director or employee under a provision of law referred to in subparagraph (A), the amount of the deficiency shall be paid by the Director or employee. The participation or benefits available to a Director or employee who fails to pay a deficiency promptly shall be restricted in accordance with regulations which the Director of the Office of Personnel Management shall prescribe.

"(4) In this section, the term 'retired or retainer pay' has the meaning given such term in section 5531 of title 5, United States Code.".

(2) Section 1516(f) (24 U.S.C. 416(f)) is amended—

(A) by inserting "(1)" after "(f) ANNUAL REPORT.—"; and

(B) by adding at the end the following:

"(2) In addition to other matters covered by the annual report for a fiscal year, the annual report shall identify each Director or employee, if any, whose pay was reduced for any period during that fiscal year pursuant to an exercise of the waiver authority under section 1517(f), and shall include a discussion that demonstrates that the unreduced rate of pay established for the position of that Director or employee is comparable to the prevailing rates of pay provided for personnel in the retirement home industry who perform functions similar to those performed by the Director or employee.".

(3) Subsection (f) of section 1517 (as added by paragraph (1)(B)) and subsection (f)(2) of section 1516 (as added by paragraph (2)(B)) shall apply with respect to pay periods beginning on or after January 1, 1997.

SEC. 585. FEES FOR RESIDENTS.

(a) ONE-YEAR DELAY IN IMPLEMENTATION OF NEW FEE STRUCTURE.—(1) Subsection (d)(2) of section 371 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2735; 24 U.S.C. 414 note) is amended by striking out "October 1, 1997" and inserting in lieu thereof "October 1, 1998".

(2) Subsection (b)(2)(B) of such section is amended by striking out "1998", "1999", and "2000" in paragraphs (1) and (2) of the subsection (d) that is set forth in such subsection (b)(2)(B) as an amendment to section 1514 of the Armed Forces Retirement Home Act of 1991 and inserting in lieu thereof "1999", "2000", and "2001", respectively.

(b) REPORT ON FUNDING THE ARMED FORCES RETIREMENT HOME.—(1) Not later than March 3, 1997, the Secretary of Defense shall submit to Congress a report on meeting the funding needs of the Armed Forces Retirement Home in a manner that is fair and equitable to the residents and to the members of the Armed Forces who provide required monthly contributions for the home.

(2) The report shall include the following:

(A) The increment between levels of income of a resident of the Armed Forces Retirement Home that is appropriate for applying the next higher monthly fee to a resident under a monthly fee structure for the residents of the home.

(B) The categories of income and disability payments that should generally be considered as monthly income for the purpose of determining the fee applicable to a resident and the conditions under which each such category should be considered as monthly income for such purpose.

(C) The degree of flexibility that should be provided the Armed Forces Retirement Home Board for the setting of fees for residents.

(D) A discussion of whether the Armed Forces Retirement Home Board has and should have authority to vary the fee charged a resident under exceptional circumstances, together with any recommended legislation regarding such an authority.

(E) A discussion of how to ensure fairness and equitable treatment of residents and of warrant officers and enlisted members of the Armed Forces in meeting the funding needs of the Armed Forces Retirement Home.

(F) The advisability of exercising existing authority to increase the amount deducted from the pay of warrant officers and enlisted personnel for the Armed Forces Retirement Home under section 1007(i) of title 37, United States Code.

(G) Options for ways to meet the funding needs of the Armed Forces Retirement Home without increasing the amount deducted from pay under section 1007(i) of title 37, United States Code.

(H) Any other matters that the Secretary of Defense, after the consultation required by paragraph (3), considers appropriate regarding funding of the Armed Forces Retirement Home.

(3) The Secretary shall consult the Armed Forces Retirement Home Board and the secretaries of the military departments in preparing the report under this subsection.

SEC. 586. AUTHORIZATION OF APPROPRIATIONS.

There is hereby authorized to be appropriated for fiscal year 1997 from the Armed Forces Retirement Home Trust Fund the sum of $57,345,000 for the operation of the Armed Forces Retirement Home.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

Subtitle A—Pay and Allowances

SEC. 601. MILITARY PAY RAISE FOR FISCAL YEAR 1997.

(a) WAIVER OF SECTION 1009 ADJUSTMENT.—Any adjustment required by section 1009 of title 37, United States Code, in elements of compensation of members of the uniformed services to become effective during fiscal year 1997 shall not be made.

(b) INCREASE IN BASIC PAY AND BAS.—Effective January 1, 1997, the rates of basic pay and basic allowance for subsistence of members of the uniformed services are increased by 3.0 percent.

(c) INCREASE IN BAQ.—Effective January 1, 1997, the rates of basic allowance for quarters of members of the uniformed services are increased by 4.0 percent.

SEC. 602. RATE OF CADET AND MIDSHIPMAN PAY.

Section 203(c) of title 37, United States Code, is amended—

(1) by striking out paragraph (2); and

(2) in paragraph (1), by striking out "(1)".

SEC. 603. PAY OF SENIOR NONCOMMISSIONED OFFICERS WHILE HOSPITALIZED.

(a) IN GENERAL.—Section 210 of title 37, United States Code, is amended—

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

(2) by inserting after subsection (a) the following new subsection (b):

"(b) A senior enlisted member of an armed force shall continue to be entitled to the rate of basic pay authorized for the senior enlisted member of that armed force while the member is hospitalized, beginning on the day of the hospitalization and ending on the day the member is discharged from the hospital, but not for more than 180 days.".

(b) CLERICAL AMENDMENTS.—(1) The heading of such section is amended to read as follows:

"§ 210. Pay of the senior noncommissioned officer of an armed force during terminal leave and while hospitalized".

(2) The item relating to such section in the table of sections at the beginning of chapter 3 of title 10, United States Code, is amended to read as follows:

"210. Pay of the senior noncommissioned officer of an armed force during terminal leave and while hospitalized.".

SEC. 604. BASIC ALLOWANCE FOR QUARTERS FOR MEMBERS ASSIGNED TO SEA DUTY.

(a) ENTITLEMENT OF SINGLE MEMBERS ABOVE GRADE E–5.—Section 403(c)(2) of title 37, United States Code, is amended by striking out the second sentence.

(b) ENTITLEMENT OF CERTAIN SINGLE MEMBERS IN GRADE E–5.—Section 403(c)(2) of such title, as amended by subsection (a), is further amended by adding at the end the following: "However, the Secretary concerned may authorize payment of the basic allowance for quarters to members of a uniformed service without dependents who are in pay

grade E-5, are on sea duty, and are not provided Government quarters ashore.".

(c) ENTITLEMENT WHEN BOTH SPOUSES IN GRADES BELOW GRADE E-6 ARE ASSIGNED TO SEA DUTY.—Section 403(c)(2) of such title, as amended by subsections (a) and (b), is further amended—

(1) by inserting "(A)" after "(2)"; and

(2) by adding at the end the following: "Notwithstanding section 421 of this title, two members of the uniformed services in pay grades below E-6 who are married to each other, have no dependent other than the spouse, and are simultaneously assigned to sea duty on ships are jointly entitled to one basic allowance for quarters at the rate provided for members with dependents in the highest pay grade in which either spouse is serving.".

(d) EFFECTIVE DATE.—The amendments made by subsections (a), (b), and (c) shall take effect on October 1, 1996.

SEC. 605. UNIFORM APPLICABILITY OF DISCRETION TO DENY AN ELECTION NOT TO OCCUPY GOVERNMENT QUARTERS.

Section 403(b)(3) of title 37, United States Code, is amended by striking out "A member" and inserting in lieu thereof "Subject to the provisions of subsection (j), a member".

SEC. 606. FAMILY SEPARATION ALLOWANCE FOR MEMBERS SEPARATED BY MILITARY ORDERS FROM SPOUSES WHO ARE MEMBERS.

Section 427(b) of title 37, United States Code, is amended—

(1) in paragraph (1)—

(A) by striking out "or" at the end of subparagraph (B);

(B) by striking out the period at the end of subparagraph (C) and inserting in lieu thereof "; or"; and

(C) by adding at the end the following:

"(D) the member is married to a member of a uniformed service, the member has no dependent other than the spouse, the two members are separated by reason of the execution of military orders, and the two members were residing together immediately before being separated by reason of execution of military orders."; and

(2) by adding at the end the following:

"(5) Section 421 of this title does not apply to bar an entitlement to an allowance under paragraph (1)(D). However, not more than one monthly allowance may be paid with respect to a married couple under paragraph (1)(D) for any month.".

SEC. 607. WAIVER OF TIME LIMITATIONS FOR CLAIM FOR PAY AND ALLOWANCES.

Section 3702 of title 31, United States Code, is amended by adding at the end the following:

"(e)(1) Upon the request of the Secretary concerned (as defined in section 101 of title 37), the Comptroller General may waive the time limitations set forth in subsection (b) or (c) in the case of a claim for pay or allowances provided under title 37 and, subject to paragraph (2), settle the claim.

"(2) Payment of a claim settled under paragraph (1) shall be subject to the availability of appropriations for payment of that particular claim.

"(3) This subsection does not apply to a claim in excess of $25,000.".

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Subtitle B—Bonuses and Special and Incentive Pays

SEC. 611. EXTENSION OF CERTAIN BONUSES FOR RESERVE FORCES.

(a) SPECIAL PAY FOR CRITICALLY SHORT WARTIME HEALTH SPECIALISTS IN THE SELECTED RESERVES.—Section 302g(f) of title 37, United States Code, is amended by striking out "September 30, 1997" and inserting in lieu thereof "September 30, 1998".

(b) SELECTED RESERVE REENLISTMENT BONUS.—Section 308b(f) of title 37, United States Code, is amended by striking out "September 30, 1997" and inserting in lieu thereof "September 30, 1998".

(c) SELECTED RESERVE ENLISTMENT BONUS.—Section 308c(e) of title 37, United States Code, is amended by striking out "September 30, 1997" and inserting in lieu thereof "September 30, 1998".

(d) SPECIAL PAY FOR ENLISTED MEMBERS OF THE SELECTED RESERVE ASSIGNED TO CERTAIN HIGH PRIORITY UNITS.—Section 308d(c) of title 37, United States Code, is amended by striking out "September 30, 1997" and inserting in lieu thereof "September 30, 1998".

(e) SELECTED RESERVE AFFILIATION BONUS.—Section 308e(e) of title 37, United States Code, is amended by striking out "September 30, 1997" and inserting in lieu thereof "September 30, 1998".

(f) READY RESERVE ENLISTMENT AND REENLISTMENT BONUS.—Section 308h(g) of title 37, United States Code, is amended by striking out "September 30, 1997" and inserting in lieu thereof "September 30, 1998".

(g) PRIOR SERVICE ENLISTMENT BONUS.—Section 308i(i) of title 37, United States Code, is amended by striking out "September 30, 1997" and inserting in lieu thereof "September 30, 1998".

SEC. 612. EXTENSION OF CERTAIN BONUSES AND SPECIAL PAY FOR NURSE OFFICER CANDIDATES, REGISTERED NURSES, AND NURSE ANESTHETISTS.

(a) NURSE OFFICER CANDIDATE ACCESSION PROGRAM.—Section 2130a(a)(1) of title 10, United States Code, is amended by striking out "September 30, 1997" and inserting in lieu thereof "September 30, 1998".

(b) ACCESSION BONUS FOR REGISTERED NURSES.—Section 302d(a)(1) of title 37, United States Code, is amended by striking out "September 30, 1997" and inserting in lieu thereof "September 30, 1998".

(c) INCENTIVE SPECIAL PAY FOR NURSE ANESTHETISTS.—Section 302e(a)(1) of title 37, United States Code, is amended by striking out "September 30, 1997" and inserting in lieu thereof "September 30, 1998".

SEC. 613. EXTENSION OF AUTHORITY RELATING TO PAYMENT OF OTHER BONUSES AND SPECIAL PAYS.

(a) AVIATION OFFICER RETENTION BONUS.—Section 301b(a) of title 37, United States Code, is amended by striking out "September 30, 1997" and inserting in lieu thereof "September 30, 1998,".

(b) REENLISTMENT BONUS FOR ACTIVE MEMBERS.—Section 308(g) of title 37, United States Code, is amended by striking out "September 30, 1997" and inserting in lieu thereof "September 30, 1998".

(c) ENLISTMENT BONUSES FOR CRITICAL SKILLS.—Sections 308a(c) and 308f(c) of title 37, United States Code, are each amended by striking out "September 30, 1997" and inserting in lieu thereof "September 30, 1998".

(d) SPECIAL PAY FOR NUCLEAR QUALIFIED OFFICERS EXTENDING PERIOD OF ACTIVE SERVICE.—Section 312(e) of title 37, United States Code, is amended by striking out "September 30, 1997" and inserting in lieu thereof "September 30, 1998".

(e) NUCLEAR CAREER ACCESSION BONUS.—Section 312b(c) of title 37, United States Code, is amended by striking out "September 30, 1997" and inserting in lieu thereof "September 30, 1998".

(f) NUCLEAR CAREER ANNUAL INCENTIVE BONUS.—Section 312c(d) of title 37, United States Code, is amended by striking out "October 1, 1997" and inserting in lieu thereof "October 1, 1998".

(g) REPAYMENT OF EDUCATION LOANS FOR CERTAIN HEALTH PROFESSIONALS WHO SERVE IN THE SELECTED RESERVE.—Section 16302(d) of title 10, United States Code, is amended by striking out "October 1, 1997" and inserting in lieu thereof "October 1, 1998".

SEC. 614. INCREASED SPECIAL PAY FOR DENTAL OFFICERS OF THE ARMED FORCES.

(a) INCREASED RATES.—Section 302b(a) of title 37, United States Code, is amended—

(1) in paragraph (2)—

(A) in subparagraph (A), by striking out "$1,200" and inserting in lieu thereof "$3,000";

(B) in subparagraph (B), by striking out "$2,000" and inserting in lieu thereof "$7,000"; and

(C) in subparagraph (C), by striking out "$4,000" and inserting in lieu thereof "$7,000";

(2) in paragraph (4), by redesignating subparagraphs (A), (B), and (C) as subparagraphs (B), (C), and (D), respectively, and by inserting before subparagraph (B), as so redesignated, the following new subparagraph (A):

"(A) $4,000 per year, if the officer has less than three years of creditable service."; and

(3) in paragraph (5)—

(A) in subparagraph (A)—

(i) by striking out "$2,000" and inserting in lieu thereof "$2,500"; and

(ii) by striking out "12 years" and inserting in lieu thereof "10 years";

(B) in subparagraph (B)—

(i) by striking out "$3,000" and inserting in lieu thereof "$3,500"; and

(ii) by striking out "12 but less than 14 years" and inserting in lieu thereof "10 but less than 12 years"; and

(C) in subparagraph (C), by striking out "14 or more years" and inserting in lieu thereof "12 or more years".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 1996.

SEC. 615. RETENTION SPECIAL PAY FOR PUBLIC HEALTH SERVICE OPTOMETRISTS.

Section 302a(b) of title 37, United States Code, is amended—

(1) in paragraph (2)—

(A) by striking out "an armed force" in the matter preceding subparagraph (A) and inserting in lieu thereof "a uniformed service"; and

(B) by striking out "of the military department" in subparagraph (C); and

(2) in paragraph (4), by striking out "of the military department".

SEC. 616. SPECIAL PAY FOR NONPHYSICIAN HEALTH CARE PROVIDERS IN THE PUBLIC HEALTH SERVICE.

Section 302c(d) of title 37, United States Code, is amended—

(1) in the matter preceding paragraph (1), by striking out "Secretary of Defense" and inserting in lieu thereof "Secretary concerned"; and

(2) in paragraph (1)—

(A) by striking out "or" the third place it appears; and

(B) by inserting before the period at the end the following: ", or an officer in the Regular or Reserve Corps of the Public Health Service".

SEC. 617. FOREIGN LANGUAGE PROFICIENCY PAY FOR PUBLIC HEALTH SERVICE AND NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION OFFICERS.

(a) ELIGIBILITY.—Section 316 of title 37, United States Code, is amended in subsection (a)—

(1) in the matter preceding paragraph (1), by striking out "armed forces" and inserting in lieu thereof "uniformed services";

(2) in paragraph (2)—

(A) by striking out "Secretary of Defense" and inserting in lieu thereof "Secretary concerned"; and

(B) by inserting "or public health" after "national defense"; and

(3) in paragraph (3)—

(A) in subparagraph (A), by striking out "military" and inserting in lieu thereof "uniformed services";

(B) in subparagraph (C), by striking out "military"; and

(C) in subparagraph (D)—

(i) by striking out "Department of Defense" and inserting in lieu thereof "uniformed service"; and

(ii) by striking out "Secretary of Defense" and inserting in lieu thereof "Secretary concerned".

(b) ADMINISTRATION.—Subsection (d) of such section is amended—

(1) by striking out "his jurisdiction and" and inserting in lieu thereof "the Secretary's jurisdiction,"; and

(2) by inserting before the period at the end ", by the Secretary of Health and Human Services for the Commissioned Corps of the Public Health Service, and by the Secretary of Commerce for the National Oceanic and Atmospheric Administration".

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall take effect on October 1, 1996, and apply with respect to months beginning on or after such date.

Subtitle C—Travel and Transportation Allowances

SEC. 621. ROUND TRIP TRAVEL ALLOWANCES FOR SHIPPING MOTOR VEHICLES AT GOVERNMENT EXPENSE.

(a) IN GENERAL.—Section 406(b)(1)(B) of title 37, United States Code, is amended as follows—

(1) in clause (i)(I), by inserting ", including return travel to the old duty station," after "nearest the old duty station"; and

(2) in clause (ii), by inserting ", including travel from the new duty station to the port of debarkation to pick up the vehicle" after "to the new duty station".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on April 1, 1997.

SEC. 622. OPTION TO STORE INSTEAD OF TRANSPORT A PRIVATELY OWNED VEHICLE AT THE EXPENSE OF THE UNITED STATES.

(a) IN GENERAL.—Section 2634 of title 10, United States Code, is amended—

(1) by redesignating subsection (b) as subsection (g);

(2) by transferring subsection (g), as so redesignated, to the end of such section; and

(3) by inserting after subsection (a) the following new subsection (b):

"(b) When a member is ordered to make a change of permanent station to a foreign country and the member is authorized under subsection (a) to have a vehicle transported under that subsection, the Secretary may authorize the member to store the vehicle (instead of having it transported) if restrictions imposed by the foreign country or the United States preclude entry of the vehicle into that country or require extensive modification of the vehicle as a condition for entry of the vehicle into the country. The cost of the storage of the vehicle, and costs associated with the delivery of the vehicle for storage and removal of the vehicle for delivery from storage shall be paid by the United States. Costs paid under this subsection may not exceed reasonable amounts, as determined under regulations prescribed by the Secretary of Defense (and the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy).".

(b) UNACCOMPANIED TOURS.—Subsection (h)(1)(B) of section 406 of title 37, United States Code, is amended to read as follows:

"(B) in the case of a member described in paragraph (2)(A), authorize the transportation of one motor vehicle that is owned by the member (or a dependent of a member) and is for his dependent's personal use to that location by means of transportation authorized under section 2634 of title 10, or authorize storage of such motor vehicle if the storage of the motor vehicle is otherwise authorized under that section.".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1996.

SEC. 623. DEFERRAL OF TRAVEL WITH TRAVEL AND TRANSPORTATION ALLOWANCES IN CONNECTION WITH LEAVE BETWEEN CONSECUTIVE OVERSEAS TOURS.

(a) AUTHORITY FOR ADDITIONAL DEFERRAL OF TRAVEL.—Section 411b(a)(2) of title 37, United States Code, is amended by adding at the end the following: "A member may defer the travel for one additional year if, due to participation in a contingency operation, the member is unable to commence the travel within the one-year period provided for under the preceding sentence.".

(b) EFFECTIVE DATE.—The amendment made by subsection shall (a) take effect as of November 1, 1995, and shall apply with respect to members of the uniformed services who, on or after that date, participate in critical operational missions, as determined under the third sentence of section 411b(a)(2) of title 37, United States Code (as added by subsection (a)).

SEC. 624. FUNDING FOR TRANSPORTATION OF HOUSEHOLD EFFECTS OF PUBLIC HEALTH SERVICE OFFICERS.

Section 406(j)(1) of title 37, United States Code, is amended in the first sentence—

(1) by inserting ", and appropriations available to the Department of Health and Human Services for providing transportation of household effects of members of the Commissioned Corps of the Public Health Service under subsection (b)," after "members of the armed forces under subsection (b)"; and

(2) by striking out "of the military department".

Subtitle D—Retired Pay, Survivor Benefits, and Related Matters

SEC. 631. EFFECTIVE DATE FOR MILITARY RETIREE COST-OF-LIVING ADJUSTMENT FOR FISCAL YEAR 1998.

(a) REPEAL OF ADJUSTMENT OF EFFECTIVE DATE FOR FISCAL YEAR 1998.—Section 1401a(b)(2)(B) of title 10, United States Code, is amended—

(1) by striking out "(B) SPECIAL RULES" and all that follows through "In the case of" in clause (i) and inserting in lieu thereof "(B) SPECIAL RULE FOR FISCAL YEAR 1996.—In the case of"; and

(2) by striking out clause (ii).

(b) REPEAL OF CONTINGENT ALTERNATIVE DATE FOR FISCAL YEAR 1998.—Section 631 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 364) is amended by striking out subsection (b).

SEC. 632. ALLOTMENT OF RETIRED OR RETAINER PAY.

(a) AUTHORITY.—(1) Part II of subtitle A of title 10, United States Code, is amended by inserting after chapter 71 the following new chapter:

"CHAPTER 72—MISCELLANEOUS RETIRED AND RETAINER PAY AUTHORITIES

"Sec.

"1421. Allotments.

"§ 1421. Allotments

"(a) AUTHORITY.—Subject to such conditions and restrictions as may be provided in regulations prescribed under subsection (b), a member or former member of the armed forces entitled to retired or retainer pay may transfer or assign the member or former member's retired or retainer pay account when due and payable.

"(b) REGULATIONS.—The Secretaries of the military departments and the Secretary of Transportation (with respect to the Coast Guard when it is not operating as a service in the Navy) shall prescribe uniform regulations for the administration of subsection (a).".

(2) The tables of chapters at the beginning of subtitle A of such title and the beginning of part II of such subtitle are amended by inserting after the item relating to chapter 71 the following:

"72. Miscellaneous retired and retainer pay authorities ..... 1421".

(b) IMPLEMENTATION.—(1) Notwithstanding section 1421 of title 10, United States Code (as added by subsection (a)), a person entitled to retired or retainer pay may not initiate a transfer or assignment of retired or retainer pay under such section until regulations prescribed under subsection (b) of such section take effect.

(2) The Secretaries of the military departments and the Secretary of Transportation shall prescribe regulations under subsection (b) of such section that ensure that, beginning not later than October 1, 1997, a person may make up to six transfers or assignments of the person's retired or retainer pay account when due and payable for payment of any financial obligations.

SEC. 633. COST-OF-LIVING INCREASES IN SBP CONTRIBUTIONS TO BE EFFECTIVE CONCURRENTLY WITH PAYMENT OF RELATED RETIRED PAY COST-OF-LIVING INCREASES.

(a) SURVIVOR BENEFIT PLAN.—Section 1452(h) of title 10, United States Code, is amended—

(1) by inserting "(1)" after "(h)"; and

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

"(2)(A) Notwithstanding paragraph (1), when the initial payment of an increase in retired pay under section 1401a of this title (or any other provision of law) to a person is later than the effective date of that increase by reason of the application of subsection (b)(2)(B) of such section (or section 631(b) of Public Law 104–106 (110 Stat. 364)), then the amount of the reduction in the person's retired pay shall be effective on the date of that initial payment of the increase in retired pay rather than the effective date of the increase in retired pay.

"(B) Subparagraph (A) may not be construed as delaying, for purposes of determining the amount of a monthly annuity under section 1451 of this title, the effective date of an increase in a base amount under subsection (h) of such section from the effective date of an increase in retired pay under section 1401a of this title to the date on which the initial payment of that increase in retired pay is made in accordance with subsection (b)(2)(B) of such section 1401a.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect with

respect to retired pay payable for months beginning on or after the date of the enactment of this Act.

SEC. 634. ANNUITIES FOR CERTAIN MILITARY SURVIVING SPOUSES.

(a) SURVIVOR ANNUITY.—(1) The Secretary concerned shall pay an annuity to the qualified surviving spouse of each member of the uniformed services who—

(A) died before March 21, 1974, and was entitled to retired or retainer pay on the date of death; or

(B) was a member of a reserve component of the Armed Forces during the period beginning on September 21, 1972, and ending on October 1, 1978, and at the time of his death would have been entitled to retired pay under chapter 67 of title 10, United States Code (as in effect before December 1, 1994), but for the fact that he was under 60 years of age.

(2) A qualified surviving spouse for purposes of this section is a surviving spouse who has not remarried and who is not eligible for an annuity under section 4 of Public Law 92-425 (10 U.S.C. 1448 note).

(b) AMOUNT OF ANNUITY.—(1) An annuity under this section shall be paid at the rate of $165 per month, as adjusted from time to time under paragraph (3).

(2) An annuity paid to a surviving spouse under this section shall be reduced by the amount of any dependency and indemnity compensation (DIC) to which the surviving spouse is entitled under section 1311(a) of title 38, United States Code.

(3) Whenever after the date of the enactment of this Act retired or retainer pay is increased under section 1401a(b)(2) of title 10, United States Code, each annuity that is payable under this section shall be increased at the same time and by the same total percent. The amount of the increase shall be based on the amount of the monthly annuity payable before any reduction under this section.

(c) APPLICATION REQUIRED.—No benefit shall be paid to any person under this section unless an application for such benefit is filed with the Secretary concerned by or on behalf of such person.

(d) DEFINITIONS.—For purposes of this section:

(1) The terms "uniformed services" and "Secretary concerned" have the meanings given such terms in section 101 of title 37, United States Code.

(2) The term "surviving spouse" has the meaning given the terms "widow" and "widower" in paragraphs (3) and (4) of section 1447 of title 10, United States Code.

(e) PROSPECTIVE APPLICABILITY.—(1) Annuities under this section shall be paid for months beginning after the month in which this Act is enacted.

(2) No benefit shall accrue to any person by reason of the enactment of this section for any period before the first month referred to in paragraph (1).

SEC. 635. ADJUSTED ANNUAL INCOME LIMITATION APPLICABLE TO ELIGIBILITY FOR INCOME SUPPLEMENT FOR CERTAIN WIDOWS OF MEMBERS OF THE UNIFORMED SERVICES.

Section 4 of Public Law 92-425 (10 U.S.C. 1448 note) is amended by striking out "$2,340" in subsection (a)(3) and in the first sentence of subsection (b) and inserting in lieu thereof "$5,448".

Subtitle E—Other Matters

SEC. 641. REIMBURSEMENT FOR ADOPTION EXPENSES INCURRED IN ADOPTIONS THROUGH PRIVATE PLACEMENTS.

(a) DEPARTMENT OF DEFENSE.—Section 1052(g)(1) of title 10, United States Code, is amended by striking out "adoption or by a nonprofit, voluntary adoption agency which is authorized by State or local law to place children for adoption" and inserting in lieu thereof "adoption, by a nonprofit, voluntary adoption agency which is authorized by State or local law to place children for adoption, or by any other source if the adoption is supervised by a court under State or local law".

(b) COAST GUARD.—Section 514(g)(1) of title 14, United States Code, is amended by striking out "adoption or by a nonprofit, voluntary adoption agency which is authorized by State or local law to place children for adoption" and inserting in lieu thereof "adoption, by a nonprofit, voluntary adoption agency which is authorized by State or local law to place children for adoption, or by any other source if the adoption is supervised by a court under State or local law".

SEC. 642. WAIVER OF RECOUPMENT OF AMOUNTS WITHHELD FOR TAX PURPOSES FROM CERTAIN SEPARATION PAY RECEIVED BY INVOLUNTARILY SEPARATED MEMBERS AND FORMER MEMBERS OF THE ARMED FORCES.

(a) IN GENERAL.—Section 1174(h) of title 10, United States Code, is amended—

(1) in paragraph (1), by inserting "(less the amount of Federal income tax withheld from such pay)" before the period at the end; and

(2) in paragraph (2), by inserting "(less the amount of Federal income tax withheld from such pay)" before the period at the end of the first sentence.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1996, and shall apply to payments of separation pay, severance pay, or readjustment pay that are made after October 1, 1996.

TITLE VII—HEALTH CARE PROVISIONS

SEC. 701. IMPLEMENTATION OF REQUIREMENT FOR SELECTED RESERVE DENTAL INSURANCE PLAN.

(a) IMPLEMENTATION BY CONTRACT.—Section 1076b(a) of title 10, United States Code, is amended—

(1) by inserting "(1)" after "(a) AUTHORITY TO ESTABLISH PLAN.—";

(2) by designating the third sentence as paragraph (3); and

(3) by inserting after paragraph (1), as designated by paragraph (1) of this subsection, the following:

"(2) The Secretary shall provide benefits under the plan through one or more contracts awarded after full and open competition.".

(b) SCHEDULE FOR IMPLEMENTATION.—Section 705(b) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104-106; 110 Stat. 373; 10 U.S.C. 1076b note) is amended—

(1) by striking out "Beginning not later than October 1, 1996" in the first sentence and inserting in lieu thereof "During fiscal year 1997";

(2) by striking out "fiscal year 1996" both places it appears and inserting in lieu thereof "fiscal years 1996 and 1997"; and

(3) in the second sentence, by striking out "by that date" and inserting in lieu thereof "during fiscal year 1997".

SEC. 702. DENTAL INSURANCE PLAN FOR MILITARY RETIREES AND CERTAIN DEPENDENTS.

(a) IN GENERAL.—(1) Chapter 55 of title 10, United States Code, is amended by inserting after section 1076b the following new section:

"§ 1076c. Military retirees' dental insurance plan

"(a) REQUIREMENT.—(1) The Secretary of Defense shall establish a dental insurance plan for—

"(A) members and former members of the armed forces who are entitled to retired or retainer pay;

"(B) members of the Retired Reserve who, except for not having attained 60 years of age, would be entitled to retired pay; and

"(C) eligible dependents of members and former members covered by the enrollment of such members or former members in the plan.

"(2) The dental insurance plan shall provide for voluntary enrollment of participants and shall authorize a member or former member to enroll for self only or for self and eligible dependents.

"(3) The plan shall be administered under regulations prescribed by the Secretary of Defense, in consultation with the Secretary of Transportation.

"(b) PREMIUMS.—(1) Subject to paragraph (2), a member or former member enrolled in the dental insurance plan shall pay the premiums charged for the insurance coverage. The amount of the premiums payable by a member or former member entitled to retired or retainer pay shall be deducted and withheld from the retired or retainer pay and shall be disbursed to pay the premiums. The regulations prescribed under subsection (a)(3) shall specify the procedures for payment of the premiums by other enrolled members and former members.

"(2) The Secretary of Defense may provide for premium-sharing between the Department of Defense and the members and former members enrolled in the plan.

"(c) BENEFITS AVAILABLE UNDER PLAN.—The dental insurance plan established under subsection (a) shall provide benefits for basic dental care and treatment, including diagnostic services, preventative services, basic restorative services (including endodontics), surgical services, and emergency services.

"(d) COVERAGE.—(1) The Secretary shall prescribe a minimum required period for enrollment by a member or former member in the dental insurance plan established under subsection (a).

"(2) The Secretary shall terminate the enrollment in the plan of any member or former member, and any dependents covered by the enrollment, upon the occurrence of one of the following events:

"(A) Termination of the member or former member's entitlement to retired pay or retainer pay.

"(B) Termination of the member or former member's status as a member of the Retired Reserve.

"(e) CONTINUATION OF DEPENDENTS' ENROLLMENT UPON DEATH OF ENROLLEE.—Coverage of a dependent under an enrollment of a member or former member who dies during the period of enrollment shall continue until the end of that period, except that the coverage may be terminated on any earlier date when the premiums paid are no longer sufficient to cover continuation of the enrollment. The Secretary shall prescribe in regulations the parties responsible for paying the remaining premiums due on the enrollment and the manner for collection of the premiums.

"(f) ELIGIBLE DEPENDENT DEFINED.—In this section, the term 'eligible dependent' means a dependent described in subparagraph (A), (D), or (I) of section 1072(2) of this title.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1076b the following new item:

"1076c. Military retirees' dental insurance plan.".

(b) IMPLEMENTATION.—Beginning not later than October 1, 1997, the Secretary of Defense shall offer members and former members of the Armed Forces referred to in subsection (a)(1) of section 1076c of title 10, United States Code (as added by subsection (a)(1) of this section), the opportunity to enroll in the dental insurance plan required under such section and to receive the benefits under the plan immediately upon enrollment.

SEC. 703. UNIFORM COMPOSITE HEALTH CARE SYSTEM SOFTWARE.

(a) REQUIREMENT FOR USE OF UNIFORM SOFTWARE.—The Secretary of Defense, in consultation with the other administering Secretaries, shall take such action as is necessary promptly—

(1) to provide a uniform software package for use by providers of health care under the TRICARE program and by military treatment facilities for the computerized processing of information; and

(2) to require such providers to use the uniform software package in connection with providing health care under the TRICARE program or otherwise under chapter 55 of title 10, United States Code.

(b) CONTENT OF UNIFORM SOFTWARE PACKAGE.—The uniform software package required to be used under subsection (a) shall, at a minimum, provide for processing of the following information:

(1) TRICARE program enrollment.

(2) Determinations of eligibility for health care.

(3) Provider network information.

(4) Eligibility of beneficiaries to receive health benefits from other sources.

(5) Appointment scheduling.

(c) MODIFICATION OF CONTRACTS.—Notwithstanding any other provision of law, the Secretary may modify any existing contract with a health care provider under the TRICARE program as necessary to require the health care provider to use the uniform software package required under subsection (a).

(d) DEFINITIONS.—In this section:

(1) The term "administering Secretaries" has the meaning given such term in section 1072(3) of title 10, United States Code.

(2) The term "military treatment facility"—

(A) means a facility of the uniformed services in which health care is provided under chapter 55 of title 10, United States Codes; and

(B) includes a facility deemed to be a facility of the uniformed services by virtue of section 911(a) of the Military Construction Authorization Act, 1982 (42 U.S.C. 248c(a)).

(3) The term "TRICARE program" means the managed health care program that is established by the Secretary of Defense under the authority of chapter 55 of title 10, United States Code, principally section 1097 of such title, and includes the competitive selection of contractors to financially underwrite the delivery of health care services under the Civilian Health and Medical Program of the Uniformed Services.

SEC. 704. CLARIFICATION OF APPLICABILITY OF CHAMPUS PAYMENT RULES TO PRIVATE CHAMPUS PROVIDERS FOR CARE PROVIDED TO ENROLLEES IN HEALTH CARE PLANS OF UNIFORMED SERVICES TREATMENT FACILITIES.

Section 1074(d)(1) of title 10, United States Code, is amended—

(1) by striking out "may require" and inserting in lieu thereof "shall require";

(2) by striking out "member of the uniformed services" and inserting in lieu thereof "covered beneficiary"; and

(3) by striking out "when the health care" and all that follows through "facility".

SEC. 705. ENHANCEMENT OF THIRD-PARTY COLLECTION AND SECONDARY PAYER AUTHORITIES UNDER CHAMPUS.

(a) RETENTION AND USE BY TREATMENT FACILITIES OF AMOUNTS COLLECTED.—Subsection (g)(1) of section 1095 of title 10, United States Code, is amended by inserting "or through" after "provided at".

(b) EXPANSION OF DEFINITION OF THIRD PARTY PAYER.—Subsection (h) of such section is amended—

(1) in the first sentence of paragraph (1), by inserting "and a workers' compensation program or plan" before the period; and

(2) in paragraph (2)—

(A) by striking out "organization and" and inserting in lieu thereof a "organization,"; and

(B) by inserting ", and a personal injury protection plan or medical payments benefit plan for personal injuries resulting from the operation of a motor vehicle" before the period.

(c) APPLICABILITY OF SECONDARY PAYER REQUIREMENT.—Section 1079(j)(1) of such title is amended by inserting ", including any plan offered by a third party payer (as defined in section 1095(h)(1) of this title)," after "or health plan".

SEC. 706. CODIFICATION OF AUTHORITY TO CREDIT CHAMPUS COLLECTIONS TO PROGRAM ACCOUNTS.

(a) CREDITS TO CHAMPUS ACCOUNTS.—Chapter 55 of title 10, United States Code, is amended by inserting after section 1079 the following:

"§ 1079a. Crediting of CHAMPUS collections to program accounts

"All refunds and other amounts collected by or for the United States in the administration of the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) shall be credited to the appropriation available for that program for the fiscal year in which collected.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1079 the following new item:

"1079a. Crediting of CHAMPUS collections to program accounts.".

SEC. 707. COMPTROLLER GENERAL REVIEW OF HEALTH CARE ACTIVITIES OF THE DEPARTMENT OF DEFENSE RELATING TO PERSIAN GULF ILLNESSES.

(a) MEDICAL RESEARCH AND CLINICAL CARE PROGRAMS.—The Comptroller General shall analyze the effectiveness of the medical research programs and clinical care programs of the Department of Defense that relate to illnesses that might have been contracted by members of the Armed Forces as a result of service in the Southwest Asia theater of operations during the Persian Gulf War.

(b) EXPERIMENTAL DRUGS.—The Comptroller General shall analyze the scope and effectiveness of the policies of the Department of Defense with respect to the investigational use of drugs, the experimental use of drugs, and the use of drugs not approved by the Food and Drug Administration to treat illnesses referred to in subsection (a).

(c) ADMINISTRATION OF MEDICAL RECORDS.—The Comptroller General shall analyze the administration of medical records by the military departments in order to assess the extent to which such records accurately reflect the pre-deployment medical assessments, immunization records, informed consent releases, complaints during routine sick call, emergency room visits, visits with unit medics during deployment, and other relevant medical information relating to the members and former members referred to in subsection (a) with respect to the illnesses referred to in that subsection.

(d) REPORTS.—The Comptroller General shall submit to Congress a separate report on each of the analyses required under subsections (a), (b), and (c). The Comptroller General shall submit the reports not later than March 1, 1997.

TITLE VIII—ACQUISITION POLICY, ACQUISITION MANAGEMENT, AND RELATED MATTERS

SEC. 801. PROCUREMENT TECHNICAL ASSISTANCE PROGRAMS.

(a) FUNDING.—Of the amount authorized to be appropriated under section 301(5), $12,000,000 shall be available for carrying out the provisions of chapter 142 of title 10, United States Code.

(b) SPECIFIC PROGRAMS.—Of the amounts made available pursuant to subsection (a), $600,000 shall be available for fiscal year 1997 for the purpose of carrying out programs sponsored by eligible entities referred to in subparagraph (D) of section 2411(1) of title 10, United States Code, that provide procurement technical assistance in distressed areas referred to in subparagraph (B) of section 2411(2) of such title. If there is an insufficient number of satisfactory proposals for cooperative agreements in such distressed areas to allow effective use of the funds made available in accordance with this subsection in such areas, the funds shall be allocated among the Defense Contract Administration Services regions in accordance with section 2415 of such title.

SEC. 802. EXTENSION OF PILOT MENTOR-PROTEGE PROGRAM.

Section 831(j) of the National Defense Authorization Act for Fiscal Year 1991 (10 U.S.C. 2302 note) is amended—

(1) in paragraph (1), by striking out "1995" and inserting in lieu thereof "1998"; and

(2) in paragraph (2), by striking out "1996" and inserting in lieu thereof "1999".

SEC. 803. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN PROTOTYPE PROJECTS.

(a) AUTHORIZED OFFICIALS.—(1) Subsection (a) of section 845 of the National Defense Authorization Act for Fiscal Year 1994 (107 Stat. 1547; 10 U.S.C. 2371 note) is amended by inserting ", the Secretary of a military department, or any other official designated by the Secretary of Defense" after "Agency".

(2) Subsection (b)(2) of such section is amended to read as follows:

"(2) To the maximum extent practicable, competitive procedures shall be used when entering into agreements to carry out projects under subsection (a).".

(b) EXTENSION OF AUTHORITY.—Subsection (c) of such section is amended by striking out "terminate" and all that follows and inserting in lieu thereof "terminate at the end of September 30, 2001.".

SEC. 804. REVISIONS TO THE PROGRAM FOR THE ASSESSMENT OF THE NATIONAL DEFENSE TECHNOLOGY AND INDUSTRIAL BASE.

(a) NATIONAL DEFENSE PROGRAM FOR ANALYSIS OF THE TECHNOLOGY AND INDUSTRIAL BASE.—Section 2503 of title 10, United States Code, is amended—

(1) in subsection (a)—

(A) by striking out "(1) The Secretary of Defense, in consultation with the National Defense Technology and Industrial Base Council" in paragraph (1) and inserting in lieu thereof "The Secretary of Defense, in consultation with the Secretary of Commerce"; and

(B) by striking out paragraphs (2), (3), and (4); and

(2) in subsection (c)(3)(A)—

(A) by striking out "the National Defense Technology and Industrial Base Council in" and inserting in lieu thereof "the Secretary of Defense for"; and

(B) by striking out "and the periodic plans required by section 2506 of this title".

(b) PERIODIC DEFENSE CAPABILITY ASSESSMENTS.—(1) Section 2505 of title 10, United States Code, is amended to read as follows:

"§ 2505. National technology and industrial base: periodic defense capability assessments

"(a) PERIODIC ASSESSMENT.—Each fiscal year, the Secretary of Defense shall prepare selected assessments of the capability of the national technology and industrial base to attain the national security objectives set forth in section 2501(a) of this title.

"(b) ASSESSMENT PROCESS.—The Secretary of Defense shall ensure that technology and industrial capability assessments—

"(1) describe sectors or capabilities, their underlying infrastructure and processes;

"(2) analyze present and projected financial performance of industries supporting the sectors or capabilities in the assessment; and

"(3) identify technological and industrial capabilities and processes for which there is potential for the national industrial and technology base not to be able to support the achievement of national security objectives.

"(c) FOREIGN DEPENDENCY CONSIDERATIONS.—In the preparation of the periodic assessments, the Secretary shall include considerations of foreign dependency.

"(d) INTEGRATED PROCESS.—The Secretary of Defense shall ensure that consideration of the technology and industrial base assessments is integrated into the overall budget, acquisition, and logistics support decision processes of the Department of Defense.".

(2) Section 2502(b) of title 10, United States Code, is amended—

(A) by striking out "the following responsibilities:" and all that follows through "effective cooperation" and inserting in lieu thereof "the responsibility to ensure effective cooperation"; and

(B) by striking out paragraph (2); and

(3) by redesignating subparagraphs (A), (B), and (C) as paragraphs (1), (2), and (3), respectively, and adjusting the margin of such paragraphs two ems to the left.

(c) REPEAL OF REQUIREMENT FOR PERIODIC DEFENSE CAPABILITY PLAN.—Section 2506 of title 10, United States Code, is repealed.

(d) DEPARTMENT OF DEFENSE TECHNOLOGY AND INDUSTRIAL BASE POLICY GUIDANCE.—Subchapter II of chapter 148 of title 10, United States Code, is amended by inserting after section 2505 the following new section 2506:

"§ 2506. Department of Defense technology and industrial base policy guidance

"(a) DEPARTMENTAL GUIDANCE.—The Secretary of Defense shall prescribe departmental guidance for the attainment of each of the national security objectives set forth in section 2501(a) of this title. Such guidance shall provide for technological and industrial capability considerations to be integrated into the budget allocation, weapons acquisition, and logistics support decision processes.

"(b) REPORT TO CONGRESS.—The Secretary of Defense shall report on the implementation of the departmental guidance in the annual report to Congress submitted pursuant to section 2508 of this title.".

(e) ANNUAL REPORT TO CONGRESS.—Such subchapter is amended by inserting after section 2507 the following new section:

"§ 2508. Annual report to Congress

"The Secretary of Defense shall transmit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives by March 1 of each year a report which shall include the following information:

"(1) A description of the departmental guidance prepared pursuant to section 2506 of this title.

"(2) A description of the methods and analyses being undertaken by the Department of Defense alone or in cooperation with other Federal agencies, to identify and address concerns regarding technological and industrial capabilities of the national technology and industrial base.

"(3) A description of the assessments prepared pursuant to section 2505 of this title and other analyses used in developing the budget submission of the Department of Defense for the next fiscal year.

"(4) Identification of each program designed to sustain specific essential technological and industrial capabilities and processes of the national technology and industrial base.".

(f) REPEAL OF REQUIREMENT TO COORDINATE THE ENCOURAGEMENT OF TECHNOLOGY TRANSFER WITH THE COUNCIL.—Subsection 2514(c) of title 10, United States Code, is amended by striking out paragraph (5).

(g) CLERICAL AMENDMENTS.—The table of sections at the beginning of subchapter II of chapter 148 of title 10, United States Code, is amended—

(1) by striking out the item relating to section 2506 and inserting in lieu thereof the following:

"2506. Department of Defense technology and industrial base policy guidance.";

and

(2) by adding at the end the following:

"2508. Annual report to Congress.".

(h) REPEAL OF SUPERSEDED AND EXECUTED LAW.—Sections 4218, 4219, and 4220 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 10 U.S.C. 2505 note and 2506 note) are repealed.

SEC. 805. PROCUREMENTS TO BE MADE FROM SMALL ARMS INDUSTRIAL BASE FIRMS.

(a) REQUIREMENT.—Chapter 146 of title 10, United States Code, is amended by adding at the end the following:

"§ 2473. Procurements from the small arms industrial base

"(a) AUTHORITY TO DESIGNATE EXCLUSIVE SOURCES.—To the extent that the Secretary of Defense determines necessary to preserve the part of the national technology and industrial base that supplies property and services described in subsection (b), the Secretary may require that the procurements of such items for the Department of Defense be made only from the firms listed in the plan entitled 'Preservation of Critical Elements of the Small Arms Industrial Base', dated January 8, 1994, that was prepared by an independent assessment panel of the Army Science Board.

"(b) COVERED ITEMS.—The authority provided in subsection (a) applies to the following property and services:

"(1) Repair parts for small arms.

"(2) Modifications of parts to improve small arms used by the armed forces.

"(3) Overhaul of unserviceable small arms of the armed forces.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following:

"2473. Procurements from the small arms industrial base.".

SEC. 806. EXCEPTION TO PROHIBITION ON PROCUREMENT OF FOREIGN GOODS.

Section 2534(d)(3) of title 10, United States Code, is amended by inserting "or would impede the reciprocal procurement of defense items under a memorandum of understanding providing for reciprocal procurement of defense items that is entered into under section 2531 of this title," after "a foreign country,".

SEC. 807. TREATMENT OF DEPARTMENT OF DEFENSE CABLE TELEVISION FRANCHISE AGREEMENTS.

(a) TREATMENT AS CONTRACT FOR TELECOMMUNICATIONS SERVICES.—Subject to subsection (b), a cable television franchise agreement for the Department of Defense shall be considered a contract for telecommunications services for purposes of part 49 of the Federal Acquisition Regulation.

(b) LIMITATION.—The treatment of a cable television franchise agreement as a contract for telecommunications services shall be subject to such terms, conditions, limitations, restrictions, and requirements relating to the power of the executive branch to treat such an agreement as such a contract as are identified in the advisory opinion required under section 823 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 399).

(c) APPLICABILITY.—This section applies to cable television franchise agreements for the Department of Defense only if the United States Court of Federal Claims states in an advisory opinion referred to in subsection (b) that it is within the power of the executive branch to treat cable television franchise agreements for the construction, installation, or capital improvement of cable television systems at military installations of the Department of Defense as contracts under part 49 of the Federal Acquisition Regulation without violating title VI of the Communications Act of 1934 (47 U.S.C. 521 et seq.).

SEC. 808. REMEDIES FOR REPRISALS AGAINST CONTRACTOR EMPLOYEE WHISTLEBLOWERS.

Section 2409(c)(1) of title 10, United States Code, is amended by striking out subparagraph (B) and inserting in lieu thereof the following:

"(B) Order the contractor either—

"(i) to reinstate the person to the position that the person held before the reprisal, together with the compensation (including back pay), employment benefits, and other terms and conditions of employment that would apply to the person in that position if the reprisal had not been taken; or

"(ii) without reinstating the person, to pay the person an amount equal to the compensation (including back pay) that, if the reprisal had not been taken, would have been paid the person in that position up to the date on which the head of the agency determines that the person has been subjected to a reprisal prohibited under subsection (a).".

SEC. 809. IMPLEMENTATION OF INFORMATION TECHNOLOGY MANAGEMENT REFORM.

(a) REPORT.—(1) The Secretary of Defense shall include in the report submitted in 1997 under section 381 of Public Law 103–337 (108 Stat. 2739) a discussion of the following matters relating to information resources management by the Federal Government:

(A) The progress made in implementing the Information Technology Management Reform Act of 1996 (division E of Public Law 104–106; 110 Stat. 679; 40 U.S.C. 1401 et seq.) and the amendments made by that Act.

(B) The progress made in implementing the strategy for the development or modernization of automated information systems for the Department of Defense, as required by section 366 of Public Law 104–106 (110 Stat 275; 10 U.S.C. 113 note).

(C) Plans of the Department of Defense for establishing an integrated framework for management of information resources within the department.

(2) The discussion of matters under paragraph (1) shall specifically include a discussion of the following:

(A) The status of the implementation of a set of strategic, outcome-oriented performance measures.

(B) The specific actions being taken to link the proposed performance measures to the planning, programming, and budgeting system of the Department of Defense and to the life-cycle management processes of the department.

(C) The results of pilot program testing of proposed performance measures.

(D) The additional training necessary for the implementation of performance-based information management.

(E) Plans for integrating management improvement programs of the Department of Defense.

(F) The department-wide actions that are necessary to comply with the requirements of the following provisions of law:

(i) The amendments made by the Government Performance and Results Act of 1993 (Public Law 103–62; 107 Stat. 285).

(ii) The Information Management Reform Act of 1996 (division E of Public Law 104–106; 110 Stat 679; 40 U.S.C. 1401 et seq.) and the amendments made by that Act.

(iii) Title V of the Federal Acquisition Management Streamlining Act of 1994 (Public Law 103–355; 108 Stat. 3349) and the amendments made by that title.

(iv) The Chief Financial Officers Act of 1990 (Public Law 101–576; 104 Stat. 2838) and the amendments made by that Act.

(G) A strategic information resources plan for the Department of Defense that is based on the strategy of the Secretary of Defense for support of the department's overall strategic goals by the core and supporting processes of the department.

(b) YEAR 2000 SOFTWARE CONVERSION.—(1) The Secretary of Defense shall ensure that all information technology acquired by the Department of Defense pursuant to contracts entered into after September 30, 1996, have the capabilities that comply with time and date standards established by the National Institute of Standards and Technology or, if there is no such standard, generally accepted industry standards for providing fault-free processing of date and date-related data in 2000.

(2) The Secretary, acting through the chief information officers within the department (as designated pursuant to section 3506 of title 44, United States Code), shall assess all information technology within the Department of Defense to determine the extent to which such technology have the capabilities to operate effectively with technology that meet the standards referred to in paragraph (1).

(3) Not later than January 1, 1997, the Secretary shall submit to Congress a detailed plan for eliminating any deficiencies identified pursuant to paragraph (2). The plan shall include—

(A) a prioritized list of all affected programs;

(B) a description of how the deficiencies could affect the national security of the United States; and

(C) an estimate of the resources that are necessary to eliminate the deficiencies.

TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

Subtitle A—General Matters

SEC. 901. REPEAL OF REORGANIZATION OF OFFICE OF SECRETARY OF DEFENSE.

Sections 901 and 903 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 399 and 401) are repealed.

SEC. 902. CODIFICATION OF REQUIREMENTS RELATING TO CONTINUED OPERATION OF THE UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES.

(a) CODIFICATION OF EXISTING LAW.—(1) Chapter 104 of title 10, United States Code, is amended by inserting after section 2112 the following:

"§ 2112a. Continued operation of University

"(a) CLOSURE PROHIBITED.—The University may not be closed.

"(b) PERSONNEL STRENGTH.—During the five-year period beginning on October 1, 1996, the personnel staffing levels for the University may not be reduced below the personnel staffing levels for the University on October 1, 1993.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2112 the following:

"2112a. Continued operation of University.".

(b) REPEAL OF SUPERSEDED LAW.—(1) Section 922 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 282; 10 U.S.C. 2112 note) is amended by striking out subsection (a).

(2) Section 1071 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 445; 10 U.S.C. 2112 note) is amended by striking out subsection (b).

SEC. 903. CODIFICATION OF REQUIREMENT FOR UNITED STATES ARMY RESERVE COMMAND.

(a) REQUIREMENT FOR ARMY RESERVE COMMAND.—(1) Chapter 307 of title 10, United States Code, is amended by inserting after section 3074 the following:

"§ 3074a. United States Army Reserve Command

"(a) COMMAND.—The United States Army Reserve Command is a separate command of the Army commanded by the Chief of Army Reserve.

"(b) CHAIN OF COMMAND.—Except as otherwise prescribed by the Secretary of Defense, the Secretary of the Army shall prescribe the chain of command for the United States Army Reserve Command.

"(c) ASSIGNMENT OF FORCES.—The Secretary of the Army—

"(1) shall assign to the United States Army Reserve Command all forces of the Army Reserve in the continental United States other than forces assigned to the unified combatant command for special operations forces established pursuant to section 167 of this title; and

"(2) except as otherwise directed by the Secretary of Defense in the case of forces assigned to carry out functions of the Secretary of the Army specified in section 3013 of this title, shall assign all such forces of the Army Reserve to the commander of the United States Atlantic Command.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 3074 the following:

"3074a. United States Army Reserve Command.".

(b) REPEAL OF SUPERSEDED LAW.—Section 903 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 104 Stat. 1620; 10 U.S.C. 3074 note) is repealed.

SEC. 904. TRANSFER OF AUTHORITY TO CONTROL TRANSPORTATION SYSTEMS IN TIME OF WAR.

(a) AUTHORITY OF SECRETARY OF DEFENSE.—Section 4742 of title 10, United States Code, is amended by striking out "Secretary of the Army" and inserting in lieu thereof "Secretary of Defense".

(b) TRANSFER OF SECTION.—Such section, as amended by subsection (a), is transferred to the end of chapter 157 of such title and is redesignated as section 2644.

(c) CONFORMING AMENDMENT.—Section 9742 of such title is repealed.

(d) CLERICAL AMENDMENTS.—(1) The table of sections at the beginning of chapter 157 of such title is amended by inserting after the item relating to section 2643 the following new item:

"2644. Control of transportation systems in time of war.".

(2) The table of sections at the beginning of chapter 447 of such title is amended by striking out the item relating to section 4742.

(3) The table of sections at the beginning of chapter 947 of such title is amended by striking out the item relating to section 9742.

[SEC. 905. EXECUTIVE OVERSIGHT OF DEFENSE HUMAN INTELLIGENCE PERSONNEL.

[Section 193 of title 10, United States Code, is amended—

[(1) by redesignating subsection (f) as subsection (g); and

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

["(f) HUMAN INTELLIGENCE PERSONNEL.—(1) Notwithstanding any other provision of law, subject to the authority, direction, and control of the President, the Secretary of Defense shall perform the responsibility within the executive branch for oversight of the clandestine activities of Department of Defense human intelligence personnel. The Secretary may delegate authority to carry out such responsibility only to the Deputy Secretary of Defense.".

[SEC. 906. COORDINATION OF DEFENSE INTELLIGENCE PROGRAMS AND ACTIVITIES.

[(a) DIRECTOR OF MILITARY INTELLIGENCE AND DEFENSE INTELLIGENCE BOARD.—Subchapter II of chapter 8 of title 10, United States Code, is amended by adding at the end the following:

["§ 203. Director of Military Intelligence; Defense Intelligence Board

["(a) DESIGNATION OF DIRECTOR.—The Director of the Defense Intelligence Agency is the Director of Military Intelligence. The Director performs the duties of the position under the authority, direction, and control of the Secretary of Defense and reports directly to the Secretary.

["(b) DUTIES.—In addition to any other duties that are assigned to the Director by the Secretary of Defense, the Director—

["(1) manages the General Defense Intelligence Program; and

["(2) is Chairman of the Military Intelligence Board.

["(c) MILITARY INTELLIGENCE BOARD.—(1) There is a Military Intelligence Board within the Department of Defense.

["(2) The Military Intelligence Board consists of the Director of Military Intelligence, the Director of the National Security Agency, the Director of the National Imagery and Mapping Agency, the Director of the Defense Information Systems Agency, the senior intelligence officer of each armed force (as designated by the Secretary of the military department having jurisdiction over that

armed force or, in the case of the Coast Guard, the Commandant of the Coast Guard), the Deputy Director of the Defense Intelligence Agency, the Director for Joint Staff Intelligence, and any other persons designated as members of the board by the Secretary of Defense.

[''(3) The Military Intelligence Board shall be the principal forum for coordination of the intelligence programs and activities of the Department of Defense.''.

[(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such subchapter is amended by adding at the end the following:

[''203. Director of Military Intelligence; Military Intelligence Board.''.]

SEC. [907.] *905.* REDESIGNATION OF OFFICE OF NAVAL RECORDS AND HISTORY FUND AND CORRECTION OF RELATED REFERENCES.

(a) NAME OF FUND.—Subsection (a) of section 7222 of title 10, United States Code, is amended by striking out ''Office of Naval Records and History Fund'' in the second sentence and inserting in lieu thereof ''Naval Historical Center Fund''.

(b) CORRECTION OF REFERENCE TO ADMINISTERING OFFICE.—Subsection (a) of such section, as amended by subsection (a), is further amended by striking out ''Office of Naval Records and History'' in the first sentence and inserting in lieu thereof ''Naval Historical Center''.

(c) CONFORMING REFERENCE.—Subsection (c) of such section is amended by striking out ''Office of Naval Records and History Fund'' in the second sentence and inserting in lieu thereof ''Naval Historical Center Fund''.

(d) CLERICAL AMENDMENTS.—(1) The heading of such section is amended to read as follows:

''§ 7222. Naval Historical Center Fund''.

(2) The item relating to such section in the table of sections at the beginning of chapter 631 of title 10, United States Code, is amended to read as follows:

''7222. Naval Historical Center Fund.''.

SEC. 906. ROLE OF DIRECTOR OF CENTRAL INTELLIGENCE IN APPOINTMENT AND EVALUATION OF CERTAIN INTELLIGENCE OFFICIALS.

(a) IN GENERAL.—Section 201 of title 10, United States Code, is amended to read as follows:

''§201. Certain intelligence officials: consultation and concurrence regarding appointments; evaluation of performance

''(a) CONSULTATION REGARDING APPOINTMENT.—Before submitting a recommendation to the President regarding the appointment of an individual to the position of Director of the Defense Intelligence Agency, the Secretary of Defense shall consult with the Director of Central Intelligence regarding the recommendation.

''(b) CONCURRENCE IN APPOINTMENT.—Before submitting a recommendation to the President regarding the appointment of an individual to a position referred to in paragraph (2), the Secretary of Defense shall seek the concurrence of the Director of Central Intelligence in the recommendation. If the Director does not concur in the recommendation, the Secretary may make the recommendation to the President without the Director's concurrence, but shall include in the recommendation a statement that the Director does not concur in the recommendation.

''(2) Paragraph (1) applies to the following positions:

''(A) The Director of the National Security Agency.

''(B) The Director of the National Reconnaissance Office.

''(c) PERFORMANCE EVALUATIONS.—(1) The Director of Central Intelligence shall provide annually to the Secretary of Defense an evaluation of the performance of the individuals holding the positions referred to in paragraph (2) in fulfilling their respective responsibilities with regard to the National Foreign Intelligence Program.

''(2) The positions referred to in paragraph (1) are the following:

''(A) The Director of the National Security Agency.

''(B) The Director of the National Reconnaissance Office.

''(C) The Director of the National Imagery and Mapping Agency.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of subchapter II of chapter 8 of such title is amended by striking out the item relating to section 201 and inserting in lieu thereof the following new item:

''201. Certain intelligence officials: consultation and concurrence regarding appointments; evaluation of performance.''.

Subtitle B—National Imagery and Mapping Agency

SEC. 911. SHORT TITLE.

This subtitle may be cited as the ''National Imagery and Mapping Agency Act of 1996''.

SEC. 912. FINDINGS.

Congress makes the following findings:

(1) There is a need within the Department of Defense and the Intelligence Community of the United States to provide a single agency focus for the growing number and diverse types of customers for imagery and geospatial information resources within the Government, to ensure visibility and accountability for those resources, and to harness, leverage, and focus rapid technological developments to serve the imagery, imagery intelligence, and geospatial information customers.

(2) There is a need for a single Government agency to solicit and advocate the needs of that growing and diverse pool of customers.

(3) A single combat support agency dedicated to imagery, imagery intelligence, and geospatial information could act as a focal point for support of all imagery intelligence and geospatial information customers, including customers in the Department of Defense, the Intelligence Community, and related agencies outside of the Department of Defense.

(4) Such an agency would best serve the needs of the imagery, imagery intelligence, and geospatial information customers if it were organized—

(A) to carry out its mission responsibilities under the authority, direction, and control of the Secretary of Defense, with the advice of the Chairman of the Joint Chiefs of Staff; and

(B) to carry out its responsibilities to national intelligence customers in accordance with policies and priorities established by the Director of Central Intelligence.

PART I—ESTABLISHMENT

SEC. 921. ESTABLISHMENT, MISSIONS, AND AUTHORITY.

(a) ESTABLISHMENT IN TITLE 10, UNITED STATES CODE.—Part I of subtitle A of title 10, United States Code, is amended—

(1) by redesignating chapter 22 as chapter 23; and

(2) by inserting after chapter 21 the following new chapter 22:

''CHAPTER 22—NATIONAL IMAGERY AND MAPPING AGENCY

''Subchapter	Sec.
''I. Establishment, Missions, and Authority	441
''II. Maps, Charts, and Geodetic Products	451
''III. Personnel Management	461
''IV. Definitions	471

''SUBCHAPTER I—ESTABLISHMENT, MISSIONS, AND AUTHORITY

''Sec.
''441. Establishment.
''442. Missions.
''443. Imagery intelligence and geospatial information support for foreign countries
''444. Support from Central Intelligence Agency.
[''445. Limitation on oversight by Inspector General of the Central Intelligence Agency.]
''[446.] *445.* Protection of agency identifications and organizational information.

''§ 441. Establishment

[''(a) ESTABLISHMENT.—The National Imagery and Mapping Agency is a combat support agency of the Department of Defense.

[''(b) DIRECTOR.—(1) The Director of the National Imagery and Mapping Agency is the head of the agency. The President shall appoint the Director, by and with the advice and consent of the Senate, from among the officers of the regular components of the armed forces.

[''(2) The position of Director is a position of importance and responsibility for purposes of section 601 of this title and carries the grade of lieutenant general or, in the case of an officer of the Navy, vice admiral.]

''(a) ESTABLISHMENT.—The National Imagery and Mapping Agency is an agency of the Department of Defense.

''(b) DIRECTOR.—(1) The Director of the National Imagery and Mapping Agency is the head of the agency. The President shall appoint the Director.

''(2)(A) Upon a vacancy in the position of Director, the Secretary of Defense shall recommend to the President an individual for appointment to the position.

''(B) The Secretary shall seek the concurrence of the Director of Central Intelligence in recommending an individual for appointment under subparagraph (A). If the Director does not concur in the recommendation, the Secretary may make the recommendation to the President without the Director's concurrence, but shall include in the recommendation a statement that the Director does not concur in the recommendation.

''(3) If an officer of the armed forces is appointed to the position of Director under this subsection, the officer shall hold the grade of lieutenant general or, in the case of an officer of the Navy, vice admiral, while serving in the position. An officer while serving in the position is in addition to the number that would otherwise be permitted for that officer's armed force for officers serving on active duty in grades above major general or rear admiral, as the case may be, under paragraph (1) or (2) of section 525(b) of this title, as applicable.

''(c) COLLECTION TASKING AUTHORITY.—The Director of Central Intelligence shall have authority to approve collection requirements, determine collection priorities, and resolve conflicts in collection priorities levied on national imagery collection assets, except as otherwise agreed by the Director and the Secretary of Defense pursuant to the direction of the President.

"§ 442. Missions

"(a) DEPARTMENT OF DEFENSE MISSIONS.—The National Imagery and Mapping Agency shall—

"(1) provide timely, relevant, and accurate imagery, imagery intelligence, and geospatial information in support of the national security objectives of the United States;

"(2) improve means of navigating vessels of the Navy and the merchant marine by providing, under the authority of the Secretary of Defense, accurate and inexpensive nautical charts, sailing directions, books on navigation, and manuals of instructions for the use of all vessels of the United States and of navigators generally; and

"(3) prepare and distribute maps, charts, books, and geodetic products as authorized under subchapter II of this chapter.

[''(b) NATIONAL MISSION.—(1) The National Imagery and Mapping Agency shall also support the imagery requirements of the Department of State and other departments and agencies of the United States outside the Department of Defense.

[''(2)(A) The Director of Central Intelligence shall establish requirements and priorities to govern the collection of national intelligence by the National Imagery and Mapping Agency under paragraph (1).

[''(B) The Director of Central Intelligence shall develop and implement such policies and programs as the Secretary of Defense and the Director jointly determine necessary to review and correct deficiencies identified in the capabilities of the National Imagery and Mapping Agency to accomplish assigned national missions. The Director shall consult with the Secretary of Defense on the development and implementation of such policies and programs. The Secretary of Defense shall obtain the advice of the Chairman of the Joint Chiefs of Staff regarding the matters on which the Director and the Secretary are to consult under the preceding sentence.

[''(C) The President may direct the Secretary of Defense to exercise authority of the Director of Central Intelligence under subparagraphs (A) and (B) during a war, military crisis, or military operation.]

''(b) NATIONAL MISSION.—The National Imagery and Mapping Agency shall also have national missions as specified in section 120(a) of the National Security Act of 1947.

''(c) LIFE CYCLE SUPPORT.—The National Imagery and Mapping Agency may, in furtherance of a mission of the agency, design, develop, deploy, operate, and maintain systems related to the processing and dissemination of imagery intelligence and geospatial information that may be transferred to, accepted or used by, or used on behalf of—

''(1) the armed forces, including any combatant command, component of a combatant command, joint task force, or tactical unit; or

''(2) to any other department or agency of the United States.

"§ 443. Imagery intelligence and geospatial information support for foreign countries

''(a) APPROPRIATED FUNDS.—The Director of the National Imagery and Mapping Agency may use appropriated funds available to the National Imagery and Mapping Agency to provide foreign countries with imagery intelligence and geospatial information support.

''(b) FUNDS OTHER THAN APPROPRIATED FUNDS.—(1) Subject to paragraphs (2), (3), and (4), the Director is also authorized to use funds other than appropriated funds to provide foreign countries with imagery intelligence and geospatial information support.

''(2) Funds other than appropriated funds may not be expended, in whole or in part, by or for the benefit of the National Imagery and Mapping Agency for a purpose for which Congress had previously denied funds.

''(3) Proceeds from the sale of imagery intelligence or geospatial information items may be used only to purchase replacement items similar to the items that are sold.

''(4) Funds other than appropriated funds may not be expended to acquire items or services for the principal benefit of the United States.

''(5) The authority to use funds other than appropriated funds under this section may be exercised notwithstanding provisions of law relating to the expenditure of funds of the United States.

''(c) ACCOMMODATION PROCUREMENTS.—The authority under this section may be exercised to conduct accommodation procurements on behalf of foreign countries.

''(d) COORDINATION WITH DIRECTOR OF CENTRAL INTELLIGENCE.—The Director shall coordinate with the Director of Central Intelligence any action under this section that involves imagery intelligence or intelligence products or involves providing support to an intelligence or security service of a foreign country.

"§ 444. Support from Central Intelligence Agency

''(a) SUPPORT AUTHORIZED.—The Director of Central Intelligence may provide support in accordance with this section to the Director of the National Imagery and Mapping Agency. The Director of the National Imagery and Mapping Agency may accept support provided under this section.

''(b) ADMINISTRATIVE AND CONTRACT SERVICES.—(1) In furtherance of the national intelligence effort, the Director of Central Intelligence may provide administrative and contract services to the National Imagery and Mapping Agency as if that agency were an organizational element of the Central Intelligence Agency.

''(2) Services provided under paragraph (1) may include the services of security police. For purposes of section 15 of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403o), an installation of the National Imagery and Mapping Agency provided security police services under this section shall be considered an installation of the Central Intelligence Agency.

''(3) Support provided under this subsection shall be provided under terms and conditions agreed upon by the Secretary of Defense and the Director of Central Intelligence.

''(c) DETAIL OF PERSONNEL.—The Director of Central Intelligence may detail Central Intelligence Agency personnel indefinitely to the National Imagery and Mapping Agency without regard to any limitation on the duration of interagency details of Federal Government personnel.

''(d) REIMBURSABLE OR NONREIMBURSABLE SUPPORT.—Support under this section may be provided and accepted on either a reimbursable basis or a nonreimbursable basis.

''(e) AUTHORITY TO TRANSFER FUNDS.—(1) The Director of the National Imagery and Mapping Agency may transfer funds available for the agency to the Director of Central Intelligence for the Central Intelligence Agency.

''(2) The Director of Central Intelligence—

''(A) may accept funds transferred under paragraph (1); and

''(B) shall expend such funds, in accordance with the Central Intelligence Agency Act of 1949 (50 U.S.C. 403a et seq.), to provide administrative and contract services or detail personnel to the National Imagery and Mapping Agency under this section.

["§ 445. Limitation on oversight by Inspector General of the Central Intelligence Agency

[''The Inspector General of the Central Intelligence Agency may not conduct any inspection, investigation, or audit of the National Imagery and Mapping Agency without the written consent of the Inspector General of the Department of Defense. In conducting an inspection, investigation, or audit of the National Imagery and Mapping Agency, the Inspector General of the Central Intelligence Agency shall be subject to the authority, direction, and control of the Secretary of Defense to the same extent as is the Inspector General of the Department of Defense under section 8 of the Inspector General Act of 1978 (5 U.S.C. App.).

["§ 446. Protection of agency identifications and organizational information]

"§ 445. Protection of agency identifications and organizational information

''(a) UNAUTHORIZED USE OF AGENCY NAME, INITIALS, OR SEAL.—(1) Except with the written permission of the Secretary of Defense, no person may knowingly use, in connection with any merchandise, retail product, impersonation, solicitation, or commercial activity in a manner reasonably calculated to convey the impression that such use is approved, endorsed, or authorized by the Secretary of Defense, any of the following:

''(A) The words 'National Imagery and Mapping Agency', the initials 'NIMA', or the seal of the National Imagery and Mapping Agency.

''(B) The words 'Defense Mapping Agency', the initials 'DMA', or the seal of the Defense Mapping Agency.

''(C) Any colorable imitation of such words, initials, or seals.

''(2) Whenever it appears to the Attorney General that any person is engaged or about to engage in an act or practice which constitutes or will constitute conduct prohibited by paragraph (1), the Attorney General may initiate a civil proceeding in a district court of the United States to enjoin such act or practice. Such court shall proceed as soon as practicable to a hearing and determination of such action and may, at any time before such final determination, enter such restraining orders or prohibitions, or take such other action as is warranted, to prevent injury to the United States or to any person or class of persons for whose protection the action is brought.

''(b) PROTECTION OF ORGANIZATIONAL INFORMATION.—Notwithstanding any other provision of law, the Director of the National Imagery and Mapping Agency is not required to disclose the organization of the agency, any function of the agency, any information with respect to the activities of the agency, or the names, titles, salaries, or number of the persons employed by the agency. This subsection does not apply to disclosures of information to Congress.

''SUBCHAPTER II—MAPS, CHARTS, AND GEODETIC PRODUCTS

''Sec.
''451. Maps, charts, and books.
''452. Pilot charts.
''453. Prices of maps, charts, and navigational publications.
''454. Exchange of mapping, charting, and geodetic data with foreign countries and international organizations.
''455. Maps, charts, and geodetic data: public availability; exceptions.

"456. Civil actions barred.

"SUBCHAPTER III—PERSONNEL MANAGEMENT

"Sec.

"461. Civilian personnel management generally.

"462. National Imagery and Mapping Senior Executive Service.

"463. Management rights.

"§ 461. Civilian personnel management generally

"(a) GENERAL PERSONNEL AUTHORITY.—The Secretary of Defense may, without regard to the provisions of any other law relating to the appointment, number, classification, or compensation of Federal employees—

"(1) establish such excepted service positions for employees in the National Imagery and Mapping Agency as the Secretary considers necessary to carry out the functions of those agencies, including positions designated under subsection (f) as National Imagery and Mapping 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 AND 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 National Imagery and Mapping Agency 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 in positions of the National Imagery and Mapping Agency 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 National Imagery and Mapping Agency may employ individuals described in 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 National Imagery and Mapping Agency 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 National Imagery and Mapping Agency 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 Committee on National Security and the Permanent Select Committee on Intelligence of the House of Representatives and the Committee on Armed Services 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 and the Director of the National Imagery and Mapping Agency. An action to terminate employment of an employee by any such officer may be appealed to the Secretary of Defense.

"(f) NATIONAL IMAGERY AND MAPPING SENIOR LEVEL POSITIONS.—(1) In carrying out subsection (a)(1), the Secretary may designate positions described in paragraph (3) as National Imagery and Mapping Senior Level positions.

"(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 National Imagery and Mapping Senior Level positions are positions in the National Imagery and Mapping Agency that (A) are classified above the GS-15 level, (B) emphasize function expertise and advisory activity, but (C) do not have the organizational or program management functions necessary for inclusion in the National Imagery and Mapping Senior Executive Service.

"(4) Positions referred to in paragraph (3) include National Imagery and Mapping Senior Technical positions and National Imagery and Mapping Senior Professional positions. For purposes of this subsection National Imagery and Mapping Senior Technical positions are positions covered by paragraph (3) if—

"(A) the positions involve—

"(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; or

"(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; or

"(B) the positions 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 National Imagery and Mapping Agency, includes any civilian officer of that agency.

"§ 462. National Imagery and Mapping Senior Executive Service

"(a) ESTABLISHMENT.—The Secretary of Defense may establish a National Imagery and Mapping Senior Executive Service for senior civilian personnel within the National Imagery and Mapping Agency.

"(b) REQUIREMENTS FOR THE SERVICE.—In establishing a National Imagery and Mapping Senior Executive Service the Secretary shall—

"(1) meet the requirements set forth for the Senior Executive Service in section 3131 of title 5;

"(2) ensure that the National Imagery and Mapping Senior Executive Service positions satisfy requirements that are consistent with the provisions of section 3132(a)(2) of title 5;

"(3) prescribe rates of pay for the National Imagery and Mapping Senior Executive Service that are not in excess of the maximum rate of basic pay, nor less than the minimum rate of basic pay, established for the Senior Executive Service under section 5382 of title 5;

"(4) provide for adjusting the rates of pay at the same time and to the same extent as rates of basic pay for the Senior Executive Service are adjusted;

"(5) provide a performance appraisal system for the National Imagery and Mapping Senior Executive Service that conforms to the provisions of subchapter II of chapter 43 of title 5;

"(6) provide for removal consistent with section 3592 of title 5, and removal or suspension consistent with subsections (a), (b), and (c) of section 7543 of title 5 (except that any hearing or appeal to which a member of the National Imagery and Mapping Senior Executive Service is entitled shall be held or decided pursuant to procedures established by the Secretary of Defense);

"(7) permit the payment of performance awards to members of the National Imagery and Mapping Senior Executive Service consistent with the provisions applicable to performance awards under section 5384 of title 5;

"(8) provide that members of the National Imagery and Mapping Senior Executive Service may be granted sabbatical leaves consistent with the provisions of section 3396(c) of title 5; and

"(9) provide for the recertification of members of the National Imagery and Mapping Senior Executive Service consistent with the provisions of section 3393a of title 5.

"(c) AUTHORITY.—Except as otherwise provided in subsection (b), the Secretary of Defense may—

"(1) make applicable to the National Imagery and Mapping Senior Executive Service any of the provisions of title 5 that are applicable to applicants for or members of the Senior Executive Service; and

"(2) appoint, promote, and assign individuals to positions established within the National Imagery and Mapping Senior Executive Service without regard to the provisions of title 5 governing appointments and other personnel actions in the competitive service.

"(d) AWARD OF RANK.—The President, based on the recommendations of the Secretary of Defense, may award ranks to individuals who occupy positions in the National Imagery and Mapping Senior Executive Service in a manner consistent with the provisions of section 4507 of title 5.

"(e) DETAILS AND ASSIGNMENTS.—Notwithstanding any other provisions of this section, the Secretary of Defense may detail or assign any member of the National Imagery and Mapping Senior Executive Service to serve in a position outside the National Imagery and Mapping Agency in which the member's expertise and experience may be of benefit to the National Imagery and Mapping Agency or another Government agency. Any such member shall not by reason of such detail or assignment lose any entitlement or status associated with membership in the National Imagery and Mapping Senior Executive Service.

"§ 463. Management rights

"(a) SCOPE.—If there is no obligation under the provisions of chapter 71 of title 5 for the head of an agency of the United States to consult or negotiate with a labor organization on a particular matter by reason of that matter being covered by a provision of law or a Governmentwide regulation, the Director of the National Imagery and Mapping Agency is not obligated to consult or negotiate with a labor organization on that matter even if that provision of law or regulation is inapplicable to the National Imagery and Mapping Agency.

"(b) BARGAINING UNITS.—The National Imagery and Mapping Agency shall accord exclusive recognition to a labor organization under section 7111 of title 5 only for a bargaining unit that was recognized as appropriate for the Defense Mapping Agency on the day before the date on which employees and positions of the Defense Mapping Agency in that bargaining unit became employees and positions of the National Imagery and Mapping Agency under the National Imagery and Mapping Agency Act of 1996 (subtitle B of title IX of the National Defense Authorization Act for Fiscal Year 1997).

"(c) TERMINATION OF BARGAINING UNIT COVERAGE OF POSITION MODIFIED TO AFFECT NATIONAL SECURITY DIRECTLY.—(1) If the Director of the National Imagery and Mapping Agency determines that the responsibilities of a position within a collective bargaining unit should be modified to include intelligence, counterintelligence, investigative, or security duties not previously assigned to that position and that the performance of the newly assigned duties directly affects the national security of the United States, then, upon such a modification of the responsibilities of that position, the position shall cease to be covered by the collective bargaining unit and the employee in that position shall cease to be entitled to representation by a labor organization accorded exclusive recognition for that collective bargaining unit.

"(2) A determination described in paragraph (1) that is made by the Director of the National Imagery and Mapping Agency may not be reviewed by the Federal Labor Relations Authority or any court of the United States.

"SUBCHAPTER IV—DEFINITIONS

"Sec.
"471. Definitions.

"§ 471. Definitions

"In this chapter:

"(1) The term 'function' means any duty, obligation, responsibility, privilege, activity, or program.

"(2)(A) The term 'imagery' means, except as provided in subparagraph (B), a likeness or presentation of any natural or manmade feature or related object or activity and the positional data acquired at the same time the likeness or representation was acquired, including—

"(i) products produced by space-based national intelligence reconnaissance systems; and

"(ii) likenesses or presentations produced by satellites, airborne platforms, unmanned aerial vehicles, or other similar means.

"(B) The term does not include handheld or clandestine photography taken by or on behalf of human intelligence collection organizations.

"(3) The term 'imagery intelligence' means the technical, geographic, and intelligence information derived through the interpretation or analysis of imagery and collateral materials.

"(4) The term 'geospatial information' means information that identifies the geographic location and characteristics of natural or constructed features and boundaries on the earth and includes—

"(A) statistical data and information derived from, among other things, remote sensing, mapping, and surveying technologies;

"(B) mapping, charting, and geodetic data; and

"(C) geodetic products, as defined in section 455(c) of this title.".

(b) TRANSFER OF CHAPTER 167 PROVISIONS.—Sections 2792, 2793, 2794, 2795, 2796, and 2798 of title 10, United States Code, are transferred to subchapter II of chapter 22 of such title, as added by subsection (a), are inserted in that sequence in such subchapter following the table of sections, and are redesignated in accordance with the following table:

Section transferred	Section as redesignated
2792	451
2793	452
2794	453
2795	454
2796	455
2798	456.

[(c) CONSULTATION ON APPOINTMENT OF DIRECTOR.—Section 201 of title 10, United States Code, is amended by striking out "or Director of the National Security Agency" and inserting in lieu thereof ", Director of the National Security Agency, or Director of the National Imagery and Mapping Agency".]

[(d)] *(c)* OVERSIGHT OF AGENCY AS A COMBAT SUPPORT AGENCY.—Section 193 of title 10, United States Code, is amended—

(1) in subsection (d)—

(A) by striking out the caption and inserting in lieu thereof "REVIEW OF NATIONAL SECURITY AGENCY AND NATIONAL IMAGERY AND MAPPING AGENCY.—";

(B) in paragraph (1)—

(i) by inserting "and the National Imagery and Mapping Agency" after "the National Security Agency"; and

(ii) by striking out "the Agency" and inserting in lieu thereof "that the agencies"; and

(C) in paragraph (2), by inserting "and the National Imagery and Mapping Agency" after "the National Security Agency";

(2) in subsection (e)—

(A) by striking out "DIA AND NSA" in the caption and inserting in lieu thereof the following: "DIA, NSA, AND NIMA.—"; and

(B) by striking out "and the National Security Agency" and inserting in lieu thereof ", the National Security Agency, and the National Imagery and Mapping Agency"; and

(3) in subsection (f), by striking out paragraph (4) and inserting in lieu thereof the following:

"(4) The National Imagery and Mapping Agency.".

[(e)] *(d)* SPECIAL PRINTING AUTHORITY FOR AGENCY.—(1) Section 207(a)(2)(B) of the Legislative Branch Appropriations Act, 1993 (Public Law 102–392; 44 U.S.C. 501 note) is amended by inserting "National Imagery and Mapping Agency," after "Defense Intelligence Agency,".

(2) Section 1336 of title 44, United States Code, is amended—

(A) by striking out "Secretary of the Navy" and inserting in lieu thereof "Director of the National Imagery and Mapping Agency"; and

(B) by striking out "United States Naval Oceanographic Office" and inserting in lieu thereof "National Imagery and Mapping Agency".

SEC. 922. TRANSFERS.

(a) DEPARTMENT OF DEFENSE.—The missions and functions of the following elements of the Department of Defense are transferred to the National Imagery and Mapping Agency:

(A) The Defense Mapping Agency.

(B) The Central Imagery Office.

(C) Other elements of the Department of Defense as provided in the classified annex to this Act.

(b) CENTRAL INTELLIGENCE AGENCY.—The missions and functions of the following elements of the Central Intelligence Agency are transferred to the National Imagery and Mapping Agency:

(A) The National Photographic Interpretation Center.

(B) Other elements of the Central Intelligence Agency as provided in the classified annex to this Act.

(c) PERSONNEL AND ASSETS.—(1) Subject to paragraphs (2) and (3), the personnel, assets, unobligated balances of appropriations and authorizations of appropriations, and, to the extent jointly determined appropriate by the Secretary of Defense and Director of Central Intelligence, obligated balances of appropriations and authorizations of appropriations employed, used, held, arising from, or available in connection with the missions and functions transferred under subsection (a) or (b) are transferred to the National Imagery and Mapping Agency. A transfer may not be made under the preceding sentence for any program or function for which funds are not appropriated to the National Imagery and Mapping Agency for fiscal year 1997. Transfers of appropriations from the Central Intelligence Agency under this paragraph shall be made in accordance with section 1531 of title 31, United States Code.

(2) Not earlier than two years after the effective date of this subtitle, the Secretary of Defense and the Director of Central Intelligence shall determine which, if any, positions and personnel of the Central Intelligence Agency are to be transferred to the National Imagery and Mapping Agency. The positions to be transferred, and the employees serving in such positions, shall be transferred to the National Imagery and Mapping Agency under terms and conditions prescribed by the Secretary of Defense and the Director of Central Intelligence.

(3) If the National Photographic Interpretation Center of the Central Intelligence Agency or any imagery-related activity of

the Central Intelligence Agency authorized to be performed by the National Imagery and Mapping Agency is not completely transferred to the National Imagery and Mapping Agency, the Secretary of Defense and the Director of Central Intelligence shall—

(A) jointly determine which, if any, contracts, leases, property, and records employed, used, held, arising from, available to, or otherwise relating to such Center or activity is to be transferred to the National Imagery and Intelligence Agency; and

(B) provide by written agreement for the transfer of such items.

SEC. 923. COMPATIBILITY WITH AUTHORITY UNDER THE NATIONAL SECURITY ACT OF 1947.

(a) AGENCY FUNCTIONS.—Section 105(b) of the National Security Act of 1947 (50 U.S.C. 403-5(b)) is amended by striking out paragraph (2) and inserting in lieu thereof the following:

"(2) through the National Imagery and Mapping Agency (except as otherwise directed by the President or the National Security Council), with appropriate representation from the intelligence community, the continued operation of an effective unified organization within the Department of Defense—

"(A) for carrying out tasking of imagery collection;

"(B) for the coordination of imagery processing and exploitation activities;

"(C) for ensuring the dissemination of imagery in a timely manner to authorized recipients; and

"(D) notwithstanding any other provision of law, for—

"(i) prescribing technical architecture and standards related to imagery intelligence and geospatial information and ensuring compliance with such architecture and standards; and

"(ii) developing and fielding systems of common concern related o imagery intelligence and geospatial information;".

[(b) APPOINTMENT OF DIRECTOR.—Section 106 of such Act (50 U.S.C. 403-6) is amended—

[(1) by striking out subsection (b); and

[(2) in subsection (a)—

[(A) by inserting "the National Imagery and Mapping Agency," after "the National Reconnaissance Office,"; and

[(B) by striking out "(a) CONSULTATION WITH REGARD TO CERTAIN APPOINTMENTS.—".]

(b) NATIONAL MISSION.—Title I of such Act (50 U.S.C. 402 et seq.) is amended by adding at the end the following:

"NATIONAL MISSION OF NATIONAL IMAGERY AND MAPPING AGENCY

"SEC. 120. (a) IN GENERAL.—In addition to the Department of Defense missions set forth in section 442 of title 10, United States Code, the National Imagery and Mapping Agency shall also support the imagery requirements of the Department of State and other departments and agencies of the United States outside the Department of Defense.

"(b) REQUIREMENTS AND PRIORITIES.—The Director of Central Intelligence shall establish requirements and priorities governing the collection of national intelligence by the National Imagery and Mapping Agency under subsection (a).

"(c) CORRECTION OF DEFICIENCIES.—The Director of Central Intelligence shall develop and implement such programs and policies as the Director and the Secretary jointly determine necessary to review and correct deficiencies identified in the capabilities of the National Imagery and Mapping Agency to accomplish assigned national missions. The Director shall consult with the Secretary of Defense on the development and implementation of such programs and policies. The Secretary shall obtain the advice of the Chairman of the Joint Chiefs of Staff regarding the matters on which the Director and the Secretary are to consult under the preceding sentence.".

(c) TASKING OF IMAGERY ASSETS.—Title I of such Act is further amended by adding at the end the following:

"COLLECTION TASKING AUTHORITY

"SEC. 121. The Director of Central Intelligence shall have authority to approve collection requirements, determine collection priorities, and resolve conflicts in collection priorities levied on national imagery collection assets, except as otherwise agreed by the Director and the Secretary of Defense pursuant to the direction of the President.".

(d) CLERICAL AMENDMENT.—The table of contents in the first section of such Act is amended by inserting after section 109 the following new items:

"Sec. 120. National mission of National Imagery and Mapping Agency.

"Sec. 121. Collection tasking authority.".

SEC. 924. OTHER PERSONNEL MANAGEMENT AUTHORITIES.

(a) COMPARABLE TREATMENT WITH OTHER INTELLIGENCE SENIOR EXECUTIVE SERVICES.—Title 5, United States Code, is amended as follows:

(1) In section 2108(3), by inserting "the National Imagery and Mapping Senior Executive Service," after "the Senior Cryptologic Executive Service," in the matter following subparagraph (F)(iii).

(2) In section 6304(f)(1), by—

(A) by striking out "or" at the end of subparagraph (D);

(B) by striking out the period at the end of in subparagraph (E) and inserting in lieu thereof "; or"; and

(C) by adding at the end the following:

"(F) the National Imagery and Mapping Senior Executive Service."; and

(3) In sections 8336(h)(2) and 8414(a)(2), by striking out "or the Senior Cryptologic Executive Service" and inserting in lieu thereof ", the Senior Cryptologic Executive Service, or the National Imagery and Mapping Senior Executive Service".

(b) CENTRAL IMAGERY OFFICE PERSONNEL MANAGEMENT AUTHORITIES.—

(1) NONDUPLICATION OF COVERAGE BY DEFENSE INTELLIGENCE SENIOR EXECUTIVE SERVICE.—Section 1601 of title 10, United States Code, is amended—

(A) in subsection (a), by striking out "and the Central Imagery Office";

(B) in subsection (d), by striking out "or the Central Imagery Office in which the member's expertise and experience may be of benefit to the Defense Intelligence Agency, the Central Imagery Office," in the first sentence and inserting in lieu thereof "in which the member's expertise and experience may be of benefit to the Defense Intelligence Agency"; and

(C) in subsection (e), by striking out "and the Central Imagery Office" in the first sentence.

(2) MERIT PAY.—Section 1602 of such title is amended by striking out "and Central Imagery Office".

(3) MISCELLANEOUS AUTHORITIES.—Subsection 1604 of such title is amended—

(A) in subsection (a)(1)—

(i) by striking out "and the Central Imagery Office"; and

(ii) by striking out "and Office";

(B) in subsection (b)—

(i) in paragraph (1), by striking out "or the Central Imagery Office" in the second sentence; and

(ii) in paragraph (2), by striking out "and the Central Imagery Office";

(C) in subsection (c), by striking out "or the Central Imagery Office";

(D) in subsection (d)(1), by striking out "and the Central Imagery Office";

(E) in subsection (e)—

(i) in paragraph (1), by striking out "or the Central Imagery Office"; and

(ii) in paragraph (5) by striking out ", 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)" and inserting in lieu thereof "and the Director of the Defense Intelligence Agency (with respect to employees of the Defense Intelligence Agency)";

(F) in subsection (f)(3), by striking out "and Central Imagery Office"; and

(G) in subsection (g)—

(i) by striking out "or the Central Imagery Office"; and

(ii) by striking out "or Office".

(c) APPLICABILITY OF FEDERAL LABOR-MANAGEMENT RELATIONS SYSTEM.—Section 7103(a)(3) of title 5, United States Code is amended—

(1) by inserting "or" at the end of subparagraph (F);

(2) by striking out "; or" at the end of subparagraph (G) and inserting in lieu thereof a period; and

(3) by striking out subparagraph (H).

(d) APPLICABILITY OF AUTHORITY AND PROCEDURES FOR IMPOSING CERTAIN ADVERSE ACTIONS.—Section 7511(b)(8) of title 5, United States Code, is amended by striking out "Central Imagery Office".

SEC. 925. CREDITABLE CIVILIAN SERVICE FOR CAREER CONDITIONAL EMPLOYEES OF THE DEFENSE MAPPING AGENCY.

In the case of an employee of the National Imagery and Mapping Agency who, on the day before the effective date of this subtitle, was an employee of the Defense Mapping Agency in a career-conditional status, the continuous service of that employee as an employee of the National Imagery and Mapping Agency on and after such date shall be considered creditable service for the purpose of any determination of the career status of the employee.

SEC. 926. SAVING PROVISIONS.

(a) CONTINUING EFFECT ON LEGAL DOCUMENTS.—All orders, determinations, rules, regulations, permits, agreements, international agreements, grants, contracts, leases, certificates, licenses, registrations, privileges, and other administrative actions—

(1) which have been issued, made, granted, or allowed to become effective by the President, any Federal agency or official thereof, or by a court of competent jurisdiction, in connection with any of the functions which are transferred under this subtitle or any function that the National Imagery and Mapping Agency is authorized to perform by law, and

(2) which are in effect at the time this title takes effect, or were final before the effective date of this subtitle and are to become effective on or after the effective date of this subtitle,

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the President, the Secretary of Defense, the Director of the National Imagery and Mapping Agency or other authorized official, a court of competent jurisdiction, or by operation of law.

(b) PROCEEDINGS NOT AFFECTED.—This subtitle and the amendments made by this subtitle shall not affect any proceedings, including notices of proposed rulemaking, or any application for any license, permit, certificate, or financial assistance pending before an element of the Department of Defense or Central Intelligence Agency at the time this subtitle takes effect, with respect to function of that element transferred by section 922, but such proceedings and applications shall be continued. Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this subtitle had not been enacted, and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or revoked by a duly authorized official, by a court of competent jurisdiction, or by operation of law. Nothing in this section shall be deemed to prohibit the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this subtitle had not been enacted.

(c) SEVERABILITY.—If any provision of this subtitle (or any amendment made by this subtitle), or the application of such provision (or amendment) to any person or circumstance is held unconstitutional, the remainder of this subtitle (or of the amendments made by this subtitle) shall not be affected by that holding.

SEC. 927. DEFINITIONS.

In this part, the terms "function", "imagery", "imagery intelligence", and "geospatial information" have the meanings given those terms in section 461 of title 10, United States Code, as added by section 921.

SEC. 928. AUTHORIZATION OF APPROPRIATIONS.

Funds are authorized to be appropriated for the National Imagery and Mapping Agency for fiscal year 1997 in amounts and for purposes, and subject to the terms, conditions, limitations, restrictions, and requirements, that are set forth in the Classified Annex to this Act.

PART II—CONFORMING AMENDMENTS AND EFFECTIVE DATES

SEC. 931. REDESIGNATION AND REPEALS.

(a) REDESIGNATION.—Chapter 23 of title 10, United States Code (as redesignated by section 921(a)(1)) is amended by redesignating the section in that chapter as section 481.

(b) REPEAL OF SUPERSEDED LAW.—Chapter 167 of such title, as amended by section 921(b), is repealed.

SEC. 932. REFERENCES.

(a) TITLE 5, UNITED STATES CODE.—Title 5, United States Code, is amended as follows:

(1) CENTRAL IMAGERY OFFICE.—In sections 2302(a)(2)(C)(ii), 3132(a)(1)(B), 4301(1) (in clause (ii)), 4701(a)(1)(B), 5102(a)(1) (in clause (xi)), 5342(a)(1)(L), 6339(a)(1)(E), and 7323(b)(2)(B)(i)(XIII), by striking out "Central Imagery Office" and inserting in lieu thereof "National Imagery and Mapping Agency".

(2) DIRECTOR, CENTRAL IMAGERY OFFICE.—In section 6339(a)(2)(E), by striking out "Central Imagery Office, the Director of the Central Imagery Office" and inserting in lieu thereof "National Imagery and Mapping Agency, the Director of the National Imagery and Mapping Agency".

(b) TITLE 10, UNITED STATES CODE.—Title 10, United States Code, is amended as follows:

(1) CENTRAL IMAGERY OFFICE.—In section 1599(f)(4), by striking out "Central Imagery Office" and inserting in lieu thereof "National Imagery and Mapping Agency".

(2) DEFENSE MAPPING AGENCY.—In sections 451(1), 452, 453, 454, and 455 (in subsections (a) and (b)(1)(C)), and 456, as redesignated by section 921(b), by striking out "Defense Mapping Agency" each place it appears and inserting in lieu thereof "National Imagery and Mapping Agency".

(c) OTHER LAWS.—

(1) NATIONAL SECURITY ACT OF 1947.—Section 3(4)(E) of the National Security Act of 1947 (50 U.S.C. 401a(4)(E) is amended by striking out "Central Imagery Office" and inserting in lieu thereof "National Imagery and Mapping Agency".

(2) ETHICS IN GOVERNMENT ACT OF 1978.—Section 105(a) of the Ethics in Government Act of 1978 (Public Law 95-521; 5 U.S.C. App. 4) is amended by striking out "Central Imagery Office" and inserting in lieu thereof "National Imagery and Mapping Agency".

(3) EMPLOYEE POLYGRAPH PROTECTION ACT.—Section 7(b)(2)(A)(i) of the Employee Polygraph Protection Act of 1988 (Public Law 100-347; 29 U.S.C. 2006(b)(2)(A)(i)) is amended by striking out "Central Imagery Office" and inserting in lieu thereof "National Imagery and Mapping Agency".

(d) CROSS REFERENCE.—Section 82 of title 14, United States Code, is amended by striking out "chapter 167" and inserting in lieu thereof "subchapter II of chapter 22".

SEC. 933. HEADINGS AND CLERICAL AMENDMENTS.

(a) TITLE 10, UNITED STATES CODE.—

(1) HEADING.—The heading of chapter 83 of title 10, United States Code, is amended to read as follows:

"CHAPTER 83—DEFENSE INTELLIGENCE AGENCY CIVILIAN PERSONNEL".

(2) CLERICAL AMENDMENTS.—(A) The table of chapters at the beginning of subtitle A of title 10, United States Code, is amended—

(i) by striking out the item relating to chapter 22 and inserting in lieu thereof the following:

"22. National Imagery and Mapping Agency 441
"23. Miscellaneous Studies and Reports ..... 471";

(ii) by striking out the item relating to chapter 83 and inserting in lieu thereof the following:

"83. Defense Intelligence Agency Civilian Personnel ..... 1601";

and

(iii) by striking out the item relating to chapter 167.

(B) The table of chapters at the beginning of part I of such subtitle is amended by striking out the item relating to chapter 22 and inserting in lieu thereof the following:

"22. National Imagery and Mapping Agency 441
"23. Miscellaneous Studies and Reports ..... 471";

(C) The item relating to chapter 83 in the table of chapters at the beginning of part II of such subtitle is amended to read as follows:

"83. Defense Intelligence Agency Civilian Personnel ..... 1601".

(D) The table of chapters at the beginning of part IV of such subtitle is amended by striking out the item relating to chapter 167.

(E) The item in the table of sections at the beginning of chapter 23 of title 10, United States Code (as redesignated by section 921), is amended to read as follows:

"481. Racial and ethnic issues; biennial survey; biennial report.".

(b) TITLE 44, UNITED STATES CODE.—

(1) SECTION HEADING.—The heading of section 1336 of title 44, United States Code, is amended to read as follows:

"§ 1336. National Imagery and Mapping Agency: special publications".

(2) CLERICAL AMENDMENT.—The item relating to such section in the tables of sections at the beginning of chapter 13 of such title is amended to read as follows:

"1336. National Imagery and Mapping Agency: special publications.".

[(c) NATIONAL SECURITY ACT OF 1947.—(1) The heading of section 106 of the National Security Act of 1947 (50 U.S.C. 403-6) is amended to read as follows:

["CONSULTATION WITH REGARD TO CERTAIN APPOINTMENTS".

[(2) The item relating to such section in the table of contents in the first section of such Act is amended to read as follows:

[Sec. 106. Consultation with regard to certain appointments.".]

SEC. 934. EFFECTIVE DATES.

(a) IN GENERAL.—Except as provided in subsection (b), this subtitle and the amendments made by this subtitle shall take effect on the later of October 1, 1996, or the date of the enactment of an Act appropriating funds for fiscal year 1997 for the National Imagery and Mapping Agency.

(b) EXCEPTION.—Section 928 shall take effect on the date of the enactment of this Act.

TITLE X—GENERAL PROVISIONS

Subtitle A—Financial Matters

SEC. 1001. TRANSFER AUTHORITY.

(a) AUTHORITY TO TRANSFER AUTHORIZATIONS.—(1) Upon determination by the Secretary of Defense that such action is necessary in the national interest, the Secretary may transfer amounts of authorizations made available to the Department of Defense in this division for fiscal year 1997 between any such authorizations for that fiscal year (or any subdivisions thereof). Amounts of authorizations so transferred shall be merged with and be available for the same purposes as the authorization to which transferred.

(2) The total amount of authorizations that the Secretary of Defense may transfer under the authority of this section may not exceed $2,000,000,000.

(b) LIMITATIONS.—The authority provided by this section to transfer authorizations—

(1) may only be used to provide authority for items that have a higher priority than the items from which authority is transferred; and

(2) may not be used to provide authority for an item that has been denied authorization by Congress.

(c) EFFECT ON AUTHORIZATION AMOUNTS.—A transfer made from one account to another under the authority of this section shall be deemed to increase the amount authorized for the account to which the amount is transferred by an amount equal to the amount transferred.

(d) NOTICE TO CONGRESS.—The Secretary shall promptly notify Congress of each transfer made under subsection (a).

SEC. 1002. AUTHORITY FOR OBLIGATION OF CERTAIN UNAUTHORIZED FISCAL YEAR 1996 DEFENSE APPROPRIATIONS.

(a) AUTHORITY.—The amounts described in subsection (b) may be obligated and expended for programs, projects, and activities of the Department of Defense in accordance with fiscal year 1996 defense appropriations.

(b) COVERED AMOUNTS.—The amounts referred to in subsection (a) are the amounts provided for programs, projects, and activities of the Department of Defense in fiscal year 1996 defense appropriations that are in excess of the amounts provided for such programs, projects, and activities in fiscal year 1996 defense authorizations.

(c) DEFINITIONS.—For the purposes of this section:

(1) FISCAL YEAR 1996 DEFENSE APPROPRIATIONS.—The term "fiscal year 1996 defense appropriations" means amounts appropriated or otherwise made available to the Department of Defense for fiscal year 1996 in the Department of Defense Appropriations Act, 1996 (Public Law 104–61).

(2) FISCAL YEAR 1996 DEFENSE AUTHORIZATIONS.—The term "fiscal year 1996 defense authorizations" means amounts authorized to be appropriated for the Department of Defense for fiscal year 1996 in the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106).

SEC. 1003. AUTHORIZATION OF PRIOR EMERGENCY SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 1996.

Amounts authorized to be appropriated to the Department of Defense for fiscal year 1996 in the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106) are hereby adjusted, with respect to any such authorized amount, by the amount by which appropriations pursuant to such authorization were increased (by a supplemental appropriation) or decreased (by a rescission), or both, in the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (Public Law 104–134).

SEC. 1004. USE OF FUNDS TRANSFERRED TO THE COAST GUARD.

(a) LIMITATION.—Funds appropriated to the Department of Defense for fiscal year 1997 that are transferred to the Coast Guard may be used only for the performance of national security functions of the Coast Guard in support of the Department of Defense.

(b) CERTIFICATION REQUIRED.—Funds described in subsection (a) may not be transferred to the Coast Guard until the Secretary of Defense and the Secretary of Transportation jointly certify to Congress that the funds so transferred will be used only as described in subsection (a).

(c) GAO AUDIT.—The Comptroller General of the United States shall—

(1) audit, from time to time, the use of funds transferred to the Coast Guard from appropriations for the Department of Defense for fiscal year 1997 in order to verify that the funds are being used in accordance with the limitation in subsection (a); and

(2) notify the congressional defense committees of any use of such funds that, in the judgment of the Comptroller General, is a significant violation of such limitation.

SEC. 1005. USE OF MILITARY-TO-MILITARY CONTACTS FUNDS FOR PROFESSIONAL MILITARY EDUCATION AND TRAINING.

Section 168(c) of title 10, United States Code, is amended by adding at the end the following:

"(9) Military education and training for military and civilian personnel of foreign countries (including transportation expenses, expenses for translation services, and administrative expenses to the extent that the expenses are related to the providing of such education and training to such personnel).".

SEC. 1006. PAYMENT OF CERTAIN EXPENSES RELATING TO HUMANITARIAN AND CIVIC ASSISTANCE.

Section 401(c) of title 10, United States Code, is amended—

(1) by redesignating paragraph (2) as paragraph (3); and

(2) by inserting after paragraph (1) the following new paragraph (2):

"(2) Expenses covered by paragraph (1) include the following expenses incurred in the providing of assistance described in subsection (e)(5):

"(A) Travel, transportation, and subsistence expenses of Department of Defense personnel providing the assistance.

"(B) The cost of any equipment, services, or supplies acquired for the purpose of providing the assistance.".

[SEC. 1007. PROHIBITION ON EXPENDITURE OF DEPARTMENT OF DEFENSE FUNDS BY OFFICIALS OUTSIDE THE DEPARTMENT.

[(a) PROHIBITION.—Section 2215 of title 10, United States Code, is amended to read as follows:

["§ 2215. Prohibition on expenditure of Department of Defense intelligence funds by officials outside the department

["(a) IN GENERAL.—Funds appropriated for the Department of Defense for intelligence activities of that department may not be obligated or expended by an officer or employee of the United States who is not an officer or employee of the Department of Defense.

["(b) DELEGATION OF AUTHORITY PROHIBITED.—An officer or employee of the Department of Defense may not delegate to an officer or employee of the United States who is not an officer or employee of the Department of Defense any authority to obligate or expend funds described in subsection (a).".

[(b) CLERICAL AMENDMENT.—The item relating to such section in the table of sections at the beginning of chapter 131 is amended to read as follows:

["2215. Prohibition on expenditure of Department of Defense intelligence funds by officials outside the department.".]

SEC. [1008.] *1007.* PROHIBITION ON USE OF FUNDS FOR OFFICE OF NAVAL INTELLIGENCE REPRESENTATION OR RELATED ACTIVITIES.

None of the funds authorized to be appropriated by this Act or otherwise made available for the Navy for fiscal year 1997 may be obligated or expended by the Office of Naval Intelligence for official representation activities or related activities.

SEC. [1009.] *1008.* REIMBURSEMENT OF DEPARTMENT OF DEFENSE FOR COSTS OF DISASTER ASSISTANCE PROVIDED OUTSIDE THE UNITED STATES.

Section 404 of title 10, United States Code, is amended—

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

(2) by inserting after subsection (c) the following new subsection (d):

"(d) REIMBURSEMENT POLICY.—It is the sense of Congress that, whenever the President directs the Secretary of Defense to provide disaster assistance outside the United States under subsection (a)—

"(1) the President should direct the Administrator of the Agency for International Development to reimburse the Department of Defense for the cost to the Department of Defense of the assistance provided; and

"(2) a reimbursement by the Administrator should be paid out of funds available under chapter 9 of part I of the Foreign Assistance Act of 1961 for international disaster assistance for the fiscal year in which the cost is incurred.".

SEC. [1010.] *1009.* FISHER HOUSE TRUST FUND FOR THE NAVY.

(a) AUTHORITY.—Section 2221 of title 10, United States Code, is amended—

(1) in subsection (a), by adding at the end the following:

"(3) The Fisher House Trust Fund, Department of the Navy.";

(2) in subsection (c)—

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

(B) by inserting after paragraph (2) the following new paragraph (3):

"(3) Amounts in the Fisher House Trust Fund, Department of the Navy, that are attributable to earnings or gains realized from investments shall be available for the operation and maintenance of Fisher houses that are located in proximity to medical treatment facilities of the Navy."; and

(3) in subsection (d)(1), by striking out "or the Air Force" and inserting in lieu thereof ", the Air Force, or the Navy".

(b) CORPUS OF TRUST FUNDS.—The Secretary of the Navy shall transfer to the Fisher House Trust Fund, Department of the Navy, established by section 2221(a)(3) of title 10, United States Code (as added by subsection (a)(1)), all amounts in the accounts for Navy installations and other facilities that, as of the date of the enactment of this Act, are available for operation and maintenance of Fisher houses, as defined in section 2221(d) of such title.

(c) CONFORMING AMENDMENTS.—Section 1321 of title 31, United States Code, is amended—

(1) in subsection (a), by adding at the end the following:

"(94) Fisher House Trust Fund, Department of the Navy."; and

(2) in subsection (b)(2), by adding at the end the following:

"(D) Fisher House Trust Fund, Department of the Navy.".

SEC. [1011.] *1010.* DESIGNATION AND LIABILITY OF DISBURSING AND CERTIFYING OFFICIALS FOR THE COAST GUARD.

(a) DISBURSING OFFICIALS.—(1) Section 3321(c) of title 31, United States Code, is amended by adding at the end the following:

"(3) The Department of Transportation (with respect to public money available for expenditure by the Coast Guard when it is not operating as a service in the Navy).".

(2)(A) Chapter 17 of title 14, United States Code, is amended by adding at the end the following:

"§ 673. Designation, powers, and accountability of deputy disbursing officials

"(a)(1) Subject to paragraph (3), a disbursing official of the Coast Guard may designate a deputy disbursing official—

"(A) to make payments as the agent of the disbursing official;

"(B) to sign checks drawn on disbursing accounts of the Secretary of the Treasury; and

"(C) to carry out other duties required under law.

"(2) The penalties for misconduct that apply to a disbursing official apply to a deputy disbursing official designated under this subsection.

"(3) A disbursing official may make a designation under paragraph (1) only with the approval of the Secretary of Transportation (when the Coast Guard is not operating as a service in the Navy).

"(b)(1) If a disbursing official of the Coast Guard dies, becomes disabled, or is separated from office, a deputy disbursing official may continue the accounts and payments in the name of the former disbursing official until the last day of the second month after the month in which the death, disability, or separation occurs. The accounts and payments shall be allowed, audited, and settled as provided by law. The Secretary of the Treasury shall honor checks signed in the name of the former disbursing official in the same way as if the former disbursing official had continued in office.

"(2) The deputy disbursing official, and not the former disbursing official or the estate of the former disbursing official, is liable for the actions of the deputy disbursing official under this subsection.

"(c)(1) Except as provided in paragraph (2), this section does not apply to the Coast Guard when section 2773 of title 10 applies to the Coast Guard by reason of the operation of the Coast Guard as a service in the Navy.

"(2) A designation of a deputy disbursing official under subsection (a) that is made while the Coast Guard is not operating as a service in the Navy continues in effect for purposes of section 2773 of title 10 while the Coast Guard operates as a service in the Navy unless and until the designation is terminated by the disbursing official who made the designation or an official authorized to approve such a designation under subsection (a)(3) of such section.".

(B) The table of sections at the beginning of such chapter is amended by adding at the end the following:

"673. Designation, powers, and accountability of deputy disbursing officials.".

(b) DESIGNATION OF MEMBERS OF THE ARMED FORCES TO HAVE AUTHORITY TO CERTIFY VOUCHERS.—Section 3325(b) of title 31, United States Code, is amended by striking out "members of the armed forces under the jurisdiction of the Secretary of Defense may certify vouchers when authorized, in writing, by the Secretary to do so" and inserting in lieu thereof "members of the armed forces may certify vouchers when authorized, in writing, by the Secretary of Defense or, in the case of the Coast Guard when it is not operating as a service in the Navy, by the Secretary of Transportation".

(c) CONFORMING AMENDMENTS.—(1) Section 1007(a) of title 37, United States Code, is amended by inserting after "Secretary of Defense" the following: "(or the Secretary of Transportation, in the case of an officer of the Coast Guard when the Coast Guard is not operating as a service in the Navy)".

(2) Section 3527(b)(1) of title 31, United States Code, is amended—

(A) in subparagraph (A)(i), by inserting after "Department of Defense" the following: "(or the Secretary of Transportation, in the case of a disbursing official of the Coast Guard when the Coast Guard is not operating as a service in the Navy)"; and

(B) in subparagraph (B), by inserting after "or the Secretary of the appropriate military department" the following: "(or the Secretary of Transportation, in the case of a disbursing official of the Coast Guard when the Coast Guard is not operating as a service in the Navy)".

SEC. [1012.] *1011.* AUTHORITY TO SUSPEND OR TERMINATE COLLECTION ACTIONS AGAINST DECEASED MEMBERS OF THE COAST GUARD.

Section 3711(g) of title 31, United States Code, is amended—

(1) in paragraph (1), by striking out "or Marine Corps" and inserting in lieu thereof "Marine Corps, or Coast Guard";

(2) by redesignating paragraph (2) as paragraph (3); and

(3) by inserting after paragraph (1) the following new paragraph (2):

"(2) The Secretary of Transportation may suspend or terminate an action by the Secretary under subsection (a) to collect a claim against the estate of a person who died while serving on active duty as a member of the Coast Guard if the Secretary determines that, under the circumstances applicable with respect to the deceased person, it is appropriate to do so.".

SEC. [1013.] *1012.* CHECK CASHING AND EXCHANGE TRANSACTIONS WITH CREDIT UNIONS OUTSIDE THE UNITED STATES.

Section 3342(b) of title 31, United States Code, is amended—

(1) by striking out "and" at the end of paragraph (5);

(2) by striking out the period at the end of paragraph (6) and inserting in lieu thereof "; and"; and

(3) by adding at the end the following:

"(7) a Federal credit union (as defined in section 101(1) of the Federal Credit Union Act (12 U.S.C. 1752(1)) that is operating at Department of Defense invitation in a foreign country where contractor-operated military banking facilities are not available.".

Subtitle B—Naval Vessels and Shipyards

SEC. 1021. AUTHORITY TO TRANSFER NAVAL VESSELS.

(a) EGYPT.—The Secretary of the Navy may transfer to the Government of Egypt the "OLIVER HAZARD PERRY" frigate GALLERY. Such transfer shall be on a sales basis under section 21 of the Arms Export Control Act (22 U.S.C. 2761; relating to the foreign military sales program).

(b) MEXICO.—The Secretary of the Navy may transfer to the Government of Mexico the "KNOX" class frigates STEIN (FF 1065) and MARVIN SHIELDS (FF 1066). Such transfers shall be on a sales basis under section 21 of the Arms Export Control Act (22 U.S.C. 2761).

(c) NEW ZEALAND.—The Secretary of the Navy may transfer to the Government of New Zealand the "STALWART" class ocean surveillance ship TENACIOUS. Such transfer shall be on a sales basis under section 21 of the Arms Export Control Act (22 U.S.C. 2761).

(d) PORTUGAL.—The Secretary of the Navy may transfer to the Government of Portugal the "STALWART" class ocean surveillance ship AUDACIOUS. Such transfer shall be on a grant basis under section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j; relating to transfers of excess defense articles).

(e) TAIWAN.—The Secretary of the Navy may transfer to the Taipei Economic and Cultural Representative Office in the United States (which is the Taiwan instrumentality designated pursuant to section 10(a) of the Taiwan Relations Act) the following:

(1) The "KNOX" class frigates AYLWIN (FF 1081), PHARRIS (FF 1094), and VALDEZ (FF 1096). Such transfers shall be on a sales basis under section 21 of the Arms Export Control Act (22 U.S.C. 2761).

(2) The "NEWPORT" class tank landing ship NEWPORT (LST 1179). Such transfer shall be on a lease basis under section 61 of the Arms Export Control Act (22 U.S.C. 2796).

(f) THAILAND.—The Secretary of the Navy may transfer to the Government of Thailand the "KNOX" class frigate OUELLET (FF 1077). Such transfer shall be on a sales basis under section 21 of the Arms Export Control Act (22 U.S.C. 2761).

(g) COSTS OF TRANSFER.—Any expense of the United States in connection with a transfer authorized by this section shall be charged to the recipient.

(h) REPAIR AND REFURBISHMENT OF VESSELS.—The Secretary of the Navy shall require, to the maximum extent possible, as a condition of a transfer of a vessel under this section, that the country to which the vessel is transferred have such repair or refurbishment of the vessel as is needed, before the vessel joins the naval forces of that country, performed at a shipyard located in the United States, including a United States Navy shipyard.

(i) EXPIRATION OF AUTHORITY.—Any authority for transfer granted by this section shall expire at the end of the 2-year period beginning on the date of the enactment of this Act.

SEC. 1022. TRANSFER OF CERTAIN OBSOLETE TUGBOATS OF THE NAVY.

(a) REQUIREMENT TO TRANSFER VESSELS.—The Secretary of the Navy shall transfer the six obsolete tugboats of the Navy specified in subsection (b) to the Northeast Wisconsin Railroad Transportation Commission, an instrumentality of the State of Wisconsin. Such transfers shall be made without reimbursement to the United States.

(b) VESSELS COVERED.—The requirement in subsection (a) applies to the six decommissioned Cherokee class tugboats, listed as of the date of the enactment of this Act as being surplus to the Navy, that are designated as ATF-105, ATF-110, ATF-149, ATF-158, ATF-159, and ATF-160.

(c) CONDITION RELATING TO ENVIRONMENTAL COMPLIANCE.—The Secretary shall require as a condition of the transfer of a vessel under subsection (a) that use of the vessel by the Commission not commence until the terms of any necessary environmental compliance letter or agreement with respect to that vessel have been complied with.

(d) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions (including a requirement that the transfer be at no cost to the Government) in connection with the transfers required by subsection (a) as the Secretary considers appropriate.

SEC. 1023. REPEAL OF REQUIREMENT FOR CONTINUOUS APPLICABILITY OF CONTRACTS FOR PHASED MAINTENANCE OF AE CLASS SHIPS.

Section 1016 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104-106; 110 Stat. 425) is repealed.

SEC. 1024. CONTRACT OPTIONS FOR LMSR VESSELS.

(a) FINDINGS.—Congress reaffirms the findings set forth in section 1013(a) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104-106; 110 Stat. 422), and makes the following modifications and supplemental findings:

(1) Since the findings set forth in section 1013(a) of such Act were originally formulated, the Secretary of the Navy has exercised options for the acquisition of two of the six additional large, medium-speed, roll-on/roll-off (LMSR) vessels that may be acquired by exercise of options provided for under contracts covering the acquisition of a total of 17 LMSR vessels.

(2) Therefore, under those contracts, the Secretary has placed orders for the acquisition of 13 LMSR vessels and has remaining options for the acquisition of four more LMSR vessels, all of which would be new construction vessels.

(3) The remaining options allow the Secretary to place orders for one vessel to be constructed at each of two shipyards for award before December 31, 1996, and December 31, 1997, respectively.

(b) SENSE OF CONGRESS.—Congress also reaffirms its declaration of the sense of Congress, as set forth in section 1013(b) of Public Law 104-106, that the Secretary of the Navy should plan for, and budget to provide for, the acquisition as soon as possible of a total of 19 large, medium-speed, roll-on/roll-off (LMSR) vessels (the number determined to be required in the report entitled "Mobility Requirements Study Bottom-Up Review Update", submitted by the Secretary of Defense to Congress in April 1995), rather than only

17 such vessels (which is the number of vessels under contract as of April 1996).

(c) ADDITIONAL NEW CONSTRUCTION CONTRACT OPTION.—The Secretary of the Navy should negotiate with each of the two shipyards holding new construction contracts referred to in subsection (a)(1) (Department of the Navy contracts numbered N00024-93-C-2203 and N00024-93-C-2205) for an option under each such contract for construction of one additional such LMSR vessel, with such option to be available to the Secretary for exercise not earlier than fiscal year 1998, subject to the availability of funds authorized and appropriated for such purpose. Nothing in this subsection shall be construed to preclude the Secretary of the Navy from competing the award of the two options between the two shipyards holding new construction contracts referred to in subsection (a)(1).

(d) REPORT.—The Secretary of the Navy shall submit to the congressional defense committees, by March 31, 1997, a report stating the intentions of the Secretary regarding the acquisition of options for the construction of two additional LMSR vessels as described in subsection (c).

(e) REPEAL OF SUPERSEDED PROVISION.—Section 1013 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104-106; 110 Stat 422) is amended by striking out subsection (c).

Subtitle C—Counter-Drug Activities

SEC. 1031. AUTHORITY TO PROVIDE ADDITIONAL SUPPORT FOR COUNTER-DRUG ACTIVITIES OF MEXICO.

(a) AUTHORITY TO PROVIDE ADDITIONAL SUPPORT.—The Secretary of Defense may, during fiscal year 1997, provide the Government of Mexico the support described in subsection (b) for the counter-drug activities of the Government of Mexico. Such support shall be in addition to support provided the Government of Mexico under any other provision of law.

(b) TYPES OF SUPPORT.—The Secretary may provide the following support under subsection (a):

(1) The transfer of spare parts and non-lethal equipment and materiel, including radios, night vision goggles, global positioning systems, uniforms, command, control, communications, and intelligence (C^3I) integration equipment, detection equipment, and monitoring equipment.

(2) The maintenance and repair of equipment of the Government of Mexico that is used for counter-narcotics activities.

(c) APPLICABILITY OF OTHER SUPPORT AUTHORITIES.—Except as otherwise provided in this section, the provisions of section 1004 of the National Defense Authorization Act for Fiscal Year 1991 (10 U.S.C. 374 note) shall apply to the provision of support under this section.

(d) FUNDING.—Of the amounts authorized to be appropriated for fiscal year 1997 for the Department of Defense for drug interdiction and counter-drug activities, not more than $10,000,000 shall be available in that fiscal year for the provision of support under this section.

SEC. 1032. LIMITATION ON DEFENSE FUNDING OF THE NATIONAL DRUG INTELLIGENCE CENTER.

(a) LIMITATION ON USE OF FUNDS.—Except as provided in subsection (b), funds appropriated or otherwise made available for the Department of Defense pursuant to this or any other Act may not be obligated or expended for the National Drug Intelligence Center, Johnstown, Pennsylvania.

(b) EXCEPTION.—If the Attorney General operates the National Drug Intelligence Center using funds available for the Department of Justice, the Secretary of Defense may continue to provide Department of Defense intelligence personnel to support intelligence activities at the Center. The number of such personnel providing support to the Center after the date of the enactment of this Act may not exceed the number of the Department of Defense intelligence personnel who are supporting intelligence activities at the Center on the day before such date.

SEC. 1033. INVESTIGATION OF THE NATIONAL DRUG INTELLIGENCE CENTER.

(a) INVESTIGATION REQUIRED.—The Inspector General of the Department of Defense, the Inspector General of the Department of Justice, the Inspector General of the Central Intelligence Agency, and the Comptroller General of the United States shall—

(1) jointly investigate the operations of the National Drug Intelligence Center, Johnstown, Pennsylvania; and

(2) not later than March 31, 1997, jointly submit to the President pro tempore of the Senate and the Speaker of the House of Representatives a report on the results of the investigation.

(b) CONTENT OF REPORT.—The joint report shall contain a determination regarding whether there is a significant likelihood that the funding of the operation of the National Drug Intelligence Center, a domestic law enforcement program, through an appropriation under the control of the Director of Central Intelligence will result in a violation of the National Security Act of 1947 or Executive Order 12333.

Subtitle D—Matters Relating to Foreign Countries

SEC. 1041. AGREEMENTS FOR EXCHANGE OF DEFENSE PERSONNEL BETWEEN THE UNITED STATES AND FOREIGN COUNTRIES.

(a) EXCHANGE AUTHORITY.—Subchapter II of chapter 138 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2350l. Exchange of defense personnel between the United States and foreign countries

"(a) INTERNATIONAL EXCHANGE AGREEMENTS AUTHORIZED.—The Secretary of Defense is authorized to enter into agreements with the governments of allies of the United States and other friendly foreign countries for the exchange of military and civilian personnel of the Department of Defense and military and civilian personnel of the defense ministries of such foreign governments.

"(b) ASSIGNMENT OF PERSONNEL.—(1) Pursuant to an agreement entered into under subsection (a), personnel of the defense ministry of a foreign government may be assigned to positions in the Department of Defense, and personnel of the Department of Defense may be assigned to positions in the defense ministry of that foreign government. Positions to which exchanged personnel are assigned may include positions of instructors.

"(2) An agreement for the exchange of personnel engaged in research and development activities may provide for assignment of Department of Defense personnel to positions in private industry that support the defense ministry of the host foreign government.

"(3) A specific position and the individual to be assigned to that position shall be acceptable to both governments.

"(c) RECIPROCITY OF PERSONNEL QUALIFICATIONS REQUIRED.—Each government shall be required under an agreement authorized by subsection (a) to provide personnel having qualifications, training, and skills that are essentially equal to those of the personnel provided by the other government.

"(d) PAYMENT OF PERSONNEL COSTS.—(1) Each government shall pay the salary, per diem, cost of living, travel, cost of language or other training, and other costs for its own personnel in accordance with the laws and regulations of such government that pertain to such matters.

"(2) The requirement in paragraph (1) does not apply to the following costs:

"(A) Cost of temporary duty directed by the host government.

"(B) Costs of training programs conducted to familiarize, orient, or certify exchanged personnel regarding unique aspects of the exchanged personnel's assignments.

"(C) Costs incident to the use of host government facilities in the performance of assigned duties.

"(e) PROHIBITED CONDITIONS.—No personnel exchanged pursuant to an agreement under this section may take or be required to take an oath of allegiance to the host country or to hold an official capacity in the government of such country.

"(f) RELATIONSHIP TO OTHER AUTHORITY.—Nothing in this section limits any authority of the secretaries of the military departments to enter into an agreement with the government of a foreign country to provide for exchange of members of the armed forces and military personnel of the foreign country except that subsections (c) and (d) shall apply in the exercise of that authority. The Secretary of Defense may prescribe regulations for the application of such subsections in the exercise of such authority.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of subchapter II of such chapter is amended by adding at the end the following new item:

"2350l. Exchange of defense personnel between the United States and foreign countries.".

SEC. 1042. AUTHORITY FOR RECIPROCAL EXCHANGE OF PERSONNEL BETWEEN THE UNITED STATES AND FOREIGN COUNTRIES FOR FLIGHT TRAINING.

Section 544 of the Foreign Assistance Act of 1961 (22 U.S.C. 2347c) is amended—

(1) by inserting ", and for attendance of foreign military personnel at flight training schools or programs (including test pilot schools) in the United States," after "(other than service academies)"; and

(2) by striking out "and comparable institutions" and inserting in lieu thereof " or flight training schools or programs, as the case may be, and comparable institutions, schools, or programs".

SEC. 1043. EXTENSION OF COUNTERPROLIFERATION AUTHORITIES.

Section 1505 of the Weapons of Mass Destruction Control Act of 1992 (title XV of Public Law 104-484; 22 U.S.C. 5859a) is amended—

(1) in subsection (d)(3)—

(A) by striking out "fiscal year 1995, or" and inserting in lieu thereof "fiscal year 1995,"; and

(B) by inserting before the period at the end the following: ", $15,000,000 for fiscal year 1997, or $15,000,000 for fiscal year 1998"; and

(2) in subsection (f), by striking out "fiscal year 1996" and inserting in lieu thereof "fiscal year 1998".

Subtitle E—Miscellaneous Reporting Requirements

SEC. 1051. ANNUAL REPORT ON EMERGING OPERATIONAL CONCEPTS.

(a) REPORT REQUIRED.—Not later than March 1 of each year, the Chairman of the Joint Chiefs of Staff shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on emerging operational concepts. The report shall contain a description, for the year preceding the year in which submitted, of the following:

(1) The process undertaken in each of the Army, Navy, Air Force, and Marine Corps to define and develop doctrine, operational concepts, organizational concepts, and acquisition strategies based on—

(A) the potential of emerging technologies for significantly improving the operational effectiveness of that armed force;

(B) changes in the international order that may necessitate changes in the operational capabilities of that armed force;

(C) emerging capabilities of potential adversary states; and

(D) changes in defense budget projections that put existing acquisition programs of the service at risk.

(2) The manner in which the process undertaken in each of the Army, Navy, Air Force, and Marine Corps is harmonized with a joint vision and with the similar processes of the other armed forces to ensure that there is a sufficient consideration of the development of joint doctrine, operational concepts, and acquisition strategies.

(3) The manner in which the process undertaken by each of the Army, Navy, Air Force, and Marine Corps is coordinated through the Joint Requirements Oversight Council or another entity to ensure that the results of the process are considered in the planning, programming, and budgeting process of the Department of Defense.

(4) Proposals under consideration by the Joint Requirements Oversight Council or other entity within the Department of Defense to modify the roles and missions of any of the Army, Navy, Air Force, and Marine Corps as a result of the processes described in paragraph (1).

(b) FIRST REPORT.—The first report under this section shall be submitted not later than March 1, 1997.

(c) TERMINATION OF REQUIREMENT AFTER FOURTH REPORT.—Notwithstanding subsection (a), no report is required under this section after 2000.

SEC. 1052. ANNUAL JOINT WARFIGHTING SCIENCE AND TECHNOLOGY PLAN.

(a) ANNUAL PLAN REQUIRED.—On March 1 of each year, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a plan for ensuring that the science and technology program of the Department of Defense supports the development of the future joint warfighting capabilities identified as priority requirements for the Armed Forces.

(b) FIRST PLAN.—The first plan shall be submitted not later than March 1, 1997.

SEC. 1053. REPORT ON MILITARY READINESS REQUIREMENTS OF THE ARMED FORCES.

(a) REQUIREMENT.—Not later than January 31, 1997, the Chairman of the Joint Chiefs of Staff shall submit to the congressional defense committees a report on the military readiness requirements of the active and reserve components of the Armed Forces (including combat units, combat support units, and combat service support units) prepared by the officers referred to in subsection (b). The report shall assess such requirements under a tiered readiness and response system that categorizes a given unit according to the likelihood that it will be required to respond to a military conflict and the time in which it will be required to respond.

(b) OFFICERS.—The report required by subsection (a) shall be prepared jointly by the Chief of Staff of the Army, the Chief of Naval Operations, the Chief of Staff of the Air Force, the Commandant of the Marine Corps, and the Commander of the Special Operations Command.

(c) ASSESSMENT SCENARIO.—The report shall assess readiness requirements in a scenario based on the following assumptions:

(1) The conflict is in a generic theater of operations located anywhere in the world and does not exceed the notional limits for a major regional contingency.

(2) The forces available for deployment include the forces described in the Bottom Up Review force structure, including all planned force enhancements.

(3) Assistance is not available from allies.

(d) ASSESSMENT ELEMENTS.—The report shall identify by unit type, and assess the readiness requirements of, all active and reserve component units. Each such unit shall be categorized within one of the following classifications:

(1) Forward-deployed and crisis response forces, or "Tier I" forces, that possess limited internal sustainment capability and do not require immediate access to regional air bases or ports or overflight rights, including the following:

(A) Force units that are routinely deployed forward at sea or on land outside the United States.

(B) Combat-ready crises response forces that are capable of mobilizing and deploying within 10 days after receipt of orders.

(C) Forces that are supported by prepositioning equipment afloat or are capable of being inserted into a theater upon the capture of a port or airfield by forcible entry forces.

(2) Combat-ready follow-on forces, or "Tier II" forces, that can be mobilized and deployed to a theater within approximately 60 days after receipt of orders.

(3) Combat-ready conflict resolution forces, or "Tier III" forces, that can be mobilized and deployed to a theater within approximately 180 days after receipt of orders.

(4) All other active and reserve component force units which are not categorized within a classification described in paragraph (1), (2), or (3).

(e) FORM OF REPORT.—The report under this section shall be submitted in unclassified form but may contain a classified annex.

Subtitle F—Other Matters

SEC. 1061. UNIFORM CODE OF MILITARY JUSTICE AMENDMENTS.

(a) TECHNICAL AMENDMENT REGARDING FORFEITURES DURING CONFINEMENT ADJUDGED BY A COURT-MARTIAL.—(1) Section 858b(a)(1) of title 10, United States Code (article 58b(a)(1) of the Uniform Code of Military Justice), is amended—

(A) in the first sentence, by inserting "(if adjudged by a general court-martial)" after "all pay and"; and

(B) in the third sentence, by striking out "two-thirds of all pay and allowances" and inserting in lieu thereof "two-thirds of all pay".

(2) The amendments made by paragraph (1) shall take effect as of April 1, 1996, and shall apply to any case in which a sentence is adjudged by a court-martial on or after that date.

(b) EXCEPTED SERVICE APPOINTMENTS TO CERTAIN NONATTORNEY POSITIONS OF THE UNITED STATES COURT OF APPEALS FOR THE ARMED FORCES..—(1) Subsection (c) of section 943 of title 10, United States Code (article 143(c) of the Uniform Code of Military Justice) is amended in paragraph (1), by inserting after the first sentence the following: "A position of employment under the Court that is provided primarily for the service of one judge of the court, reports directly to the judge, and is a position of a confidential character is excepted from the competitive service.".

(2) The caption for such subsection is amended by striking out "ATTORNEY" in the subsection caption and inserting in lieu thereof "CERTAIN".

SEC. 1062. LIMITATION ON RETIREMENT OR DISMANTLEMENT OF STRATEGIC NUCLEAR DELIVERY SYSTEMS.

(a) FUNDING LIMITATION.—Funds available to the Department of Defense may not be obligated or expended during fiscal year 1997 for retiring or dismantling, or for preparing to retire or dismantle, any of the following strategic nuclear delivery systems:

(1) B-52H bomber aircraft.

(2) Trident ballistic missile submarines.

(3) Minuteman III intercontinental ballistic missiles.

(4) Peacekeeper intercontinental ballistic missiles.

(b) WAIVER AUTHORITY.—If the START II Treaty enters into force during fiscal year 1997, the Secretary of Defense may waive the application of the limitation under paragraphs (2), (3), and (4) of subsection (a) to Trident ballistic missile submarines, Minuteman III intercontinental ballistic missiles, and Peacekeeper intercontinental ballistic missiles, respectively, to the extent that the Secretary determines necessary in order to implement the treaty.

(c) START II TREATY DEFINED.—In this section, the term "START II Treaty" means the Treaty Between the United States of America and the Russian Federation on Further Reduction and Limitation of Strategic Offensive Arms, signed at Moscow on January 3, 1993, including the following protocols and memorandum of understanding, all such documents being integral parts of and collectively referred to as the "START II Treaty" (contained in Treaty Document 103–1):

(1) The Protocol on Procedures Governing Elimination of Heavy ICBMs and on Procedures Governing Conversion of Silo Launchers of Heavy ICBMs Relating to the Treaty Between the United States of America and the Russian Federation on Further Reduction and Limitation of Strategic Offensive Arms (also known as the "Elimination and Conversion Protocol").

(2) The Protocol on Exhibitions and Inspections of Heavy Bombers Relating to the Treaty Between the United States and the Russian Federation on Further Reduction and Limitation of Strategic Offensive Arms (also known as the "Exhibitions and Inspections Protocol").

(3) The Memorandum of Understanding on Warhead Attribution and Heavy Bomber Data Relating to the Treaty Between the United States of America and the Russian Federation on Further Reduction and Limitation of Strategic Offensive Arms (also known as the "Memorandum on Attribution").

SEC. 1063. CORRECTION OF REFERENCES TO DEPARTMENT OF DEFENSE ORGANIZATIONS.

(a) NORTH AMERICAN AEROSPACE DEFENSE COMMAND.—Section 162 of title 10, United States Code, is amended in paragraphs (1), (2), and (3) of subsection (a) by striking out "North American Air Defense Command" and inserting in lieu thereof "North American Aerospace Defense Command".

(b) DEFENSE DISTRIBUTION CENTER, ANNISTON.—The Corporation for the Promotion of Rifle Practice and Firearms Safety Act (title XVI of Public Law 104–106; 110 Stat. 515; 36 U.S.C. 5501 et seq.) is amended by striking out "Anniston Army Depot" each place it appears in the following provisions and inserting in lieu thereof "Defense Distribution Depot, Anniston":

(1) Section 1615(a)(3) (36 U.S.C. 5505(a)(3)).

(2) Section 1616(b) (36 U.S.C. 5506(b)).

(3) Section 1619(a)(1) (36 U.S.C. 5509(a)(1)).

SEC. 1064. AUTHORITY OF CERTAIN MEMBERS OF THE ARMED FORCES TO PERFORM NOTARIAL OR CONSULAR ACTS.

Section 1044a(b) of title 10, United States Code, is amended—

(1) in paragraph (1), by striking out "on active duty or performing inactive-duty for training" and inserting in lieu thereof "of the armed forces, including members of reserve components who are judge advocates (whether or not in a duty status)";

(2) in paragraph (3), by striking out "adjutants on active duty or performing inactive-duty training" and inserting in lieu thereof "adjutants, including members of reserve components acting as such an adjutant (whether or not in a duty status)"; and

(3) in paragraph (4), by striking out "persons on active duty or performing inactive-duty training" and inserting in lieu thereof "members of the armed forces, including members of reserve components (whether or not in a duty status),".

SEC. 1065. TRAINING OF MEMBERS OF THE UNIFORMED SERVICES AT NON-GOVERNMENT FACILITIES.

(a) USE OF NON-GOVERNMENT FACILITIES.—Section 4105 of title 5, United States Code, is amended—

(1) by inserting "and members of a uniformed service under the jurisdiction of the head of the agency" after "employees of the agency"; and

(2) by adding at the end the following: "For the purposes of this section, the term 'agency' includes a military department.".

(b) EXPENSES OF TRAINING.—Section 4109 of such title is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1), by striking out "under regulations prescribed under section 4118(a)(8) of this title and";

(B) in paragraph (1), by inserting after "an employee of the agency" the following: ", or the pay of a member of a uniformed service within the agency, who is"; and

(C) in paragraph (2)—

(i) in the matter preceding subparagraph (A), by inserting "or member of a uniformed service" after "reimburse the employee";

(ii) in subparagraph (A), by striking out "commissioned officers of the National Oceanic and Atmospheric Administration" and inserting in lieu thereof "a member of a uniformed service"; and

(iii) in subparagraph (B), by striking out "commissioned officers of the National Oceanic and Atmospheric Administration" and inserting in lieu thereof "a member of a uniformed service"; and

(2) by adding at the end the following:

"(d) In the exercise of authority under subsection (a) with respect to an employee of an agency, the head of the agency shall comply with regulations prescribed under section 4118(a)(8) of this title.

"(e) For the purposes of this section, the term 'agency' includes a military department.".

SEC. 1066. THIRD-PARTY LIABILITY TO UNITED STATES FOR TORTIOUS INFLICTION OF INJURY OR DISEASE ON MEMBERS OF THE UNIFORMED SERVICES.

(a) RECOVERY OF PAY AND ALLOWANCES.—Section 1 of Public Law 87–693 (42 U.S.C. 2651) is amended—

(1) in the first sentence of subsection (a)—

(A) by inserting "or pay for" after "required by law to furnish"; and

(B) by striking out "or to be furnished" each place that phrase appears and inserting in lieu thereof ", to be furnished, paid for, or to be paid for";

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

(3) by inserting after subsection (a), the following new subsections:

"(b) If a member of the uniformed services is injured, or contracts a disease, under circumstances creating a tort liability upon a third person (other than or in addition to the United States and except employers of seamen referred to in subsection (a)) for damages for such injury or disease and the member is unable to perform the member's regular military duties as a result of the injury or disease, the United States shall have a right (independent of the rights of the member) to recover from the third person or an insurer of the third person, or both, the amount equal to the total amount of the pay that accrues and is to accrue to the member for the period for which the member is unable to perform such duties as a result of the injury or disease and is not assigned to perform other military duties.

"(c)(1) If, pursuant to the laws of a State that are applicable in a case of a member of the uniformed services who is injured or contracts a disease as a result of tortious conduct of a third person, there is in effect for such a case (as a substitute or alternative for compensation for damages through tort liability) a system of compensation or reimbursement for expenses of hospital, medical, surgical, or dental care and treatment or for lost pay pursuant to a policy of insurance, contract, medical or hospital service agreement, or similar arrangement, the United States shall be deemed to be a third-party beneficiary of such a policy, contract, agreement, or arrangement.

"(2) For the purposes of paragraph (1)—

"(A) the expenses incurred or to be incurred by the United States for care and treatment for an injured or diseased member as described in subsection (a) shall be deemed to have been incurred by the member;

"(B) the cost to the United States of the pay of the member as described in subsection (b) shall be deemed to have been pay lost by the member as a result of the injury or disease; and

"(C) the United States shall be subrogated to any right or claim that the injured or diseased member or the member's guardian, personal representative, estate, dependents, or survivors have under a policy, contract, agreement, or arrangement referred to in paragraph (1) to the extent of the reasonable value of the care and treatment and the total amount of the pay deemed lost under subparagraph (B).";

(4) in subsection (d), as redesignated by paragraph (2), by inserting "or paid for" after "treatment is furnished"; and

(5) by adding at the end the following:

"(f)(1) Any amounts recovered under this section for medical care and related services furnished by a military medical treatment facility or similar military activity shall be credited to the appropriation or appropriations supporting the operation of that facility or activity, as determined under regulations prescribed by the Secretary of Defense.

"(2) Any amounts recovered under this section for the cost to the United States of pay of an injured or diseased member of the uniformed services shall be credited to the appropriation that supports the operation of the command, activity, or other unit to which the member was assigned at the time of the injury or illness, as determined under regulations prescribed by the Secretary concerned.

"(g) For the purposes of this section:

"(A) The term 'uniformed services' has the meaning given such term in section 1072(1) of title 10, United States Code.

"(B) The term 'tortious conduct' includes any tortious omission.

"(C) The term 'pay', with respect to a member of the uniformed services, means basic pay, special pay, and incentive pay that the member is authorized to receive under title 37, United States Code, or any other law providing pay for service in the uniformed services.

"(D) The term 'Secretary concerned' means—

"(i) the Secretary of Defense, with respect to the Army, the Navy, the Air Force, the Marine Corps, and the Coast Guard (when it is operating as a service in the Navy);

"(ii) the Secretary of Transportation, with respect to the Coast Guard when it is not operating as a service in the Navy;

"(iii) the Secretary of Health and Human Services, with respect to the Commissioned Corps of the Public Health Service; and

"(iv) the Secretary of Commerce, with respect to the Commissioned Corps of the National Oceanic and Atmospheric Administration.".

(b) CONFORMING AMENDMENTS.—Section 1 of Public Law 87–693 (42 U.S.C. 2651) is amended—

(1) in the first sentence of subsection (a)—

(A) by inserting "(independent of the rights of the injured or diseased person)" after "a right to recover"; and

(B) by inserting ", or that person's insurer," after "from said third person";

(2) in subsection (d), as redesignated by subsection (a)(2)—

(A) by striking out "such right," and inserting in lieu thereof "a right under subsections (a), (b), and (c)"; and

(B) by inserting ", or the insurance carrier or other entity responsible for the payment or reimbursement of medical expenses or lost pay," after "the third person who is liable for the injury or disease" each place that it appears.

(c) APPLICABILITY.—The authority to collect pursuant to the amendments made by this section shall apply to expenses described in the first section of Public Law 87–693 (as amended by this section) that are incurred, or are to be incurred, by the United States on or after the date of the enactment of this Act, whether the event from which the claim arises occurred before, on, or after that date.

SEC. 1067. DISPLAY OF STATE FLAGS AT INSTALLATIONS AND FACILITIES OF THE DEPARTMENT OF DEFENSE.

(a) IN GENERAL.—Except as provided in subsection (b) and notwithstanding any other provision of law, no funds appropriated

or otherwise made available to the Department of Defense may be used to adopt or enforce any rule or other prohibition that discriminates against the display of the official flag of a particular State, territory, or possession of the United States at an official ceremony at any installation or other facility of the Department of Defense at which the official flags of the other States, territories, or possessions of the United States are being displayed.

(b) POSITION AND MANNER OF DISPLAY.—The display of an official flag referred to in subsection (a) at an installation or other facility of the Department shall be governed by the provisions of section 3 of the Joint Resolution of June 22, 1942 (56 Stat. 378, chapter 435; 36 U.S.C. 175), and any modification of such provisions under section 8 of that Joint Resolution (36 U.S.C. 178).

SEC. 1068. GEORGE C. MARSHALL EUROPEAN CENTER FOR STRATEGIC SECURITY STUDIES.

(a) AUTHORITY TO ACCEPT FUNDS, MATERIALS, AND SERVICES.—(1) The Secretary of Defense may, on behalf of the George C. Marshall European Center for Strategic Security Studies, accept gifts or donations of funds, materials (including research materials), property, and services (including lecture services and faculty services) from foreign governments, foundations and other charitable organizations in foreign countries, and individuals in foreign countries in order to defray the costs of the operation of the Center.

(2) Funds received by the Secretary under paragraph (1) shall be credited to appropriations available for the Department of Defense for the George C. Marshall European Center for Strategic Security Studies. Funds so credited shall be merged with the appropriations to which credited and shall be available for the Center for the same purposes and same period as the appropriations with which merged.

(b) PARTICIPATION OF FOREIGN NATIONS OTHERWISE PROHIBITED.—(1) The Secretary may permit representatives of a foreign government to participate in a program of the George C. Marshall European Center for Strategic Security Studies, notwithstanding any other provision of law that would otherwise prevent representatives of that foreign government from participating in the program. Before doing so, the Secretary shall determine, in consultation with the Secretary of State, that the participation of representatives of that foreign government in the program is in the national interest of the United States.

(2) Not later than January 31 of each year, the Secretary of Defense shall, with the assistance of the Director of the Center, submit to Congress a report setting forth the foreign governments permitted to participate in programs of the Center during the preceding year under the authority provided in paragraph (1).

(c) WAIVER OF CERTAIN REQUIREMENTS FOR BOARD OF VISITORS.—(1) The Secretary may waive the application of any financial disclosure requirement imposed by law to a foreign member of the Board of Visitors of the Center if that requirement would otherwise apply to the member solely by reason of the service as a member of the Board. The authority under the preceding sentence applies only in the case of a foreign member who serves on the Board without compensation.

(2) Notwithstanding any other provision of law, a member of the Board of Visitors may not be required to register as an agent of a foreign government solely by reason of service as a member of the Board.

SEC. 1069. AUTHORITY TO AWARD TO CIVILIAN PARTICIPANTS IN THE DEFENSE OF PEARL HARBOR THE CONGRESSIONAL MEDAL PREVIOUSLY AUTHORIZED ONLY FOR MILITARY PARTICIPANTS IN THE DEFENSE OF PEARL HARBOR.

(a) AUTHORITY.—The Speaker of the House of Representatives and the President pro tempore of the Senate are authorized jointly to present, on behalf of Congress, a bronze medal provided for under section 1492 of the National Defense Authorization Act for Fiscal Year 1991 (104 Stat. 1721) to any person who meets the eligibility requirements set forth in subsection (d) of that section other than the requirement for membership in the Armed Forces, as certified under subsection (e) of that section or under subsection (b) of this section.

(b) CERTIFICATION.—The Secretary of Defense shall, not later than 12 months after the date of the enactment of this Act, certify to the Speaker of the House of Representatives and the President pro tempore of the Senate the names of persons who are eligible for award of the medal under this Act and have not previously been certified under section 1492(e) of the National Defense Authorization Act for Fiscal Year 1991.

(c) APPLICATIONS.—Subsections (d)(2) and (f) of section 1492 of the National Defense Authorization Act for Fiscal Year 1991 shall apply in the administration of this Act.

(d) ADDITIONAL STRIKING AUTHORITY.—The Secretary of the Treasury shall strike such additional medals as may be necessary for presentation under the authority of subsection (a).

(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated such sum as may be necessary to carry out this section.

(f) RETROACTIVE EFFECTIVE DATE.—The authority under subsection (a) shall be effective as of November 5, 1990.

SEC. 1070. MICHAEL O'CALLAGHAN FEDERAL HOSPITAL, LAS VEGAS, NEVADA.

(a) FINDINGS.—Congress makes the following findings:

(1) Michael O'Callaghan, former Governor of the State of Nevada, served in three branches of the Armed Forces of the United States, namely, the Army, the Air Force, and the Marine Corps.

(2) At 16 years of age, Michael O'Callaghan enlisted in the United States Marine Corps to serve during the end of World War II.

(3) During the Korean conflict, Michael O'Callaghan served successively in the Air Force and the Army and, during such service, suffered wounds in combat that necessitated the amputation of his left leg.

(4) Michael O'Callaghan was awarded the Silver Star, the Bronze Star with Valor Device, and the Purple Heart for his military service.

(5) In 1963, Michael O'Callaghan became the first director of the Health and Welfare Department of the State of Nevada.

(6) In 1970, Michael O'Callaghan became Governor of the State of Nevada and served in that position through 1978, making him one of only five two-term governors in the history of the State of Nevada.

(7) In 1982, Michael O'Callaghan received the Air Force Exceptional Service Award.

(8) It is appropriate to name the Nellis Federal Hospital, Las Vegas, Nevada, a hospital operated jointly by the Department of Defense, through Nellis Air Force Base, and the Department of Veterans Affairs, through the Las Vegas Veterans Affairs Outpatient Clinic, after Michael O'Callaghan, a man who (A) has served his country with honor in three branches of the Armed Forces, (B) as a disabled veteran knows personally the tragic sacrifices that are so often made in the service of his country in the Armed Forces, and (C) has spent his entire career working to improve the lives of all Nevadans.

(b) DESIGNATION OF MICHAEL O'CALLAGHAN FEDERAL HOSPITAL.—The Nellis Federal Hospital, a Federal building located at 4700 North Las Vegas Boulevard, Las Vegas, Nevada, is designated as the "Michael O'Callaghan Federal Hospital".

(c) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the Federal building referred to in subsection (b) shall be deemed to be a reference to the "Michael O'Callaghan Federal Hospital".

SEC. 1071. NAMING OF BUILDING AT THE UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES.

It is the sense of the Senate that the Secretary of Defense should name Building A at the Uniformed Services University of the Health Sciences as the "David Packard Building".

TITLE XI—DEPARTMENT OF DEFENSE CIVILIAN PERSONNEL

Subtitle A—Personnel Management, Pay, and Allowances

SEC. 1101. SCOPE OF REQUIREMENT FOR CONVERSION OF MILITARY POSITIONS TO CIVILIAN POSITIONS.

Section 1032(a) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 429; 10 U.S.C. 129a note) is amended—

(1) by striking out the text of paragraph (1) and inserting in lieu thereof the following: "By September 30, 1996, the Secretary of Defense shall convert at least 3,000 military positions to civilian positions.";

(2) by striking out paragraph (2); and

(3) by redesignating paragraph (3) as paragraph (2).

SEC. 1102. RETENTION OF CIVILIAN EMPLOYEE POSITIONS AT MILITARY TRAINING BASES TRANSFERRED TO NATIONAL GUARD.

(a) MILITARY TRAINING INSTALLATIONS AFFECTED.—This section applies with respect to each military training installation that—

(1) was approved for closure in 1995 under the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note);

(2) is scheduled for transfer during fiscal year 1997 to National Guard operation and control; and

(3) will continue to be used, after such transfer, to provide training support to active and reserve components of the Armed Forces.

(b) RETENTION OF EMPLOYEE POSITIONS.—In the case of a military training installation described in subsection (a), the Secretary of Defense may retain civilian employee positions of the Department of Defense at the installation after transfer to the National Guard of a State in order to facilitate active and reserve component training at the installation. The Secretary, in consultation with the Adjutant General of the National Guard of that State, shall determine the extent to which positions at that installation are to be retained as positions in the Department of Defense.

(c) MAXIMUM NUMBER OF POSITIONS RETAINED.—The maximum number of civilian employee positions retained at an installation under this section shall not exceed 20 percent of the Federal civilian workforce employed at the installation as of September 8, 1995.

(d) REMOVAL OF POSITION.—The decision to retain civilian employee positions at an installation under this section shall cease to apply to a position so retained on the date on which the Secretary certifies to Congress that it is no longer necessary to retain the position in order to ensure that effective support is provided at the installation for active and reserve component training.

SEC. 1103. CLARIFICATION OF LIMITATION ON FURNISHING CLOTHING OR PAYING A UNIFORM ALLOWANCE TO ENLISTED NATIONAL GUARD TECHNICIANS.

Section 418(c) of title 37, United States Code, is amended by striking out "for which a uniform allowance is paid under section 415 or 416 of this title" and inserting in lieu thereof "for which clothing is furnished or a uniform allowance is paid under this section".

SEC. 1104. TRAVEL EXPENSES AND HEALTH CARE FOR CIVILIAN EMPLOYEES OF THE DEPARTMENT OF DEFENSE ABROAD.

(a) IN GENERAL.—Chapter 81 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 1599b. Employees abroad: travel expenses; health care

"(a) IN GENERAL.—The Secretary of Defense may provide civilian employees, and members of their families, abroad with benefits that are comparable to certain benefits that are provided by the Secretary of State to members of the Foreign Service and their families abroad as described in subsections (b) and (c). The Secretary may designate the employees and members of families who are eligible to receive the benefits.

"(b) TRAVEL AND RELATED EXPENSES.—The Secretary of Defense may pay travel expenses and related expenses for purposes and in amounts that are comparable to the purposes for which, and the amounts in which, travel and related expenses are paid by the Secretary of State under section 901 of the Foreign Service Act of 1980 (22 U.S.C. 4081).

"(c) HEALTH CARE PROGRAM.—The Secretary of Defense may establish a health care program that is comparable to the health care program established by the Secretary of State under section 904 of that Act (22 U.S.C. 4084).

"(d) ASSISTANCE.—The Secretary of Defense may enter into agreements with the heads of other departments and agencies of the Federal Government in order to facilitate the payment of expenses authorized by subsection (b) and to carry out a health care program authorized by subsection (c).

"(e) ABROAD DEFINED.—In this section, the term 'abroad' means outside—

"(1) the United States; and

"(2) the territories and possessions of the United States.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1599a the following new item:

"1599b. Employees abroad: travel expenses; health care.".

SEC. 1105. TRAVEL, TRANSPORTATION, AND RELOCATION ALLOWANCES FOR CERTAIN FORMER NONAPPROPRIATED FUND EMPLOYEES.

(a) IN GENERAL.—(1) Subchapter II of chapter 57 of title 5, United States Code, is amended by adding at the end the following new section:

"§ 5736. Travel, transportation, and relocation expenses of certain nonappropriated fund employees

"An employee of a nonappropriated fund instrumentality of the Department of Defense or the Coast Guard described in section 2105(c) of this title who moves, without a break in service of more than 3 days, to a position in the Department of Defense or the Coast Guard, respectively, may be authorized travel, transportation, and relocation expenses and allowances under the same conditions and to the same extent authorized by this subchapter for transferred employees.".

(2) The table of sections at the beginning of chapter 57 of such title is amended by inserting after the item relating to section 5735 the following new item:

"5736. Travel, transportation, and relocation expenses of certain nonappropriated fund employees.".

(b) APPLICABILITY.—Section 5736 of title 5, United States Code (as added by subsection (a)(1)), shall apply to moves between positions as described in such section that are effective on or after October 1, 1996.

SEC. 1106. EMPLOYMENT AND SALARY PRACTICES APPLICABLE TO DEPARTMENT OF DEFENSE OVERSEAS TEACHERS.

(a) EXPANSION OF SCOPE OF EDUCATORS COVERED.—Section 2 of the Defense Department Overseas Teachers Pay and Personnel Practices Act (20 U.S.C. 901) is amended—

(1) in subparagraph (A) of paragraph (1), by inserting ", or are performed by an individual who carried out certain teaching activities identified in regulations prescribed by the Secretary of Defense" after "Defense,"; and

(2) by striking out subparagraph (C) of paragraph (2) and inserting in lieu thereof the following:

"(C) who is employed in a teaching position described in paragraph (1).".

(b) TRANSFER OF RESPONSIBILITY FOR EMPLOYMENT AND SALARY PRACTICES.—Section 5 of such Act (20 U.S.C. 903) is amended—

(1) in subsection (a)—

(A) by striking out "secretary of each military department in the Department of Defense" and inserting in lieu thereof "Secretary of Defense"; and

(B) by striking out "his military department" and inserting in lieu thereof "the Department of Defense";

(2) in subsection (b)—

(A) in the matter preceding paragraph (1), by striking out "secretary of each military department—" and inserting in lieu thereof "Secretary of Defense—"; and

(B) in paragraph (1), by striking out "his military department," and inserting in lieu thereof "the Department of Defense";

(3) in subsection (c)—

(A) by striking out "Secretary of each military department" and inserting in lieu thereof "Secretary of Defense"; and

(B) by striking out "his military department" and inserting in lieu thereof "the Department of Defense"; and

(4) in subsection (d), by striking out "Secretary of each military department" and inserting in lieu thereof "Secretary of Defense".

SEC. 1107. EMPLOYMENT AND COMPENSATION OF CIVILIAN FACULTY MEMBERS AT CERTAIN DEPARTMENT OF DEFENSE SCHOOLS.

(a) FACULTIES.—Section 1595(c) of title 10, United States Code, is amended by inserting after paragraph (3) the following new paragraph (4):

"(4) The English Language Center of the Defense Language Institute.

"(5) The Asia-Pacific Center for Security Studies.".

(b) CERTAIN ADMINISTRATORS.—Such section 1595 is amended by adding at the end the following:

"(f) APPLICATION TO DIRECTOR AND DEPUTY DIRECTOR AT ASIA-PACIFIC CENTER FOR SECURITY STUDIES.—In the case of the Asia-Pacific Center for Security Studies, this section also applies with respect to the Director and the Deputy Director.".

SEC. 1108. REIMBURSEMENT OF DEPARTMENT OF DEFENSE DOMESTIC DEPENDENT SCHOOL BOARD MEMBERS FOR CERTAIN EXPENSES.

Section 2164(d) of title 10, United States Code, is amended by adding at the end the following:

"(7) The Secretary may provide for reimbursement of a school board member for expenses incurred by the member for travel, transportation, program fees, and activity fees that the Secretary determines are reasonable and necessary for the performance of school board duties by the member.".

SEC. 1109. EXTENSION OF AUTHORITY FOR CIVILIAN EMPLOYEES OF DEPARTMENT OF DEFENSE TO PARTICIPATE VOLUNTARILY IN REDUCTIONS IN FORCE.

Section 3502(f)(5) of title 5, United States Code, is amended by striking out "September 30, 1996" and inserting in lieu thereof "September 30, 2001".

SEC. 1110. COMPENSATORY TIME OFF FOR OVERTIME WORK PERFORMED BY WAGE-BOARD EMPLOYEES.

Section 5543 of title 5, United States Code, is amended by adding at the end the following:

"(c) The head of an agency may, on request of an employee, grant the employee compensatory time off from the employee's scheduled tour of duty instead of payment under section 5544 of this title or section 7 of the Fair Labor Standards Act of 1938 for an equal amount of time spent in irregular or occasional overtime work.".

SEC. 1111. LIQUIDATION OF RESTORED ANNUAL LEAVE THAT REMAINS UNUSED UPON TRANSFER OF EMPLOYEE FROM INSTALLATION BEING CLOSED OR REALIGNED.

(a) LUMP-SUM PAYMENT REQUIRED.—Section 5551 of title 5, United States Code, is amended by adding at the end the following new subsection:

"(c)(1) Annual leave that is restored to an employee of the Department of Defense under section 6304(d) of this title by reason of the operation of paragraph (3) of such section and remains unused upon the transfer of the employee to a position described in paragraph (2) shall be liquidated by payment of a lump-sum for such leave to the employee upon the transfer.

"(2) A position referred to in paragraph (1) is a position in a department or agency of the Federal Government outside the Department of Defense or a Department of Defense position that is not located at a Department of Defense installation being closed or realigned as described in section 6304(d)(3) of this title.".

(b) APPLICABILITY.—Subsection (c) of section 5551 of title 5, United States Code (as added by subsection (a)), shall apply with respect to transfers described in such subsection (c) that take effect on or after the date of the enactment of this Act.

SEC. 1112. WAIVER OF REQUIREMENT FOR REPAYMENT OF VOLUNTARY SEPARATION INCENTIVE PAY BY FORMER DEPARTMENT OF DEFENSE EMPLOYEES REEMPLOYED BY THE GOVERNMENT WITHOUT PAY.

Section 5597(g) of title 5, United States Code, is amended by adding at the end the following new paragraph:

"(5) If the employment is without compensation, the appointing official may waive the repayment.".

SEC. 1113. FEDERAL HOLIDAY OBSERVANCE RULES FOR DEPARTMENT OF DEFENSE EMPLOYEES.

(a) HOLIDAYS OCCURRING ON NONWORKDAYS.—Section 6103(b) of title 5, United States Code, is amended by inserting after paragraph (2) the following new paragraph:

"(3) In the case of a full-time employee of the Department of Defense, the following rules apply:

"(A) When a legal public holiday occurs on a Sunday that is not a regular weekly workday for an employee, the employee's next workday is the legal public holiday for the employee.

"(B) When a legal public holiday occurs on a regular weekly nonworkday that is administratively scheduled for an employee instead of Sunday, the employee's next workday is the legal public holiday for the employee.

"(C) When a legal public holiday occurs on an employee's regular weekly nonworkday immediately following a regular weekly nonworkday that is administratively scheduled for the employee instead of Sunday, the employee's next workday is the legal public holiday for the employee.

"(D) When a legal public holiday occurs on an employee's regular weekly nonworkday that is not a nonworkday referred to in subparagraph (A), (B), or (C), the employee's preceding workday is the legal public holiday for the employee.

"(E) The Secretary concerned (as defined in section 101(a) of title 10) may schedule a legal public holiday for an employee to be on a different day than the one that would otherwise apply for the employee under subparagraph (A), (B), (C), or (D).

"(F) If a legal public holiday for an employee would be different under paragraph (1) or (2) than the day determined under this paragraph, the legal public holiday for the employee shall be the day that is determined under this paragraph.".

(b) TECHNICAL AND CONFORMING AMENDMENTS.—Section 6103(b) of such title, as amended by subsection (a), is further amended—

(1) in paragraph (1), by striking out "legal public holiday for—" and all that follows through the period and inserting in lieu thereof "legal public holiday for employees whose basic workweek is Monday through Friday."; and

(2) in the matter following paragraph (3), by striking out "This subsection, except subparagraph (B) of paragraph (1)," and inserting in lieu thereof "Paragraphs (1) and (2)".

SEC. 1114. REVISION OF CERTAIN TRAVEL MANAGEMENT AUTHORITIES.

(a) REPEAL OF REQUIREMENTS RELATING TO FIRE-SAFE ACCOMMODATIONS.—(1) Section 5707 of title 5, United States Code, is amended by striking out subsection (d).

(2) Subsection (b) of section 5 of the Hotel and Motel Fire Safety Act of 1990 (Public Law 101-391; 104 Stat. 751; 5 U.S.C. 5707 note) is repealed.

(b) USE OF FUNDS FOR LONG-DISTANCE CHARGES.—Subsection (b) of section 1348 of title 31, United States Code, is amended to read as follows:

"(b) Appropriations of an agency are available to pay charges assessed by commercial telecommunications carriers for long-distance telephone services provided to individuals travelling on official business of the agency if charges for such services are included in a travel expense report and approved by the official of the agency responsible for approving travel expense reports.".

(c) REPEAL OF PROHIBITION ON PAYMENT OF LODGING EXPENSES OF DEPARTMENT OF DEFENSE EMPLOYEES AND OTHER CIVILIANS WHEN ADEQUATE GOVERNMENT QUARTERS ARE AVAILABLE.—(1) Section 1589 of title 10, United States Code, is repealed.

(2) The table of sections at the beginning of chapter 81 of such title is amended by striking out the item relating to such section.

Subtitle B—Defense Economic Adjustment, Diversification, Conversion, and Stabilization

SEC. 1121. PILOT PROGRAMS FOR DEFENSE EMPLOYEES CONVERTED TO CONTRACTOR EMPLOYEES DUE TO PRIVATIZATION AT CLOSED MILITARY INSTALLATIONS.

(a) PILOT PROGRAMS AUTHORIZED.—(1) The Secretary of Defense, after consultation with the Secretary of the Navy, the Secretary of the Air Force, and the Director of the Office of Personnel Management, may establish a pilot program under which Federal retirement benefits are provided in accordance with this section to persons who convert from Federal employment in the Department of the Navy or the Department of the Air Force to employment by a Department of Defense contractor in connection with the privatization of the performance of functions at selected military installations being closed under the base closure and realignment process.

(2) The Secretary of Defense shall select the installations to be covered by a pilot program under this section.

(b) ELIGIBLE TRANSFERRED EMPLOYEES.—(1) A person is a transferred employee eligible for benefits under this section if the person is a former employee of the Department of Defense (other than a temporary employee) who—

(A) while employed by the Department of Defense in a function recommended to be privatized as part of the closure and realignment of military installations pursuant to section 2903(e) of the Defense Base Closure and Realignment Act of 1990 (title XXIX of Public Law 101-510; 10 U.S.C. 2687 note) and while covered under the Civil Service Retirement System, separated from Federal service after being notified that the employee would be separated in a reduction-in-force resulting from conversion from performance of a function by Department of Defense employees at that military installation to performance of that function by a defense contractor at that installation or in the vicinity of that installation;

(B) is employed by the defense contractor within 60 days following such separation to perform substantially the same function performed before the separation;

(C) remains employed by the defense contractor (or a successor defense contractor) or subcontractor of the defense contractor (or successor defense contractor) until attaining early deferred retirement age (unless the employment is sooner involuntarily terminated for reasons other than performance or conduct of the employee);

(D) at the time separated from Federal service, was not eligible for an immediate annuity under the Civil Service Retirement System; and

(E) does not withdraw retirement contributions under section 8342 of title 5, United States Code.

(2) A person who, under paragraph (1), would otherwise be eligible for an early deferred annuity under this section shall not be eligible for such benefits if the person received separation pay or severance pay due to a separation described in subparagraph (A) of that paragraph unless the person repays the full amount of such pay with interest (computed at a rate determined appropriate by the Director of the Office of Personnel Management) to the Department of Defense before attaining early deferred retirement age.

(c) RETIREMENT BENEFITS OF TRANSFERRED EMPLOYEES.—In the case of a transferred employee covered by a pilot program under this section, payment of a deferred annuity for which the transferred employee is eligible under section 8338(a) of title 5, United States Code, shall commence on the first day of the first month that begins after the date on which the transferred employee attains early deferred retirement age, notwithstanding the age requirement under that section.

(d) COMPUTATION OF AVERAGE PAY.—(1)(A) This paragraph applies to a transferred employee who was employed in a position classified under the General Schedule immediately before the employee's covered separation from Federal service.

(B) Subject to subparagraph (C), for purposes of computing the deferred annuity for a transferred employee referred to in subparagraph (A), the average pay of the transferred employee, computed under section 8331(4) of title 5, United States Code, as of the date of the employee's covered separation from Federal service, shall be adjusted at the same time and by the same percentage that rates of basic pay are increased under section 5303 of such title during the period beginning on that date and ending on the date on which the transferred employee attains early deferred retirement age.

(C) The average pay of a transferred employee, as adjusted under subparagraph (B), may not exceed the amount to which an annuity of the transferred employee could be increased under section 8340 of title 5, United States Code, in accordance with the limitation in subsection (g)(1) of such section (relating to maximum pay, final pay, or average pay).

(2)(A) This paragraph applies to a transferred employee who was a prevailing rate employee (as defined under section 5342(2) of title 5, United States Code) immediately before the employee's covered separation from Federal service.

(B) For purposes of computing the deferred annuity for a transferred employee referred to in subparagraph (A), the average pay of the transferred employee, computed under section 8331(4) of title 5, United States Code, as of the date of the employee's covered separation from Federal service, shall be adjusted at the same time and by the same percentage that pay rates for positions that are in the same area as, and are comparable to, the last position the transferred employee held as a prevailing rate employee, are increased under section 5343(a) of such title during the period beginning on that date and ending on the date on which the transferred employee attains early deferred retirement age.

(e) PAYMENT OF UNFUNDED LIABILITY.—(1) The military department concerned shall be liable for that portion of any estimated increase in the unfunded liability of the Civil Service Retirement and Disability Fund established under section 8348 of title 5, United States Code, which is attributable to any benefits payable from such Fund to a transferred employee, and any survivor of a transferred employee, when the increase results from—

(A) an increase in the average pay of the transferred employee under subsection (d) upon which such benefits are computed; and

(B) the commencement of an early deferred annuity in accordance with this section before the attainment of 62 years of age by the transferred employee.

(2) The estimated increase in the unfunded liability for each department referred to in paragraph (1), shall be determined by the Director of the Office of Personnel Management. In making the determination, the Director shall consider any savings to the Fund as a result of the program established under this section. The Secretary of the military department concerned shall pay the amount so determined to the Director in 10 equal annual installments with interest computed at the rate used in the most recent valuation of the Civil Service Retirement System, with the first payment thereof due at the end of the fiscal year in which an increase in average pay under subsection (d) becomes effective.

(f) CONTRACTOR SERVICE NOT CREDITABLE.—Service performed by a transferred employee for a defense contractor after the employee's covered separation from Federal service is not creditable service for purposes of subchapter III of chapter 83 of title 5, United States Code.

(g) RECEIPT OF BENEFITS WHILE EMPLOYED BY A DEFENSE CONTRACTOR.—A transferred employee may commence receipt of an early deferred annuity in accordance with this section while continuing to work for a defense contractor.

(h) LUMP-SUM CREDIT PAYMENT.—If a transferred employee dies before attaining early deferred retirement age, such employee shall be treated as a former employee who dies not retired for purposes of payment of the lump-sum credit under section 8342(d) of title 5, United States Code.

(i) CONTINUED FEDERAL HEALTH BENEFITS COVERAGE.—Notwithstanding section 5905a(e)(1)(A) of title 5, United States Code, the continued coverage of a transferred employee for health benefits under chapter 89 of such title by reason of the application of section 8905a of such title to such employee shall terminate 90 days after the date of the employee's covered separation from Federal employment. For the purposes of the preceding sentence, a person who, except for subsection (b)(2), would be a transferred employee shall be considered a transferred employee.

(j) REPORT BY GAO.—The Comptroller General of the United States shall conduct a study of each pilot program, if any, established under this section and submit a report on the pilot program to Congress not later than two years after the date on which the program is established. The report shall contain the following:

(1) A review and evaluation of the program, including—

(A) an evaluation of the success of the privatization outcomes of the program;

(B) a comparison and evaluation of such privatization outcomes with the privatization outcomes with respect to facilities at other military installations closed or realigned under the base closure laws;

(C) an evaluation of the impact of the program on the Federal workforce and whether the program results in the maintenance of a skilled workforce for defense contractors at an acceptable cost to the military department concerned; and

(D) an assessment of the extent to which the pilot program is a cost-effective means of facilitating privatization of the performance of Federal activities.

(2) Recommendations relating to the expansion of the program to other installations and employees.

(3) Any other recommendation relating to the program.

(k) IMPLEMENTING REGULATIONS.—Not later than 30 days after the Secretary of Defense notifies the Director of the Office of Personnel Management of a decision to establish a pilot program under this section, the Director shall prescribe regulations to carry out the provisions of this section with respect to that pilot program. Before prescribing the regulations, the Director shall consult with the Secretary.

(l) DEFINITIONS.—In this section:

(1) The term "transferred employee" means a person who, pursuant to subsection (b), is eligible for benefits under this section.

(2) The term "covered separation from Federal service" means a separation from Federal service as described under subsection (b)(1)(A).

(3) The term "Civil Service Retirement System" means the retirement system under subchapter III of chapter 83 of title 5, United States Code.

(4) The term "defense contractor" means any entity that—

(A) contracts with the Department of Defense to perform a function previously performed by Department of Defense employees;

(B) performs that function at the same installation at which such function was previously performed by Department of Defense employees or in the vicinity of that installation; and

(C) is the employer of one or more transferred employees.

(5) The term "early deferred retirement age" means the first age at which a transferred employee would have been eligible for immediate retirement under subsection (a) or (b) of section 8336 of title 5, United States Code, if such transferred employee had remained an employee within the meaning of section 8331(1) of such title continuously until attaining such age.

(6) The term "severance pay" means severance pay payable under section 5595 of title 5, United States Code.

(7) The term "separation pay" means separation pay payable under section 5597 of title 5, United States Code.

(m) EFFECTIVE DATE.—This section shall take effect on August 1, 1996, and shall apply to covered separations from Federal service on or after that date.

SEC. 1122. TROOPS-TO-TEACHERS PROGRAM IMPROVEMENTS APPLIED TO CIVILIAN PERSONNEL.

(a) SEPARATED CIVILIAN EMPLOYEES OF THE DEPARTMENT OF DEFENSE.—(1) Subsection (a) of section 1598 of title 10, United States Code, is amended by striking out "may establish" and inserting in lieu thereof "shall establish".

(2) Subsection (d)(2) of such section is amended by striking out "five school years" in subparagraphs (A) and (B) and inserting in lieu thereof "two school years".

(b) DISPLACED DEPARTMENT OF DEFENSE CONTRACTOR EMPLOYEES.—Section 2410j(f)(2) of such title is amended by striking out "five school years" in subparagraphs (A) and (B) and inserting in lieu thereof "two school years".

(c) SAVINGS PROVISION.—The amendments made by this section do not effect obligations under agreements entered into in accordance with section 1598 or 2410j of title 10, United States Code, before the date of the enactment of this Act.

TITLE XII—FEDERAL CHARTER FOR THE FLEET RESERVE ASSOCIATION

SEC. 1201. RECOGNITION AND GRANT OF FEDERAL CHARTER.

The Fleet Reserve Association, a nonprofit corporation organized under the laws of the State of Delaware, is recognized as such and granted a Federal charter.

SEC. 1202. POWERS.

The Fleet Reserve Association (in this title referred to as the "association") shall have only those powers granted to it through its bylaws and articles of incorporation filed in the State in which it is incorporated and subject to the laws of such State.

SEC. 1203. PURPOSES.

The purposes of the association are those provided in its bylaws and articles of incorporation and shall include the following:

(1) Upholding and defending the Constitution of the United States.

(2) Aiding and maintaining an adequate naval defense for the United States.

(3) Assisting the recruitment of the best personnel available for the United States Navy, United States Marine Corps, and United States Coast Guard.

(4) Providing for the welfare of the personnel who serve in the United States Navy, United States Marine Corps, and United States Coast Guard.

(5) Continuing to serve loyally the United States Navy, United States Marine Corps, and United States Coast Guard.

(6) Preserving the spirit of shipmanship by providing assistance to shipmates and their families.

(7) Instilling love of the United States and the flag and promoting soundness of mind and body in the youth of the United States.

SEC. 1204. SERVICE OF PROCESS.

With respect to service of process, the association shall comply with the laws of the State in which it is incorporated and those States in which it carries on its activities in furtherance of its corporate purposes.

SEC. 1205. MEMBERSHIP.

Except as provided in section 1208(g), eligibility for membership in the association and the rights and privileges of members shall be as provided in the bylaws and articles of incorporation of the association.

SEC. 1206. BOARD OF DIRECTORS.

Except as provided in section 1208(g), the composition of the board of directors of the association and the responsibilities of the board shall be as provided in the bylaws and articles of incorporation of the association and in conformity with the laws of the State in which it is incorporated.

SEC. 1207. OFFICERS.

Except as provided in section 1208(g), the positions of officers of the association and the election of members to such officers shall be as provided in the bylaws and articles of incorporation of the association and in conformity with the laws of the State in which it is incorporated.

SEC. 1208. RESTRICTIONS.

(a) INCOME AND COMPENSATION.—No part of the income or assets of the association may inure to the benefit of any member, officer, or director of the association or be distributed to any such individual during the life of this charter. Nothing in this subsection may be construed to prevent the payment of reasonable compensation to the officers and employees of the association or reimbursement for actual and necessary expenses in amounts approved by the board of directors.

(b) LOANS.—The association may not make any loan to any member, officer, director, or employee of the association.

(c) ISSUANCE OF STOCK AND PAYMENT OF DIVIDENDS.—The association may not issue any shares of stock or declare or pay any dividend.

(d) FEDERAL APPROVAL.—The association may not claim the approval of the Congress or the authorization of the Federal Government for any of its activities by virtue of this title.

(e) CORPORATE STATUS.—The association shall maintain its status as a corporation organized and incorporated under the laws of the State of Delaware.

(f) CORPORATE FUNCTION.—The association shall function as an educational, patriotic, civic, historical, and research organization under the laws of the State in which it is incorporated.

(g) NONDISCRIMINATION.—In establishing the conditions of membership in the association and in determining the requirements for serving on the board of directors or as an officer of the association, the association may not discriminate on the basis of race, color, religion, sex, handicap, age, or national origin.

SEC. 1209. LIABILITY.

The association shall be liable for the acts of its officers, directors, employees, and agents whenever such individuals act within the scope of their authority.

SEC. 1210. MAINTENANCE AND INSPECTION OF BOOKS AND RECORDS.

(a) BOOKS AND RECORDS OF ACCOUNT.—The association shall keep correct and complete books and records of account and minutes of any proceeding of the association involving any of its members, the board of directors, or any committee having authority under the board of directors.

(b) NAMES AND ADDRESSES OF MEMBERS.—The association shall keep at its principal office a record of the names and addresses of all members having the right to vote in any proceeding of the association.

(c) RIGHT TO INSPECT BOOKS AND RECORDS.—All books and records of the association may be inspected by any member having the right to vote in any proceeding of the association, or by any agent or attorney of such member, for any proper purpose at any reasonable time.

(d) APPLICATION OF STATE LAW.—This section may not be construed to contravene any applicable State law.

SEC. 1211. AUDIT OF FINANCIAL TRANSACTIONS.

The first section of the Act entitled "An Act to provide for audit of accounts of private corporations established under Federal law", approved August 30, 1964 (36 U.S.C. 1101), is amended by adding at the end the following:

"(77) Fleet Reserve Association.".

SEC. 1212. ANNUAL REPORT.

The association shall annually submit to Congress a report concerning the activities of the association during the preceding fiscal year. The annual report shall be submitted on the same date as the report of the audit required by reason of the amendment made in section 1211. The annual report shall not be printed as a public document.

SEC. 1213. RESERVATION OF RIGHT TO AMEND OR REPEAL CHARTER.

The right to alter, amend, or repeal this title is expressly reserved to Congress.

SEC. 1214. TAX-EXEMPT STATUS.

The association shall maintain its status as an organization exempt from taxation as provided in the Internal Revenue Code of 1986.

SEC. 1215. TERMINATION.

The charter granted in this title shall expire if the association fails to comply with any of the provisions of this title.

SEC. 1216. DEFINITION.

For purposes of this title, the term "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the United States Virgin Islands, Guam, American Samoa, the Republic of the Marshall Islands, the Federated States Of Micronesia, the Republic of Palau, and any other territory or possession of the United States.

DIVISION B—MILITARY CONSTRUCTION AUTHORIZATIONS

SEC. 2001. SHORT TITLE.

This division may be cited as the "Military Construction Authorization Act for Fiscal Year 1997".

TITLE XXI—ARMY

SEC. 2101. AUTHORIZED ARMY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(1), the Secretary of the Army may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Army: Inside the United States

State	Installation or location	Total
Alabama	Fort Rucker	$3,250,000
California	Camp Roberts	$5,500,000
	Naval Weapons Station, Concord	$27,000,000
Colorado	Fort Carson	$13,000,000
District of Columbia	Fort McNair	$6,900,000
Georgia	Fort Benning	$53,400,000
	Fort McPherson	$3,500,000
	Fort Stewart	$6,000,000
Hawaii	Schofield Barracks	$16,500,000
Kansas	Fort Riley	$29,350,000
Kentucky	Fort Campbell	$61,000,000
	Fort Knox	$13,000,000
Louisiana	Fort Polk	$4,800,000
New York	Fort Drum	$6,500,000
Texas	Fort Hood	$40,900,000
	Fort Sam Houston	$3,100,000
Virginia	Fort Eustis	$3,550,000
Washington	Fort Lewis	$54,600,000
CONUS Classified	Classified Locations	$4,600,000
	Total:	$356,450,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(2), the Secretary of the Army may acquire real property and carry out military construction projects for the locations outside the United States, and in the amounts, set forth in the following table:

Army: Outside the United States

Country	Installation or location	Total
Germany	Spinellii Barracks, Mannheim	$8,100,000
	Taylor Barracks, Mannheim	$9,300,000
Italy	Camp Ederle	$3,100,000
Korea	Camp Casey	$16,000,000
	Camp Red Cloud	$14,000,000
Overseas Classified	Classified Locations	$64,000,000
Worldwide	Host Nation Support	$20,000,000
	Total:	$134,500,000

SEC. 2102. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(5)(A), the Secretary of the Army may construct or acquire family housing units (including land acquisition) at the installations, for the purposes, and in the amounts set forth in the following table:

Army: Family Housing

State	Installation	Purpose	Total
Hawaii	Schofield Barracks	54 Units	$10,000,000
North Carolina	Fort Bragg	88 Units	$9,800,000
Texas	Fort Hood	140 Units	$18,500,000
		Total:	$38,300,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(5)(A), the Secretary of the Army may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of family housing units in an amount not to exceed $4,083,000.

SEC. 2103. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in sections 2104(a)(5)(A), the Secretary of the Army may improve existing military family housing units in an amount not to exceed $109,750,000.

SEC. 2104. AUTHORIZATION OF APPROPRIATIONS, ARMY.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1996, for military construction, land acquisition, and military family housing functions of the Department of the Army in the total amount of $1,894,297,000 as follows:

(1) For military construction projects inside the United States authorized by section 2101(a), $356,450,000.

(2) For military construction projects outside the United States authorized by section 2101(b), $134,500,000.

(3) For unspecified minor military construction projects authorized by section 2805 of title 10, United States Code, $7,000,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $31,748,000.

(5) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $152,133,000.

(B) For support of military family housing (including the functions described in section 2833 of title 10, United States Code), $1,212,466,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2101 of this Act may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

TITLE XXII—NAVY

SEC. 2201. AUTHORIZED NAVY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2205(a)(1), the Secretary of the Navy may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Navy: Inside the United States

State	Installation or location	Amount
Arizona	Navy Detachment, Camp Navajo	$3,920,000
California	Marine Corps Air-Ground Combat Center, Twentynine Palms	$4,020,000
	Marine Corps Air Station, Camp Pendleton	$6,240,000
	Marine Corps Base, Camp Pendleton	$51,630,000
	Marine Corps Recruit Depot, San Diego	$8,150,000
	Naval Air Station, North Island	$76,872,000
	Naval Facility, San Clemente Island	$17,000,000
	Naval Station, San Diego	$7,050,000
	Naval Command Control & Ocean Surveillance Center, San Diego	$1,960,000
Connecticut	Naval Submarine Base, New London	$13,830,000
District of Columbia	Naval District, Commandant, Washington	$19,300,000
Florida	Naval Air Station, Key West	$2,250,000
Hawaii	Naval Station, Pearl Harbor	$19,600,000
	Naval Submarine Base, Pearl Harbor	$35,890,000
Idaho	Naval Surface Warfare Center, Bayview	$7,150,000
Illinois	Naval Training Center, Great Lakes	$22,900,000
Maryland	Naval Air Warfare Center, Patuxent River	$1,270,000
	United States Naval Academy	$10,480,000
Mississippi	Naval Station, Pascagoula	$4,990,000
	Stennis Space Center	$7,960,000
Nevada	Naval Air Station, Fallon	$14,800,000
North Carolina	Marine Corps Air Station, Cherry Point	$1,630,000
	Marine Corps Air Station, New River	$17,040,000
	Marine Corps Base, Camp LeJeune	$20,750,000
South Carolina	Marine Corps Recruit Depot, Parris Island	$2,550,000
Texas	Naval Station, Ingleside	$16,850,000
	Naval Air Station, Kingsville	$1,810,000
Virginia	Armed Forces Staff College, Norfolk	$12,900,000
	Marine Corps Combat Development Command, Quantico	$14,570,000
	Naval Station, Norfolk	$47,920,000
	Naval Surface Warfare Center, Dahlgren	$8,030,000
Washington	Naval Station, Everett	$25,740,000
	Total:	$507,052,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2205(a)(2), the Secretary of the Navy may acquire real property and carry out military construction projects for the installations and locations outside the United States, and in the amounts, set forth in the following table:

Navy: Outside the United States

Country	Installation or location	Amount
Bahrain	Administrative Support Unit, Bahrain	$5,980,000
Greece	Naval Support Activity, Souda Bay	$7,050,000
Italy	Naval Air Station, Sigonella	$15,700,000
	Naval Support Activity, Naples	$8,620,000
Puerto Rico	Naval Station, Roosevelt Roads	$23,600,000
United Kingdom	Joint Maritime Communications Center, St. Mawgan	$4,700,000
	Total:	$65,650,000

SEC. 2202. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2205(a)(6)(A), the Secretary of the Navy may construct or acquire family housing units (including land acquisition) at the installations, for the purposes, and in the amounts set forth in the following table:

Navy: Family Housing

State	Installation	Purpose	Amount
Arizona	Marine Corps Air Station, Yuma	Community Center	$709,000
California	Marine Corps Air-Ground Combat Center, Twentynine Palms	Community Center	$1,982,000
	Marine Corps Air-Ground Combat Center, Twentynine Palms	Housing Office	$956,000
	Marine Corps Base, Camp Pendleton	128 Units	$19,483,000
	Naval Air Station, Lemoore	276 Units	$39,837,000
	Navy Public Works Center, San Diego	366 Units	$48,719,000
Hawaii	Marine Corps Air Station, Kaneohe Bay	54 Units	$11,676,000
	Navy Public Works Center, Pearl Harbor	264 Units	$52,586,000
Maryland	Naval Air Warfare Center, Patuxent River	Community Center	$1,233,000
North Carolina	Marine Corps Base, Camp LeJeune	Community Center	$845,000
Virginia	AEGIS Combat Systems Center, Wallops Island	20 Units	$2,975,000
	Naval Security Group Activity, Northwest	Community Center	$741,000
Washington	Naval Station, Everett	100 Units	$15,015,000
	Naval Submarine Base, Bangor	Housing Office	$934,000
		Total:	$197,691,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2205(a)(6)(A), the Secretary of the Navy may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed $23,142,000.

SEC. 2203. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2205(a)(6)(A), the Secretary of the Navy may improve existing military family housing units in an amount not to exceed $189,383,000.

SEC. 2204. DEFENSE ACCESS ROADS.

Using amounts appropriated pursuant to the authorization of appropriations in section 2205(a)(5), the Secretary of the Navy may make advances to the Secretary of Transportation for the construction of defense access roads under section 210 of title 23, United States Code, at various locations in the amount of $300,000.

SEC. 2205. AUTHORIZATION OF APPROPRIATIONS, NAVY.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1996, for military construction, land acquisition, and military family housing functions of the Department of the Navy in the total amount of $2,040,093,000 as follows:

(1) For military construction projects inside the United States authorized by section 2201(a), $507,052,000.

(2) For military construction projects outside the United States authorized by section 2201(b), $65,650,000.

(3) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, $7,115,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $47,519,000.

(5) For advances to the Secretary of Transportation for construction of defense access roads under section 210 of title 23, United States Code, $300,000.

(6) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $410,216,000.

(B) For support of military housing (including functions described in section 2833 of title 10, United States Code), $1,014,241,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2201 of this Act may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

(c) ADJUSTMENT.—The total amount authorized to be appropriated pursuant to paragraphs (1) through (6) of subsection (a) is the sum of the amounts authorized to be appropriated in such paragraphs, reduced by $12,000,000, which represents the combination of project savings resulting from favorable bids, reduced overhead costs, and cancellations due to force structure changes.

TITLE XXIII—AIR FORCE

SEC. 2301. AUTHORIZED AIR FORCE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(1), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Air Force: Inside the United States

State	Installation or location	Amount
Alabama	Maxwell Air Force Base	$7,875,000
Alaska	Eielson Air Force Base	$3,900,000
	Elmendorf Air Force Base	$21,530,000
	King Salmon Air Force Base	$5,700,000
Arizona	Davis–Monthan Air Force Base	$9,920,000
Arkansas	Little Rock Air Force Base	$18,105,000
California	Beale Air Force Base	$14,425,000
	Edwards Air Force Base	$20,080,000
	Travis Air Force Base	$14,980,000
	Vandenberg Air Force Base	$3,290,000
Colorado	Buckley Air National Guard Base	$17,960,000
	Falcon Air Force Station	$2,095,000
	Peterson Air Force Base	$20,720,000
	United States Air Force Academy	$12,165,000
Delaware	Dover Air Force Base	$19,980,000
Florida	Eglin Air Force Base	$4,590,000
	Eglin Auxiliary Field 9	$6,825,000
	Patrick Air Force Base	$10,495,000
	Tyndall Air Force Base	$3,600,000
Georgia	Moody Air Force Base	$3,350,000
	Robins Air Force Base	$25,045,000
Idaho	Mountain Home Air Force Base	$15,945,000
Kansas	McConnell Air Force Base	$25,830,000
Louisiana	Barksdale Air Force Base	$4,890,000

Air Force: Inside the United States—Continued

State	Installation or location	Amount
Maryland	Andrews Air Force Base	$8,140,000
Mississippi	Keesler Air Force Base	$14,465,000
Montana	Malmstrom Air Force Base	$6,300,000
Nevada	Indian Springs Air Force Auxiliary Air Field	$4,690,000
	Nellis Air Force Base	$14,700,000
New Jersey	McGuire Air Force Base	$8,080,000
New Mexico	Cannon Air Force Base	$7,100,000
	Kirtland Air Force Base	$16,300,000
North Carolina	Pope Air Force Base	$5,915,000
	Seymour Johnson Air Force Base	$11,280,000
North Dakota	Grand Forks Air Force Base	$12,470,000
	Minot Air Force Base	$3,940,000
Ohio	Wright–Patterson Air Force Base	$7,400,000
Oklahoma	Tinker Air Force Base	$9,880,000
South Carolina	Charleston Air Force Base	$43,110,000
	Shaw Air Force Base	$14,465,000
South Dakota	Ellsworth Air Force Base	$4,150,000
Tennessee	Arnold Engineering Development Center	$6,781,000
Texas	Dyess Air Force Base	$5,895,000
	Kelly Air Force Base	$3,250,000
	Lackland Air Force Base	$9,413,000
	Sheppard Air Force Base	$9,400,000
Utah	Hill Air Force Base	$3,690,000
Virginia	Langley Air Force Base	$8,005,000
Washington	Fairchild Air Force Base	$18,155,000
	McChord Air Force Base	$57,065,000
	Total:	$607,334,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(2), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installations and locations outside the United States, and in the amounts, set forth in the following table:

Air Force: Outside the United States

Country	Installation or location	Amount
Germany	Ramstein Air Force Base	$5,370,000
	Spangdahlem Air Base	$1,890,000
Italy	Aviano Air Base	$10,066,000
Korea	Osan Air Base	$9,780,000
Turkey	Incirlik Air Base	$7,160,000
United Kingdom	Croughton Royal Air Force Base	$1,740,000
	Lakenheath Royal Air Force Base	$17,525,000
	Mildenhall Royal Air Force Base	$6,195,000
Overseas Classified	Classified Locations	$18,395,000
	Total:	$78,115,000

SEC. 2302. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(5)(A), the Secretary of the Air Force may construct or acquire family housing units (including land acquisition) at the installations, for the purposes, and in the amounts set forth in the following table:

Air Force: Family Housing

State	Installation	Purpose	Amount
Alaska	Eielson Air Force Base	72 units	$21,127,000
		Fire Station	$2,950,000
California	Beale Air Force Base	56 units	$8,893,000
	Travis Air Force Base	70 units	$8,631,000
	Vandenberg Air Force Base	112 units	$20,891,000
District of Columbia	Bolling Air Force Base	40 units	$5,000,000
Florida	Eglin Auxiliary Field 9	1 unit	$249,000
	MacDill Air Force Base	56 units	$8,822,000
	Patrick Air Force Base	Housing Maintenance Facility.	$853,000
		Housing Support & Storage Facility.	$756,000
		Housing Office	$821,000
Louisiana	Barksdale Air Force Base	80 units	$9,570,000
Massachusetts	Hanscom Air Force Base	32 units	$5,100,000
Missouri	Whiteman Air Force Base	68 units	$9,600,000
Montana	Malmstrom Air Force Base	20 units	$5,242,000
New Mexico	Kirtland Air Force Base	87 units	$11,850,000
North Dakota	Grand Forks Air Force Base	66 units	$7,784,000
	Minot Air Force Base	46 units	$8,740,000
Texas	Lackland Air Force Base	50 units	$6,500,000
		Housing Office	$450,000
		Housing Maintenance Facility.	$350,000
Washington	McChord Air Force Base	40 units	$5,659,000
United Kingdom	Lakenheath Royal Air Force Base	Family Housing, Phase I	$8,300,000
		Total:	$158,138,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(5)(A), the Secretary of the Air Force may carry out architectural and engineering services and construction design activities with respect

to the construction or improvement of military family housing units in an amount not to exceed $12,350,000.

SEC. 2303. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(5)(A), the Secretary of the Air Force may improve existing military family housing units in an amount not to exceed $94,550,000.

SEC. 2304. AUTHORIZATION OF APPROPRIATIONS, AIR FORCE.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1996, for military construction, land acquisition, and military family housing functions of the Department of the Air Force in the total amount of $1,844,786,000 as follows:

(1) For military construction projects inside the United States authorized by section 2301(a), $607,334,000.

(2) For military construction projects outside the United States authorized by section 2301(b), $78,115,000.

(3) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, $11,328,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $53,497,000.

(5) For military housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $265,038,000.

(B) For support of military family housing (including the functions described in section 2833 of title 10, United States Code), $829,474,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2301 of this Act may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

TITLE XXIV—DEFENSE AGENCIES

SEC. 2401. AUTHORIZED DEFENSE AGENCIES CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2406(a)(1), the Secretary of Defense may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Defense Agencies: Inside the United States

Agency	Installation or location	Amount
Chemical Agents and Munitions Destruction.		
	Pueblo Army Depot, Colorado	$179,000,000
Defense Finance & Accounting Service.		
	Norton Air Force Base, California	$13,800,000
	Naval Training Center, Orlando, Florida	$2,600,000
	Rock Island Arsenal, Illinois	$14,400,000
	Loring Air Force Base, Maine	$6,900,000
	Offutt Air Force Base, Nebraska	$7,000,000
	Griffiss Air Force Base, New York	$10,200,000
	Gentile Air Force Station, Ohio	$11,400,000
	Charleston, South Carolina	$6,200,000
Defense Intelligence Agency.		
	Bolling Air Force Base, District of Columbia	$6,790,000
	National Ground Intelligence Center, Charlottesville, Virginia	$2,400,000
Defense Logistics Agency.		
	Elmendorf Air Force Base, Alaska	$18,000,000
	Defense Distribution, San Diego, California	$15,700,000
	Naval Air Facility, El Centro, California	$5,700,000
	Travis Air Force Base, California	$15,200,000
	McConnell Air Force Base, Kansas	$2,200,000
	Barksdale Air Force Base, Louisiana	$4,300,000
	Andrews Air Force Base, Maryland	$12,100,000
	Naval Air Station, Fallon, Nevada	$2,100,000
	Defense Construction Supply Center, Columbus, Ohio	$600,000
	Altus Air Force Base, Oklahoma	$3,200,000
	Shaw Air Force Base, South Carolina	$2,900,000
	Naval Air Station, Oceana, Virginia	$1,500,000
Defense Medical Facility Office.		
	Maxwell Air Force Base, Alabama	$25,000,000
	Marine Corps Base, Camp Pendleton, California	$3,300,000
	Naval Air Station, Lemoore, California	$38,000,000
	Naval Air Station, Key West, Florida	$15,200,000
	Andrews Air Force Base, Maryland	$15,500,000
	Fort Bragg, North Carolina	$11,400,000
	Charleston Air Force Base, South Carolina	$1,300,000
	Fort Bliss, Texas	$6,600,000
	Fort Hood, Texas	$1,950,000
	Naval Air Station, Norfolk, Virginia	$1,250,000
National Security Agency.		
	Fort Meade, Maryland	$25,200,000
Special Operations Command.		
	Naval Amphibious Base, Coronado, California	$7,700,000
	Naval Station, Ford Island, Pearl Harbor, Hawaii	$12,800,000
	Fort Campbell, Kentucky	$4,200,000
	Fort Bragg, North Carolina	$14,000,000
	Total:	$527,590,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2406(a)(2), the Secretary of Defense may acquire real property and carry out military construction projects for the installations and locations outside the United States, and in the amounts, set forth in the following table:

Defense Agencies: Outside the United States

Agency	Installation or location	Amount
Defense Logistics Agency.		
	Naval Air Station, Sigonella, Italy	$6,100,000
	Moron Air Base, Spain	$12,958,000
Defense Medical Facility Office.		
	Administrative Support Unit, Bahrain, Bahrain	$4,600,000
	Total:	$23,658,000

SEC. 2402. MILITARY HOUSING PLANNING AND DESIGN.

Using amounts appropriated pursuant to the authorization of appropriation in section 2406(a)(15)(A), the Secretary of Defense may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed $500,000.

SEC. 2403. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriation in section 2406(a)(15)(A), the Secretary of Defense may improve existing military family housing units in an amount not to exceed $3,871,000.

SEC. 2404. MILITARY HOUSING IMPROVEMENT PROGRAM.

(a) AVAILABILITY OF FUNDS FOR CREDIT TO FAMILY HOUSING IMPROVEMENT FUND.—The amount authorized to be appropriated pursuant to section 2406(a)(15)(C) shall be available for crediting to the Department of Defense Family Housing Improvement Fund established by section 2883(a)(1) of title 10, United States Code.

(b) AVAILABILITY OF FUNDS FOR CREDIT TO UNACCOMPANIED HOUSING IMPROVEMENT FUND.—The amount authorized to be appropriated pursuant to section 2406(a)(14) shall be available for crediting to the Department of Defense Military Unaccompanied Housing Improvement Fund established by section 2883(a)(2) of title 10, United States Code.

(c) USE OF FUNDS.—The Secretary of Defense may use funds credited to the Department of Defense Family Housing Improvement Fund under subsection (a) to carry out any activities authorized by subchapter IV of chapter 169 of such title with respect to military family housing and may use funds credited to the Department of Defense Military Unaccompanied Housing Improvement Fund under subsection (b) to carry out any activities authorized by that subchapter with respect to military unaccompanied housing.

SEC. 2405. ENERGY CONSERVATION PROJECTS.

Using amounts appropriated pursuant to the authorization of appropriations in section 2406(a)(12), the Secretary of Defense may carry out energy conservation projects under section 2865 of title 10, United States Code.

SEC. 2406. AUTHORIZATION OF APPROPRIATIONS, DEFENSE AGENCIES.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1996, for military construction, land acquisition, and military family housing functions of the Department of Defense (other than the military departments), in the total amount of $3,421,366,000 as follows:

(1) For military construction projects inside the United States authorized by section 2401(a), $364,487,000.

(2) For military construction projects outside the United States authorized by section 2401(b), $23,658,000.

(3) For military construction projects at Naval Hospital, Portsmouth, Virginia, hospital replacement, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Years 1990 and 1991 (division B of Public Law 101-189; 103 Stat. 1640), $24,000,000.

(4) For military construction projects at Walter Reed Army Institute of Research, Maryland, hospital replacement, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1993 (division B of Public Law 102-484; 106 Stat. 2599), $92,000,000.

(5) For military construction projects at Fort Bragg, North Carolina, hospital replacement, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1993 (106 Stat. 2599), $89,000,000.

(6) For military construction projects at Pine Bluff Arsenal, Arkansas, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1995 (division B of the Public Law 103-337; 108 Stat. 3040), $46,000,000.

(7) For military construction projects at Umatilla Army Depot, Oregon, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1995 (108 Stat. 3040), $64,000,000.

(8) For military construction projects at Defense Finance and Accounting Service, Columbus, Ohio, authorized by section 2401(a) of the Military Construction Authorization Act of Fiscal Year 1996 (division B of Public Law 104-106; 110 Stat. 535), $20,822,000.

(9) For contingency construction projects of the Secretary of Defense under section 2804 of title 10, United States Code, $9,500,000.

(10) For unspecified minor construction projects under section 2805 of title 10, United States Code, $21,874,000.

(11) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $14,239,000.

(12) For energy conservation projects under section 2865 of title 10, United States Code, $47,765,000.

(13) For base closure and realignment activities as authorized by the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101-510; 10 U.S.C. 2687 note), $2,507,476,000.

(14) For credit to the Department of Defense Military Unaccompanied Housing Improvement Fund as authorized by section 2404(b) of this Act, $5,000,000.

(15) For military family housing functions:

(A) For improvement and planning of military family housing and facilities, $4,371,000.

(B) For support of military housing (including functions described in section 2833 of title 10, United States Code), $30,963,000, of which not more than $25,637,000 may be obligated or expended for the leasing of military family housing units worldwide.

(C) For credit to the Department of Defense Family Housing Improvement Fund as authorized by section 2404(a) of this Act, $20,000,000.

(D) For the Homeowners Assistance Program as authorized by section 2832 of title 10, United States Code, $36,181,000, to remain available until expended.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variation authorized by section 2853 of title 10, United States Code, and any other cost variations authorized by law, the total cost of all projects carried out under section 2401 of this Act may not exceed—

(1) the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a);

(2) $161,503,000 (the balance of the amount authorized under section 2401(a) of this Act for the construction of a chemical demilitarization facility at Pueblo Army Depot, Colorado); and

(3) $1,600,000 (the balance of the amount authorized under section 2401(a) of this Act for the construction of a replacement facility for the medical and dental clinic, Key West Naval Air Station, Florida).

TITLE XXV—NORTH ATLANTIC TREATY ORGANIZATION SECURITY INVESTMENT PROGRAM

SEC. 2501. AUTHORIZED NATO CONSTRUCTION AND LAND ACQUISITION PROJECTS.

The Secretary of Defense may make contributions for the North Atlantic Treaty Organization Security Investment program as provided in section 2806 of title 10, United States Code, in an amount not to exceed the sum of the amount authorized to be appropriated for this purpose in section 2502 and the amount collected from the North Atlantic Treaty Organization as a result of construction previously financed by the United States.

SEC. 2502. AUTHORIZATION OF APPROPRIATIONS, NATO.

Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1996, for contributions by the Secretary of Defense under section 2806 of title 10, United States Code, for the share of the United States of the cost of projects for the North Atlantic Treaty Security Investment program as authorized by section 2501, in the amount of $197,000,000.

SEC. 2503. REDESIGNATION OF NORTH ATLANTIC TREATY ORGANIZATION INFRASTRUCTURE PROGRAM.

(a) REDESIGNATION.—Subsection (b) of section 2806 of title 10, United States Code, is amended by striking out "North Atlantic Treaty Organization Infrastructure program" and inserting in lieu thereof "North Atlantic Treaty Organization Security Investment program".

(b) REFERENCES.—Any reference to the North Atlantic Treaty Organization Infrastructure program in any Federal law, Executive order, regulation, delegation of authority, or document of or pertaining to the Department of Defense shall be deemed to refer to the North Atlantic Treaty Organization Security Investment program.

(c) CLERICAL AMENDMENTS.—(1) The section heading of such section is amended to read as follows:

"§ 2806. Contributions for North Atlantic Treaty Organizations Security Investment".

(2) The table of sections at the beginning of subchapter I of chapter 169 of title 10, United States Code, is amended by striking out the item relating to section 2806 and inserting in lieu thereof the following:

"2806. Contributions for North Atlantic Treaty Organizations Security Investment.".

(d) CONFORMING AMENDMENTS.—(1) Section 2861(b)(3) of title 10, United States Code, is amended by striking out "North Atlantic Treaty Organization Infrastructure program" and inserting in lieu thereof "North Atlantic Treaty Organization Security Investment program".

(2) Section 21(h)(1)(B) of the Arms Export Control Act (22 U.S.C. 2761(h)(1)(B)) is amended by striking out "North Atlantic Treaty Organization Infrastructure Program" and inserting in lieu thereof "North Atlantic Treaty Organization Security Investment program".

TITLE XXVI—GUARD AND RESERVE FORCES FACILITIES

SEC. 2601. AUTHORIZED GUARD AND RESERVE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

There are authorized to be appropriated for fiscal years beginning after September 30, 1996, for the costs of acquisition, architectural and engineering services, and construction of facilities for the Guard and Reserve Forces, and for contributions therefor, under

chapter 1803 of title 10, United States Code (including the cost of acquisition of land for those facilities), the following amounts:

(1) For the Department of the Army—

(A) for the Army National Guard of the United States, $79,628,000; and

(B) for the Army Reserve, $59,174,000.

(2) For the Department of the Navy, for the Naval and Marine Corps Reserve, $32,743,000.

(3) For the Department of the Air Force—

(A) for the Air National Guard of the United States, $208,484,000; and

(B) for the Air Force Reserve, $54,770,000.

TITLE XXVII—EXPIRATION AND EXTENSION OF AUTHORIZATIONS

SEC. 2701. EXPIRATION OF AUTHORIZATIONS AND AMOUNTS REQUIRED TO BE SPECIFIED BY LAW.

(a) EXPIRATION OF AUTHORIZATIONS AFTER THREE YEARS.—Except as provided in subsection (b), all authorizations contained in titles XXI through XXVI for military construction projects, land acquisition, family housing projects and facilities, and contributions to the North Atlantic Treaty Organization Security Investment program (and authorizations of appropriations therefor) shall expire on the later of—

(1) October 1, 1999; or

(2) the date of the enactment of an Act authorizing funds for military construction for fiscal year 2000.

(b) EXCEPTION.—Subsection (a) shall not apply to authorizations for military construction projects, land acquisition, family housing projects and facilities, and contributions to the North Atlantic Treaty Organization Security Investment program (and authorizations of appropriations therefor), for which appropriated funds have been obligated before the later of—

(1) October 1, 1999; or

(2) the date of the enactment of an Act authorizing funds for fiscal year 2000 for military construction projects, land acquisition, family housing projects and facilities, or contributions to the North Atlantic Treaty Organization Security Investment program.

SEC. 2702. EXTENSION OF AUTHORIZATIONS OF CERTAIN FISCAL YEAR 1994 PROJECTS.

(a) EXTENSIONS.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 1994 (division B of Public Law 103-160; 107 Stat. 1880), authorizations for the projects set forth in the tables in subsection (b), as provided in section 2101, 2102, 2201, 2301, or 2601 of that Act, shall remain in effect until October 1, 1997, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 1998, whichever is later.

(b) TABLES.—The tables referred to in subsection (a) are as follows:

Army: Extension of 1994 Project Authorizations

State	Installation or location	Project	Amount
New Jersey	Picatinny Arsenal	Advance Warhead Development Facility.	$4,400,000
North Carolina	Fort Bragg	Land Acquisition	$15,000,000
Wisconsin	Fort McCoy	Family Housing Construction (16 units).	$2,950,000

Navy: Extension of 1994 Project Authorizations

State or Location	Installation or location	Project	Amount
California	Camp Pendleton Marine Corps Base	Sewage Facility	$7,930,000
Connecticut	New London Naval Submarine Base	Hazardous Waste Transfer Facility.	$1,450,000
New Jersey	Earle Naval Weapons Station	Explosives Holding Yard	$1,290,000
Virginia	Oceana Naval Air Station	Jet Engine Test Cell Replacement.	$5,300,000
Various Locations	Various Locations	Land Acquisition Inside the United States.	$540,000
Various Locations	Various Locations	Land Acquisition Outside the United States.	$800,000

Air Force: Extension of 1994 Project Authorizations

State	Installation or Location	Project	Amount
Alaska	Eielson Air Force Base	Upgrade Water Treatment Plant.	$3,750,000
	Elmendorf Air Force Base	Corrosion Control Facility	$5,975,000
California	Beale Air Force Base	Educational Center	$3,150,000
Florida	Tyndall Air Force Base	Base Supply Logistics Center.	$2,600,000
Mississippi	Keesler Air Force Base	Upgrade Student Dormitory	$4,500,000
North Carolina	Pope Air Force Base	Add To and Alter Dormitories.	$4,300,000
Virginia	Langley Air Force Base	Fire Station	$3,850,000

Army National Guard: Extension of 1994 Project Authorizations

State	Installation or Location	Project	Amount
Alabama	Birmingham	Aviation Support Facility	$4,907,000
Arizona	Marana	Organization Maintenance Shop.	$553,000
	Marana	Dormitory/Dining Facility	$2,919,000
California	Fresno	Organization Maintenance Shop Modification.	$905,000
	Van Nuys	Armory Addition	$6,518,000
New Mexico	White Sands Missile Range	Organization Maintenance Shop.	$2,940,000
	White Sands Missile Range	Tactical Site	$1,995,000
	White Sands Missile Range	Mobilization and Training Equipment Site.	$3,570,000
Pennsylvania	Indiantown Gap	State Military Building	$9,200,000
	Johnstown	Armory Addition/Flight Facility.	$5,004,000
	Johnstown	Armory	$3,000,000

SEC. 2703. EXTENSION OF AUTHORIZATIONS OF CERTAIN FISCAL YEAR 1993 PROJECTS.

(a) EXTENSIONS.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 1993 (division B of Public Law 102-484; 106 Stat. 2602), authorizations for the projects set forth in the tables in subsection (b), as provided in section 2101, 2301, or 2601 of that Act and extended by section 2702 of the Military Construction Authorization Act for Fiscal Year 1996 (division B of Public Law 104-106; 110 Stat. 541), shall remain in effect until October 1, 1997, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 1998, whichever is later.

(b) TABLES.—The tables referred to in subsection (a) are as follows:

Army: Extension of 1993 Project Authorization

State	Installation or location	Project	Amount
Arkansas	Pine Bluff Arsenal	Ammunition Demilitarization Support Facility.	$15,000,000

Air Force: Extension of 1993 Project Authorization

Country	Installation or location	Project	Amount
Portugal	Lajes Field	Water Wells	$950,000

Army National Guard: Extension of 1993 Project Authorizations

State	Installation or location	Project	Amount
Alabama	Tuscaloosa	Armory	$2,273,000
	Union Springs	Armory	$813,000

SEC. 2704. EXTENSION OF AUTHORIZATIONS OF CERTAIN FISCAL YEAR 1992 PROJECTS.

(a) EXTENSIONS.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 1992 (division B of Public Law 102–190; 105 Stat. 1535), authorizations for the projects set forth in the table in subsection (b), as provided in section 2101 of that Act and extended by section 2702(a) of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103–337; 108 Stat. 3047) and section 2703(a) of the Military Construction Authorization Act for Fiscal Year 1996 (division B of Public Law 104–106; 110 Stat. 543), shall remain in effect until October 1, 1997, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 1998, whichever is later.

(b) TABLE.—The table referred to in subsection (a) is as follows:

Army: Extension of 1992 Project Authorizations

State	Installation or location	Project	Amount
Oregon	Umatilla Army Depot	Ammunition Demilitarization Support Facility.	$3,600,000
	Umatilla Army Depot	Ammunition Demilitarization Utilities.	$7,500,000

SEC. 2705. EFFECTIVE DATE.

Titles XXI, XXII, XXIII, XXIV, XXV, and XXVI shall take effect on the later of—

(1) October 1, 1996; or

(2) the date of the enactment of this Act.

TITLE XXVIII—GENERAL PROVISIONS

Subtitle A—Military Construction Program and Military Family Housing Changes

SEC. 2801. INCREASE IN CERTAIN THRESHOLDS FOR UNSPECIFIED MINOR CONSTRUCTION PROJECTS.

(a) O&M FUNDING FOR PROJECTS.—Section 2805(c)(1)(B) of title 10, United States Code, is amended by striking out "$300,000" and inserting in lieu thereof "$500,000".

(b) O&M FUNDING FOR RESERVE COMPONENT FACILITIES.—Subsection (b) of section 18233a of such title is amended by striking out "$300,000" and inserting in lieu thereof "$500,000".

(c) NOTIFICATION FOR EXPENDITURES AND CONTRIBUTIONS FOR RESERVE COMPONENT FACILITIES.—Subsection (a)(1) of such section 18233a is amended by striking out "$400,000" and inserting in lieu thereof "$1,500,000".

SEC. 2802. CLARIFICATION OF AUTHORITY TO IMPROVE MILITARY FAMILY HOUSING.

(a) EXCLUSION OF MINOR MAINTENANCE AND REPAIR.—Subsection (a)(2) of section 2825 of title 10, United States Code, is amended by inserting "(other than day-to-day maintenance or repair work)" after "work".

(b) APPLICABILITY OF LIMITATION ON FUNDS FOR IMPROVEMENTS.—Subsection (b)(2) of such section is amended—

(1) by striking out "the cost of repairs" and all that follows through "in connection with" and inserting in lieu thereof "of the unit or units concerned the cost of maintenance or repairs undertaken in connection with the improvement of the unit or units and any cost (other than the cost of activities undertaken beyond a distance of five feet from the unit or units) in connection with"; and

(2) by inserting ", drives," after "roads".

SEC. 2803. AUTHORITY TO GRANT EASEMENTS FOR RIGHTS-OF-WAY.

(a) EASEMENTS FOR ELECTRIC POLES AND LINES AND FOR COMMUNICATIONS LINES AND FACILITIES.—Section 2668(a) of title 10, United States Code, is amended—

(1) by striking out "and" at the end of paragraph (9);

(2) by redesignating paragraph (10) as paragraph (13); and

(3) by inserting after paragraph (9) the following new paragraphs:

"(10) poles and lines for the transmission or distribution of electric power;

"(11) poles and lines for the transmission or distribution of communications signals (including telephone and telegraph signals);

"(12) structures and facilities for the transmission, reception, and relay of such signals; and".

(b) CONFORMING AMENDMENTS.—Such section is further amended—

(1) in paragraph (3), by striking out ", telephone lines, and telegraph lines,"; and

(2) in paragraph (13), as redesignated by subsection (a)(2), by striking out "or by the Act of March 4, 1911 (43 U.S.C. 961)".

Subtitle B—Defense Base Closure and Realignment

SEC. 2811. RESTORATION OF AUTHORITY UNDER 1988 BASE CLOSURE LAW TO TRANSFER PROPERTY AND FACILITIES TO OTHER ENTITIES IN THE DEPARTMENT OF DEFENSE.

(a) RESTORATION OF AUTHORITY.—Section 204(b)(2) of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note) is amended—

(1) by redesignating subparagraphs (D) and (E) as subparagraphs (E) and (F), respectively; and

(2) by inserting after subparagraph (C) the following new subparagraph (D):

"(D) The Secretary may transfer real property or facilities located at a military installation to be closed or realigned under this title, with or without reimbursement, to a military department or other entity (including a nonappropriated fund instrumentality) within the Department of Defense or the Coast Guard.".

(b) RATIFICATION OF TRANSFERS—Any transfer by the Secretary of Defense of real property or facilities at a military installation closed or realigned under title II of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note) to a military department or other entity of the Department of Defense or the Coast Guard during the period beginning on November 30, 1993, and ending on the date of the enactment of this Act is hereby ratified.

SEC. 2812. DISPOSITION OF PROCEEDS FROM DISPOSAL OF COMMISSARY STORES AND NONAPPROPRIATED FUND INSTRUMENTALITIES AT INSTALLATIONS BEING CLOSED OR REALIGNED.

(a) 1988 LAW.—(1) Section 204(b)(7)(C) of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note) is amended—

(A) in clause (i), by striking out "shall be deposited" and all that follows through the end of the clause and inserting in lieu thereof "shall be deposited as follows:

"(I) In the case of proceeds of the transfer or other disposal of property acquired, constructed, or improved with commissary store funds, in the account in the Treasury known as the Surcharge Collection, Sales of Commissary Stores, Defense, account.

"(II) In the case of proceeds of the transfer or other disposal of property acquired, constructed, or improved with nonappropriated funds, in a nonappropriated fund account of

the Department of Defense designated by the Secretary.";

(B) by redesignating clause (iii) as clause (iv); and

(C) by inserting after clause (ii) the following new clause (iii):

"(iii)(I) The Secretary may use amounts deposited under clause (i)(I) in the account referred to in that clause for the purpose of acquiring, constructing, and improving commissary stores.

"(II) The Secretary may use amounts deposited under clause (i)(II) in a nonappropriated fund account pursuant to that clause for the purpose of acquiring, constructing, and improving nonappropriated fund instrumentalities.".

(2) Section 206(a)(7) of that Act is amended by striking out "Proceeds received" and inserting in lieu thereof "Except as provided in section 204(b)(7)(C), proceeds received".

(b) 1990 LAW.—Section 2906(d) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101-510; 10 U.S.C. 2687 note) is amended—

(1) in paragraph (1), by striking out "shall be deposited" and all that follows through the end and inserting in lieu thereof "shall be deposited as follows:

"(A) In the case of proceeds of the transfer or other disposal of property acquired, constructed, or improved with commissary store funds, in the account in the Treasury known as the Surcharge Collections, Sales of Commissary Stores, Defense, account.

"(B) In the case of proceeds of the transfer or other disposal of property acquired, constructed, or improved with nonappropriated funds, in a nonappropriated fund account of the Department of Defense designated by the Secretary."; and

(2) by striking out paragraph (3) and inserting in lieu thereof the following new paragraph (3):

"(3)(A) The Secretary may use amounts deposited under paragraph (1)(A) in the account referred to in that paragraph for the purpose of acquiring, constructing, and improving commissary stores.

"(B) The Secretary may use amounts deposited under paragraph (1)(B) in a nonappropriated fund account pursuant to that paragraph for the purpose of acquiring, constructing, and improving nonappropriated fund instrumentalities.".

SEC. 2813. AGREEMENTS FOR SERVICES AT INSTALLATIONS AFTER CLOSURE.

(a) 1988 LAW.—Section 204(b)(8)(A) of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100-526; 10 U.S.C. 2687 note) is amended by inserting ", or at facilities not yet transferred or otherwise disposed of in the case of installations closed under this title," after "under this title".

(b) 1990 LAW.—Section 2905(b)(8)(A) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101-510; 10 U.S.C. 2687 note) is amended by inserting ", or at facilities not yet transferred or otherwise disposed of in the case of installations closed under this part," after "under this part".

Subtitle C—Land Conveyances

SEC. 2821. TRANSFER OF LANDS, ARLINGTON NATIONAL CEMETERY, ARLINGTON, VIRGINIA.

(a) REQUIREMENT FOR SECRETARY OF THE INTERIOR TO TRANSFER CERTAIN SECTION 29 LANDS.—(1) The Secretary of the Interior shall transfer to the Secretary of the Army administrative jurisdiction over the following lands located in section 29 of the National Park System at Arlington National Cemetery, Virginia:

(A) The lands known as the Arlington National Cemetery Interment Zone.

(B) All lands in the Robert E. Lee Memorial Preservation Zone, other than those lands in the Preservation Zone that the Secretary of the Interior determines must be retained because of the historical significance of such lands or for the maintenance of nearby lands or facilities.

(2) The transfer of lands under paragraph (1) shall be carried out in accordance with the Interagency Agreement Between the Department of the Interior, the National Park Service, and the Department of the Army, Dated February 22, 1995.

(3) The exact acreage and legal descriptions of the lands to be transferred under paragraph (1) shall be determined by surveys satisfactory to the Secretary of the Interior and the Secretary of the Army.

(b) REQUIREMENT FOR ADDITIONAL TRANSFERS.—(1) The Secretary of the Interior shall transfer to the Secretary of the Army administrative jurisdiction over a parcel of land, including any improvements thereon, consisting of approximately 2.43 acres, located in the Memorial Drive entrance area to Arlington National Cemetery.

(2)(A) The Secretary of the Army shall transfer to the Secretary of the Interior administrative jurisdiction over a parcel of land, including any improvements thereon, consisting of approximately 0.17 acres, located at Arlington National Cemetery, and known as the Old Administrative Building site. The site is part of the original reservation of Arlington National Cemetery.

(B) In connection with the transfer under subparagraph (A), the Secretary of the Army shall grant to the Secretary of the Interior a perpetual right of ingress and egress to the parcel transferred under that subparagraph.

(3) The exact acreage and legal descriptions of the lands to be transferred pursuant to this subsection shall be determined by surveys satisfactory to the Secretary of the Interior and the Secretary of the Army. The costs of such surveys shall be borne by the Secretary of the Army.

SEC. 2822. LAND TRANSFER, POTOMAC ANNEX, DISTRICT OF COLUMBIA.

(a) TRANSFER REQUIRED.—Subject to subsection (b), the Secretary of the Navy shall transfer, without consideration other than the reimbursement provided for in subsection (d), to the United States Institute of Peace (in this section referred to as the "Institute") administrative jurisdiction over a parcel of real property, including any improvements thereon, consisting of approximately 3 acres, at the northwest corner of Twenty-third Street and Constitution Avenue, Northwest, District of Columbia, the site of the Potomac Annex.

(b) CONDITION.—The Secretary may not make the transfer specified in subsection (a) unless the Institute agrees to provide the Navy a number of parking spaces at or in the vicinity of the headquarters to be constructed on the parcel transferred equal to the number of parking spaces available to the Navy on the parcel as of the date of the transfer.

(c) REQUIREMENT RELATING TO TRANSFER.—The transfer specified in subsection (a) may not occur until the Institute obtains all permits, approvals, and site plan reviews required by law with respect to the construction on the parcel of a headquarters for operations of the Institute.

(d) COSTS.—The Institute shall reimburse the Secretary for the costs incurred by the Secretary in carrying out the transfer specified in subsection (a).

(e) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the property to be transferred under subsection (a) shall be determined by a survey that is satisfactory to the Secretary. The cost of the survey shall be borne by the Institute.

SEC. 2823. LAND CONVEYANCE, ARMY RESERVE CENTER, MONTPELIER, VERMONT.

(a) CONVEYANCE AUTHORIZED.—Subject to subsection (b), the Secretary of the Army may convey, without consideration, to the City of Montpelier, Vermont (in this section referred to as the "City"), all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, consisting of approximately 4.3 acres and located on Route 2 in Montpelier, Vermont, the site of the Army Reserve Center, Montpelier, Vermont.

(b) REQUIREMENT FOR FEDERAL SCREENING OF PROPERTY.—The Secretary may not carry out the conveyance of property authorized by subsection (a) unless the Secretary determines that no department or agency of the Federal Government will accept the transfer of the property.

(c) CONDITION.—The conveyance authorized under subsection (a) shall be subject to the condition that the City agree to lease to the Civil Air Patrol, at no rental charge to the Civil Air Patrol, the portion of the real property and improvements located on the parcel to be conveyed that the Civil Air Patrol leases from the Secretary as of the date of the enactment of this Act.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the City.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2824. LAND CONVEYANCE, FORMER NAVAL RESERVE FACILITY, LEWES, DELAWARE.

(a) CONVEYANCE AUTHORIZED.—Subject to subsection (b), the Secretary of the Navy may convey, without consideration, to the State of Delaware (in this section referred to as the "State"), all right, title, and interest of the United States in and to a parcel of real property, including any improvements thereon, consisting of approximately 16.8 acres at the site of the former Naval Reserve Facility, Lewes, Delaware.

(b) REQUIREMENT FOR FEDERAL SCREENING OF PROPERTY.—The Secretary may not carry out the conveyance of property authorized by subsection (a) unless the Secretary determines that no department or agency of the Federal Government will accept the transfer of the property.

(c) CONDITION OF CONVEYANCE.—The conveyance under subsection (a) shall be subject to the condition that the State use the real property conveyed under that subsection in perpetuity solely for public park or recreational purposes.

(d) REVERSION.—If the Secretary of the Interior determines at any time that the real property conveyed pursuant to this section is not being used for a purpose specified in subsection (b), all right, title, and interest in and to such real property, including any improvements thereon, shall revert to the United States and the United States shall have the right of immediate entry thereon.

(e) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real

property to be conveyed pursuant to this section shall be determined by a survey satisfactory to the Secretary of the Navy. The cost of such survey shall be borne by the State.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary of the Navy may require such additional terms and conditions in connection with the conveyance under this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2825. LAND CONVEYANCE, RADAR BOMB SCORING SITE, BELLE FOURCHE, SOUTH DAKOTA.

(a) CONVEYANCE AUTHORIZED.—Subject to subsection (b), the Secretary of the Air Force may convey, without consideration, to the Belle Fourche School District, Belle Fourche, South Dakota (in this section referred to as the "District"), all right, title, and interest of the United States in and to a parcel of real property, together with any improvements thereon, consisting of approximately 37 acres located in Belle Fourche, South Dakota, which has served as the location of a support complex and housing facilities for Detachment 21 of the 554th Range Squadron, an Air Force radar bomb scoring site. The conveyance may not include any portion of the radar bomb scoring site located in the State of Wyoming.

(b) REQUIREMENT FOR FEDERAL SCREENING OF PROPERTY.—The Secretary may not carry out the conveyance of property authorized by subsection (a) unless the Secretary determines that no department or agency of the Federal Government will accept the transfer of the property.

(c) CONDITION OF CONVEYANCE.—The conveyance authorized under subsection (a) shall be subject to the condition that the District—

(1) use the property and facilities conveyed under that subsection for education, economic development, or housing purposes; or

(2) enter into an agreement with an appropriate public or private entity to sell or lease the property and facilities to such entity for such purposes.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the property conveyed under this section shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the District.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2826. CONVEYANCE OF PRIMATE RESEARCH COMPLEX, HOLLOMAN AIR FORCE BASE, NEW MEXICO.

(a) CONVEYANCE AUTHORIZED.—Notwithstanding any provision of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.), or any regulations prescribed thereunder, the Secretary of the Air Force may convey all right, title, and interest of the United States in and to the primate research complex at Holloman Air Force Base, New Mexico. The conveyance shall include the colony of chimpanzees owned by the Air Force that are housed at or managed from the primate research complex. The conveyance may not include the real property on which the primate research complex is located.

(b) COMPETITIVE PROCEDURES REQUIRED.—The Secretary shall use competitive procedures in selecting the person or entity to which to make the conveyance authorized by subsection (a).

(c) STANDARDS TO BE USED IN SOLICITATION OF BIDS.—The Secretary shall develop standards for the care and use of the primate research complex, and of chimpanzees, to be used in soliciting bids for the conveyance authorized by subsection (a). The Secretary shall develop such standards in consultation with the Secretary of Agriculture and the Director of the National Institutes of Health.

(d) CONDITIONS OF CONVEYANCE.—The conveyance authorized by subsection (a) shall be subject to the followings conditions:

(1) That the recipient of the primate research complex—

(A) utilize any chimpanzees included in the conveyance only for scientific research or medical research purposes; or

(B) retire and provide adequate care for such chimpanzees.

(2) That the recipient of the primate research complex assume from the Secretary any leases at the primate research complex that are in effect at the time of the conveyance.

(e) DESCRIPTION OF COMPLEX.—The exact legal description of the primate research complex to be conveyed under subsection (a) shall be determined by a survey or other means satisfactory to the Secretary. The cost of any survey or other services performed at the direction of the Secretary under the authority in the preceding sentence shall be borne by the recipient of the primate research complex.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2827. DEMONSTRATION PROJECT FOR INSTALLATION AND OPERATION OF ELECTRIC POWER DISTRIBUTION SYSTEM AT YOUNGSTOWN AIR RESERVE STATION, OHIO.

(a) AUTHORITY.—The Secretary of the Air Force may carry out a demonstration project to assess the feasibility and advisability of permitting private entities to install, operate, and maintain electric power distribution systems at military installations. The Secretary shall carry out the demonstration project through an agreement under subsection (b).

(b) AGREEMENT.—(1) In order to carry out the demonstration project, the Secretary shall enter into an agreement with an electric utility or other company in the Youngstown, Ohio, area under which the utility or company, as the case may be, installs, operates, and maintains (in a manner satisfactory to the Secretary and the utility or company) an electric power distribution system at Youngstown Air Reserve Station, Ohio.

(2) The Secretary may not enter into an agreement under this subsection until—

(A) the Secretary submits to the congressional defense committees a report on the agreement to be entered into, including the costs to be incurred by the United States under the agreement; and

(B) a period of 21 days has elapsed from the date of the receipt of the report by the committees.

(c) LICENSES AND EASEMENTS.—In order to facilitate the installation, operation, and maintenance of the electric power distribution system under the agreement under subsection (b), the Secretary may grant the utility or company with which the Secretary enters into the agreement such licenses, easements, and rights-of-way as the Secretary and the utility or company, as the case may be, jointly determine necessary for such purposes.

(d) OWNERSHIP OF SYSTEM.—The agreement between the Secretary and the utility or company under subsection (b) may provide that the utility or company, as the case may be, shall own the electric power distribution system installed under the agreement.

(e) RATES.—The rates charged by the utility or company for providing and distributing electric power at Youngstown Air Reserve Station through the electric power distribution system installed under the agreement under subsection (b) may not include the costs, including the amortization of any costs, incurred by the utility or company, as the case may be, in installing the system.

(f) REPORTS.—Not later than February 1, 1997, and February 1 of each year following a year in which the Secretary carries out the demonstration project under this section, the Secretary shall submit to the congressional defense committees a report on the project. The report shall include the Secretary's current assessment of the project and the recommendations, if any, of the Secretary of extending the authority with respect to the project to other facilities and installations of the Department of Defense.

(g) FUNDING.—In order to pay the costs of the United States under the agreement under subsection (b), the Secretary may use funds authorized to be appropriated by section 2601(3)(B) of the Military Construction Authorization Act for Fiscal Year 1996 (division B of Public Law 104–106; 110 Stat. 540) for the purpose of rebuilding the electric power distribution system at the Youngstown Air Reserve Station that were appropriated for that purpose by the Military Construction Appropriations Act, 1996 (Public Law 104–32; 109 Stat. 283) and that remain available for obligation for that purpose as of the date of the enactment of this Act.

(h) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in the agreement under subsection (b) as the Secretary considers appropriate to protect the interests of the United States.

DIVISION C—DEPARTMENT OF ENERGY NATIONAL SECURITY AUTHORIZATIONS AND OTHER AUTHORIZATIONS

TITLE XXXI—DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

Subtitle A—National Security Programs Authorizations

SEC. 3101. WEAPONS ACTIVITIES.

(a) STOCKPILE STEWARDSHIP.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1997 for stockpile stewardship in carrying out weapons activities necessary for national security programs in the amount of $1,636,767,000, to be allocated as follows:

(1) For core stockpile stewardship, $1,200,907,000, to be allocated as follows:

(A) For operation and maintenance, $1,112,570,000.

(B) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $88,337,000, to be allocated as follows:

Project 96–D–102, stockpile stewardship facilities revitalization, Phase VI, various locations, $19,250,000.

Project 96–D–103, ATLAS, Los Alamos National Laboratory, Los Alamos, New Mexico, $15,100,000.

Project 96–D–104, processing and environmental technology laboratory (PETL), Sandia National Laboratories, Albuquerque, New Mexico, $14,100,000.

Project 96-D-105, contained firing facility addition, Lawrence Livermore National Laboratory, Livermore, California, $17,100,000.

Project 95-D-102, Chemical and Metallurgy Research Building upgrades project, Los Alamos National Laboratory, Los Alamos, New Mexico, $15,000,000.

Project 94-D-102, nuclear weapons research, development, and testing facilities revitalization, Phase V, various locations, $7,787,000.

(2) For inertial fusion, $366,460,000, to be allocated as follows:

(A) For operation and maintenance, $234,560,000.

(B) For the following plant project (including maintenance, restoration, planning, construction, acquisition, and modification of facilities, and land acquisition related thereto):

Project 96-D-111, national ignition facility, location to be determined, $131,900,000.

(3) For technology transfer and education, $69,400,000.

(b) STOCKPILE MANAGEMENT.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1997 for stockpile management in carrying out weapons activities necessary for national security programs in the amount of $1,988,831,000, to be allocated as follows:

(1) For operation and maintenance, $1,894,470,000.

(2) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $94,361,000, to be allocated as follows:

Project 97-D-121, consolidated pit packaging system, Pantex Plant, Amarillo, Texas, $870,000.

Project 97-D-122, nuclear materials storage facility renovation, Los Alamos National Laboratory, Los Alamos, New Mexico, $4,000,000.

Project 97-D-123, structural upgrades, Kansas City Plant, Kansas City, Missouri, $1,400,000.

Project 97-D-124, steam plant waste water treatment facility upgrade, Y-12 plant, Oak Ridge, Tennessee, $600,000.

Project 96-D-122, sewage treatment quality upgrade (STQU), Pantex Plant, Amarillo, Texas, $100,000.

Project 96-D-123, retrofit heating, ventilation, and air conditioning and chillers for ozone protection, Y-12 plant, Oak Ridge, Tennessee, $7,000,000.

Project 96-D-125, Washington measurements operations facility, Andrews Air Force Base, Camp Springs, Maryland, $3,825,000.

Project 95-D-122, sanitary sewer upgrade, Y-12 plant, Oak Ridge, Tennessee, $10,900,000.

Project 94-D-124, hydrogen fluoride supply system, Y-12 plant, Oak Ridge, Tennessee, $4,900,000.

Project 94-D-125, upgrade life safety, Kansas City Plant, Kansas City, Missouri, $5,200,000.

Project 94-D-127, emergency notification system, Pantex Plant, Amarillo, Texas, $2,200,000.

Project 93-D-122, life safety upgrades, Y-12 plant, Oak Ridge, Tennessee, $7,200,000.

Project 93-D-123, non-nuclear reconfiguration, complex-21, various locations, $14,487,000.

Project 88-D-122, facilities capability assurance program, various locations, $21,940,000.

Project 88-D-123, security enhancement, Pantex Plant, Amarillo, Texas, $9,739,000.

(c) PROGRAM DIRECTION.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1997 for program direction in carrying out weapons activities necessary for national security programs in the amount of $323,404,000.

SEC. 3102. ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT.

(a) ENVIRONMENTAL RESTORATION.—Subject to subsection (j), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1997 for environmental restoration in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $1,777,194,000.

(b) WASTE MANAGEMENT.—Subject to subsection (j), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1997 for waste management in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $1,601,653,000, to be allocated as follows:

(1) For operation and maintenance, $1,513,326,000.

(2) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $88,327,000, to be allocated as follows:

Project 97-D-402, tank restoration and safe operations, Richland, Washington, $7,584,000.

Project 96-D-408, waste management upgrades, various locations, $11,246,000.

Project 95-D-402, install permanent electrical service, Waste Isolation Pilot Plant, Carlsbad, New Mexico, $752,000.

Project 95-D-405, industrial landfill V and construction/demolition landfill VII, Phase III, Y-12 Plant, Oak Ridge, Tennessee, $200,000.

Project 94-D-404, Melton Valley storage tank capacity increase, Oak Ridge National Laboratory, Oak Ridge, Tennessee, $6,345,000.

Project 94-D-407, initial tank retrieval systems, Richland, Washington, $12,600,000.

Project 93-D-182, replacement of cross-site transfer system, Richland, Washington, $8,100,000.

Project 93-D-187, high-level waste removal from filled waste tanks, Savannah River Site, South Carolina, $20,000,000.

Project 89-D-174, replacement high-level waste evaporator, Savannah River Site, Aiken, South Carolina, $11,500,000.

Project 86-D-103, decontamination and waste treatment facility, Lawrence Livermore National Laboratory, Livermore, California, $10,000,000.

(c) TECHNOLOGY DEVELOPMENT.—Subject to subsection (j), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1997 for technology development in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $328,771,000.

(d) NUCLEAR MATERIALS AND FACILITIES STABILIZATION.—Subject to subsection (j), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1997 for nuclear materials and facilities stabilization in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $994,821,000, to be allocated as follows:

(1) For operation and maintenance, $909,664,000.

(2) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $85,157,000, to be allocated as follows:

Project 97-D-450, actinide packaging and storage facility, Savannah River Site, Aiken, South Carolina, $7,900,000.

Project 97-D-451, B-plant safety class ventilation upgrades, Richland, Washington, $1,500,000.

Project 96-D-406, spent nuclear fuels canister storage and stabilization facility, Richland, Washington, $60,672,000.

Project 96-D-464, electrical and utility systems upgrade, Idaho Chemical Processing Plant, Idaho National Engineering Laboratory, Idaho, $10,440,000.

Project 95-D-456, security facilities upgrade, Idaho Chemical Processing Plant, Idaho National Engineering Laboratory, Idaho, $4,645,000.

(e) POLICY AND MANAGEMENT.—Subject to subsection (j), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1997 policy and management activities (including development and direction of policy, training and education, and management) in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $26,155,000.

(f) SITE OPERATIONS.—Subject to subsection (j), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1997 for site operations in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $363,469,000, to be allocated as follows:

(1) For operation and maintenance, $331,054,000.

(2) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $32,415,000, to be allocated as follows:

Project 96-D-461, electrical distribution upgrade, Idaho National Engineering Laboratory, Idaho, $6,790,000.

Project 96-D-470, environmental monitoring laboratory, Savannah River Site, Aiken, South Carolina, $2,500,000.

Project 96-D-471, chlorofluorocarbon heating, ventilation, and air conditioning and chiller retrofit, Savannah River Site, Aiken, South Carolina, $8,541,000.

Project 96-D-473, health physics site support facility, Savannah River Site, Aiken, South Carolina, $2,000,000.

Project 95-E-600, hazardous materials management and emergency response training center, Richland, Washington, $7,900,000.

Project 95-D-155, upgrade site road infrastructure, Savannah River, South Carolina, $4,137,000.

Project 94-D-401, emergency response facility, Idaho National Engineering Laboratory, Idaho, $547,000.

(g) ENVIRONMENTAL SCIENCE AND RISK POLICY.—Subject to subsection (j), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1997 for environmental science and risk policy activities in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $52,136,000.

(h) ENVIRONMENTAL MANAGEMENT PRIVATIZATION.—Subject to subsection (j), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1997 for

environmental management privatization activities in carrying out environmental restoration and waste management necessary for national security programs in the amount of $185,000,000.

(i) PROGRAM DIRECTION.—Subject to subsection (j), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1997 for program direction in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $436,511,000.

(j) ADJUSTMENTS.—The total amount authorized to be appropriated pursuant to this section is the sum of the amounts authorized to be appropriated in subsections (a) through (i) reduced by the sum of—

(1) $150,400,000, for use of prior year balances; and

(2) $8,000,000, for Savannah River Pension Refund.

SEC. 3103. OTHER DEFENSE ACTIVITIES.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1997 for other defense activities in carrying out programs necessary for national security in the amount of $1,560,700,000, to be allocated as follows:

(1) For verification and control technology, $456,348,000, to be allocated as follows:

(A) For nonproliferation and verification research and development, $204,919,000.

(B) For arms control, $216,244,000.

(C) For intelligence, $35,185,000.

(2) For nuclear safeguards and security, $47,208,000.

(3) For security investigations, $22,000,000.

(4) For environment, safety, and health, defense, $53,094,000.

(5) For program direction, environment, safety, and health, defense, $10,706,000.

(6) For worker and community transition assistance, $62,659,000.

(7) For program direction, worker and community transition assistance, $4,341,000.

(8) For fissile materials $93,796,000, to be allocated as follows:

(A) For control and disposition, $73,163,000.

(B) For the following plant project (including maintenance, restoration, planning, construction, acquisition, and modification of facilities, and land acquisition related thereto):

Project 97-D-140, consolidated special nuclear materials storage plant, location to be determined, $17,000,000.

(C) For program direction, $3,633,000.

(9) For emergency management, $16,794,000.

(10) For program direction, nonproliferation and national security, $90,622,000.

(11) For naval reactors development, $681,932,000, to be allocated as follows:

(A) For operation and infrastructure, $649,330,000.

(B) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $13,700,000, to be allocated as follows:

Project 97-D-201, advanced test reactor secondary coolant system upgrades Idaho National Engineering Laboratory, Idaho, $400,000.

Project 95-D-200, laboratory systems and hot cell upgrades, various locations, $4,800,000.

Project 95-D-201, advanced test reactor radioactive waste system upgrades, Idaho National Engineering Laboratory, Idaho, $500,000.

Project 90-N-102, expended core facility dry cell project, Naval Reactors Facility, Idaho, $8,000,000.

(C) For program direction, $18,902,000.

(12) For international nuclear safety, $15,200,000.

(13) For nuclear security, $6,000,000.

SEC. 3104. DEFENSE NUCLEAR WASTE DISPOSAL.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for payment to the Nuclear Waste Fund established in section 302(c) of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10222(c)) in the amount of $200,000,000.

Subtitle B—Recurring General Provisions

SEC. 3121. REPROGRAMMING.

(a) IN GENERAL.—Until the Secretary of Energy submits to the congressional defense committees the report referred to in subsection (b) and a period of 30 days has elapsed after the date on which such committees receive the report, the Secretary may not use amounts appropriated pursuant to this title for any program—

(1) in amounts that exceed, in a fiscal year—

(A) 110 percent of the amount authorized for that program by this title; or

(B) $1,000,000 more than the amount authorized for that program by this title; or

(2) which has not been presented to, or requested of, Congress.

(b) REPORT.—(1) The report referred to in subsection (a) is a report containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such proposed action.

(2) In the computation of the 30-day period under subsection (a), there shall be excluded any day on which either House of Congress is not in session because of an adjournment of more than 3 days to a day certain.

(c) LIMITATIONS.—(1) In no event may the total amount of funds obligated pursuant to this title exceed the total amount authorized to be appropriated by this title.

(2) Funds appropriated pursuant to this title may not be used for an item for which Congress has specifically denied funds.

SEC. 3122. LIMITS ON GENERAL PLANT PROJECTS.

(a) IN GENERAL.—The Secretary of Energy may carry out any construction project under the general plant projects authorized by this title if the total estimated cost of the construction project does not exceed $2,000,000.

(b) REPORT TO CONGRESS.—If, at any time during the construction of any general plant project authorized by this title, the estimated cost of the project is revised because of unforeseen cost variations and the revised cost of the project exceeds $2,000,000, the Secretary shall immediately furnish a complete report to the congressional defense committees explaining the reasons for the cost variation.

SEC. 3123. LIMITS ON CONSTRUCTION PROJECTS.

(a) IN GENERAL.—(1) Except as provided in paragraph (2), construction on a construction project may not be started or additional obligations incurred in connection with the project above the total estimated cost, whenever the current estimated cost of the construction project, which is authorized by section 3101, 3102, or 3103, or which is in support of national security programs of the Department of Energy and was authorized by any previous Act, exceeds by more than 25 percent the higher of—

(A) the amount authorized for the project; or

(B) the amount of the total estimated cost for the project as shown in the most recent budget justification data submitted to Congress.

(2) An action described in paragraph (1) may be taken if—

(A) the Secretary of Energy has submitted to the congressional defense committees a report on the actions and the circumstances making such action necessary; and

(B) a period of 30 days has elapsed after the date on which the report is received by the committees.

(3) In the computation of the 30-day period under paragraph (2), there shall be excluded any day on which either House of Congress is not in session because of an adjournment of more than 3 days to a day certain.

(b) EXCEPTION.—Subsection (a) shall not apply to any construction project which has a current estimated cost of less than $5,000,000.

SEC. 3124. FUND TRANSFER AUTHORITY.

(a) TRANSFER TO OTHER FEDERAL AGENCIES.—The Secretary of Energy may transfer funds authorized to be appropriated to the Department of Energy pursuant to this title to other Federal agencies for the performance of work for which the funds were authorized. Funds so transferred may be merged with and be available for the same purposes and for the same period as the authorizations of the Federal agency to which the amounts are transferred.

(b) TRANSFER WITHIN DEPARTMENT OF ENERGY; LIMITATIONS.—(1) Subject to paragraph (2), the Secretary of Energy may transfer funds authorized to be appropriated to the Department of Energy pursuant to this title between any such authorizations. Amounts of authorizations so transferred may be merged with and be available for the same purposes and for the same period as the authorization to which the amounts are transferred.

(2) Not more than five percent of any such authorization may be transferred between authorizations under paragraph (1). No such authorization may be increased or decreased by more than five percent by a transfer under such paragraph.

(3) The authority provided by this section to transfer authorizations—

(A) may only be used to provide funds for items relating to weapons activities necessary for national security programs that have a higher priority than the items from which the funds are transferred; and

(B) may not be used to provide authority for an item that has been denied funds by Congress.

(c) NOTICE TO CONGRESS.—The Secretary of Energy shall promptly notify the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives of any transfer of funds to or from authorizations under this title.

SEC. 3125. AUTHORITY FOR CONCEPTUAL AND CONSTRUCTION DESIGN.

(a) REQUIREMENT FOR CONCEPTUAL DESIGN.—(1) Subject to paragraph (2) and except as provided in paragraph (3), before submitting to Congress a request for funds for a construction project that is in support of a national security program of the Department of Energy, the Secretary of Energy shall complete a conceptual design for that project. The Secretary shall submit to Congress a report on each conceptual design completed under this paragraph.

(2) If the estimated cost of completing a conceptual design for a construction project exceeds $3,000,000, the Secretary shall submit

to Congress a request for funds for the conceptual design before submitting a request for funds for the construction project.

(3) The requirement in paragraph (1) does not apply to a request for funds—

(A) for a construction project the total estimated cost of which is less than $2,000,000; or

(B) for emergency planning, design, and construction activities under section 3126.

(b) AUTHORITY FOR CONSTRUCTION DESIGN.—(1) Within the amounts authorized by this title, the Secretary of Energy may carry out construction design (including architectural and engineering services) in connection with any proposed construction project if the total estimated cost for such design does not exceed $600,000.

(2) If the total estimated cost for construction design in connection with any construction project exceeds $600,000, funds for such design must be specifically authorized by law.

SEC. 3126. AUTHORITY FOR EMERGENCY PLANNING, DESIGN, AND CONSTRUCTION ACTIVITIES.

(a) AUTHORITY.—The Secretary of Energy may use any funds available to the Department of Energy pursuant to an authorization in this title, including those funds authorized to be appropriated for advance planning and construction design under sections 3101, 3102, and 3103, to perform planning, design, and construction activities for any Department of Energy national security program construction project that, as determined by the Secretary, must proceed expeditiously in order to protect public health and safety, to meet the needs of national defense, or to protect property.

(b) LIMITATION.—The Secretary may not exercise the authority under subsection (a) in the case of any construction project until the Secretary has submitted to the congressional defense committees a report on the activities that the Secretary intends to carry out under this section and the circumstances making such activities necessary.

(c) SPECIFIC AUTHORITY.—The requirement of section 3125(b)(2) does not apply to emergency planning, design, and construction activities conducted under this section.

SEC. 3127. FUNDS AVAILABLE FOR ALL NATIONAL SECURITY PROGRAMS OF THE DEPARTMENT OF ENERGY.

Subject to the provisions of appropriations Acts and section 3121, amounts appropriated pursuant to this title for management and support activities and for general plant projects are available for use, when necessary, in connection with all national security programs of the Department of Energy.

SEC. 3128. AVAILABILITY OF FUNDS.

When so specified in an appropriations Act, amounts appropriated for operation and maintenance or for plant projects may remain available until expended.

Subtitle C—Program Authorizations, Restrictions, and Limitations

SEC. 3131. TRITIUM PRODUCTION.

(a) ACCELERATION OF TRITIUM PRODUCTION.—(1) The Secretary of Energy shall, during fiscal year 1997, make a final decision on the technologies to be utilized, and the accelerated schedule to be adopted, for tritium production in order to meet the requirements of the Nuclear Weapons Stockpile Memorandum relating to tritium production, including the new tritium production date of 2005 specified in the Nuclear Weapons Stockpile Memorandum.

(2) In making the final decision, the Secretary shall take into account the following:

(A) The requirements for tritium production specified in the Nuclear Weapons Stockpile Memorandum, including, in particular, the requirements for the "upload hedge" component of the nuclear weapons stockpile.

(B) The ongoing activities of the Department relating to the evaluation and demonstration of technologies under the accelerator reactor program and the commercial light water reactor program.

(b) REPORT.—(1) Not later than April 15, 1997, the Secretary shall submit to the Congress a report that sets forth the final decision of the Secretary under subsection (a)(1). The report shall set forth in detail—

(A) the technologies decided on under that subsection; and

(B) the accelerated schedule for the production of tritium decided on under that subsection.

(2) If the Secretary determines that it is not possible to make the final decision by the date specified in paragraph (1), the Secretary shall submit to Congress on that date a report that explains in detail why the final decision cannot be made by that date.

(c) NEW TRITIUM PRODUCTION FACILITY.—The Secretary shall commence planning and design activities and infrastructure development for a new tritium production facility.

(d) IN-REACTOR TESTS.—The Secretary may perform in-reactor tests of tritium target rods as part of the activities carried out under the commercial light water reactor program.

(e) FUNDING.—Of the funds authorized to be appropriated to the Department of Energy pursuant to section 3101—

(1) not more than $45,000,000 shall be available for research, development, and technology demonstration activities and other activities relating to the production of tritium in accelerators; and

(2) not more than $15,000,000 shall be available for the commercial light water reactor project, including activities relating to target development, extraction capability, and reactor acquisition or initial tritium operations.

SEC. 3132. MODERNIZATION AND CONSOLIDATION OF TRITIUM RECYCLING FACILITIES.

(a) IN GENERAL.—The Secretary of Energy shall carry out activities to modernize and consolidate the facilities for recycling tritium for weapons at the Savannah River Site, South Carolina, so as to ensure that such facilities have a capacity to recycle tritium from weapons that is adequate to meet the requirements for tritium for weapons specified in the Nuclear Weapons Stockpile Memorandum.

(b) FUNDING.—Of the funds authorized to be appropriated to the Department of Energy pursuant to section 3101, not more than $6,000,000 shall be available for activities under subsection (a).

SEC. 3133. MODIFICATION OF REQUIREMENTS FOR MANUFACTURING INFRASTRUCTURE FOR REFABRICATION AND CERTIFICATION OF NUCLEAR WEAPONS STOCKPILE.

(a) GENERAL PROGRAM REQUIREMENTS.—Subsection (a) of section 3137 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 620; 42 U.S.C. 2121 note) is amended—

(1) by inserting "(1)" before "The Secretary of Energy";

(2) by redesignating paragraphs (1) through (5) as subparagraphs (A) through (E), respectively; and

(3) by adding at the end the following:

"(2) The purpose of the program carried out under paragraph (1) shall also be to develop manufacturing capabilities and capacities necessary to meet the requirements specified in the annual Nuclear Weapons Stockpile Review.".

(b) REQUIRED CAPABILITIES.—Subsection (b)(3) of such section is amended to read as follows:

"(3) The capabilities of the Savannah River Site relating to tritium recycling and fissile materials components processing and fabrication.".

(c) PLAN AND REPORT.—Not later than March 1, 1997, the Secretary of Energy shall submit to Congress a report containing a plan for carrying out the program established under section 3137(a) of the National Defense Authorization Act for Fiscal Year 1996, as amended by this section. The report shall set forth the obligations that the Secretary has incurred, and proposes to incur, during fiscal year 1997 in carrying out the program.

(d) FUNDING.—Of the funds authorized to be appropriated pursuant to section 3101(b), $5,000,000 shall be available for carrying out the program established under section 3137(a) of the National Defense Authorization Act for Fiscal Year 1996, as so amended.

SEC. 3134. LIMITATION ON USE OF FUNDS FOR CERTAIN RESEARCH AND DEVELOPMENT PURPOSES.

(a) LIMITATION.—No funds appropriated or otherwise made available to the Department of Energy for fiscal year 1997 under section 3101 may be obligated or expended for activities under the Department of Energy Laboratory Directed Research and Development Program, or under any Department of Energy technology transfer program or cooperative research and development agreement, unless such activities support the national security mission of the Department of Energy.

(b) ANNUAL REPORT.—(1) The Secretary of Energy shall annually submit to the congressional defense committees a report on the funds expended during the preceding fiscal year on activities under the Department of Energy Laboratory Directed Research and Development Program. The purpose of the report is to permit an assessment of the extent to which such activities support the national security mission of the Department of Energy.

(2) Each report shall be prepared by the officials responsible for Federal oversight of the funds expended on activities under the program.

(3) Each report shall set forth the criteria utilized by the officials preparing the report in determining whether or not the activities reviewed by such officials support the national security mission of the Department.

SEC. 3135. ACCELERATED SCHEDULE FOR ISOLATING HIGH-LEVEL NUCLEAR WASTE AT THE DEFENSE WASTE PROCESSING FACILITY, SAVANNAH RIVER SITE.

The Secretary of Energy shall accelerate the schedule for the isolation of high-level nuclear waste in glass canisters at the Defense Waste Processing Facility at the Savannah River Site if the Secretary determines that the acceleration of such schedule—

(1) will achieve long-term cost savings to the Federal Government; and

(2) could accelerate the removal and isolation of high-level nuclear waste from long-term storage tanks at the site.

SEC. 3136. PROCESSING OF HIGH-LEVEL NUCLEAR WASTE AND SPENT NUCLEAR FUEL RODS.

(a) IN GENERAL.—In order to provide for an effective response to requirements for managing spent nuclear fuel that is sent to Department of Energy consolidation sites pursuant to the Department of Energy Programmatic Spent Nuclear Fuel Management and Idaho National Engineering Laboratory Environmental Restoration and Waste Management Programs Final Environmental Impact Statement, dated April 1995, there shall be available to the Secretary of Energy, from amounts authorized to be appropriated pursuant to section 3102, the following amounts for the purposes stated:

(1) Not more than $43,000,000 for the development and implementation of a program for the processing, reprocessing, separation, reduction, isolation, and interim storage of high-level nuclear waste associated with Department of Energy aluminum clad spent fuel rods and foreign spent fuel rods in the H-canyon facility and F-canyon facility.

(2) Not more than $15,000,000 for the development and implementation of a program for the treatment, preparation, and conditioning of high-level nuclear waste associated with Department of Energy stainless steel spent nuclear fuel rods (including naval spent nuclear fuel) for interim storage and final disposition.

(b) UPDATE OF IMPLEMENTATION PLAN.—Not later than April 30, 1997, the Secretary shall submit to Congress a plan which updates the five-year plan required by section 3142(b) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 622). The updated plan shall include—

(1) the matters required by paragraphs (1) through (4) of such section, current as of the date of the updated plan; and

(2) the assessment of the Secretary of the progress made in implementing the program covered by the plans.

SEC. 3137. FELLOWSHIP PROGRAM FOR DEVELOPMENT OF SKILLS CRITICAL TO DEPARTMENT OF ENERGY NUCLEAR WEAPONS COMPLEX.

(a) FUNDING.—Subject to subsection (b), of the funds authorized to be appropriated pursuant to section 3101(b), $5,000,000 may be used for conducting the fellowship program for the development of skills critical to the ongoing mission of the Department of Energy nuclear weapons complex required by section 3140 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 621; 42 U.S.C. 2121 note).

(b) NOTICE AND WAIT.—The Secretary of Energy may not obligate or expend funds under subsection (a) for the fellowship program referred to in that subsection until—

(1) the Secretary submits to Congress a report setting forth—

(A) the steps the Department has taken to implement the fellowship program;

(B) the amount the Secretary proposes to obligate; and

(C) the purposes for which such amount will be obligated; and

(2) a period of 21 days elapses from the date of the receipt of the report by Congress.

Subtitle D—Other Matters

SEC. 3151. REQUIREMENT FOR ANNUAL FIVE-YEAR BUDGET FOR THE NATIONAL SECURITY PROGRAMS OF THE DEPARTMENT OF ENERGY.

(a) REQUIREMENT.—The Secretary of Energy shall prepare each year a budget for the national security programs of the Department of Energy for the five-year period beginning in the year the budget is prepared. Each budget shall contain the estimated expenditures and proposed appropriations necessary to support the programs, projects, and activities of the national security programs during the five-year period covered by the budget and shall be at a level of detail comparable to that contained in the budget submitted by the President to Congress under section 1105 of title 31, United States Code.

(b) SUBMITTAL.—The Secretary shall submit each year to the congressional defense committees the budget required under subsection (a) in that year at the same time as the President submits to Congress the budget for the coming fiscal year pursuant to such section 1105.

SEC. 3152. REQUIREMENTS FOR DEPARTMENT OF ENERGY WEAPONS ACTIVITIES BUDGETS FOR FISCAL YEARS AFTER FISCAL YEAR 1997.

(a) IN GENERAL.—The weapons activities budget of the Department of Energy for any fiscal year after fiscal year 1997 shall—

(1) set forth with respect to each of the activities under the budget (including stockpile stewardship, stockpile management, and program direction) the funding requested to carry out each project or activity that is necessary to meet the requirements of the Nuclear Weapons Stockpile Memorandum; and

(2) identify specific infrastructure requirements arising from the Nuclear Posture Review, the Nuclear Weapons Stockpile Memorandum, and the programmatic and technical requirements associated with the review and memorandum.

(b) REQUIRED DETAIL.—The Secretary of Energy shall include in the materials that the Secretary submits to Congress in support of the budget for any fiscal year after fiscal year 1997 that is submitted by the President pursuant to section 1105 of title 31, United States Code, the following:

(1) A long-term program plan, and a near-term program plan, for the certification and stewardship of the nuclear weapons stockpile.

(2) An assessment of the effects of the plans referred to in paragraph (1) on each nuclear weapons laboratory and each nuclear weapons production plant.

(c) DEFINITIONS.—In this section:

(1) The term "Nuclear Posture Review" means the Department of Defense Nuclear Posture Review as contained in the report of the Secretary of Defense to the President and the Congress dated February 19, 1995, or in subsequent such reports.

(2) The term "nuclear weapons laboratory" means the following:

(A) Lawrence Livermore National Laboratory, California.

(B) Los Alamos National Laboratory, New Mexico.

(C) Sandia National Laboratories.

(3) The term "nuclear weapons production plant" means the following:

(A) The Pantex Plant.

(B) The Savannah River Site.

(C) The Kansas City Plant, Missouri.

(D) The Y-12 Plant, Oak Ridge, Tennessee.

SEC. 3153. REPEAL OF REQUIREMENT RELATING TO ACCOUNTING PROCEDURES FOR DEPARTMENT OF ENERGY FUNDS.

Section 3151 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 3089) is repealed.

SEC. 3154. PLANS FOR ACTIVITIES TO PROCESS NUCLEAR MATERIALS AND CLEAN UP NUCLEAR WASTE AT THE SAVANNAH RIVER SITE.

(a) NEAR-TERM PLAN FOR PROCESSING SPENT FUEL RODS.—(1) Not later than March 15, 1997, the Secretary of Energy shall submit to Congress a plan for a near-term program to process the spent nuclear fuel rods described in paragraph (2) in the H-canyon facility and the F-canyon facility at the Savannah River Site. The plan shall include cost projections and resource requirements for the program and identify program milestones for the program.

(2) The spent nuclear fuel rods to be processed under the program referred to in paragraph (1) are the following:

(A) Spent nuclear fuel rods produced at the Savannah River Site.

(B) Spent nuclear fuel rods being sent to the site from other Department of Energy facilities for processing, interim storage, and other treatment.

(C) Foreign nuclear spent fuel rods being sent to the site for processing, interim storage, and other treatment.

(b) MULTI-YEAR PLAN FOR CLEAN-UP AT SITE.—The Secretary shall develop and implement a multi-year plan for the clean-up of nuclear waste at the Savannah River Site that results, or has resulted, from the following:

(1) Nuclear weapons activities carried out at the site.

(2) The processing of Department of Energy domestic and foreign spent nuclear fuel rods at the site.

(c) REQUIREMENT FOR CONTINUING OPERATIONS.—The Secretary shall continue operations and maintain a high state of readiness at the H-canyon facility and the F-canyon facility at the Savannah River Site, and shall provide technical staff necessary to operate and so maintain such facilities, pending the development and implementation of the plan referred to in subsection (b).

SEC. 3155. UPDATE OF REPORT ON NUCLEAR TEST READINESS POSTURES.

Not later than February 15, 1997, the Secretary of Energy shall submit to Congress a report which updates the report submitted by the Secretary under section 3152 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 623). The updated report shall include the matters specified under such section, current as of the date of the updated report.

SEC. 3156. REPORTS ON CRITICAL DIFFICULTIES AT NUCLEAR WEAPONS LABORATORIES AND NUCLEAR WEAPONS PRODUCTION PLANTS.

(a) REPORTS BY HEADS OF LABORATORIES AND PLANTS.—In the event of a difficulty at a nuclear weapons laboratory or a nuclear weapons production plant that has a significant bearing on confidence in the safety or reliability of a nuclear weapon or nuclear weapon type, the head of the laboratory or plant, as the case may be, shall submit to the Assistant Secretary of Energy for Defense Programs a report on the difficulty. The head of the laboratory or plant shall submit the report as soon as practicable after discovery of the difficulty.

(b) TRANSMITTAL BY ASSISTANT SECRETARY.—As soon as practicable after receipt of a report under subsection (a), the Assistant Secretary shall transmit the report (together with the comments of the Assistant Secretary) to the congressional defense committees and to the Secretary of Energy and the Secretary of Defense.

(c) REPORTS BY NUCLEAR WEAPONS COUNCIL.—Section 179 of title 10, United States Code, is amended—

(1) by redesignating subsection (e) as subsection (f); and

(2) by inserting after subsection (d) the following new subsection (e):

"(e) In addition to the responsibilities set forth in subsection (d), the Council shall also

submit to Congress a report on any analysis conducted by the Council with respect to difficulties at nuclear weapons laboratories or nuclear weapons production plants that have significant bearing on confidence in the safety or reliability of nuclear weapons or nuclear weapon types.".

(d) DEFINITIONS.—In this section:

(1) The term "nuclear weapons laboratory" means the following:

(A) Lawrence Livermore National Laboratory, California.

(B) Los Alamos National Laboratory, New Mexico.

(C) Sandia National Laboratories.

(2) The term "nuclear weapons production plant" means the following:

(A) The Pantex Plant.

(B) The Savannah River Site.

(C) The Kansas City Plant, Missouri.

(D) The Y-12 Plant, Oak Ridge, Tennessee.

SEC. 3157. EXTENSION OF APPLICABILITY OF NOTICE-AND-WAIT REQUIREMENT REGARDING PROPOSED COOPERATION AGREEMENTS.

Section 3155(b) of the National Defense Authorization Act for Fiscal Year 1995 (42 U.S.C. 2153 note) is amended by striking out "October 1, 1996" and inserting in lieu thereof "December 31, 1997".

SEC. 3158. REDESIGNATION OF DEFENSE ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT PROGRAM AS DEFENSE NUCLEAR WASTE MANAGEMENT PROGRAM.

(a) REDESIGNATION OF PROGRAM.—(1) The program of the Department of Energy known as the Defense Environmental Restoration and Waste Management Program, and also known as the Environmental Management Program, shall be known as the Defense Nuclear Waste Management Program of the Department of Energy.

(2) Any reference to the program of the Department of Energy known as the Defense Environmental Restoration and Waste Management Program, and also known as the Environmental Management Program, in any Federal law, Executive order, regulation, delegation of authority, or document of or pertaining to the Department of Energy or the Department of Defense shall be deemed to refer to the Defense Nuclear Waste Management Program of the Department of Energy.

(b) REDESIGNATION OF ASSISTANT SECRETARY OF ENERGY.—(1) The Assistant Secretary of Energy appointed under section 203(a) of the Department of Energy Organization Act (42 U.S.C. 7133(a)) who is responsible for the program of the Department of Energy known as the Defense Environmental Restoration and Waste Management Program, and also known as the Environmental Management Program, shall be known as the Assistant Secretary of Energy for Defense Nuclear Waste Management.

(2) Any reference to the Assistant Secretary of Energy described in paragraph (1) in any Federal law, Executive order, regulation, delegation of authority, or document of or pertaining to the Department of Energy or the Department of Defense shall be deemed to refer to the Assistant Secretary of Energy for Defense Nuclear Waste Management.

(c) REDESIGNATION OF ACCOUNT.—(1) Subsection (a) of section 3134 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102-190; 105 Stat. 1575; 42 U.S.C. 7274f) is amended by striking out "Defense Environmental Restoration and Waste Management Account" and inserting in lieu thereof "Defense Nuclear Waste Management Account".

(2) The section heading of such section is amended to read as follows:

"SEC. 3134. DEFENSE NUCLEAR WASTE MANAGEMENT ACCOUNT.".

(d) REPORT ON REDESIGNATION.—Not later than January 31, 1997, the Secretary of Energy shall submit to congressional defense committees a report on the redesignations to be made under this section. The report shall estimate the costs, if any, to the Department of Energy of the redesignations to be made under this section and describe any potential problems for the Department arising from such redesignations.

(e) EFFECTIVE DATE.—This section and the amendments made by subsection (c) shall take effect on October 1, 1997.

SEC. 3159. COMMISSION ON MAINTAINING UNITED STATES NUCLEAR WEAPONS EXPERTISE.

(a) ESTABLISHMENT.—There is hereby established a commission to be known as the "Commission on Maintaining United States Nuclear Weapons Expertise" (in this section referred to as the "Commission").

(b) ORGANIZATIONAL MATTERS.—(1)(A) The Commission shall be composed of nine members appointed from among individuals in the public and private sectors who have significant experience in matters relating to nuclear weapons as follows:

(i) Two shall be appointed by the Majority Leader of the Senate (in consultation with the Minority Leader of the Senate).

(ii) One shall be appointed by the Minority Leader of the Senate (in consultation with the Majority Leader of the Senate).

(iii) Two shall be appointed by the Speaker of the House of Representatives (in consultation with the Minority Leader of the House of Representatives).

(iv) One shall be appointed by the Minority Leader of the House of Representatives (in consultation with the Speaker of the House of Representatives).

(v) Three shall be appointed by the Secretary of Energy.

(B) Members shall be appointed for the life of the Commission. Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

(C) The chairman of the Commission shall be designated from among the members of the Commission appointed under subparagraph (A) by the Majority Leader of the Senate, in consultation with the Minority Leader of the Senate.

(2) The members of the Commission shall establish procedures for the activities of the Commission, including procedures for calling meetings, requirements for quorums, and the manner of taking votes.

(c) DUTIES.—(1) The Commission shall develop a plan for recruiting and retaining within the Department of Energy nuclear weapons complex such scientific, engineering, and technical personnel as the Commission determines appropriate in order to permit the Department to maintain over the long term a safe and reliable nuclear weapons stockpile without engaging in underground testing.

(2) In developing the plan, the Commission shall—

(A) identify actions that the Secretary may undertake to attract qualified scientific, engineering, and technical personnel to the nuclear weapons complex of the Department; and

(B) review and recommend improvements to the on-going efforts of the Department to attract such personnel to the nuclear weapons complex.

(d) REPORT.—Not later than March 15, 1998, the Commission shall submit to the Secretary and to Congress a report containing the plan developed under subsection (c). The report may include recommendations for legislation and administrative action.

(e) COMMISSION PERSONNEL MATTERS.—(1) Each member of the Commission who is not an officer or employee of the Federal Government shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which such member is engaged in the performance of the duties of the Commission. All members of the Commission who are officers or employees of the United States shall serve without compensation in addition to that received for their services as officers or employees of the United States.

(2) The members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Commission.

(3) The Commission may, without regard to the civil service laws and regulations, appoint and terminate such personnel as may be necessary to enable the Commission to perform its duties. The Commission may fix the compensation of the personnel of the Commission without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates.

(4) Any Federal Government employee may be detailed to the Commission without reimbursement, and such detail shall be without interruption or loss of civil service status or privilege.

(f) TERMINATION.—The Commission shall terminate 30 days after the date on which the Commission submits its report under subsection (d).

(g) APPLICABILITY OF FACA.—The provisions of the Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the activities of the Commission.

(h) FUNDING.—Of the amounts authorized to be appropriated pursuant to section 3101, not more than $1,000,000 shall be available for the activities of the Commission under this section. Funds made available to the Commission under this section shall remain available until expended.

SEC. 3160. SENSE OF SENATE REGARDING RELIABILITY AND SAFETY OF REMAINING NUCLEAR FORCES.

(a) FINDINGS.—The Senate makes the following findings:

(1) The United States is committed to proceeding with a robust science-based stockpile stewardship program with respect to production of nuclear weapons, and to maintaining nuclear weapons production capabilities and capacities, that are adequate—

(A) to ensure the safety, reliability, and performance of the United States nuclear arsenal; and

(B) to meet such changing national security requirements as may result from international developments or technical problems with nuclear warheads.

(2) The United States is committed to reestablishing and maintaining production of nuclear weapons at levels that are sufficient—

(A) to satisfy requirements for the safety, reliability, and performance of United States nuclear weapons; and

(B) to demonstrate and sustain production capabilities and capacities.

(3) The United States is committed to maintaining the nuclear weapons laboratories and protecting core nuclear weapons competencies.

(4) The United States is committed to ensuring the rapid access to a new production source of tritium within the next decade, as it currently has no meaningful capability to produce tritium, a component that is essential to the performance of modern nuclear weapons.

(5) The United States reserves the right, consistent with United States law, to resume underground nuclear testing to maintain confidence in the United States' stockpile of nuclear weapons if warhead design flaws or aging of nuclear weapons result in problems that a robust stockpile stewardship program cannot solve.

(6) The United States is committed to funding the Nevada Test Site at a level that maintains the ability of the United States to resume underground nuclear testing within one year after a national decision to do so is made.

(7) The United States reserves the right to invoke the supreme national interest of the United States and withdraw from any future arms control agreement to limit underground nuclear testing.

(b) SENSE OF THE SENATE REGARDING PRESIDENTIAL CONSULTATION WITH CONGRESS.—It is the sense of the Senate that the President should consult closely with Congress regarding United States policy and practices to ensure confidence in the safety and reliability of the nuclear stockpile of the United States.

(c) SENSE OF THE SENATE REGARDING NOTIFICATION AND CONSULTATION.—It is the sense of the Senate that, upon a determination by the President that a problem with the safety or reliability of the nuclear stockpile has occurred and that the problem cannot be corrected within the stockpile stewardship program, the President shall—

(1) immediately notify Congress of the problem; and

(2) submit to Congress in a timely manner a plan for corrective action with respect to the problem, including—

(A) a technical description of the activities required under the plan; and

(B) if underground testing of nuclear weapons would assist in such corrective action, an assessment of advisability of withdrawing from any treaty that prohibits underground testing of nuclear weapons.

TITLE XXXII—DEFENSE NUCLEAR FACILITIES SAFETY BOARD

SEC. 3201. AUTHORIZATION.

There are authorized to be appropriated for fiscal year 1997, $17,000,000 for the operation of the Defense Nuclear Facilities Safety Board under chapter 21 of the Atomic Energy Act of 1954 (42 U.S.C. 2286 et seq.).

TITLE XXXIII—NATIONAL DEFENSE STOCKPILE

SEC. 3301. AUTHORIZED USES OF STOCKPILE FUNDS.

(a) OBLIGATIONS AUTHORIZED.—During fiscal year 1997, the National Defense Stockpile Manager may obligate up to $60,000,000 of the funds in the National Defense Stockpile Transaction Fund established under subsection (a) of section 9 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h) for the authorized uses of such funds under subsection (b)(2) of such section.

(b) ADDITIONAL OBLIGATIONS.—The National Defense Stockpile Manager may obligate amounts in excess of the amount specified in subsection (a) if the National Defense Stockpile Manager notifies Congress that extraordinary or emergency conditions necessitate the additional obligations. The National Defense Stockpile Manager may make the additional obligations described in the notification after the end of the 45-day period beginning on the date Congress receives the notification.

(c) LIMITATIONS.—The authorities provided by this section shall be subject to such limitations as may be provided in appropriations Acts.

SEC. 3302. DISPOSAL OF CERTAIN MATERIALS IN NATIONAL DEFENSE STOCKPILE.

(a) DISPOSAL REQUIRED.—The President shall dispose of materials contained in the National Defense Stockpile and specified in the table in subsection (b) so as to result in receipts to the United States in amounts equal to—

(1) $338,000,000 during the five-fiscal year period ending on September 30, 2001; and

(2) $649,000,000 during the seven-fiscal year period ending on September 30, 2003.

(b) LIMITATION ON DISPOSAL QUANTITY.—The total quantities of materials authorized for disposal by the President under subsection (a) may not exceed the amounts set forth in the following table:

Authorized Stockpile Disposals

Material for disposal	Quantity
Aluminum	62,881 short tons
Cobalt	30,000,000 pounds contained
Columbium Ferro	930,911 pounds contained
Germanium Metal	40,000 kilograms
Indium	35,000 troy ounces
Palladium	15,000 troy ounces
Platinum	10,000 troy ounces
Rubber, Natural	125,138 long tons
Tantalum, Carbide Powder	6,000 pounds contained
Tantalum, Minerals	750,000 pounds contained
Tantalum, Oxide	40,000 pounds contained

(c) DEPOSIT OF RECEIPTS.—(1) Notwithstanding section 9 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h) and except as provided in paragraph (2), funds received as a result of the disposal of materials under subsection (a) shall be deposited into the general fund of the Treasury.

(2) Funds received as a result of such disposal in excess of the amount of receipts specified in subsection (a)(2) shall be deposited in the National Defense Stockpile Transaction Fund established by section 9(a) of that Act.

(d) RELATIONSHIP TO OTHER DISPOSAL AUTHORITY.—The disposal authority provided in subsection (a) is new disposal authority and is in addition to, and shall not affect, any other disposal authority provided by law regarding the materials specified in such subsection.

(e) DEFINITION.—The term "National Defense Stockpile" means the National Defense Stockpile provided for in section 4 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98c).

TITLE XXXIV—NAVAL PETROLEUM RESERVES

SEC. 3401. AUTHORIZATION OF APPROPRIATIONS.

There is hereby authorized to be appropriated to the Secretary of Energy $149,500,000 for fiscal year 1997 for the purpose of carrying out activities under chapter 641 of title 10, United States Code, relating to the naval petroleum reserves (as defined in section 7420(2) of such title). Funds appropriated pursuant to such authorization shall remain available until expended.

TITLE XXXV—PANAMA CANAL COMMISSION

SEC. 3501. SHORT TITLE.

This title may be cited as the "Panama Canal Commission Authorization Act for Fiscal Year 1997".

SEC. 3502. AUTHORIZATION OF EXPENDITURES.

(a) IN GENERAL.—Subject to subsection (b), the Panama Canal Commission is authorized to make such expenditures within the limits of funds and borrowing authority available to it in accordance with law, and to make such contracts and commitments, to be derived from the Panama Canal Commission Revolving Fund, as may be necessary under the Panama Canal Act of 1979 (22 U.S.C. 3601 et seq.) for the operation, maintenance, improvement, and administration of the Panama Canal for fiscal year 1997.

(b) LIMITATIONS.—For fiscal year 1997, the Panama Canal Commission may expend from funds in the Panama Canal Revolving Fund not more than $73,000 for reception and representation expenses, of which—

(1) not more than $18,000 may be used for official reception and representation expenses of the Supervisory Board of the Commission;

(2) not more than $10,000 may be used for official reception and representation expenses of the Secretary of the Commission; and

(3) not more than $45,000 may be used for official reception and representation expenses of the Administrator of the Commission.

SEC. 3503. PURCHASE OF VEHICLES.

Notwithstanding any provision of law relating to purchase of vehicles by agencies of the Federal Government, funds available to the Panama Canal Commission shall be available for the purchase of, and for transportation to the Republic of Panama of, passenger motor vehicles, including large, heavy-duty vehicles.

SEC. 3504. EXPENDITURES IN ACCORDANCE WITH OTHER LAWS.

Expenditures authorized under this title may be made only in accordance with the Panama Canal Treaties of 1977 and any law of the United States implementing those treaties.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina [Mr. THURMOND] is recognized.

Mr. THURMOND. Mr. President, today, the Senate begins consideration of S. 1745, the national defense authorization bill for fiscal year 1997. In crafting this important legislation, the Committee on Armed Services placed the national security interests of the United States and the strength of our Armed Forces above other considerations. The national defense authorization bill for fiscal year 1997 reflects the committee's bipartisan approach to these overarching priorities, and provides a clear basis and direction for U.S. national security policies and programs into the 21st century.

Mr. President, I would like to thank the distinguished ranking member of the Committee on Armed Services, Senator NUNN, for his outstanding leadership and cooperation in the formulation of this bill. It has been a singular privilege and honor for me to work with Senator NUNN over many years on the Armed Services Committee. I very much regret that this will be his last defense authorization bill, and hope that this bill will serve as a clear legacy to Senator NUNN's enduring contributions to the U.S. Armed Forces and this Nation's security.

I would also like to recognize the distinguished contributions to national security of Senator COHEN and Senator EXON. This bill is also the last defense authorization bill for these two outstanding Senators, and I would like to thank them for their dedication to and support of our Armed Forces.

Mr. President, the following priorities were our roadmap in formulating this authorization bill:

Ensuring national security and the status of the United States as the world's preeminent military power; protecting the readiness of our Armed Forces; enhancing the quality of life of military personnel and their families; ensuring U.S. military superiority by continuing to fund a more robust, progressive modernization program to provide required capabilities for the future; accelerating the development and deployment of missile defense systems; and preserving the shipbuilding and submarine industrial base.

I am satisfied that this bill does a good job in fulfilling these priorities. Let me mention some of its highlights:

The bill gives our service personnel a well-deserved 3-percent pay raise and 4-percent raise in quarters allowance, effective January 1, 1997.

It authorizes the award of the Congressional Medal of Honor to seven African-Americans who served during World War II.

The bill contains provisions to enhance our ability to protect our military forces from ballistic missile attacks.

It adds essential funding for the modernization of our Armed Forces, including: $40 million for the Marine Corps to develop revolutionary operational concepts and technologies through a warfighting laboratory known as Sea Dragon; a funding program for the Army's Force 21 initiatives to expedite the acquisition and evaluation of new equipment and associated technology for the future force; and $997 million for advance procurement and construction of the next two nuclear attack submarines.

The bill also adds $1.2 billion to increase the readiness funding for otherwise unfunded priorities of the service chiefs, and it adds $150 million in funding for the Department of Defense's activities to combat the flow of illegal drugs into the United States.

Mr. President, I wish I could say that the national defense authorization bill for fiscal year 1997 is a major step in the road to recovery for our Armed Forces. It is not. However, this bill does a much better job than the President's budget request in funding our Armed Forces. By offsetting the President's requested decreases in certain key programs, this bill enhances our national security, while still authorizing $7.4 billion less in real defense spending than last year's bill.

The main shortcoming in the President's budget request is its wholly inadequate funding for procurement. Our service chiefs, whose primary responsibility is to ensure that our forces are prepared and equipped to defeat any adversary, have repeatedly warned about increasing risks due to the low level of procurement. Our combatant commanders, who rely on adequately prepared and equipped forces to conduct military operations, have said the same. Further, General Shalikashvili, who as Chairman of the Joint Chiefs is specifically directed to serve "as the spokesman for the combatant commanders, especially on the operational requirements of their commands," has this to say about procurement: "We must commit ourselves to a sufficient procurement goal, a goal I judge to be approximately $60 billion annually." Yet, despite the advice of his principal military adviser, the President requested only $39 billion for procurement. The Committee on Armed Services added $7.7 billion to this requested amount for procurement. To do any less would be to ignore the very advice we have charged our military leaders to provide.

As for the administration's repeated promises to compensate by increasing procurement in future years, the testimony of Admiral Owens, then-Chairman of the Joint Requirements Oversight Council, is revealing:

> [The administration said that in 1994] procurement would be at 64 billion. Of course, what really happened was that it went to 48 billion . . . and in 1995, [the administration] said [procurement] was going to 55 billion. But, in fact, what really happened was 46 billion. [The administration] promised [again] it would go up. [But] in 1996, we're . . . down to 39 billion and [the administration is] promising . . . it will go up.

As the saying goes, You don't learn much from the second kick of a mule. Or maybe I should say "donkey." This administration's record is so bad, the Congress simply has no reason to believe that if we lower defense spending, the President will make up for it in future years.

Mr. President, some of my colleagues may feel that this is a time when we can afford to cut defense spending. In fact, history teaches us the opposite. We have always enjoyed a period of relative calm before the winds of war. With the lethal technologies, emergence of fanatical movements, and proliferation of weapons of mass destruction that exist today, we do not have the luxury of investing in our military after the fact. We must remain ready and fully capable, both to deter and defeat. Although we cannot—and should not—commit to every conflict where we might have an interest, we must be able to dominate those where we clearly do have vital national security interests. Imagine what this world would be like without United States involvement and leadership in World Wars I and II, the Korean war, and the Persian Gulf war. Without a strong military, our identity as Americans would be a shadow of what it is today.

Then, there are those who think that our military capabilities should depend solely on the threat. Their familiar refrain is: Where is the threat? What threat? That is exactly the point. What they see now is the result of a commitment to a strong defense in the past. When they do see a threat, it will be because of a lack of commitment to adequately fund our military today. As General Reimer, Army Chief of Staff, aptly says, "History shows that those who wish to threaten us will do so at our weakest point * * *. They will seek to exploit a perceived lack of U.S. commitment."

Mr. President, our Armed Forces continue to suffer from a decline in size and spending levels. Fiscal year 1997 will witness the 12th straight decrease in defense funding, which has declined 41 percent since 1985. Some of my colleagues may not know what happened the last time our defense budget was this low. Let me tell them. Repeated budget cuts in the late 1940's, and their deleterious effects on our Armed Forces, served as a virtual invitation for aggression in Korea. By the time we saw this threat, it was too late. As described by former Army Chief of Staff, Gen. Creighton Abrams:

We paid dearly for unpreparedness during those early days in Korea with our most precious currency—the lives of our young men. The monuments we raise to their heroism and sacrifice are really monuments we owe to ourselves for our blindness to reality, for our indifference to real threats to our security, and . . . for our wishful thinking about how war would not come.

In Korea, we suffered nearly 50,000 American dead and had to settle for an embarrassing stalemate. Indeed, that war has yet to officially end, and we are still living with its consequences.

Some saw Korea as a military embarrassment. But it was, in fact, a political embarrassment. Our lack of military readiness was a result of our lack of political commitment. I fear we may be laying the seeds for another Korea. Are we willing to suffer another such war?

Mr. President, this bill is a sound bill. It provides a foundation to build on to prepare our Nation's Armed Forces to meet the challenges of the 21st century. I urge my colleagues to join the members of the Committee on Armed Services, who voted this bill out of committee 20 to 0, and pass this bill with a strong bipartisan vote. Of special note, the committee vote reflects a consensus that the issue of national missile defense policy should be dealt with only in connection with S. 1635, the Defend America Act. Accordingly, I strongly urge my colleagues to refrain from offering amendments relating to national missile defense policy to the defense authorization bill. If Members on either side of the aisle wish to debate national missile defense policy, I suggest we proceed to consideration of S. 1635 as soon as possible following passage of the defense authorization bill.

Mr. President, I would like to remind my colleagues that any amendments to the defense authorization bill that would increase authorizations for defense spending should be accompanied by offsetting reductions. Finally, Mr. President, because the Armed Services Committee marked up this bill before the approval of this year's budget resolution, we marked to the defense allocation for fiscal year 1997 contained in last year's budget resolution. I want to assure the Senate that the amount authorized for defense will conform to the funding level designated in this year's budget resolution when we complete the conference on this bill.

I thank the Chair, and yield the floor.

PRIVILEGE OF THE FLOOR

Mr. REID. Mr. President, I ask unanimous consent that Jerry Reed, a congressional fellow in my office, have the privilege of the floor during the consideration of this bill.

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

Mr. THURMOND. Mr. President, Senator NUNN is expected to be here momentarily to make his opening statement. I expect that other Members will follow thereafter. We want to get as many statements completed during these initial hours as possible.

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

The PRESIDING OFFICER. Without objection, it is so ordered. The senior Senator from West Virginia is recognized.

Mr. BYRD. Mr. President, I ask unanimous consent that I may proceed as if in morning business for the purpose of introducing a bill and making a statement thereon that will not exceed 10 minutes.

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

Mr. BYRD. I thank the Chair. I thank the managers of the pending measure.

(The remarks of Mr. BYRD pertaining to the introduction of S. 1881 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. BYRD. Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

The Senator from Georgia has the floor.

Mr. NUNN. Mr. President, as we begin debate on the National Defense Authorization Act for fiscal year 1997, I first express my deep appreciation to Senator THURMOND, the chairman of the committee, for the bipartisan process under his leadership that was followed in marking up this legislation.

I also thank Senator THURMOND for the very gracious remarks he made about me. This is my last Defense authorization bill that I will be helping to manage on the floor, and I deeply appreciate his remarks but, most of all, his friendship and his leadership and his stalwart support of national security for the entire time I have been in the U.S. Senate and really for many years before.

I express my appreciation to Les Brownlee, the majority staff director, and the other members of the majority staff, for their hard work and cooperation during markup.

Of course, I add my deep appreciation, on a continuing basis, to Arnold Punaro, minority staff director, as well as all members of the minority staff working with Mr. Punaro.

The Armed Services Committee has a long tradition of members working across the aisle in the interest of national defense, and that was fully reflected in the process that was used to develop the bill now before us. So, Mr. President, I say to Senator THURMOND, I am very grateful to him and to his staff.

We have had and will continue to have issues on which there are sharp differences of opinion between Senators on that side of the aisle and this side of the aisle, and between Senators on both sides of the aisle among themselves. It is not simply a breakdown of Democrats versus Republicans. There are a lot of individual views on defense, and that is how it should be on a defense bill, as important as it is, as much money is involved and as much is at stake, which is, indeed, the stake of our national security and our freedom.

Those differences, however, should not obscure the fact there is a broad consensus in favor of the key features of this bill. Mr. President, there is strong support for provisions in the bill that enhance the quality of life for our men and women in uniform and their families, including a 3-percent pay raise, a 4-percent increase in basic allowance quarters, revised allowances for single personnel and for couples in which both spouses are members of the Armed Forces, and increased funding for military construction pertaining to family housing, unaccompanied personnel housing, dining facilities and, most important, child development centers.

The bill also continues many of the committee's key initiatives over the last decade, including modernization of weapons systems and support for programs essential to the readiness of our military forces.

Mr. President, there will certainly be a lot of controversy about the funding level in this bill, and I am sure we will have amendments to try to reduce the funding level of the bill. Let me state, I believe the overall funding level of $267.4 billion represents a prudent increase by the committee to the administration's budget request. It is slightly higher than the $265.6 billion that is contained in the conference report on the budget resolution because that budget resolution contains later information related to inflation. These differences will not require any major readjustment of the committee's priority, but we will need to reduce either on the floor or in conference this bill from $267.4 to $265.6 billion, which is our guideline given to us by the budget resolution passed by both the House and the Senate.

I hope that my colleagues on both sides of the funding question will recognize that even with this plus-up of the Clinton administration's budget, this bill still represents a real decrease in spending from last year. So I am

sure, as usual, all the reports and headlines will read that this is a vast increase in defense. That is not accurate. This is not an increase in defense. This $265.6 billion in the budget resolution, compared to last year, is a reduction in real dollar terms from last year's funding level, but it is an increase over the President's recommended level by about $11 billion.

Mr. President, some of the provisions of the bill are likely to be the subject of vigorous debate. Although we have avoided, thus far, many of the provisions that make the House-passed bill unacceptable to the administration, there are a number of issues that remain troublesome.

I think it is important for everyone to bear in mind it is clear the House bill and a number of its provisions are unacceptable to the administration, and I hope we can avoid that here. It is clear that we do have some issues that already are unacceptable in this bill to the administration. For example, the language relating to the demarcation line between theater and national missile defense, which is in our bill, is not at this time acceptable to the administration, and the language concerning multilateralization, or adding new parties to the ABM Treaty. Both of these provisions, it is my hope, can be worked in a way that will avoid a veto by the President of this bill, but that remains a very serious challenge.

We will also consider a number of amendments that are likely to draw broad bipartisan support, in terms of enhancing our national security. As I noted in my remarks on the floor on May 30, I have been working very diligently with Senator LUGAR and Senator DOMENICI, and others, to address our Nation's lack of preparedness to cope with threats from the full range of weapons of mass destruction, including biological and chemical weapons.

We will have an amendment on this bill by Senator LUGAR, Senator DOMENICI, and myself that will strengthen the ability of the Department of Defense and the Department of Energy to assist local fire departments and police departments, local law enforcement, in terms of helping prepare them and equip them to deal with a possible chemical or biological attack by terrorists.

Mr. President, the nuclear component of that, the so-called NEST capability, already exists in the Department of Energy. We do not have anything comparable on the chemical or biological side. It is my judgment, after having numerous hearings on this subject, after having considerable in-depth hearings and a long preliminary investigation of the Aum Shinrikyo and the religious cult attack in Tokyo over a year ago that killed 12 people but injured 5,000. If that attack had been better prepared in terms of delivery system for the sarin gas, there would literally have been tens of thousands of people killed. That was a religious cult that existed and had over $1 billion in assets, although more members are in Russia than Japan. They had tested sarin gas in Australia and even embarked on preliminary stages of trying to develop biological weapons. They had a very serious chemical stockpile and had already, previous to the Tokyo attack, carried out other smaller chemical attacks in Tokyo.

Not many of us would have predicted Japan would have been the first place that would have happened, but it is predictable that effort is going to be made in the United States, by either foreign or domestic terrorists.

We had the World Trade Center attack. We have seen the devastation of that explosion. What many people do not realize, and what the judge noted in his findings, is that attack on the World Trade Center also included a chemical weapon that was consumed by the flames and, therefore, did not activate and did not cause damage. The damage was done by the conventional-type weapons.

So we have already, according to the judge, had a chemical attempt in this country. So it is almost predictable, with very little doubt, that we are going to have chemical and biological efforts made against soft targets in this country, including our cities, including our population centers, over the next 5 to 10 years.

We can either begin to get in front of it and deal with it in advance, try to prevent it from happening, or we can wait until it happens and then have everybody say, "Why didn't we do something about it?"

Mr. President, we are going to try to do something about it on this bill. We are going to have an amendment that would have the Department of Defense and the Department of Energy, in a very carefully prescribed way—we are not getting DOD and DOE involved in enforcing the law at a domestic level. We are not talking about that. We are talking about having them help prepare, in terms of training, in terms of equipment, our local police, and fire officials around this country to deal with what almost all experts on terrorism believe is an inevitable kind of threat we face to our own country.

We have seen the work of domestic terrorists in Oklahoma City and the terrible, terrible destruction that was caused in terms of human suffering in Oklahoma City and to the Murrah Building there. We have seen the attack in Tokyo. We have seen the World Trade Center attack. Fortunately, the chemical part of that attack did not activate. There was enough destruction without it, but it would have been truly of a worse magnitude had the chemical component really done its job.

Mr. President, we have also seen in Russia the Chechen or some group representing the Chechen rebels put a radiological weapon in a very prominent place near Moscow, a radiological weapon being using the radiation from nuclear materials without causing an explosion but causing huge destruction. That was not an effort to actually use the weapon but a warning that it could be done.

So we are in a different kind of world now. We have moved from an era of very high risk of nuclear war to an era of much lower risk of nuclear war. But we have moved from an era of high stability because of that very risk of nuclear war and because the two superpowers knew that, if their clients got into a war or if there was some event that came that got out of control, the whole escalation could take place and we could have a nuclear war.

Because of that, we had high stability, high risk but high stability, during the cold war. We moved to much lower risk in terms of a nuclear war. We can all be very thankful for that because of the change in climate, because of the arms control agreements, because of the substantial number of nuclear weapons in the Soviet Union. All of that greatly reduces the risk of nuclear war.

But the decline of the Soviet Empire has also ushered in a new era of lower stability, meaning that there are countries all over the world that are having ethnic, religious conflict. We no longer have the two superpowers who are basically policing the world so that we do not have conflict between two superpowers.

We are in another era. We are in an era of organized crime not only in Russia but in many other places. We are in an era where we have had the first empire in history disintegrate but still containing 30,000 or so nuclear weapons, over 40,000 tons of chemical weapons, and no one even knows how much in the way of biological weapons, and also scientists all over the former Soviet Union, not just in Russia, who know how to make these weapons of mass destruction, who know how to make ballistic missiles, but in many cases do not know how they are going to feed their families, and rogue nations all over the world trying to develop these kinds of capabilities, as we have seen in the past in Iraq and other places.

The combination of organized crime, terrorism, empire disintegration, tons of material and know-how in terms of weapons of mass destruction, all of that combined means that we are in a different era. What we have to make sure of, in terms of our overall debate in both the ballistic missile defense area, as well as this Nunn-Lugar-Domenici No. 2 effort, as we can call it, we have to make sure that we are not so obsessed with the past that we cannot think of the future.

The future kind of threats we are going to face are going to be different.

We are going to have to be more agile, as David Abshire, president of the Center for Strategic and International Studies, said in a recent article he wrote. We are going to have to be more agile, more flexible. We are going to have to understand the threats that face us in the future. And we are going to have to understand that the Department of Defense mission is still to protect the national security of this country. Included in that mission, I think at this stage, is a very critical need to help our police officials and our fire officials be able to deal with the kind of threat that they may face in the future.

Mr. President, I will have more to say on this subject. I know that Senator LUGAR and Senator DOMENICI will have more to say. But I did want to let people on both sides of the aisle know that sometime in the next few days while we are considering this bill there will be that kind of an amendment.

Mr. President, it will be aimed primarily on the domestic side. It will be very carefully framed so that there will be no doubt that we are not getting DOD and DOE involved in the actual enforcement of the law. That is not the effort here. It is to equip and train and prepare our law enforcement officials to deal with these kinds of threats. There will be a part 2 of this that will deal with a growing need to beef up our Customs Service to make sure that they can do their part and do it well in preventing those kinds of materials from ever getting into this country, and also to help them be more effective in preparing the customs services of other nations, particularly the former Soviet Union, in preventing materials from getting out of those countries—a growing threat.

So, Mr. President, there really are three parts of this overall Nunn-Lugar effort. Part one is already underway and has been for about 4 or 5 years. That is, in my mind, still the most crucial need because the window is open for cooperation with these former Soviet states, including but not limited to Russia. We are helping to do that. The last missile was just taken out of the Ukraine. The last nuclear warhead was taken out of the Ukraine the other day. So this is a remarkable success.

Two years ago it appeared we were going to have four new nuclear states coming out of the one old one, the Soviet Union. It appeared we were going to have a nuclear component, very strong nuclear component, not only in Russia, but in the Ukraine, also in Kazakhstan and also in Belarus. I know all nuclear warheads have been taken out of Kazakhstan, all nuclear warheads have been taken out of Ukraine, and the last weapons, I am told, will be taken out of Belarus this year. The missiles will be destroyed. The Nunn-Lugar program has helped facilitate that. Secretary of Defense Perry told us this morning at the armed services breakfast, without that program we could not have done what has been done. There is a long way to go. There is a lot left to do.

The most prominent feature of this program has been stopping these weapons at the source, preventing them from leaking all over the world. It is going to cost us hundreds of billions of dollars—if we have nuclear materials and chemical and biological materials and missile technology know-how disbursed all over the world, it is going to cost us hundreds and hundreds of billions of dollars to defend against it. Even then it will be extremely difficult to defend against.

The first priority is to stop it at the source, to help these countries—not only Russia, but Ukraine and Kazakhstan and Belarus and others—get control of their own borders, to help them understand the priority of controlling nuclear materials and chemical materials and biological materials and know-how; second, to make sure that they have strong and effective border control and, where they want our help, to help them in that regard; third, to beef up our borders here in this country, to beef up our border protection; and, fourth, to be able to deal with this kind of catastrophe if it ever occurs. First to deter it, prevent it domestically, but to be able to deal with it, not only with police departments and fire departments, but also with health departments.

In the Aum Shinrikyo attack in Tokyo, the Japanese police were certainly not prepared. There is no doubt about that. But the health officials, under the circumstances, did a pretty good job. There is strong indication that the Japanese were better prepared to deal with the health aspects of this kind of chemical attack than we are in this country. In fact, one of the key agencies in HHS to deal with this, one of the few agencies, very, very thinly staffed, has had almost all of its funding cut in the House. I hope that can be corrected because I am sure that the people who made those cuts did not realize the context in which that agency would have to work. So we are going to be talking about all those issues.

PRIVILEGE OF THE FLOOR

Mr. President, I ask unanimous consent that the following named 14 minority staff members on the Committee on Armed Services and two congressional fellows be granted the privilege of the floor during the consideration of and votes relating to S. 1745, the National Defense Authorization Act for fiscal year 1997.

Minority staff members: Christine E. Cowart, Richard D. DeBobes, Andrew S. Effron, Andrew B. Fulford, Daniel B. Ginsberg, Mickie Jan Gordon, Creighton Greene, Patrick T. Henry, William E. Hoehn, Jr., Jennifer A. Lambert, Michael J. McCord, Frank Norton, Jr., Arnold L. Punaro, Julie K. Rief, James R. Thompson III. Congressional fellows: Maurice B. Hutchison and DeNeige V. Watson.

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

Mr. NUNN. Mr. President, summing up my remarks, I pledge to Senator THURMOND my cooperation on this bill. The chairman has an awesome responsibility to be here on the floor, to help manage the bill and to make judgment on amendments. My role will be to help him and assist him where he calls on me and where I can be of help.

I hope that people who have important amendments will come to the floor and begin that process in the next few hours. I know that the majority leader is under a great deal of pressure with a lot of other bills. I have never known us to be able to pass this bill in less than 3 or 4 days. It is my hope that we can do that in this context. That will depend on the cooperation of all of the Members.

I yield the floor.

Mr. THURMOND. Mr. President, I wish to thank the able Senator from Georgia, Senator NUNN, for his kind remarks. It will be a pleasure working with him on this bill. He is a former chairman of this committee. He is now the ranking member and does a very fine job for defense, and we are very proud of him.

PRIVILEGE OF THE FLOOR

Mr. THURMOND. Mr. President, I ask unanimous consent that CRAIG Williams, a fellow on the staff of Senator MCCAIN, be granted the privilege of the floor during the discussion of S. 1745.

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

Mr. THURMOND. Mr. President, I yield Senator INHOFE 15 minutes. Is that sufficient?

Mr. INHOFE. Yes.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. INHOFE. First of all, Mr. President, I thank the distinguished Senator, the chairman of the committee, Senator THURMOND, for all of his hard work. I really believe that our committee has spent a lot of time, has had a lot of bipartisan cooperation in coming up with a product, which I think is still inadequate but is still the very best that we could come up with at this time.

I think it is very unfortunate that most American people do not realize what a crisis our country is in in terms of our defense. I was very proud the other day before Senator THURMOND's committee when the four Chiefs of the four services came in and made the statement that we are $20 billion underfunded in our procurement accounts. I think this is something that we have to listen to because this is unprecedented. At least I do not recall any time in history when the Chiefs themselves have come in and said that

the President's budget is underfunding procurement by $20 billion. They said that we need to get it up there in order to have the very minimum requirements the American people expect to defend our country.

The administration's request is almost $20 billion less, in real terms, than we are spending this year, and there are several of us who are trying to do something about this by adding back an amount of money.

So I guess what I am trying to say is that the authorization that we are dealing with in this bill is still, in my opinion, inadequate. Yet, I think it is the best that we can do at this time. Our budget has actually decreased for 12 consecutive years.

There is a lot of talk about what to do about the deficit. All of the liberals will point toward defense and say, "We need to cut defense spending," when we have done nothing but cut defense spending for the last 12 consecutive years. Back during the Kennedy administration, 60 percent of our budget went to defending America and 17 percent to human services. Now, 17 percent of our budget goes to defending America and 60 percent goes to human services. It just shows the change that has taken place in the attitude of the function of Government.

We talked about the balanced budget amendment not long ago, and the fact that we need to do something to bring it into balance. So they always point toward national defense, when we have already taken cuts there.

It is kind of interesting that there is a study documented —and it has not been refuted on the floor of the Senate, and I brought this up several times—that shows that if we were to put growth caps on Government—one was a 2-percent cap, and one was a 2.5-percent cap—we could actually balance the budget without cutting one Federal program. I can assure you that I would be delighted to have that kind of treatment in our defense budget because it has deteriorated and consistently gone down over the years. Since World War II, there have only been 4 years that have been lower than we are right now—1947, 1948, 1949, and 1950. This is the lowest budget since 1950.

So it gets down to the question, is there a reason for this? Is it because the threat is not as great out there as it was in previous years? I suggest that that is a matter of interpretation. You will get a lot of difference of opinion on this floor. To me, it is incontrovertible.

I have some articles I will submit for the RECORD. I am going to paraphrase these. The first one—this is just in the last few days—was in the Washington Times. The last paragraph of this is:

> In a report released ahead of publication today, Stern—

That is the German magazine.

> Said the plant was similar to one in Tarhunah, Libya. The United States says that complex is a chemical weapons factory. Libya says it is an irrigation plant.

Then we have what appears to be a new relationship between Syria and Iraq. This was an article in the Washington Times on June 5.

The third article I will submit is "U.S. Investigates Ukraine-Libya Alliance." This is kind of a scary thing that is going on right now. All of these are recent.

The fourth article is, "Report Cites China-Pakistan Missile Links."

> A new, draft U.S. Government report states that all intelligence agencies believe with "high confidence" that Pakistan has obtained medium-range ballistic missiles made by China, and says for the first time that Pakistan probably has finished developing nuclear warheads for these missiles, U.S. officials said yesterday.

Of course, we have been talking, time and time again, about the threat that is out there that is different than it has been before. I understand that we are not going to be really addressing the national missile defense problem that we have. We tried to do that with the Defend America Act.

We have a President in the White House who vetoed last year's authorization bill because his veto message was that he did not want to spend more money on national missile defense.

Time and time again, we have Members of this body stand up and talk about, well, we cannot spend another $50, $60, $70, or $80 billion more on star wars. Star wars is just a term to try to make it appear as if there is not any real threat out there. I suggested that back in 1983. We recognized that, in the medium term, we were going to have to defend America against ICBM's, a missile attack with weapons of mass destruction.

Now, everything has gone in accordance with the schedule that was articulated at that time by President Reagan. So that here we are today with a system that was to be in place by the year 2000, and we have an investment of approximately $50 billion in a national missile defense system.

Yet, we stopped it dead in its tracks in spite of the fact that the Russians have missiles, that China has missiles, and the Taepo Dong II missile from North Korea is one that will be able to reach the United States by somewhere around between the year of 1999 and 2002.

So the threat is very real. It is out there. And we have people that are of the caliber of Saddam Hussein who made the statement back at the time of the Persian Gulf war. He said, "If we had waited to invade Kuwait for 5 more years we would be able to have the missile capability of reaching the United States." Would he do it? Sure he would. Anyone who would kill his own grandchildren would do something like that. Look at what is happening in Libya. Qadhafi is developing weapons of mass destruction, and they have a new alliance with the Ukraine. We have very real problems that are out there.

The Senator from Georgia, Senator NUNN, mentioned the crisis, the disaster, the bombing of the Murrah Federal Office Building in Oklahoma City and all the tragedy that was linked to that. It is something—that unless you are there to see not just the loss of lives of 168 innocent people but the brutality that was with it; the fact that all that happened with one bomb that is the equivalent of 1 ton of TNT. The smallest nuclear warhead known is 1 kiloton—1,000 times that power; that explosive power. So just imagine. No one is immune from that type of threat.

We saw just recently China and how overt they are getting right now in the Taiwan Straits with their missile testing that is taking place. Then the statement that was made by a high ranking Chinese official—it has been verified that he did say it. He said, "We are not concerned with the United States coming in and defending Taipei because they would rather defend Los Angeles." At a very minimum it is an indirect threat. Are we being held hostage? I think we are.

We see the new developments in Syrian-controlled Lebanon and throughout the Middle East; that when Jim Woolsey 2 years ago—it has been 2 years now since. He certainly would not be considered a Republican. He was a CIA Director under two Democratic Presidents including President Clinton—said 2 years ago that we know of between 20 and 25 nations that have or are developing in the final stages weapons of mass destruction, either biological, chemical, or nuclear, and working on the missile means of delivering it. That was 2 years ago. He has come out since then and expanded that up to 30 nations.

So we are not talking about the days when we had two superpowers. Of course, we are looking at elections taking place right now in Russia. We do not know how they are going to come out. But we see a change in attitude in the former Soviet Union. We saw what happened in the newest elections last December when the Communists took over 153 seats to Yeltsin's 54 and Zhirinovsky roughly 53 or 54 seats. So we are seeing a change there.

But let us assume that there was tranquillity and there was no problem between the United States and the former Soviet Union, as we talked about, during the cold war. The threat was there. I have always contended that the threat during the cold war was not as great as the threat is now because at least we could identify who enemy was at that time. We had the Soviet Union and we had the United States. We had at that time a treaty, an ABM Treaty, and said that we were going to agree to downgrade our nuclear capability. That was called mutually assured destruction. "You shoot at

us. We shoot back at you. Everyone dies, and everybody is happy." That is no longer the case. I did not agree with the policy. That was not a Democratic policy. It came under Nixon and Kissinger. That did not make any sense. But there were those who did believe it was worthwhile. I talked to Kissinger about it. He said, "It's nuts to make a virtue out of our vulnerability." That is what we have done. So here we are out there adhering to a policy through START II, which in my interpretation puts us back with the ABM Treaty where we are downgrading our nuclear capability with one other nation while the rest of the 25 or so rogue nations are increasing their nuclear capability.

So I think that we do not address that in this. We should be addressing that in this authorization bill. But I know what would happen if we did. We would not get it passed and the President would veto it because he said that he would.

So I say, Mr. President, that this bill does not go far enough. We have real serious problems today. During the Persian Gulf war we had 26 divisions. We are going to be down to 15 divisions with this. I think that it is a very serious threat. We are right now No. 9, as I understand it, in ground forces, having been passed by Pakistan.

So America is not at the strength level that America should be. While I say that, I am supporting this bill because it is the only dog in the fight. We need to have an authorization bill. I support this.

Since the beginning of our country's history, national security has been the most solemn obligation our Government holds with its citizens. In order to honor this obligation, top priority must be given to the forces that guarantee our national security. These forces do not ask much of us for their service. But they do need a certain amount of support from their Government in order to carry out their duties and protect the security of the United States as well as maintain our status as the world's preeminent military power.

However, in order to allow our military to honor their sworn duty, we have to provide them with the means to do many things. We must give them the authority to retain ample manpower in the form of adequate end strengths. Our military must have the means to recruit high-quality personnel to carry us into the 21st century. In addition, in order to keep our high-quality personnel, and protect their quality of life which is so important in maintaining morale, we must provide them with equitable pay and benefits—including a 3-percent pay raise to protect against inflation—and appropriate levels of funding for the construction and maintenance of troop billets and military family housing.

We must keep the battle sword sharp by providing enough resources to maintain readiness and continue modernization efforts to provide the capabilities needed for future wars. Our military must also be given the means to field the type and quantity of weapons systems and equipment needed to fight and win battles decisively, with minimal risk to our troops, just as they did in the gulf war.

Another important lesson learned in the gulf war was that we need to be able to protect our troops from ballistic missiles, missiles that are capable of delivering weapons of mass destruction. Whether it is nuclear, chemical, or biological, we must protect our forces while they are in the field and we must protect their families at home. The way we do this is through the development and deployment of missile defense systems: land and sea-based theater missile defense systems, which can protect United States and allied forces against cruise and ballistic missiles while deployed in the field; and a national missile defense system to defend American families at home. We will have a ballistic missile defense, it will either be before—or after—we first need it.

I have spoken about what we must provide for our military, now I would like to point out what we can take away. To begin with, we can eliminate defense spending that does not contribute directly to the national security of the United States; such as policing of the Olympic Games. More importantly, we should stand back and evaluate U.S. involvement in nontraditional military operations, and its impact on combat readiness, budgeting, and our national interests. Bosnia, Somalia, and Haiti; these and other police actions continue to drain defense funds and put a strain on personnel who are already being stretched beyond their breaking point—the breaking point that our military as a whole is rapidly approaching. Bosnia alone is going to cost American taxpayers $3 billion in defense dollars.

Some people never seem to see a breaking point, however. They say we are spending enough on defense. Some say that we are spending far more money on defense than other countries.

Well—of course we spend more money on defense than other countries. In fact, in 1996 the United States will spend three times as much on defense as any other country on Earth, and more than all its prospective enemies and neutral nations combined.

There are two problems with this comparison, however: it assumes that all countries are equal, and it suggests that the comparison between how much the United States spends versus other nations is a legitimate measure of which side will prevail in a conflict. But because of geography, all things aren't equal. We are separated from our potential enemies by two great oceans. And rather than fighting wars in our own backyard, Americans prefer to fight "over there." Because we prefer to fight abroad, it will naturally cost us much more than it costs our enemies to field the same force, since we have to transport, sustain and operate our fighting force in a place where his already is. Each of these activities—moving, sustaining and fighting far away—increases the cost of our military without significantly changing the friendly-to-enemy force ratio. This cost is raised further if we want to field a force that is not just equivalent to our enemy's, but one that can defeat his force, again, with minimal casualties as in the gulf war. The question, therefore, is not whether we will be paying more for our armed forces than our enemy does, but rather how much more we must pay. Is the right number three times as much, as with Russia, or more?

More than 2,000 years ago, Sun Tzu said you should have five times the strength of an enemy to assure success. Well, there have been some changes in warfare since Sun Tzu's time. We now have tanks, and planes, and submarines, so the ratio has changed a little. And we can stand here and argue till we are blue in the face over what the proper force level is; two times, three times, five times as much as the other guy. But the cost of our unique geography makes any comparison between what we pay and what our enemies pay irrelevant. The point is: if you want to fight, "over there," and win, decisively, with minimal losses, then you can expect to pay many times what the enemy pays for his military.

Now, the people who complain that we spend three times as much on defense as any other country on Earth are smart people. They know that we must cross our oceans to fight. They know that what we consider defense spending may not be what our enemies consider defense spending: First, there is the high cost of our high-quality volunteer military: recruiting, paying, providing medical care and retirement. Many people do not realize it, but two-thirds of our defense budget is spent on paying people. Then there is the cost of supporting our worldwide surveillance network, our nuclear deterrent and so on. They know these costs are unique to the United States but they choose to ignore it in their arguments. Why? Because it supports their view of proper levels of defense spending.

We can disagree on what it takes to field a given capability, but let us drop these invalid comparisons and let us deal with the facts. And with the facts in hand, let us spend no more than necessary to get the job done, and let us spend enough to fight, "over there," and win, decisively, with minimal losses.

In this regard, I have to say I was disappointed by the administration's budget request for 1997 defense spending. The administration's fiscal year

1997 budget request was $18.6 billion less in real terms than the level enacted for fiscal year 1996. Now, let me put that another way; in real terms, since the end of WWII, there have only been 5 years that the United States has spent less than the Clinton administration is recommending for fiscal year 1997. Only in fiscal year 1947, fiscal year 1948, fiscal year 1949, fiscal year 1950, those years immediately following WWII, and fiscal year 1955 immediately after the Korean War, has defense spending been so low that it is less than the President's recommendation for this year. Not even during the hollow force years of the 70's have we spent so little on defense. Clearly, it is time that we address these shortcomings.

As we prepare to vote on the fiscal year 1997 defense bill, it should come as no surprise, that I am truly concerned about the effects that decreasing levels of defense spending have had upon our Armed Forces. If the general public fully understood the severity of defense cuts under the Clinton administration, I believe that they would also be very concerned. In my State of Oklahoma, I have heard this message already. We can see the cuts all around us and it is time to put these reckless defense cuts to an end. History has demonstrated that superpower status cannot be sustained cheaply, nor can it be sustained by budget requests which do not provide for adequate funding of our forces. I am committed to maintaining America's superpower status. However, I am skeptical about the administration's commitment to this goal.

Right now our military—the finest fighting force on this Earth—is being torn in two directions. Our spending on defense is decreasing, while at the same time, the demands on our personnel are increasing. We are stretching the rubber band tighter and tighter, and if defense funding levels do not increase, I fear the rubber band will break and this dangerous combination may result in an exodus of high quality, trained-personnel and, ultimately, a military crises.

It is our duty, as Senators of the United States, to do our part in providing for our national security. In doing our part, we must vote for a defense bill which gives our military the means to do their part. Our forces do not ask much of us for their service, but they do need a certain amount of support from their Government in order to carry out their duties and protect the security of the United States of America.

I feel it is time we take a more responsible approach to defending this Nation, and I therefore urge my colleagues to support the fiscal year 1997 DOD authorization and its modest increase over the administration request.

Mr. President, I ask unanimous consent that four articles be printed in the RECORD.

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

[From the Washington Times, June 5, 1996]

U.S. INFORMS BONN OF SYRIAN TOXIC-GAS UNIT

BONN.—Syria is building a poison gas factory in the western city of Aleppo that could constitute a major threat to Israel's national security, a German magazine reported yesterday.

The weekly Stern said U.S. intelligence officials had passed on satellite photographs of the plant to their German counter-parts, who were checking if any Germans were involved.

In a report released ahead of publication today, Stern said the plant was similar to one in Tarhunah, Libya. The United States says that complex is a chemical weapons factory; Libya says it is an irrigation plant.

[From the Washington Times, June 5, 1996]

IRAQI OPPOSITION TELLS OF TALKS IN DAMASCUS

LONDON.—A prominent Iraqi businessman with close ties to the regime of his president, Saddam Hussein, is in Damascus to discuss future cooperation between Syria and Iraq, an Iraqi opposition group reported yesterday.

Sattam Kaoud, who heads the Jordanian Iman company and oversees other companies owned by Saddam's son Uday, arrived in Damascus June 1 and is staying at the Meridien Hotel there, according to the Iraqi Broadcasting Corp. (IBC), run by the umbrella Iraqi National Congress.

Mr. Kaoud's trip was arranged by a man named Mishaan Jibouri, who is also in Damascus, the IBC said. It did not provide details on Mr. Jibouri's identity, but other Iraqi opposition sources say he attended an Iraqi opposition conference in Syria this year.

Mr. Jibouri and Mr. Kaoud have discussed the possibility of reopening the Iraqi-Syrian border, the IBC said. Iraq, which has been under international sanctions since its 1990 invasion of Kuwait, reached agreement last month with the United States to resume limited oil sales to buy humanitarian supplies.

[From the Washington Times, June 13, 1996]

U.S. INVESTIGATES UKRAINE-LIBYA ALLIANCE

The State Department is investigating reports that Ukraine and Libya are working on a strategic alliance that could involve the transfer of weapons technology to the proterrorist regime in Libya, a department spokesman said.

"We're looking into it. We take it seriously," spokesman Nicholas Burns said in response to a report of the Ukrainian-Libya cooperation in Monday's editions of The Washington Times.

Mr. Burns said the Clinton administration believes Ukraine will honor existing U.S. sanctions against Libya, but it will continue to watch the Libyan government to ensure it is not acquiring weapons technology.

[From the Washington Post]

REPORT CITES CHINA-PAKISTAN MISSILE LINKS

(By R. Jeffrey Smith)

A new, draft U.S. government report states that all intelligence agencies believe with "high confidence" that Pakistan has obtained medium-range ballistic missiles made by China, and says for the first time that Pakistan probably has finished developing nuclear warheads for these missiles, U.S. officials said yesterday.

The classified report's unanimous reaffirmation of a long-standing intelligence conclusion that complete Chinese M-11 missiles are in Pakistan puts additional pressure on the Clinton administration to consider imposing tough economic sanctions against both nations, as required under a U.S. law aimed at punishing the global spread of such missiles, the officials said.

In the past, U.S. policymakers have repeatedly said that while components of the M-11 missiles may be in Pakistan, Washington lacks concrete evidence that the complete missiles are there. As a result, these policymakers have said, Washington need not invoke the law and cut off U.S. government contracts with China, halt licenses for U.S. exports to China or ban Chinese imports worth up to several billion dollars.

But with the imminent completion of the new report, which updates a U.S. intelligence assessment on the issue that was prepared in 1994, policymakers may have a tougher time fending off calls by many proliferation experts, intelligence analysts and certain lawmakers to acknowledge publicly that the M-11 missiles are in Pakistan.

Details of the draft report are emerging at a sensitive moment in U.S.-Chinese relations, as administration officials are conducting final negotiations with Beijing regarding possible sanctions against China for copying U.S. commercial goods. The administration is also defending a decision by President Clinton to renew the most-favored-nation trading status that allows Chinese goods to be imported with low U.S. tariffs.

The refusal of top policymakers to accept the intelligence community's judgment regarding the presence of the M-11 missiles, as well as its recent decision not to impose sanctions against China for selling nuclear weapons-related equipment to Pakistan, has rankled certain U.S. officials who favor a much tougher policy toward China. This dissatisfaction has helped fuel a series of leaks about Chinese wrongdoing over the years.

The first U.S. intelligence report regarding the M-11s was leaked in 1992. Last July, the Washington Post quoted Intelligence officials as saying that more than 30 of the missiles were stored in crates at Pakistan's Sargodha Air Force Base west of Lahore.

Several U.S. officials said yesterday that is where the entire intelligence community believes the missiles remain. But they added that a sharp dispute has broken out within the community over whether the missiles should nonetheless be described in the new report as "operational," a term that would raise policy alarms in Washington and upset the Indian government.

Yesterday's Washington Times reported the existence of the new draft report and first described the dispute about its contents.

Representatives of the CIA and the Defense Intelligence Agency, in particular, have argued that because a unit of the Pakistani army has been assigned to operate the missiles and has been trained by Chinese experts, the missiles can probably be withdrawn from their crates and deployed in the field within a matter of days.

The State Department's Bureau of Intelligence and Research (INR), alone among U.S. intelligence agencies, has argued to the contrary that not enough information is known about Pakistani training practices to reach this judgment. The missiles cannot be considered operational until they have actually been withdrawn from the crates and

been used in such training—and act that has not yet occurred, the bureaus has argued.

"There is nothing new on this issue [of missile operations]," said one policymaker. That means "it is kind of a semantic question," rather than an act reflecting a shift in Pakistani military strategy or security policy.

A similar dispute has broken out over the draft report's new conclusion that "it is probable" Pakistani weapons engineers have completed the arduous task of creating nuclear warheads compact enough to fit atop the missiles.

Several officials said this conclusion is derived from an estimate of how long Pakistan has been trying to complete this task and certain information about the sophistication of its weapons designs. But INR analysts have argued to the contrary that the effort cannot be considered successful until the warhead has been flight-tested—an act that again has not yet occurred.

Officials said the final wording of the report is to be decided by CIA Director John M. Deutch, after further drafting by the Weapons and Space Systems Intelligence Committee, a little-known panel that includes representatives of all U.S. intelligence agencies as well as officials from Australia, Canada and Britain. Australia and Canada have sided with INR in concluding the M-11s are not yet "operational" and that Pakistan might not yet have completed the requisite nuclear warheads.

Mr. INHOFE. I yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

Mr. THURMOND. Mr. President, I wish to commend the able Senator from Oklahoma for his fine statement. He is a valuable member of the Armed Services Committee. We appreciate his coming here and making a good statement.

I now yield to the able Senator from Indiana, Senator COATS, another valuable member of the Armed Services Committee.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. COATS. Mr. President, I thank our chairman and my friend, the Senator from South Carolina, for his kind statements and for allowing me this time.

PRIVILEGE OF THE FLOOR

First of all, Mr. President, I would like to ask unanimous consent that a member of my staff, Maj. Sharon Dunbar, be allowed permission to be on the floor during the debate on the defense authorization bill.

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

Mr. COATS. Mr. President, I have a somewhat lengthy statement which I will try to abbreviate. There are essential points which I would like to make as we are debating the 1997 national defense bill.

The President's proposed defense budget of $254 billion is, in my opinion, the epitome of a mindset that has been prevalent throughout the Congress and this administration that the military can do more with less. Not only does this budget figure as has been proposed to us constitute the 12th consecutive year of decline for defense spending but it flies squarely in the face of his many pledges and commitments to ensure a strong national defense, and at the same time in the face of this declining figure of 12 straight years our military is being asked to do more and more, to be prepared to do more, and actually is committed to more conflicts and more deployments around the world than it has in a long, long time.

In his 1994 State of the Union Address the President said:

From the day I took the oath of office, I pledged that our Nation would maintain the best equipped, best trained, and best prepared military on Earth.

This year's defense budget is a disavowal of that pledge—that falls far short of meeting many of the needs of our Armed Forces. But the President's rhetoric in this instance, as in many other instances and many other issues, simply does not match the record. The President has praised our men and women in uniform for their courage and skill, and yet each budget that he sends up refuses to back up that praise and that commitment with adequate resources to allow them to do their job.

Let me just give a couple of examples. In the area of procurement, in order to ensure future military readiness and superiority against threats from outside by tyrants, terrorists, rogue nations, and others, our military needs to, on a regular basis, recapitalize existing equipment and buy new systems.

There is amazing change taking place today in technology and what is available to us. We saw vivid pictures of that during Desert Storm—a revolution in terms of the way warfare is fought to engage in that size conflict with that number of troops, and to come away with as few casualties as we have. It was extraordinary. Never in the history of warfare has this happened. It is due to those changes in technology which allow us to have a significant advantage over our adversaries. It is due to the extensive training of troops to utilize that new technology, to outstanding leadership, and the availability of a synergy of training, quality personnel, quality leadership, and modern technology in new weapons.

Yet, in spite of warnings by senior military officials that procurement is in a crisis, in the defense budget the President seeks to fund procurement at its lowest level since the Korean war—$21 billion less than what senior military leaders have testified as required by the year 1998. We are significantly under the procurement budget that is necessary to maintain pace with recapitalization of existing equipment.

The war-fighting commanders, military service chiefs, and Chairman of the Joint Chiefs of Staff have all testified to their deep concerns about the President's budget. These senior military leaders universally have identified readiness, quality of life, and modernization as desperately requiring attention and increased funding. The Senate Armed Services Committee has weighed their testimony carefully. It authorized an additional $12.9 billion over the President's budget based upon the military's own needs and requirements. Even with this addition, the 1997 committee bill will still be $5.6 billion below the inflation-adjusted spending levels of last year's defense bill.

So Members and colleagues need to understand that even though we are adding this to the President's request, we are still below what is necessary to maintain a level of funding over last year's bill.

So we are now entering the 12th consecutive year of defense decline. The defense bill before us does not provide our troops with what is required for the defense of our Nation, what is required to sustain military superiority in a rapidly changing global environment. Rhetoric matters little if our troops lack the resources they need to execute the mission or enjoy an acceptable quality of life during military service. The bill that we are bringing forward authorizes our Armed Forces to modernize their equipment, to replace aging trucks, ships, and aircraft, and encourages our military to develop new operational capabilities based on emerging technologies and to better prepare themselves for a military technological revolution that may well be ushered in in the next century, a revolution that may profoundly change the character of future conflicts.

Finally, the bill that the Armed Services Committee is bringing forward will improve the quality of life of our military personnel by addressing compensation, work and living conditions. Addressing these issues will enable the troops to focus on their mission rather than worry about the welfare of themselves or of their families.

So, Mr. President, what I am stating here is that had we followed the President's requested budget, we would not have begun to address the concerns that were laid out before us as members of the committee and members of the armed services leadership came and testified.

With this $12.9 billion plus up, in addition, even though we fall short of maintaining parity with spending last year inflation adjusted, we do address some of the critical areas that need to be addressed, primarily improving our readiness, improving quality of life for our troops and their families and beginning the process of modernizing to keep pace with the technological changes that are before us.

As chairman of the Personnel Subcommittee, I have had the opportunity to visit our troops, listen to them testify before our committee and meet

with them at many military installations around the country and the world. With a 30 percent less force structure, I found that our military is overextended in meeting many of the new demands of the post-cold-war world. By demanding more of those who remain in the military after a nearly 40 percent decrease in personnel levels and spending levels but by not training or equipping them to conduct these additional missions, we are eroding the state of military readiness and the quality of life of our military members.

Let me give some examples. What is called personnel tempo, that is, the amount of time our military members spend away from their home base, has increased considerably since the end of the cold war. Today, four times as many Air Force personnel are deployed as there were in 1989. People think we are in this peace period, post-cold-war period, where most of our troops are staying home and not having commitments for deployment or heavy training. That is simply not the case. Air Force personnel are deployed at four times the rate they were in 1989. General Reimer, the Army Chief of Staff, indicated that requirements for the Army forces have risen 300 percent during that time. Today, more than 41,000 U.S. soldiers are currently deployed on nearly 170 missions in 60 countries. General Sheehan, the Commander in Chief of the U.S. Atlantic Command, has testified that he has forces deployed in 18 separate operations worldwide, 70 ships, 400 aircraft, and 37,000 personnel. At this pace, maintenance, morale, and readiness rapidly erode if they do not have the resources capable of meeting these demands.

General Reimer has testified:

> Excessive time away from home is often cited by quality professionals as the reason for their decision to leave the military. It is common to find soldiers that have been away from home for 140, 160 or 190 days in the past year. The Army's future depends upon our ability to retain the best soldiers to be tomorrow's leaders.

The quality of our Armed Forces, their training, their professionalism, and their commitment, is what distinguishes the American military from all the others. Today we have an excellent, dedicated force, but in order to attract and retain the quality of personnel for which our military is known, we must pay attention to their needs and concerns.

Quality of life is a factor of readiness that we cannot ignore. It involves not just where our military families live but how they live. We must not forget that training programs and the quality-of-life initiatives are major investments in the future of our Armed Forces. If we fail to address these issues today, our Armed Forces will suffer the consequences tomorrow.

The defense bill before us addresses the quality-of-life issues that matter the most to our military personnel and their families. Included in this legislation are provisions to provide equitable pay and benefits and to restore funding for troops, barracks, and military family housing. The committee added $122 million to the fund for family housing requirements. This need was pointed out clearly by General Krulak, Commandant of the Marine Corps, who expressed his concern about conditions of housing. General Krulak testified:

> We are not where we ought to be. I went with my godchild to his barracks and was appalled at what he was living in. Appalled is probably a mild word for it. We are building some barracks, we are building some homes, but it is not to the level that I as Commandant or you as a public servant would be very pleased about. It is simply a matter of available money.

Mr. President, I have visited barracks and family housing units at bases across this country and in different parts of the world. I wish I could take every Member of the Senate to these bases and show them personally what we are providing for our troops in terms of living arrangements. They would be appalled to see the conditions that we are asking our service members and their families to live in. Today, over 60 percent of all military housing is deemed substandard by military standards, and those military standards are far lower than the standards we find in civilian occupations outside of the military—soldiers with rotting shower stalls and running toilets, half of which do not work, with drywall with holes punched through, with leaky, rusted pipes and units with asbestos in the ceilings and in the walls. It is just extraordinary to see the disrepair that our troops are required to live with and raise their families in.

I commend the Secretary of Defense for understanding this problem and taking initiatives to address this problem. He has established both an internal task force and an external task force to address this housing problem, but housing year after year after year has been deferred and delayed in terms of rebuilding new housing and maintaining existing housing because we have had scarce resources and have had to divert those resources into the essential needs of readiness and training and pay for our personnel, and yet we have ignored the very facilities in which they live. Members would feel it a disgrace if they visited these facilities. Members here would not think of raising their families under the conditions that our soldiers and sailors and marines and airmen are required to raise their families in. Soldiers today are pooling their own funds and going down to Home Depot to buy materials to bring back to their barracks to fix their shower stalls, to fix leaky windows, to fix rotting ceilings, to repair the facilities that they live in, with their own money on their own time.

Our units are being organized by their commanders to do self-work projects in order just to obtain minimal living standards. It is a disgrace. So, for those who come to this floor and say the military has money flowing out of its pockets and is wasting taxpayers' dollars on defense needs, I would like them to join me on a short trip to a number of facilities so they can see what kind of quality of life our troops have, what conditions they are asked to live in.

We take great pride in providing our troops with the best training, the best leadership, and the best weapons. Yet, when it comes to quality of life, whether it comes to the time they spend with their family or take the weekend off, they return to a substandard quality of life that this Nation ought to be ashamed of.

One of the ways in which the committee is attempting to close this gap between military housing costs and housing allowances, to span that gap, is we have recommended a 4-percent increase in the basic housing allowance. We also have authorized single E–5's to receive basic allowance for quarters, one of the Navy's highest quality-of-life priorities.

In addition, we provided a 3-percent pay raise for our troops, both needed and well deserved, which is, again, less than the Congressional Budget Office's 3.2 inflation estimate, but it is close. So it is hardly unreasonable to ask for a 3-percent increase in pay.

Additionally, General Shelton, who is commander in chief of Special Operations Command, testified before our committee about his inability to pay Army special operation forces special duty assignment pay. He simply did not have the funds. So we authorized the funding to give them that pay that other special operations forces receive. These are just a few of the personnel initiatives that we have taken to attempt to address some serious personnel problems.

With regard to modernization issues—procurement, research, development, test and evaluation, military construction, housing—the administration concedes that the budget is "* * * contingent on the realization of savings expected to accrue from infrastructure reductions, especially base closings, and the successful implementation of acquisition reform initiatives."

Let me just comment briefly on that. I have some very fundamental concerns about the administration's approach to funding future needs based on assumptions that may not pan out. Many of these funding modernizations are critical to the future of our forces, yet we are depending on freeing up funds based on assumptions about inflation which will defy all past records of what inflation levels will be in the future. Any miscalculation is going to impact

greatly the resources necessary for updating many of our programs.

Second, planning for weapons modernization is not the same as funding weapons modernization. Mortgaging of modernization to fund near-term readiness over recent years has already created massive bow waves in weapons requirements. The tactical air fleet is reaching its half-life. Army and Marine utility helicopters have already exceeded their half-life, and combat vehicles and trucks will reach their full life cycle by the end of the future year's defense plan. We have military personnel today who are flying aircraft and driving trucks that are older than they are.

So linking future modernization funding to illusory savings from acquisition reform, base closure and inflation is unacceptable. Even if these savings materialize, modernization at best will be funded at $60 billion 4 years later than what is required. If these savings do not materialize, and I suspect they will not, modernization of our Armed Forces will be pushed further into the 21st century.

Finally, let me just state that the assumptions behind the administration's defense budget are based upon its Bottom-Up Review strategy calling on our military to fight and win two nearly simultaneous major regional contingencies. It is not realistic to expect our military to fight two major regional conflicts with a $10 billion nominal decline in the defense budget. Until the Department of Defense conducts another strategic review, our military must continue to organize, train, and equip to execute this strategy.

Many of us share concerns that the outdated Bottom-Up Review may be detracting from prudent defense investments. Misinvestments will adversely impact our war fighters, but it will also affect taxpayers. Because of these concerns, I am supporting, along with Senator LIEBERMAN, an amendment calling for the Defense Department to undertake a comprehensive innovative study of alternative force structures in 1997, and urge Members to participate in this debate and listen to the reasons why we need to do this.

Last year, during the debate on the defense authorization bill, we heard from a number of Members who were offering amendments to cut funding for the Defense Department who were questioning the increases that we were seeking in the funding for the defense of our Nation. We heard them say over and over and over, "Well, the Pentagon did not ask for this money, the Pentagon did not seek these funds. So, therefore, everything that is being requested on this floor that exceeds what the Pentagon sent over in its budget request has to be pork-barrel spending, it has to be unnecessary spending, wasteful spending, spending that is not needed."

I want to make sure my colleagues know that when this excuse is brought up this year in the context of discussion about this bill, or spending priorities, that this statement that "the Pentagon did not ask for it, and therefore it is not needed," is an excuse that just simply will not wash. It does not square with the testimony received by the Senate Armed Services Committee. It only squares with what the President's budget department decided they would spend for defense. It does not come anywhere close to what the military has testified on the record that they need in order to accomplish the tasks and the missions that have been required of them by this administration.

So that excuse, that this is above the Defense Department's own request, is a phony excuse. It does not reflect in any way the testimony we received from senior military leaders. It reflects what those senior leaders were told to say and the constraints that were placed on them by the administration. So let us make sure we understand what the difference is between defense needs and their stated needs, and what the administration has told them their needs are and their top-line spending is.

In a December 1994 Rose Garden speech, President Clinton affirmed that "We ask much of our military and owe much to them in return." What is a fair return to our troops for dedicating themselves to service for our Nation—for risking their lives to defend America's interests around the world? Our troops do not ask for much. In fact, their requests are actually quite reasonable—modernized weapon systems to defend America's interests, to give them a superior edge over those they fight against, training programs to improve their warfighting capabilities, a decent standard of living, and decent quarters in which to live. Attending to these basic needs is indeed a small investment for the services our Armed Forces provide to the Nation each day. Attending to these needs is a small return on the price we may ultimately ask our Armed Forces to pay in defense of our Nation.

We must not squander the opportunity to plan our military's future during a time of peace. Nor should we be lulled into a false sense of security that in the 21st century—indeed in the years preceding it—our Armed Forces will not again be called upon to defend America. I respect the argument that our Nation must grapple with many, often conflicting, priorities. Clearly, the Government has an obligation to get its financial house in order and balance the budget. However, we must avoid the temptation to act as if cutting defense spending has no consequences. History is replete with examples of the consequences of ignoring military preparedness.

In speaking of our Nation's failure to address these very same issues after World War II, Gen. Creighton Abrams said:

> We paid dearly for unpreparedness during those early days in Korea with our most precious currency—the lives of our young men. The monuments we raise to their heroism and sacrifices are really surrogates for the monuments we owe ourselves for our blindness to reality, for our indifference to real threats to our security, and our determination to deal in intentions and perceptions, for our unsubstantiated wishful thinking about how war would not come.

In his annual report to the President and Congress, Defense Secretary Perry wrote:

> The world has changed dramatically over the past few years, but one thing remains constant: a strong military force, made up of the finest American men and women, is the Nation's best insurance policy.

I urge my colleagues to ponder the haunting words of General Abrams, and the deliberate words of Secretary Perry. As tempting as it may be in an era of scarce resources and competing priorities, we must not allow indifference to serve as the basis for today's defense spending. A strong, well-prepared military has been, and will continue to be, our Nation's only insurance. A strong national defense does not come cheaply. We should not delude ourselves into thinking otherwise.

Mr. President, I will say to those who think defense needs to do more of its share in helping to reduce our spending, had every other item of Government done half the share that defense has provided of reduced spending over the past 12 years, we would more than have a balanced budget. If other agencies of Government had taken the same steps, or half the steps, taken by the Department of Defense, we would not be arguing over the need for a constitutional amendment to balance the budget or how we get to a balanced budget.

The truth of the matter is that over the past 12 years, defense spending has declined nearly 40 percent, and it continues to go down, now the 12th consecutive year. Name me one other program of Government that has begun to match the record of reduced spending as the Department of Defense—40 percent less troops, 40 percent less spending for equipment, troops deployed all over the world, stretched to the limit, in many cases, in terms of their operations tempo and their personnel tempo, troops living in substandard housing.

What Member of this Congress can take any sense of satisfaction in knowing that 60 percent or more of the men and women and families who have committed to defend this Nation live in absolutely substandard housing arrangements? It is a disgrace, and it is simply something that we absolutely have to correct.

So, as we go forward in the debate on the defense bill, I hope my colleagues will remember defense has contributed more than its share in reducing our

spending and trying to get in line with a balanced budget. No other agencies of Government can begin to compare with that. And in the end, one of the most essential, if not the most essential, functions for Federal Government is to provide for the common defense and the national security of this country. I can think of no higher spending priority. We need to understand that. We need to understand that this administration is not committed to that priority, despite their rhetoric.

Let's hope that the debate will lead us to a satisfactory result, so we can at least tell our troops that we have done the best we can—we have not provided them everything they need, but we have at least taken steps in the right direction to recognize that they provide security and defense for more than 250 million people of this country and deserve adequate support in doing that.

Mr. President, I yield the floor.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. Who seeks recognition?

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, I commend the able Senator from Indiana for the valuable contributions he has made to this debate.

I now yield to the Senator from North Dakota.

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

Mr. DORGAN. Mr. President, I thank the Senator from South Carolina. I will start today by expressing my respect for the Senator from South Carolina. I think he has brought a bill to the floor that includes many features that are very important. He and Senator NUNN are two Senators for whom I have the highest regard. I appreciate very much the work he does on behalf of this country in the area of defense.

I regret I am going to offer an amendment he likely will not support, but that does not diminish in any way my respect for his work and effort, nor does it diminish in any way the respect I have for the others on the defense authorization committee.

I intend to offer an amendment later today to reduce by $300 million the amount of money that was added to the National Missile Defense Program or, I call it, star wars, because it has a space-based, multisite component. But I intend to offer that, hopefully today, and give the Senate an opportunity to reduce by $300 million this Defense authorization bill.

Mr. President, I ask unanimous consent to be able to show my colleagues the following piece of metal. It is an item that comes from a hinge to a door on a missile silo. The silo was silo No. 110 in Pervomaysk, Ukraine. It held an SS–19 missile that was targeted against the United States of America. That missile likely would have held, I believe, five or six warheads buried in the ground in the Ukraine. Missile No. 110 and SS–19. This piece of metal was taken from that destroyed missile silo.

That missile does not exist anymore. Where this was part of a component to hold an SS–19 targeted against the United States, there now exists not a silo, not a missile, not a warhead, but a piece of level ground planted not with a missile but with sunflowers. Sunflowers have replaced an SS–19 that was targeted against the United States of America.

How did that happen? How does it happen that I hold a piece of metal from a silo that housed a nuclear weapon targeted against our country? This has come from halfway around the world and from more than that distance, philosophically, in terms of what we have understood how we can make progress in arms reductions if we do the right thing.

Senator NUNN and Senator LUGAR proposed legislation that is now law that provides funding for the destruction of missiles under the arms reduction treaties we have with Russia and the old Soviet Union. Today, as I speak, there are missiles armed with nuclear warheads that used to be pointed at this country that are being chopped up and crushed and taken out of silos and destroyed.

Surely, everyone would agree the best way to destroy a missile that is aimed at the United States is to destroy it before it leaves its silo. Hundreds of these missiles have been destroyed before they have left the silo under the Nunn-Lugar provisions, which have substantially reduced the nuclear threat and which, under the arms reduction treaties, have resulted in fewer missiles and fewer nuclear weapons threatening our country.

In this Defense authorization bill, we are going to have a debate about whether to build a new National Missile Defense Program. Some call it Defend America. Some call it star wars. Some call it NMD. Whatever it is, the Congressional Research Service says it is from between a $30 billion to $60 billion new program to build a new set of missiles in our country to create some kind of an astrodome across America so that other potential enemy missiles are unable to penetrate.

This defense authorization bill adds $300 million to the $508 million that was requested by the administration and the Pentagon on research and development on a national missile defense system. Let me be clear, I do not oppose research on a National Missile Defense Program. I do not oppose research. I do oppose going beyond research, adding hundreds of millions of dollars, demanding we deploy, as quickly as is possible, almost immediately, a national missile defense system.

To do that will destroy the arms control agreements we now have. To destroy the arms control agreements makes no sense at all. Those are the agreements by which we are seeing the missiles in the Ukraine—the Ukraine, incidentally, is nuclear free. There are no more missiles, no more nuclear warheads in the Ukraine. There used to be thousands.

To do what is being proposed, to undercut and destroy the foundation of the arms control agreements, means that we may no longer have the Nunn-Lugar program with the opportunity to have our former adversaries destroying missiles and destroying warheads that previously were once aimed at this country.

Should we have a national missile defense program? I do not know. Should we decide immediately that we want to add extra money—$300 million in this case, but a down payment at least on a program that is going to cost $60 billion—to demand early deployment of a multisite, spaced-based component of a national missile defense system? Should we do that now? Of course not. We should not spend money we do not have on something we do not need.

We will have a longer debate on this. I am happy to engage in a debate with my colleagues. I will do so respectfully. I very much respect their views. We, however, have spent a lot of time wringing our hands, gnashing our teeth, mopping our brow about the Federal budget deficit. We should do that because it is a serious problem.

But I find it fascinating that those who have bleated the loudest or brayed the loudest about the Federal deficit are at the first opportunity coming to the floor of the Senate saying, "By the way, I am concerned about the Federal deficit, but I very much want to see us embark on a new $60 billion national missile defense program."

My amendment will be very simple. My amendment will be to say, let us preserve the $508 million the administration in the Defense Department asked for in research and development funds for a missile defense program. We may need one sometime. We may need to deploy it sometime after the turn of the century. I do not know. But I do not subscribe to those who believe we ought to deploy it on an expedited basis, who demand we need to build it now, we need to buy before we fly, we need to overstate a threat in order to justify a new program.

So, again, with the greatest respect for those who disagree, I will offer an amendment to cut the $300 million from the defense authorization bill so that we are back at the $508 million on the national missile defense program that the Defense Department had requested in its budget. In the scheme of the Federal budget, $300 million may not be the largest amount of money, but it is a significant amount of money. I hope my colleagues, when we have the larger debate about this subject, will agree.

Let me finish where I began. This piece of metal is symbolic of what we do if we do the right things together. Arms control agreements work. This used to be housed in the silo that held a missile with nuclear warheads aimed at America. The missile and silo do not now exist. There are sunflowers planted on that ground in the Ukraine. Where missile 110 used to exist, an SS-19 with a nuclear warhead, we now have a patch of sunflowers.

That is the way to destroy an adversary's missile, in the ground before it is fired. Arms control agreements have worked. I cannot compliment Senator LUGAR and Senator NUNN enough for the leadership they have shown in these areas. I say, let us be very, very, very careful, as we move forward on any missile defense program, that we do not undercut arms control agreements that have achieved significant and real results in reducing the nuclear threat.

Mr. President, I yield the floor.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, I thank the distinguished Senator for his comments. I look forward to a spirited debate on this subject.

Mr. President, Senator WARNER is a valuable member of the Armed Services Committee. He has been on the committee a long time and done a fine job. I now yield such time as he may require.

Mr. WARNER. Mr. President, I thank my distinguished chairman.

PRIVILEGE OF THE FLOOR

Mr. WARNER. Mr. President, first, I ask unanimous consent that Comdr. Mike Matthes, U.S. Navy, a fellow assigned to my office, be granted floor privileges during the consideration of S. 1745.

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

Mr. WARNER. Mr. President, I will begin by again recognizing the fine leadership provided by Chairman STROM THURMOND of South Carolina, and Senator SAM NUNN of Georgia, our ranking member. This year, as in many years past, the defense authorization bill is truly a bipartisan product. I have often thought that in areas of defense and foreign policy partisanship stops at the water's edge, a concept envisioned by one of our former colleagues many years ago. I think it is a concept that is as true today as it was then.

Despite some differences, we were able to work together to unanimously report out the bill which is before the Senate at this time. Less than 3 months after receiving the administration's budget request, the Armed Services Committee had conducted a thorough set of hearings and completed its markup of the defense authorization bill. This record-setting pace is a tribute to the committee chairman, Senator THURMOND, and the ranking member, and the fine professional staff under the direction of Col. Les Brownlee, U.S. Army, and Gen. Arnold Punaro, U.S. Marine Corps.

Mr. President, the bill before the Senate goes a long way towards ensuring that our Armed Forces will remain capable of meeting the many challenges that lie ahead. To achieve this goal, the committee added $12.9 billion to the Clinton administration's budget request and concentrated the additional funding in the vital modernization accounts.

President Clinton's request of $254.4 billion represented an $18.6 billion real decline in defense spending from the fiscal year 1996 appropriated level. Over the past decade, Mr. President—I want to repeat that—over the past 10 years, the amount the United States has spent on defense has declined by 36 percent in real terms. Of course, that reflects adjustments for inflation. Even with the funding added by the Armed Services Committee, this year will mark the 12th straight year of declining defense budgets. To all of the critics, I simply say what we have done is not increase defense spending; we have merely slowed the rate of decline. That was the purpose of adding back these funds to the President's budget.

I was particularly concerned with the inadequate funding of the procurement accounts contained in the President's budget. Despite last year's promises that a modernization ramp up would begin in 1997, procurement funding continued a dramatic decline. We are already at a 40-year low, Mr. President. Not since the start of the Korean war have we spent so little on purchasing new weapons for the men and women of the Armed Forces today and, also, Mr. President, future generations.

May I give a few examples.

Ten years ago, fiscal year 1986, the United States of America purchased 840 new tanks. This year no new tanks are requested.

Ten years ago, in 1986, the United States purchased almost 400 new tactical aircraft. This year only 34 new tactical aircraft were requested.

Ten years ago, Mr. President, we purchased 40 new ships for the U.S. Navy. This year only 6 new ships were requested.

Enough, I think, is enough, Mr. President.

U.S. troops are currently deployed in 10 separate military operations overseas. Despite the end of the cold war, we are calling on men and women of the Armed Forces at an ever increasing rate. It is our responsibility to provide our troops with adequate resources so they can effectively and safely perform their missions. We must not ever send them into harm's way with equipment that is less than the best, particularly if it is outdated.

As Army Chief of Staff Reimer told the Armed Services Committee in March of this year, and I quote that distinguished soldier:

> In the event of a conflict, a lack of modern equipment will cost the lives of brave soldiers.

I was impressed with the candor shown by the military leaders, particularly those of the Joint Chiefs, who testified before the Armed Services Committee this year during the course of the budget hearings. I told all of the service chiefs—I said I did—all members of the committee joined in advising these chiefs that their challenge is to ensure that their successors 10 years hence will have the forces and the equipment they will need to protect our Nation's interests.

It was clear from their testimony that the budget submitted by President Clinton was not adequate to meet this challenge. In fact, prior to the administration's budget submission, the Joint Chiefs, to the man, unanimously recommended a procurement budget of $60 billion as soon as possible. Unfortunately, that advice was not followed, and the administration proposed a procurement budget of only $38.9 billion.

During the committee's markup, the Armed Services Committee made progress in addressing this shortfall by adding almost $8 billion to the procurement accounts. The AirLand Forces Subcommittee, which I am privileged to chair, added over $4 billion for additional tactical aircraft, upgrades to existing aircraft, precision guided munitions, tank upgrades, new attack and scout helicopters, new radios, jeeps, night vision devices, and other critical equipment. These addition will not correct all of the modernization shortfalls, but they are a step in the right direction.

I want to highlight one item contained in this bill that is very important to me, and has been for many, many years, beginning with my service as Under Secretary of the Navy in the year 1969, through my service as secretary in 1972 on into 1974, which is the U.S. Navy submarine program. Today, Russia, in my judgment, is putting a disproportionately large amount of their defense spending toward their military assets beneath the seas of the world. It is incumbent upon the United States of America, in every respect, to not only maintain the force we have today, but to modernize that force in the face of a determined effort by Russia to try and take command of the submarine tactical ability that they have and to meet us head on. That concerns me.

That brings me to the subject of the New Attack Submarine Program. Last year, our committee fought long and hard to reach an agreement with the administration to provide for competition in the procurement of this new class of submarines. The administration had originally proposed a sole

source award of this work to Electric Boat in Connecticut—effectively prohibiting competition and cutting Newport News Shipping & Dry Dock, which is located in my State, out of future submarine construction. Newport News has been in the new construction submarine programs since World War II. There is no question about its competence and its cost effectiveness to compete for the new class of submarines.

We struck, in our committee—with the cooperation of the distinguished Senator from Connecticut, a valued member of our committee, and my colleague, Senator ROBB, joining me in this effort—a compromise as part of the 1996 defense authorization bill, which provided for construction of the first 4 new attack submarines at two—not one—shipyards—namely, that in Groton, CT and that in Newport News, VA—with a competition for the fifth and remaining boats in the class.

Unfortunately, the administration failed to request adequate funding to execute the 1996 submarine program, largely initiated in the Senate. But then once in conference, very valuable contributions were made by my colleague, Congressman BATEMAN, and others, on the House committee. The final bill, of course, was shaped for 1996, which laid out a clear course for competition between these two yards. Competition, Mr. President, has proven, through the decades of procurement, to provide for the American taxpayer the greatest degree of savings. It was imperative that this competition be put in this very large program, envisioned to exceed perhaps over $50 billion in the next 20 years or so.

The bill before the Senate today corrects this problem by providing both funding and directive language to ensure that the shipbuilding compromise and the competitive process mandated in the 1996 defense authorization bill is adhered to by the administration.

Mr. President, before the Senate is a fine bill. I am proud to join my colleagues on the committee—and I think everyone in the U.S. Senate—in acknowledging that our military is second to none worldwide. We need no less than to carry out the very heavy responsibilities of this Nation in terms of its world role of leadership—not world role of policeman, but world role of leadership—if we are to remain the world's most powerful Nation in terms of leadership on security matters. We must be willing to provide adequate funding today for our troops and tomorrow in the form of procurement for modern weapons. This bill accomplishes that goal.

Mr. President, I salute, once again, the distinguished chairman of the committee, Mr. THURMOND of South Carolina, and the distinguished ranking member, Mr. NUNN of Georgia.

Mr. President, I yield the floor.

(Mr. ASHCROFT assumed the chair.)

Mr. THURMOND. I wish to commend the able Senator from Virginia for the fine contribution he has made to this debate.

Mr. WARNER. I thank my colleague.

Mr. THURMOND. Mr. President, I yield to the able Senator from Texas, a valuable member of the Armed Services Committee, such time as she may require.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mrs. HUTCHISON. I, too, want to thank the Senator from South Carolina for the leadership he has given to the committee and his strong and enduring, never-flagging support for the military of our country.

Mr. President, the post-cold-war era has brought about tremendous changes in our security environment. The absence of great power confrontation is the peace dividend we have received as a result of our military investments in the 1980's. While the end of the cold war changed the strategic environment, serious threats remain. For just as soon as we paused in our celebration over the fall of the Berlin Wall, Saddam Hussein dashed all illusions that this new era meant an end to the requirement for a strong military capability.

Shaping our military forces to meet existing and future challenges requires strong leadership, strong leadership by the Congress and the President together, to make sure that we have a military that will keep the freedom that we so enjoy.

As we reduce our military forces to the lowest level since just prior to the outbreak of World War II, we must remain mindful that the threats we face are global in nature and that the training requirements of a smaller military must be even more rigorous to retain readiness.

Mr. President, I am very concerned that continuing cuts in defense spending will leave us with a military force structure that lacks the manpower and materiel to defend the United States and our vital interests. This would be disastrous, not only for the United States, but certainly for our allies and for peace and stability in the world. We need to keep in mind that our national security assumptions are based on the capability of our drastically downsized military forces to fight and win two major regional conflicts. We do not know from where the threats will come in the future. But the magnitude of the challenge we have set forth for our military force is discernible from recent history.

In addition to forces currently deployed in Haiti, northern Iraq, the Sinai, and now in Bosnia, we could also conceivably find ourselves facing the threat of all-out North Korean aggression, or renewed aggression by Saddam Hussein. Both represent very real threats to our national security interests, and both demonstrate the increased risk we face when we dissipate our military strength through involvement in operations such as Bosnia and Haiti, which do not represent clear national security interests.

Mr. President, none of us wants to think of this scenario, but it is not inconceivable. In depending on our slimmed-down forces to meet these very real and terrible threats, we must have an expectation that our men and women in uniform can meet that threat if we provide the support that they need.

The success in Operation Desert Storm demonstrated the unequaled capabilities of our military. Even after the post-cold-war drawdown our Army, Navy, Air Force, and Marines remained the best trained, the best led and the most formidable fighting forces in the world. But that superb quality could be at risk. If we do not make the correct strategic decisions today we will reap the sad rewards 5 to 10 years from now. Our responsibility in this Congress is to minimize the risk. I am personally committed to that goal. Before we send soldiers into harm's way, whether it be a Desert Storm, or a Somalia, or a Haiti, or a Bosnia, it is our responsibility here in Congress to ensure that our military personnel are provided the equipment and training they deserve.

While the President is the Commander in Chief, under our Constitution our Founding Fathers established a primary role for Congress. Our Founding Fathers decided that the Congress would have the sole ability to declare war, the power to make regulations of the land and naval forces, the power to call forth the militia, to raise and support the Army and the Navy, the power to provide for organizing, arming and disciplining the military. When Congress deliberates and considers executive branch judgments on military policy, we are fulfilling our constitutional responsibility.

I continue to have strong reservations about whether or not we are providing enough to enhance our military capability. While the major provisions of this bill go a long way toward addressing some of the serious defense shortfalls, I believe serious weaknesses remain which have not been adequately addressed.

As we try to achieve an elusive peace dividend we do so at the expense of our military capability. We have cut too far too fast and too deep. Based on the threats we face today we still need a strong military capability.

How do you define sufficient capability, and what does having this capability mean for our men and women in battle? To soldiers, sailors, airmen, or marines in harm's way sufficient military capability means they have what it takes to win decisively. It means they take fewer casualties. It means

they survive the battles and come home to their loved ones.

General Eisenhower once noted that, "If asked to capture a village defended by a battalion, I would send a division and I would take the village without casualties." That is what having sufficient military capability means—accomplishing the mission with as few casualties as possible. This has always been the hallmark of U.S. military operations. We have as Americans preferred to expend firepower and resources—not personnel.

As a member of the Armed Services Committee I have often gone on record with my concerns over the speed of the current drawdown and the implications for our national security. The current force structure simply does not meet our national security requirements.

By further stretching our resources to participate in Bosnia operations I am afraid that we could soon be faced with the painful reality of just how much this drawdown has affected our military. President Bush, Secretary Cheney and General Powell proposed what they termed the "base force." President Clinton's current force is referred to as the "Bottom-Up Review force." It is significantly smaller than the Bush plan. The stated goal of both forces is to be able to prevail in two major regional conflicts, and it is referred to as the "two MRC requirement." The main difference between the two is that under the base force we would be capable of winning under the base force. We would be capable of winning two simultaneous major regional conflicts. But under the Bottom-Up Review force we could prevail in winning two near simultaneous major regional conflicts. The difference between those two terms, Mr. President, is as vast as an ocean.

First, what does "near simultaneous" mean? Is it a week? Is it 6 months? Will we have 9 months to build up from a nonmilitary or security deployment of our troops? Under the base force it was assumed that some forces would be engaged in operations other than war, or peacekeeping such as we have in Bosnia. These forces would not be in the calculation for winning two major regional conflicts because the combat skills of any military unit degrade when they are not training for their primary mission. Rather than send troops into a combat situation for which they might be woefully unprepared they were excluded from the two MRC calculations.

So what we are saying is under the base force that was put forward by President Bush these operations other than war would not count toward our goal of winning two major regional conflicts simultaneously. But the Bottom-Up Review force under President Clinton removes that cushion. General Shalikashvili said in testimony before the Senate Armed Services Committee that if one major regional conflict arises, forces performing operations other than war will have to be withdrawn in order to go to a second major regional conflict.

Mr. President, that is a vast difference from what the base force that President Bush envisioned would be capable of doing. That takes away the ability to have simultaneous conflicts that we would win, and says nearly simultaneous because we would have to rush out and retrain troops that were in an operation other than war because they are not trained and ready for combat when they are performing humanitarian or peacekeeping missions.

We have a large force in Bosnia today. We have sent an entire Army division plus support troops to Bosnia totaling 20,000 personnel with 5,000 at least in Croatia and Macedonia and with thousands more supporting this operation from Hungary, Italy, Germany, the Mediterranean and the United States. This deployment is said to last for a year, and during that time we are not able to have our troops in training for their combat missions. The Bosnian deployment will cost us billions of dollars in unprogrammed contingency defense expenditures in addition to the billions that we know it will cost up front. The military services could have to deplete vital training accounts to pay for these unplanned operations.

As a member of the Armed Services Committee I am alarmed by the cuts that I see being contemplated in our Armed Forces. In my view, many of the reductions which have occurred in the past 5 years have seriously undermined the capability to support a national defense strategy in which we must be prepared to fight and prevail in two major regional conflicts simultaneously. In fact, I feel very strongly, Mr. President, that in rapidly reducing our Armed Forces from 2.1 to 1.4 million we have already reduced their size to a level that is inadequate to meet our needs, and we can reduce no further.

When General Sullivan, the former Chief of Staff of the Army, assumed his position his watchword as the drawdown began was no more Task Force Smiths. He was referring, of course, to the task force commanded by Lt. Col. Bradley Smith which was rushed into battle in Korea in July 1950 to counter the North Korean attack. This courageous American force was sent into battle outgunned, ill-equipped, and ill-prepared, and was quickly and easily overrun by the Soviet-equipped North Korean force. At the time Americans were shocked to learn that the same military which defeated the Japanese and the German armies 5 years before had so quickly become a hollow force.

Last summer, our Nation dedicated a memorial to those who fought in the Korean war. That honor was long overdue. My husband served in the Navy during this time. He and I went to see the Korean monument. And I am going to tell you that visiting the monument to our veterans of the Korean war is one of the most poignant and beautiful experiences that I believe I have ever had.

It is a real tribute to those valiant warriors. Now as we consider the 1997 defense authorization bill, we should reflect not only on those who died in Korea but on the lesson that we should have learned from that war. One of the finest books written about that Korean war is "This Kind of War: a Study in Unpreparedness," by T.R. Fehrenbach, a fellow Texan and close friend of mine. As an infantry commander, he experienced the conflict from a unique vantage point, and his book, first published in 1962, remains in print today. I commend this book to my colleagues because what Mr. Fehrenbach is saying is we must always have a trained and ready field force, that whatever we try to do from the air is not going to win a war and we are not going to protect our freedom throughout civilization if we do not have the ability to go into the field, and place soldiers on the ground, well equipped and well trained.

Mr. President, what we are talking about today is making sure we have it all—that we have the technology, that we have the airlift and the sealift that will allow us to take that very last step, which is placing our troops on the ground. We are talking about having the training and arming our troops who must capture hold that ground while at the same time that we are making sure we have all of the strategic and technological advances which would keep them from having to go in the first place. But if we must send our forces, we want them to have all of the protections we can give them. So we need the technology; we need the equipment; we need the personnel; and we need the training. That is what we are talking about in this bill today.

We are having a major conflict with the President and the Congress on just what we need in terms of military capability. Congress is trying to get the military spending up so that we will not have a hollow force, so that we will be able to win two major regional conflicts simultaneously, because that is what a ready force is, and so that we will be able to prevail in two major regional conflicts quickly and with the fewest possible casualties.

That is our goal, and that is why Congress wants to spend $10 billion more than the President wants to spend to make sure that when the troops are in the field they are trained and equipped, to make sure they have the air cover they need, to make sure they have the equipment they need to protect them if they are in the field, and to make sure our shores are protected from any kind of incoming ballistic missile, which we now know 32

countries in the world have the capability to produce and someday soon send to our shores. We even have groups that are not countries with that capability. And with open borders, we could be vulnerable if we do not do what is right and make the strategic decisions that will protect the people who live in our country and will protect those who are protecting our freedom anywhere in the world in any theater from coming into harm's way if we can prevent it.

Mr. President, those are the decisions we are making with this bill. I hope we can sit down with the President to make sure we are doing what is right for our troops in the field today, for the protection of freedom today, and to make sure we will not wake up 5 or 10 years from now and realize that we have allowed another task force Smith; that we did not do what we needed to do in terms of the strategic thinking necessary to make sure we were not vulnerable to any kind of attack from any source in the world.

I commend the Senator from South Carolina for his leadership. I yield the floor.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. I wish to commend the able Senator from Texas for the excellent remarks she has made on this bill. She has made a fine contribution to this debate.

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

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

RECESS

Mr. THURMOND. Mr. President, I now ask unanimous consent the Senate stand in recess until 2:15.

There being no objection, the Senate, at 12:25 p.m., recessed until 2:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. COATS).

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1997

The Senate continued with the consideration of the bill.

Mr. LOTT. Mr. President, we are working with the Democratic leader and trying to get agreements on how we can proceed on this bill and other issues. For the information of all Senators, the Democratic leader and I have been negotiating on the minimum wage issue since Friday of last week. This Senator believes that we are making good progress and may yet today be able to reach an agreement that would satisfy all Senators.

With that in mind, I will now outline the agreement that we have been discussing. The agreement is as follows: On Monday, July 8, at a time to be determined later, the Senate would begin consideration of H.R. 3448, the House-passed minimum wage bill, which also contains the small business taxes, and at that time Senator KENNEDY would offer his amendment with a 1-hour time limit. The amendment would then be laid aside, and I would offer an amendment on behalf of Senator BOND, with an hour time limit. The Senate would then vote, first on the Bond amendment, to be followed by a vote on the Kennedy amendment.

Following the two minimum wage votes, the bill would then be opened to two tax-related amendments, one to be offered by each leader and debated separately and limited to 2 hours of debate each. I want to emphasize again that this has not been agreed to, but this is an outline of what we are talking about.

It seems to me this is a fair agreement; that it also offers a date specific that we would take these issues up and act on them. If the Democratic leader is optimistic some agreement along these lines can be reached, then it would be my intention to ask unanimous consent that no minimum wage amendments be in order during today's session in order to make progress on the DOD bill while negotiations are ongoing with respect to this minimum wage issue.

UNANIMOUS-CONSENT AGREEMENT

Mr. LOTT. I understand the Democratic leader has no objection to this, and therefore I ask unanimous consent that no minimum wage amendments be in order during the remainder of the session of the Senate today, Tuesday, June 18, 1996.

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

Mr. LOTT. Mr. President, I ask unanimous consent that the committee amendments be set aside until the close of business today.

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

Mr. LOTT. There was no objection heard?

The PRESIDING OFFICER. There was no objection.

Mr. LOTT. Senator GRASSLEY has one on infrastructure; Senator BINGAMAN has one on ASAT; Senators SIMPSON and THOMAS have one with regard to a Wyoming project; Senator FORD, DOD/DOE chemical munitions. We are not asking at this time for any time agreement on these amendments, but these Members and amendments are ready to go. We need to get started on the amendment process.

It would be the intention of the leadership that we go ahead and take these amendments up and try to get agreement on a time where votes would be agreed to. Perhaps, even, we would stack some of them at a time certain. We will notify the Members as soon as we can get that agreed to.

At this time, we would like the committee members to go ahead and proceed with the DOD bill and amendments that are ready to go.

With that, Mr. President, I turn the floor back over to the distinguished chairman of the committee.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

PRIVILEGE OF THE FLOOR

Mr. THURMOND. Mr. President, I ask unanimous consent that Michael Montelongo, a fellow in Senator HUTCHISON's office, be granted the privilege of the floor during the consideration of S. 1745.

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

Mr. THURMOND. Mr. President, I ask unanimous consent that Comdr. Thomas Vecchiolla, a Navy fellow in Senator COHEN's office, be granted the privilege of the floor for the duration of the debate on the fiscal year 1997 national defense authorization bill.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. LOTT. Mr. President, Senator GRASSLEY, I believe, will be here momentarily. I believe that Senator BINGAMAN is here ready to go.

I see Senator GRASSLEY is on the floor. We will be ready to go momentarily.

CHURCH BURNINGS

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Senate Resolution 265, submitted earlier today by myself, the Democratic leader and others.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A resolution (S. Res. 265) relating to church burnings.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. LOTT. Mr. President, this Senate resolution condemns the arson and other acts of desecration against churches and other houses of worship.

Senator DASCHLE and I are joined in the cosponsorship of this resolution by Senator HUTCHISON, Senator MOSELEY-BRAUN, Senator GRAMM, Senator HELMS, Senator FAIRCLOTH, and Senator D'AMATO. I hope Senators during today, if they have an opportunity, or later on this afternoon, and would like to speak on this issue, that they will feel free to do so.

Mr. President, my State of Mississippi was gravely wounded last night.

Two churches burned in Kossuth, a small town in the northeast corner of our State. The Mount Pleasant and the Central Grove Missionary Baptist Churches were lost to flames.

The fires, like several others that have hit churches elsewhere in the country in recent months, were, as the official reports say, of suspicious origin.

In time, the truth will be uncovered. And if these fires were not accidents, if they were set by the hand of evil, then justice must be done.

The good people of Kossuth will rebuild their churches.

Bill Dillworth, a deputy sheriff and a deacon at Mount Pleasant Church, affirmed, "We will always survive. You look to the Lord at times like this. He will be your guide."

I hope that same spirit prevails in the meeting President Clinton has scheduled for tomorrow with several of the Nation's Governors, to discuss ways to combat church arsons.

It will not help the situation to turn these tragedies into a racial or regional issue. Attacks on churches and synagogues are attacks on religion itself.

James Glassman's column in today's Washington Post lays out the sad statistics. The Bureau of Alcohol, Tobacco and Firearms has investigated 123 church burnings over the last 5 years. Of those, 38 have been at black churches.

Attacks of any kind against any of our places of worship should unite Americans in outrage and in resolve. That is why, early this year, a coalition of pro-family organizations—the Christian Coalition, Eagle Forum, Family Research Council, and others—publicly appealed for action to protect churches—all churches.

In response to their petition, the House Judiciary Committee held hearings in May. And the Christian Coalition offered a $25,000 reward for information leading to the arrest and conviction of a church-burner.

Those were constructive steps in the right direction.

Perhaps additional legislation is needed to make it easier for Federal prosecutors to intervene in cases of church burnings.

On the other hand, perhaps the administration should take a closer look at the extraordinary powers to protect churches which congress gave the Justice Department 2 years ago in the clinic access bill.

That legislation, designed to protect only abortion clinics, was expanded, at the insistence of Senator HATCH and other Republican Members of the House and Senate, to apply to religious institutions as well.

To date, however, the administration has failed to use its powers under that legislation to deal with attacks on churches. I urge the Attorney General to rethink her Department's approach.

I urge the President, as well, to rethink the approach he and some others associated with him have taken toward religious institutions, and in particular, toward their role in public affairs.

Every time Americans are denounced as extremists for standing up for their religious beliefs, every time persons of faith are stigmatized for intruding their values into politics, it becomes easier for those who wish evil to actually do evil.

That evil is all of one piece, whether it is a wooden church aflame in rural Mississippi or a synagogue defaced in California or a cathedral disrupted in New York City.

For persons of faith, those buildings are more than places we visit regularly. They are extensions of our own homes.

Whoever raised a hateful hand against our homes in Mississippi last night is going to learn an important lesson.

Along with the entire Nation, they will learn that the faithful people there are like the three young men of Israel who were cast into the fiery furnace. The raging flames could not harm them, and they were brought forth radiant with the protection of their God.

I am glad we are able to get this unanimous-consent agreement on this resolution. It is very important that the Senate express its outrage at these churches being burned.

Unfortunately, in my own State of Mississippi last night, we had two incidents in the northeastern part of the State that are of suspicious origin. There is no way that we can tolerate this type of activity.

We want to express our outrage and also assure our colleagues that our intent is to take a quick, serious look at House-passed legislation and hope we will be able to pass their bill, which provides some additional authority for law enforcement investigations and activity with regard to these church and other religious buildings burnings.

I am very pleased we have this resolution, and I am glad it was done in a bipartisan way.

Mr. COCHRAN. Mr. President, I am pleased to join my State colleague and other Senators in cosponsoring this resolution condemning recent church burnings and urging that all appropriate Federal authority be used to investigate these incidents and bring to justice those who are responsible for them.

I suggest, in addition to passing this bipartisan leadership resolution, that we hold at the desk the bill that will be passed by the House and call it up for passage as soon as possible, without amendment, and send it to the President for his signature.

Taking this action should serve notice on all concerned that this kind of conduct will not be tolerated in our society, and those who engage in this terrorism will be caught and they will be punished.

Mr. KEMPTHORNE. Mr. President, I am proud to cosponsor this resolution by Senator MOSELEY-BRAUN and Senator LOTT which places the Senate firmly on record against the recent incidents of church burnings in our Southern States.

Church burning is religious persecution at its worst. It denies Americans their right to worship their God as they see fit.

Our Southern States are witnessing the worst number of black church bombings and fires since the 1960's civil rights era. Mount Zion AME Church in Greeleyville, SC, was burned to the ground last year by an arsonist. Church bombings are occurring in Virginia, Tennessee, North Carolina, South Carolina, Georgia, Alabama, Mississippi, Louisiana, and Texas. For well over 18 months, communities in these States have been held hostage by cowardly and intolerant individuals threatening their inalienable right to pray and praise. This is simply unacceptable. America is a land of toleration and acceptance; not of prejudice and fear.

What do these criminals hate that makes them act so miserably? If their goal is racial prejudice, they should think again. Burning a church is not just a crime against people of different ethnic origins. It is an attack on the House of God. Surely God knows and will remember those who commit these crimes. Church arsonists are playing with fire, the fire of judgment day.

Regrettably, religious persecution is not limited to the South. Illinois citizens are waking up to crosses burning in their yards. Idahoans, especially Idaho Mormons, have suffered as well. Three years ago, on the campus of Idaho State University in Pocatello,

the LDS Institute was burned to the ground. Arson was the cause. And that's not the only incident. Random acts of vandalism to the Boise and Idaho Falls Temples, as well as to churches and seminaries unfortunately continue today.

Religious persecution has no place in Birmingham, AL, or Boise, ID.

Our Founding Fathers enshrined religious freedom in the first amendment. They knew worship strengthens our daily lives. They knew that Americans held, and would continue to hold, differing religious convictions. They also knew America stands for freedom and that thousands of immigrants had come to these shores seeking refuge from religious persecution.

My prayers go out to those parishioners whose churches have been bombed, burned, or threatened. The faith that helped their forefathers through the worst days of slavery and suffering will carry them through now. Already God is at work opening the hearts of Americans all across the Nation who are helping rebuild these houses of worship.

These random acts of kindness show America will not move back to a time of fear, ignorance, and prejudice. We will move forward to a world of racial and religious tolerance, acceptance, and respect.

All Americans are entitled to the right to worship their God. Let us renew our faith and remember what a privilege it is to freely be able to practice our religion according to the dictates of our own conscience. This resolution recognizes and reenforces that right. I fully support it and want it to pass.

Mr. DASCHLE. Mr. President, my heart goes out to the victims of the recent rash of church burnings. Like so many Americans, I have watched with great dismay and real sadness as one after another African-American house of worship has gone up in flames. There have been at least 35 fires of suspicious origin at these churches in the last 18 months. As a nation, we will not tolerate this attack on African-Americans and their right to exercise their religion freely and in peace. I know that the vast majority of Americans joins with us today in condemning these acts of destruction and recognizing that we cannot allow a small number of hate-filled people to derail the progress we have made toward ending racial discrimination and intolerance.

We have seen in recent years the destruction of well over 100 houses of worship serving people of different faiths and different races. This resolution rightfully condems all those acts of destruction and desecration.

The burning of these churches—which constitute the heart and soul of the communities they serve—is a national tragedy that requires a strong and swift response. I commend President Clinton both for his moral leadership on this issue and his commitment of all possible Federal resources to the investigation and prosecution of the perpetrators of these vicious crimes. I hope we will be able to help these Federal law enforcement efforts by passing legislation introduced by Senators KENNEDY and FAIRCLOTH that gives Federal officials more tools to fight these terrible acts. Bringing these arsonists to justice must be one of our highest national priorities.

Mr. WARNER. Mr. President, the continued spate of burnings of African-American churches in the South is a national tragedy. I commend Attorney General Reno for redoubling the efforts of the Department of Justice to catch the perpetrators of these most heinous crimes. I have also joined with Senator FAIRCLOTH in cosponsoring legislation which reiterates that burning of a church is a Federal crime and lowers the damages threshold to bring Federal enforcement.

One of out most precious freedoms is to practice our religious beliefs. To have that freedom abridged because of racist acts is doubly troubling.

I know that substantial efforts have been made to investigate these fires. But it is clear that more must be done because the fires, some 30 in all over the past year and a half, keep happening. The leadership of my Commonwealth is responding. The attorney general of Virginia, Jim Gilmore, was recently elected as chairman of the southern region of the National Association of Attorneys General. One of his first acts was to organize a coordinated effort among southern attorneys general to combat hate crimes such as church burnings. His leadership on this issue will bring results, and I commend him and the organization for taking this action.

Everybody concerned with the rash of church burnings wants to know whether these crimes are the work of an organized group or isolated instances of violence. I hope that the efforts of the State attorneys general and of the Department of Justice will answer this question. Just as importantly, I hope that whomever is committing these horrible crimes will see that law enforcement across the country is committed to solving and preventing these despicable acts. Even one instance of church arson is too many—to have dozens of church burnings is a crisis that must be solved.

Unfortunately, as disturbing as these cases of arson are, they are not the only instances of racist violence intruding on the right to worship. Yesterday, a church in Charles County, VA, was defaced with racist words and symbols. The Mount Zion Baptist Church has served the Charles City community since 1812 and is celebrating its 100th year at its present location.

Now the Federal Government cannot protect every church in America. I hope, however, that by finding and prosecuting arsonists and by encouraging law enforcement efforts such as those led by Attorney General Gilmore, the Federal authorities can make a difference in protecting America's houses of worship.

The wife of the pastor of Mount Zion Baptist Church was quoted that the church will survive this racist incident. She said that the "membership is just going to bind closer together." I wish them well, and my thoughts go out to all who have suffered at the hands of cowardly attacks on our churches.

Mr. LOTT. Mr. President, I ask unanimous consent that the resolution and the preamble be agreed to; that the motion to reconsider be laid upon the table; and that any statements relating thereto be printed in the RECORD at the appropriate place as if read.

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

The resolution (S. Res. 265) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 265

Whereas there have been at least 156 fires in houses of worship across the Nation since October 1991;

Whereas there have been at least 35 fires of suspicious origin at churches serving African-American communities in the last 18 months;

Whereas these churches and houses of worship are a vital part of the life of these communities;

Whereas intentionally burning churches or other houses of worship is a very heinous crime;

Whereas intentionally burning churches, when done to intimidate any American from the free exercise of his or her rights as an American, is inconsistent with the first amendment of the United States Constitution, which guarantees every American the right to the free exercise of his or her religion, and which ensures that Americans can freely and peaceably assemble together; and,

Whereas intentionally burning churches, when done to intimidate any American from the free exercise of his or her rights, is a serious national problem that must be expeditiously and vigorously addressed: Now, therefore, be it

Resolved, That—

(1) the Senate condemns arson and other acts of desecration against churches and other houses of worship as being totally inconsistent with fundamental American values; and

(2) The Senate believes investigation and prosecution of those who are responsible for fires at churches or other houses of worship, and especially any incidents of arson whose purpose is to divide communities or to intimidate any Americans, should be a high national priority.

Mr. LOTT. Mr. President, I ask unanimous consent that Senator COCHRAN's name be added as a cosponsor of this Senate resolution.

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

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

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1997

The Senate continued with the consideration of the bill.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

AMENDMENT NO. 4047

(Purpose: To freeze at the level programmed for fiscal year 1998 the amount that may be expended for infrastructure programs of the Department of Defense in order to increase funding for force modernization)

Mr. GRASSLEY. My purpose for rising is to introduce an amendment. I am not going to send the amendment to the desk quite yet. Also, I inform the leadership on both sides of the aisle that I do not have any intention of speaking for an extra long period of time. But before I agree to a time limit, I want to make some opening remarks in regard to my amendment. After that, I will have an opportunity to sit down and probably work something out with the leadership on the time.

Mr. President, we are at a point in the defense authorization bill where I want to bring up the point that we ought to be saving some money in infrastructure costs, but we are not. We ought to be saving some money in infrastructure costs because it is just natural that infrastructure ought to be somewhat less as we downsize the military, both from the standpoint of personnel and from the standpoint of the number of bases we have, and a lot of other factors. The fact that we really are not, the point of my amendment is to drive that point home, but also to offer a plan that will allow us to guarantee that when we are told that money should be saved, that it is in fact saved.

We are in a situation here, Mr. President, where from a political standpoint we ought to have the votes to accomplish what I want to accomplish. I do not anticipate that we do. I anticipate that we are in a long process of educating the people of this country and the Members of this body to the fact of what I have already stated, that if we are going to close bases to save money, somewhere we ought to be able to show the American people that here is X numbers of dollars we saved. Because that is what we were told would happen; if we closed bases, we would save money. But we have had even experts like the General Accounting Office audit to identify the savings, and they have issued reports that it is not saved.

But we are also in a political environment here where—in past years, it has been very easy for us to make some points on saving money from the standpoint of my being a conservative Republican. Leading the efforts to cut the defense budget or to save money, I would almost have the full support of Members on the Democratic side of the aisle because they were generally of the opinion that Republican Presidents were spending too much on defense, even wasting money on defense, so fiscally minded Republicans, joining together with Democrats, would have enough votes to actually win the battle and to save the taxpayers money.

But now we have a political situation in the last 3 years where we have a Democrat President and a Republican Congress, and we find people on the Democratic side of the aisle, even though that President may be spending money above and beyond the level he should be doing it as Commander in Chief, they seem to be in a position where they want to get behind their President even if they might disagree with him on the amount of money he is spending. So we have a divided Democratic Party more so than usual on the issue of saving defense money.

As is typical on this side of the aisle, my Republican side of the aisle, it seems that there is a willingness just to give more money to defense because somehow by giving more money you get more defense.

The point that I try to drive home so often to my colleagues and I think it is legitimate; and I am speaking now just about people in this body who consider themselves conservative; and for the most part those are people who are also registered as Republicans and elected to this body as Republicans—is that we are constantly admonishing the other side of the aisle, for decades, that you cannot solve in the typical way liberals like to solve problems, throwing money at those problems, and somehow just by spending more money on a lot of social problems, you actually solve those problems; and we would always say, "Well, you know, it's not how much money you spend, but it's how you spend it, and how you invest it, whether or not you're going to get your money's worth."

We do not seem to have the same caution on this side of the aisle when it comes to money for defense. We seem to take the attitude that if you just put more money in the defense budget, give more money to the Pentagon, somehow you are just automatically going to have more defense.

I raise this argument more so at the level of adopting the budget as opposed to the defense authorization bill. I suppose that is really a better place to make that generic argument about more money for defense or less money for defense. But I think it is legitimate, when we are dealing with a very specific item like infrastructure costs, and particularly when we were told over the last several years that if we close bases we ought to save money, and if we cut down on the number of personnel in the Defense Department we ought to save money, that after a few years of that argument, you ought to be able to look and say, "Yes. We have saved X number of dollars. Here it is." I would have believed it. The General Accounting Office expected to find it. But the reports of the General Accounting Office do not confirm those savings.

The point is, savings are real things. You ought to be able to see them. My amendment is geared toward the proposition that if there is going to be savings, we ought to know where those savings are and what they ought to be used for and that, if they are going to still be spent in the defense budget and not reduce the deficit, at least we ought to know what they buy. So that is the basis for my amendment.

But I will to get into more detail about my amendment, more specifics in just a moment. I want to remind my colleagues of the debate we had on April 15 in this body. It was a very excellent debate on what the size of the defense budget should be. At that point, the budget resolution we had before us had already added in an extra $12 billion to the budget for defense. That is $12 billion over and above what the President had recommended that we spend on defense. I opposed that move. I opposed it by offering an amendment to cut back most of that money. The vote was 57 to 42 against what I was trying to accomplish.

The majority rules in this body, and I am willing to accept it. But all that extra money then is in the bill before us as a result of the decision that we made on the budget resolution and also the decision of the Senate Armed Services Committee to go to the maximum allowed under the budget resolution.

Most of this money is for modernization of our military capabilities. But, sadly, an analysis of the bill shows that $12 billion does not buy much at the Pentagon. That should come as no surprise to people who have been watching the defense budget and how the Defense Department has operated over a long, long period of time. It does not come as any surprise to me.

The money has been spread around in so many different areas that all we end up with is a few bits and pieces. If you would take the key area of combat aircraft as an example, this is what we get. We get six extra F-18's, two extra AV-8B's, four extra F-16's. That is it, 12 more fighters. The military needs to buy hundreds of fighters each year to modernize the force. The other areas are not much better. We do get a few extra missiles, a few extra transports, a few extra helicopters. But I might say that we do not get one extra ship for the Navy, as an example.

Now, all of this added together, I suppose somebody is going to make a case that it is absolutely needed and it is going to improve and modernize our military considerably. But it seems to

me that when you see exactly what we get, then it is not even a reasonable downpayment on modernization. And $12 billion—of course, when you look at what this bill has for a total expenditure for a year—happens to be peanuts at the Pentagon, kind of a drop in the bucket.

So this brings me to a point that I have hammered on for years, as I indicated, admonishing my colleagues, particularly on the Republican side of the aisle, that throwing more money at the Department of Defense is not going to solve the problem. We will never succeed in modernizing the force structure at these prices without fundamental reform.

Now, it happens that there are even outstanding members of the Armed Services Committee that have been fighting a long time for fundamental reform. I want to commend my colleagues for fighting for fundamental reform. I think that fundamental reform is very, very important to make sure that whatever extra money we spend—including the $250-some-billion we are going to spend—is invested wisely and we get the most bang for the buck. But it seems to me that the reform ought to go ahead of the additional $12 billion.

We have had some types of reform over the last 15 years. But, again, we think we make some dramatic changes—what we feel are dramatic changes—in the way the Defense Department does business. After you look back at it, you really do not see the changes come about that we had hoped for when we passed the reforms or the reforms that go on within the Defense Department that can be done without actually passing the legislation.

We have had a host of defense reforms, one after the other. But there tends to be a big gap between promises and reality. None of these reforms have worked completely as advertised. We do not get all of the desired impact that we want to have.

Some could even been classified as bureaucratic tricks to cover for business as usual. It all leads up to the fact that what the Department of Defense needs to do is to find a new way of doing business—a completely new way of doing business, a new attitude, a new culture there. But, in fact, we really never really get the complete changes that ought to be made so that we get our money's worth when we put additional money in for modernization, or anything else.

If we do not get this fundamental reform, I think we still have to say, as good as our Armed Forces are, how much better they could be, how much more we would get for our investment of money if these reforms would really happen. We are talking about changing a basic culture. To do that, you need new ideas and new strategies. Most importantly, you need a disciplined management. You have to find ways to make reforms work—and work now, not later—not in the year 2001.

So I am suggesting in the amendment, which I will deposit at the desk shortly, a way of making sure that we get real modernization with the savings that we are supposed to get from infrastructure savings. We have already had four rounds of base closures. We have had a shrinking force. This should mean savings in infrastructure accounts. The Department of Defense has promised these savings, but the savings, as I have indicated, are not there. So promises do not match the reality.

My amendment would, hopefully, make the savings real. So this is what I propose to do would accomplish that goal. I will give you seven specific objectives of my amendment.

The first is to seek to establish a better balance between force structure and infrastructure costs. I will show you, eventually, how there is an imbalance there—an imbalance that does not make sense to me, but it is still an imbalance.

Second, this balance would be brought about and achieved by freezing the infrastructure budget at the fiscal year 1998 level of $145 billion. The freeze would save $10 billion in fiscal year 1998 to the year 2001.

Fourth, the Secretary of Defense would transfer the savings to the procurement accounts to pay for modernization. This is the key, then, to getting money from savings that we ought to be able to account for and get it into modernization, not into overhead. That ought to be going down; instead, it is going up.

The fifth point is that key readiness accounts would be protected. That would be like for spare parts, training, and a lot of other things like that.

Sixth, the savings would be reflected in the future years' defense program submitted to Congress next year so that we would be able to know what it was and to see it and to have it accounted for.

Seventh, we would have the Comptroller General review and verify the savings, so we have somebody outside of the Defense Department, with no vested interest, verifying what Defense does, in the sense of just the accounting, or being accountable for the money, and not micromanaging anything that the Secretary of Defense might do.

Now, what is going to be strange to the managers of this bill—both Republican and Democrat—is that I see my goals being 100 percent consistent with the Department of Defense plans. So you take what they say they want to do, which, as I have indicated, is not being done, and make sure that it is done. It seems to me that if there is anyplace for the Congress of the United States to be involved in some detail of the Defense Department's work, it is nothing more than to make sure that they do what they say they are going to do, what they report to us they are going to do, to kind of make their performance in office commensurate with their rhetoric. That's making them accountable. That is perfectly consistent with constitutional oversight functions of the Congress of the United States.

This DOD plan was presented to the Armed Services Committee as recently as March 5, 1996. At that time, Secretary of Defense Perry testified that $10 billion in savings from base closings would be used to pay for modernization. A very distinguished member of the Armed Services Committee who was just here—and I suppose he is going to speak on my amendment. I am glad to have him engage in this debate. But we know this very distinguished member as a person who is a real hero for the defense of our country as well as being a very good Senator, John McCAIN. I am going to say he also agrees. He may stand up here shortly and say that he disagrees, but at least I want to give my version of that.

He has said that there is a gross imbalance between our military forces and the infrastructure. He says we need to eliminate excess infrastructure, we need to save money. He has a white paper on our national defense. That is the way I interpret it. There is just one minor problem on what the Secretary of Defense said on March 5 of this year when he was going to take this $10 billion in savings from the base closings and use it for modernization. The savings promised by Mr. Perry do not exist. The General Accounting Office just audited those accounts. You cannot find any savings. The savings have evaporated into thin air.

Mr. President, earlier this year, on April 25, I spoke about the General Accounting Office report on this subject. What I said then I am going to repeat now. Anybody can read that. It is entitled, "Defense Infrastructure: Budget Estimates for 1996–2001 Offer Little Savings for Modernization." It was published on April 4, just 2 months ago. Unfortunately, it was based on the fiscal year 1996 future year defense program publication.

The fiscal year 1996 future year defense program was submitted to Congress over a year ago. So I suppose to some extent, as things move very rapidly, it is somewhat out of date. It is at least a year old. I thought I should have more current data. I thought that the Pentagon bureaucrats might have been able to get their act together since last year. Maybe they succeeded in getting infrastructure costs on the right track. I think we could legitimately surmise that they should have done that.

So not being able to get this information, I wrote to Mr. Bowsher on May 10 of this year asking him to provide me

the updated information drawn from the fiscal year 1997 future year defense plan. I thank Mr. Bowsher and his expert staff, including Mr. Bill Crocker, for working so hard and to turn around my request in less than 2 weeks. That is pretty fast even for a responsible organization like the General Accounting Office. It must be a record.

I have the General Accounting Office's brandnew report right here with me. It is entitled, "Defense Infrastructure: Cost Projected To Increase Between 1997 and 2001." This is dated May 1996.

Before I get started, I think it is important to define infrastructure cost. This is the money that DOD spends to house, train, and support the Armed Forces and keep them ready to go. The General Accounting Office has provided a brief description in this publication of each category of infrastructure costs. The General Accounting Office has also provided a table that shows how infrastructure costs are spread across the various appropriations accounts.

I ask unanimous consent to have that material printed in the RECORD.

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

CATEGORIES OF DEFENSE INFRASTRUCTURE

Installation support consists of activities that furnish funding, equipment, and personnel to provide facilities from which defense forces operate. Activities include construction planning and design, real property maintenance, base operating support, real estate management for active and reserve bases, family housing and bachelor housing, supply operations, base closure activities, and environmental programs.

Acquisition infrastructure consists of all program elements that support program management, program offices, and production support, including acquisition headquarters, science and technology, and test and evaluation resources. This category includes earlier levels of research and development, including basic research, exploratory development, and advanced development.

Central logistics consists of programs that provide support to centrally managed logistics organizations, including the management of material, operation of supply systems, maintenance activities, material transportation, base operations and support, communications, and minor construction. This category also includes program elements that provide resources for commissaries and military exchange operations.

Central training consists of program elements that provide resources for virtually all non-unit training, including training for new personnel, aviation and flight training, military academies, officer training corps, other college commissioning programs, and officer and enlisted training schools.

Central medical consists of programs that furnish funding, equipment, and personnel that provide medical care to active military personnel, dependents, and retirees. Activities provide for all patient care, except for that provided by medical units that are part of direct support units. Activities include medical training, management of the medical system, and support of medical installations.

Central personnel consists of all programs that provide for the recruiting of new personnel and the management and support of dependent schools, community, youth, and family centers, and child development activities. Other programs supporting personnel include permanent change of station costs, personnel in transit, civilian disability compensation, veterans education assistance, and other miscellaneous personnel support activities.

Command, control, and communications consists of programs that manage all aspects of the command, control, and communications infrastructure for DOD facilities, information support services, mapping and charting products, and security support. This category includes program elements that provide nontactical telephone services, the General Defense Intelligence Program and cryptological activities, the Global Positioning System, and support of air traffic control facilities.

Force management consists of all programs that provide funding, equipment, and personnel for the management and operation of all the major military command headquarters activities. Force management also includes program elements that provide resources for defense-wide departmental headquarters, management of international programs, support to other defense organizations and federal government agencies, security investigate services, public affairs activities, and criminal and judicial activities.

TABLE 2.—DIRECT INFRASTRUCTURE BY APPROPRIATION, FISCAL YEARS 1997–2001

[Dollars in billions]

Appropriation	Fiscal year—				
	1997	1998	1999	2000	2001
Operation and maintenance	$56.30	$56.17	$56.41	$57.57	$59.50
Military personnel	33.53	33.10	33.67	34.33	35.20
Research, development, test, and evaluation	10.47	10.89	11.20	11.43	11.89
Military construction	4.99	4.15	4.15	3.84	3.96
Family housing	3.98	3.84	4.08	4.08	4.12
Procurement	2.38	2.53	3.48	3.21	3.46
Revolving funds and other [1]	0.93	1.11	1.06	1.13	1.17
Total direct infrastructure [2]	$112.58	$111.80	$114.05	$115.61	$119.30

[1] These include adjustments for foreign currency fluctuations and service and Defense Logistics Agency managed stock fund cash requirements.
[2] Totals may not add due to rounding.
Source: GAO analysis of DOS data.

AGENCY COMMENTS

The data and analysis in this report were provided to DOD for review and comment. In oral comments, DOD stated the data were complete and accurate with the analysis.

SCOPE AND METHODOLOGY

To define and evaluate DOD's infrastructure activities in the 1997 FYDP, we interviewed the acting Director, Force and Infrastructure Analysis Division in the Office of the Secretary of Defense, Program Analysis and Evaluation. Our analyses are based on data contained in the fiscal year 1997 FYDP. In addition to the FYDP and associated annexes, we reviewed DOD's Reference Manual for Defense Mission Categories, Infrastructure Categories, and Program Elements, prepared in conjunction with the Institute for Defense Analysis. We also reviewed the President's fiscal year 1997 budget submission and our prior reports.

Our work was conducted during the month of May 1996 in accordance with generally accepted government auditing standards.

Mr. GRASSLEY. I wish I could say, Mr. President, that the Department of Defense has turned the corner. I wish I could report that infrastructure costs were coming down. But the latest report of the General Accounting Office tells me that nothing has changed since the last future year defense plan, meaning 1996. The trends have to be the same. The Pentagon still has infrastructure costs on the wrong track. They are still on an up-ramp instead of on a down-ramp. This is what the new data show. As the Department of Defense budget top line goes up, infrastructure costs go up. Infrastructure costs should come down even if the top line goes up. The infrastructure costs ought to be decoupled from the top line. The infrastructure costs need to be recoupled to the force structure because that is what Secretary Perry says is his intent.

The infrastructure costs in the military force structures are not in sync. They are out of whack. We need to bring them back into balance. As I read what Senator MCCAIN has written in his white paper, he says that is what we must do as well. But that is not what has happened. The Department of Defense seems to be creating new infrastructure faster than the old stuff is made excess.

That is what this new data tells us. This is its new data that the General Accounting Office has followed for 1 year that was not available until the General Accounting Office updated it. It shows a steady increase in the infrastructure costs for fiscal year 1997 through fiscal year 2001.

I want to repeat. There is a very steady increase from $146 billion in fiscal year 1997. It dips by $1 billion to $145 billion in 1998, but then it goes

right back up to $148 billion in 1999; $2 billion more in the year 2000. Then it leaps by $5 billion to $155 billion in the year 2001. That is a projected increase of $9 billion over the next 5 years. If Congress keeps pumping up the defense budget, these numbers will increase even more.

The data portrayed on table 1 of this new General Accounting Office report is particularly troublesome.

I also ask unanimous consent at this point to have table 1 printed in the RECORD.

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

TABLE 1.—PROJECTED FUNDING FOR INFRASTRUCTURE CATEGORIES, FISCAL YEARS 1997–2001

[In billions of dollars]

Infrastructure categories	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001
Installation support	25.10	23.64	22.68	22.53	23.03
Central training	19.35	19.40	20.08	20.71	21.46
Central medical	15.47	15.82	16.13	16.64	17.38
Central logistics	13.33	13.30	14.18	14.15	14.70
Force management	12.91	12.38	13.05	13.12	13.35
Acquisition infrastructure	10.25	10.64	10.97	11.19	11.76
Central personnel	10.33	10.24	10.41	10.60	10.83
Central command, control, and communications	5.78	5.84	6.05	6.05	6.20
Resource adjustments [1]	.05	.53	.50	.62	.58
Total direct infrastructure [2]	112.58	111.80	114.05	115.61	119.30

[1] These include adjustments for foreign currency fluctuations and service and Defense Logistics Agency managed stock fund cash requirements.

[2] Totals may not add due to rounding.

Source: GAO analysis of DOD data.

As shown in figure 3 and table 2, most direct infrastructure activities are funded by operation and maintenance and military personnel appropriations. Thus, if DOD is to achieve significant infrastructure savings for future force modernization, the savings must come from these accounts. However, these appropriations have been closely associated with the readiness and quality-of-life of the force, the Secretary of Defense's priority areas for the last few years.

Mr. GRASSLEY. Mr. President, this table breaks the infrastructure costs into nine distinct categories. The new General Accounting Office data shows major increases in every category, with one important exception, and that would be installation support. Even installation support shows increases in the outyears. The four BRAC commissions proposed closing 97 bases. Yet, installation support costs are projected to rise. I think it is legitimate to ask why. Is it because few, if any, of those bases have really been closed?

The downstream savings promised by base closings and a shrinking force structure should be reflected in these numbers, but they are not. We should be able to identify where the savings are. I do not expect to see any savings. We will not ever see those savings unless we hold the Department's feet to the fire.

A comparison of the numbers in the fiscal year 1996 future year defense plan with the numbers in the 1997 future year defense plan suggests that installation support figures on table 1 are misleading. That comparison reveals a shocking trend. That comparison suggests that base support costs will actually increase by $1 billion per year between the years 1997 and the year 2001.

Take fiscal year 1997 just for example. The fiscal year 1997 column in the 1996 future year defense plan shows installation costs at $23.96 billion.

Then if you go over to the fiscal year 1997 column, in the the 1997 future year defense plan, the number goes up to $25.1 billion. That is an increase of $1.14 billion in 1 year in projected installation support. The next year it is the same thing. The number goes from $22.76 billion up to $23.64 billion, and that is an increase of $900 million.

I need to clarify one point about the numbers. The numbers on the table that I have submitted for the RECORD do not match up with the totals for the infrastructure costs that I used a moment ago, and there is a reason for that discrepancy. About $35 billion in infrastructure costs get lost in what we refer to as DBOF—that stands for Defense business operation fund—each year. We know the money is in there someplace, but the General Accounting Office cannot track it because dollars in the Defense business operation fund are not identified in the future year defense program.

And so I think it is very ironic because DBOF was established to improve cost accounting at the Pentagon. In fact, that was the whole idea about DBOF. Here is $35 billion in annual DOD costs that cannot be tracked because of the Defense business operation fund. We cannot audit them because of the fund. The fund is an obstacle to accurate cost accounting.

There is yet another problem. That problem is that the Department of Defense had a $4 billion plug figure in last year's numbers, and they pulled it out of the new future year defense plan, making it look as if some of the funding levels were coming down. The Department of Defense said the $4 billion that was plugged in for last year was miscoded. The miscoded dollars were pulled out of the infrastructure costs and, in a sense, just heaved overboard. I suppose somebody could say they were transferred to another part of the future year defense plan, but if they cannot be tracked, no one knows.

That makes me think they are kind of phony numbers.

In a nutshell, Mr. President, that is what is in this latest report of the General Accounting Office on defense infrastructure. I hope my colleagues will take this as I have referred to it for several minutes here, taking statistics from it, to make a case for my amendment that I will offer.

This latest report, I think, states for another year that Mr. Perry's promised savings are nowhere in sight. His $60 billion modernization plan then is, if the savings are not available, hung out to dry. It is dead in the water.

And so I come here pleading with my colleagues that Congress needs to help Mr. Perry. Without a doubt, reason is on his side.

On March 5, he presented to the Congress of the United States through the Armed Services Committee that there is going to be x amount of savings, and this is the resource for modernization. That all makes sense, right? But is it going to happen? With an increase in infrastructure costs and overhead, it is going to be eaten up someplace else. The modernization that we think we are planning on being there is not going to materialize. In fact, at the beginning of my time today I pointed out how little we actually get for modernization when you look at the materiel that is purchased.

So I cannot come here and condemn Mr. Perry for not having good intent and a plan that he thinks will accomplish what he wants to accomplish. But it just is not going to happen. So my amendment would make sure that money finds its way into modernization and not into this overhead and infrastructure cost where it is going to inevitably end up because four rounds of base closings and a shrinking force structure should be producing substantial savings. Because it should be producing substantial savings, we ought to identify those savings and reserve them for the purpose that Mr. Perry suggested. He wants to recover those savings to pay for modernization. And so unless we freeze these accounts, the savings are going to be frittered away on new infrastructure projects. My amendment will help Mr. Perry do what he says must be done.

I send my amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. THOMPSON). The clerk will report.

The legislative clerk read as follows:

The Senator from Iowa [Mr. GRASSLEY] proposes an amendment numbered 4047.

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

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

The amendment is as follows:

At the end of subtitle A of title X add the following:

SEC. . FORCE MODERNIZATION FUNDED BY REDUCTIONS IN SPENDING FOR INFRASTRUCTURE PROGRAMS.

(a) FUNDING FREEZE AT PROGRAMMED LEVEL FOR FISCAL YEAR 1998.—The Secretary of Defense shall ensure that the total amount expended for infrastructure programs for each of fiscal years 1998 through 2001 does not exceed $145,000,000,000.

(b) USE OF SAVINGS FOR FORCE MODERNIZATION.—The Secretary of Defense shall take the actions necessary to program for procurement for force modernization for the fiscal years referred to in subsection (a) the amount of the savings in expenditures for infrastructure programs that is derived from actions taken to carry out that subsection.

(c) PROTECTION OF PROGRAM FOR SPARE PARTS AND TRAINING.—In formulating the future-years defense programs to be submitted

to Congress in fiscal year 1997 (for fiscal year 1998 and following fiscal years), fiscal year 1998 (for fiscal year 1999 and following fiscal years), fiscal year 1999 (for fiscal year 2000 and following fiscal years), and fiscal year 2000 (for fiscal year 2001 and following fiscal years), the Secretary shall preserve the growth in programmed funding for spare parts and training for fiscal years 1998 through 2001 that is provided in the future-years defense program that was submitted to Congress in fiscal year 1996.

(d) REDUCTIONS TO BE SHOWN IN FISCAL YEAR 1998 FUTURE-YEARS DEFENSE PROGRAM.—The future-years defense program submitted to Congress in fiscal year 1997 shall reflect the programming for the reduction in expenditures for infrastructure programs that is necessary to carry out subsection (a) and the programming for force modernization that is required by subsection (b).

(e) GAO REVIEW OF FISCAL YEAR 1998 FUTURE-YEARS DEFENSE PROGRAM.—The Comptroller General shall review the future-years defense program referred to in subsection (c) and, not later than May 1, 1997, submit to Congress a report regarding compliance with that subsection. The report shall include a discussion of the extent, if any, to which the compliance is deficient or cannot be ascertained.

(f) INFRASTRUCTURE PROGRAMS DEFINED.—For the purposes of this section, infrastructure programs are programs of the Department of Defense that are composed of activities that provide support services for mission programs of the Department of Defense and operate primarily from fixed locations. Infrastructure programs include program elements in the following categories:

(1) Acquisition infrastructure.
(2) Installation support.
(3) Central command, control, and communications.
(4) Force management.
(5) Central logistics.
(6) Central medical.
(7) Central personnel.
(8) Central training.
(9) Resource adjustments for foreign currency fluctuations and Defense Logistics Agency managed stock fund cash requirements.

(g) FUTURE—YEARS DEFENSE PROGRAM DEFINED.—As used in this section, the term "future-years defense program" means the future-years defense program submitted to Congress pursuant to section 221 of title 10, United States Code.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, I should like to inquire of the distinguished Senator if he is willing to enter into a time agreement on this amendment?

Mr. GRASSLEY. You propose one, and then I will respond after it is proposed.

Mr. THURMOND. I would suggest maybe 20 minutes to a side.

Mr. GRASSLEY. Yes.

Mr. THURMOND. Is that agreeable?

Mr. GRASSLEY. Yes, that is agreeable.

Mr. THURMOND. Mr. President, I ask unanimous consent that the time on the Grassley amendment be limited to 40 minutes equally divided in the usual form and that no amendments be in order, and that following the use or yielding back of time, the Senate proceed to vote on or in relation to the amendment.

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

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. I say to the manager of the bill, I would like to yield the floor now and listen to the opposition to my amendment before I speak again.

Mr. THURMOND. As I understand, the Senator is willing to agree to 40 minutes equally divided.

Mr. GRASSLEY. Yes. We have already agreed to that. So I have 20 minutes that I control and you have 20 minutes that you control.

Mr. THURMOND. That is correct.

Mr. GRASSLEY. If the Senator would be so kind, I would like to have him use some of his 20 minutes so I can hear the opposition to my amendment, and then I would like to respond to that.

Mr. THURMOND. I will be glad to speak at this time.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, I rise in strong opposition to this amendment. If the Senate votes to pass this provision and it is eventually signed into law, it could have a serious negative impact on the readiness of our military forces.

Like my good friend, the Senator from Iowa, I am concerned about the amount of money that the Department of Defense annually expends for infrastructure. In fact, the Defense authorization bill that we are considering now and is before us, reduces such programs by approximately $600 million and allocates these funds for higher priority programs including force modernization.

Mr. President, I believe that we should carefully examine any reduction that is proposed in order to ensure that we do not adversely impact our military forces. I am sure that my fellow Senators will agree with me when I say that we do not want to jeopardize our national security or the men and women in uniform who protect that security.

With this in mind, I must inform my colleagues that the proposed amendment could force severe funding reductions to important programs such as the medical care of military personnel, military housing, and military intelligence activities. Are we sure we can reduce these programs without negatively impacting upon military readiness?

Does the Senator from Iowa really believe that we should reduce such programs? Does he want to deny health care to our men and women in uniform? Does he want to force the families of military personnel to live in substandard housing? Mr. President, I cannot speak for every Member of this Chamber, but I know that I cannot support such reductions.

Mr. President, I agree with the Senator from Iowa that we must look for new and innovative management practices in order to find ways to shift funds from the infrastructure accounts to the modernization accounts. However, we must be sure that the shifting of such funds does not significantly impair military readiness. Reducing funds for unnecessary infrastructure is a task which the Armed Services Committee performs each year during its markup of the Defense Authorization Act and, as I have already noted, this year we reduced such funds by $600 million. In addition, the bill before us today includes a provision that would require the Department to examine new ways of maintaining its forces in order to further reduce funding required for day-to-day operations, and make these funds available for force modernization.

Mr. President, I cannot advocate, nor agree to support, an arbitrary cut such as that advocated by this amendment. We must preserve the flexibility of the President and the Secretary of Defense to request what they believe is necessary to ensure our national security. If the Congress disagrees with this request, it can authorize and appropriate a different mix of funding.

Mr. President, I urge my fellow Senators to vote "no" on the Grassley amendment.

Mr. President, I now yield to the able Senator from Arizona, Senator MCCAIN.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Mr. President, I thank the Senator from Iowa who continues to be a persistent, constructive critic of defense issues, especially in the area of spending. I think this GAO report is a good one and should have a sobering effect on our defense planners, who somehow believe and support a precept that I have long questioned, and that is that base closings and other savings are going to support the modernization of the force.

The Senator from Iowa, I think, through his efforts, and also that of this GAO report, points out clearly that there are not going to be savings. In fact, according to this GAO study—which I must say needs to be fleshed out, I am sure my colleague from Iowa would agree—it shows there is going to be an increase in cost.

Just one example of that, one of the clear reasons for that, is the base closing issue. We believed for a long time there would be enormous savings associated with base closures. Those bases needed to be closed. More need to be closed. But the fact is we are not realizing those savings. In fact, the opposite has been the case. Rather than sell

the valuable land on which these bases reside, we give it away to the local community. We are finding more and more toxic waste sites and areas of pollution that need to be cleaned up, and anyone who has ever had any contact with that issue knows that the costs rapidly spiral in a dramatic fashion when you are talking about cleanups. In fact, as the Senator from Iowa points out, these costs have been much higher, much, much higher than we had originally estimated.

The Senator from Iowa was kind enough to make reference to the white paper that I did concerning tiered readiness, and this GAO report and his amendment highlight the absolute criticality of making the kind of hard choices which we are not making today because there is no possible way we are going to maintain the level of readiness, operations, and training of our Armed Forces and at the same time modernize the force.

We have a Hobson's choice, because the money simply is not there and, as the Senator from Iowa correctly points out, much less money is there than even we had envisioned. The Chairman of the Joint Chiefs of Staff has stated on numerous occasions that we need about $60 billion for the purchase of modernization. We have, the last number I saw, was about $30 billion.

Having said all those things, I still have to disagree with this amendment. One reason is because of its scope. For example, the amendment calls for reductions in spending for such programs as health care, personnel, and training. I do not see how you can impose arbitrary cuts on those programs. One of the aspects that we are most proud of in the military today is the quality of life, that is, the quality of young men and women that we have been able to attract and keep in the military. I am not sure that we could maintain that if we just, across the board, forced certain cuts without designating where they should be.

I want to emphasize that I believe we are spending money in ways that are really not appropriate. In this year's bill we added some $600 million in military construction that was not needed. We add two new oceanographic ships for $99.4 million. We have added $13 million to fund a new bureaucracy in the case of civilian research in oceanography. We are going to add on $15 million for the High Frequency Active Aural Research Program. This program has benefited from congressional add-ons since 1990, costing a total of $76 million in just 7 years, with another $115 million required. We continue to purchase B-2 bombers. In this bill we included an additional $759 million in the National Guard and Reserve equipment account, plus as much as $242 million in additional unrequested equipment earmarked for the Guard and Reserve in the regular service procurement accounts. Within this amount is $284 million for six unrequested C-140J aircraft for the Guard and Reserve, a tactical airlift aircraft that the Air Force has not yet been able to afford.

Mr. President, the list goes on and we are spending money that we should not spend. We have lost sight of the fundamental reason why we spend money on defense, and that is to defend the security of the Nation.

I strongly suggest to my friend from Iowa that there are different ways of doing this. I look forward to working with him on this. I will have a couple of amendments that I hope will impose some savings. I am told there will be some additional military construction projects which will be attempted to be added to the bill here on the floor. I hope my colleague from Iowa will help me in trying to defeat those, although I am not totally optimistic about chances of success.

But, as I oppose the amendment, I thank my colleague from Iowa because the fact is that the American people are losing confidence that their tax dollars that are earmarked for defense are being spent wisely. If that continued erosion reaches its logical conclusion, sooner or later we are going to reach a point where the American people will not support sufficient funding to meet our vital national security interests.

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

The PRESIDING OFFICER. Nine minutes twenty seconds.

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

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I yield myself 10 minutes.

First of all, I accept Senator MCCAIN's offer to work with him on this issue, because I am very impressed with the intent of his white paper and his first-hand knowledge of the military, being the military hero that he is and serving our country so well and being on the Armed Services Committee and his expertise in that area. So whether my amendment is adopted or not, I accept the offer to work with Senator MCCAIN.

I would, first of all, like to respond to some specific points both Senator THURMOND and Senator MCCAIN raised, but also to give an example from military persons themselves about what needs to be done about infrastructure costs and his frustration that infrastructure costs have not gone down.

First of all, on the legitimacy of questioning whether my amendment is going to hurt funding for command and control and for medical support, it will not, but it seems to me, without my saying it, common sense ought to dictate that a shrinking force structure and fewer military bases should reduce command and control and medical requirements.

My amendment would, in fact, just freeze; it would not reduce. It would reduce increases, yes, but there are no cuts that come as a result of my amendment. Increasing infrastructure costs are inconsistent with the philosophy behind the base closure process. My amendment would hold the Department of Defense infrastructure costs at $145 billion per year. Now, remember, this is, as we are, in a process of closing bases and reducing the number of personnel connected with defense.

It seems to me that the Department of Defense needs to address the critical shortfalls and allocate money to meet the highest priorities within the infrastructure accounts. At this point in the base closure process and at this point in the reduction of personnel, infrastructure should not be on the rise.

We need to make sure that we eliminate the excess infrastructure and that we save the money that Secretary Perry promised, not just for the sake of saving money, but Secretary Perry says that is money that we are going to use for modernization. If it goes to infrastructure costs, which are going up, it is not going to go for modernization.

It was also suggested that my amendment might harm training and readiness, but very specifically I want to address that issue. Subsection (C) of my amendment specifically protects key readiness accounts, including training and spare parts.

I now want to refer to some remarks that were made by Marine Maj. Gen. John Sheehan. He is the commander in chief of the U.S. Atlantic Command. I think he made some very pertinent remarks, a person in the military, a person in command who views how the taxpayers' dollars are being used every day. If you do not want to listen to a civilian's point of view, like the Senator from Iowa has a civilian point of view, it seems to me that we ought to pay some attention to those who are in the military, because General Sheehan offers some very real insight.

His insights were given at a June 6 breakfast hosted by the Association of the U.S. Army's Institute for Land Warfare. I have excerpts of his comments from a trade journal called Inside the Pentagon. It was in the June 13 issue, page 20.

In a nutshell, this is what General Sheehan said:

> The overflow of staff organizations within the Department of Defense consumes too many personnel and resources and puts the force structure at risk.

That is a major general who said that.

Opponents of my amendment say it is going to put certain aspects, like readiness and training and command and control and medical treatment, in jeopardy. Here is a major general who says

what we are doing now, if we maintain the status quo, is putting our force structure at risk. Of course, he is talking about the Department of Defense infrastructure. This is what General Sheehan had to say:

There is a debate that's being formed right now, where the only sides in the debate are modernization versus force structure. . .

He says:

My argument says we ought to take a very serious top-down look at the overhead costs of doing business.

He asked:

Why do we have so many headquarters? Of what value are they?

The general has identified one of the big drivers in infrastructure costs, and he has identified them as excess headquarters and excess commands. General Sheehan says:

We have too many excess headquarters and too many commands.

So he has put his finger on one of the root causes of the problem.

He pinpoints the problem, and I want to quote from his report. He says:

There are 199 DOD staff organizations of two-star level or above, and the number has not changed since 1989.

I say, parenthetically, that is about the time the Berlin Wall came down.

His 1989 benchmark is important because the force has shrunk 30 to 40 percent since that time. So, headquarters should shrink as the force gets smaller, but headquarters are not shrinking.

As an example, he cited the U.S. Army in Europe with its 23 staff echelons to command only 65,000 soldiers. He also cited the U.S. Southern Command as another example of a top-heavy organization.

General Sheehan raised this provocative question:

Why is it, for example, that you have SOUTHCOM with 770 officers commanding less than 4,000 men?

Mr. President, I say to my colleagues, listen to what General Sheehan says:

Why is it that you have SOUTHCOM with 770 officers commanding less than 4,000 people?

He goes on to say:

There are still 65 NATO headquarters with over 21,000 staff officers sitting around doing paperwork. That's more staff officers than two NATO nations have in land forces.

We have more people doing paperwork than two NATO nations have in their land forces.

So you have to ask yourself.

General Sheehan says—

. . . of $1.79 billion we invest in NATO on burdensharing, why is $800 million of that just for infrastructure?

The PRESIDING OFFICER. The Senator's 10 minutes have expired.

Mr. GRASSLEY. Mr. President, I yield myself 10 more minutes. I know that is all the time I have, but I think what General Sheehan says is very important.

General Sheehan has hit the nail on the head, and this is his main argument:

Bloated staff organizations have created a demand for personnel that can starve warfighting units into hollowness.

A hollow fighting unit like we had in the late 1970's, in other words.

Bloated command staffs and headquarters are an outgrowth of top-heavy rank. In other words, General Sheehan is saying, we have excess admirals and generals, and each one needs a home, and every senior officer needs a command, a headquarters, a base, a staff, or a large department of some kind, somewhere, someplace to look over.

Take the Navy, for example. At the height of World War II, the Navy had 6,768 ships. Those 6,768 ships were commanded by 333 admirals. That is one admiral for about 20 ships. Today's 363-ship Navy is commanded by 218 admirals. That is almost one admiral for every ship. To be precise, it is one and two-thirds ships per admiral.

General Sheehan is wrestling with this problem, and doing it from the standpoint of a person serving his country, in uniform, on the line where the money is being spent—or should we say, on the line where the money is being wasted.

He told the audience that he is searching for technical solutions to the problems of swollen staff organizations. This is what he had to say:

What is needed are systems that can help reduce the overhead costs for commanding large forces. With all this technology and smarts running around, why aren't we more efficient?

That is a question that every Senator ought to ask before he votes for this bill.

In other words, General Sheehan has made an excellent case for cutting infrastructure costs.

The military today is top-heavy with rank and staff organizations and command headquarters left over from the cold war. That is the official word from the commander of the United States Atlantic Command. That is a pretty good authority.

General Sheehan has clearly identified the culprit. He obviously understands the problem. And he is also frustrated by his inability to get rid of his own excess command fat.

We know that the Department of Defense cannot do it, so we need to help them. So if you vote for my amendment, you will help General Sheehan do what he says he sees is necessary to get more bang for their defense dollar.

He put it this way:

Nobody likes to cut their own staff.

He goes on to say:

I've never seen a butcher hand a pig a cleaver and say, "Go make pork chops."

So Congress needs to lend a helping hand to people like General Sheehan.

Mr. President, I ask unanimous consent to have this report about General Sheehan's speech printed in the RECORD, the article from Inside the Pentagon.

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

[From Inside the Pentagon, June 13, 1996]

ATLANTIC COMMANDER CRITICIZES PROFUSION OF STAFF ORGANIZATIONS

(By Douglas Berenson)

Marine Corps Gen. John Sheehan, commander-in-chief of the U.S. Atlantic Command; last week decried the profusion of staff organizations within the Department of Defense, arguing they consume too many personnel and resources, and therefore put at risk already strained force structure. Sheehan, who has previously targeted the top-heavy command structure of the NATO alliance (Inside the Pentagon, Sept. 21, 1995, p1), offered his remarks at a June 6 breakfast hosted by the Association of the U.S. Army's Institute for Land Warfare.

"There is a debate that's being formed right now, where the only sides are in the debate [are] modernization versus force structure. My argument says we ought to take a very serious top-down look at the overhead costs of doing business. Why do we have so many headquarters? Of what value are they?" Sheehan asked.

Sheehan noted that within the Department of Defense, there are 199 staff organizations of two-star level of above, a number that has not changed since 1989. As an example, he cited the fact that the U.S. Army in Europe has 23 staff echelons to command 65,000 soldiers. He said that U.S. Southern Command offered another example of a top-heavy organization. "Why is it, for example, that you have SOUTHCOM [with] 770 officers commanding less than 4,000 men?" he wondered.

He argued that these bloated staff organizations have created a demand for personnel that can starve warfighting units into hollowness. "Why is it that the Bradley fighting vehicle spends so much time in gunnery when you go into the field? Why is it you don't spend more time in the integration of operations of the rifle unit coming out the back [of the Bradley]? It's because of this process," Sheehan said, noting that Bradley infantry squads are often fielded at lower than their optimum strength.

Sheehan argued that the "tooth-to-tail" ratio has become badly skewed against the warfighter, such that, "we field in the entire Army 125,000 killers." The rest of the force is made up of support and staff personnel, he said. Sheehan warned that the staff noncommissioned officer corps is being decimated, and that as the services focus on freeing up money to spend on force modernization, they are "forcing great people out of the system."

Sheehan noted that Army Chief of Staff Gen. Dennis Reimer has been working to streamline the Army's structure in response to these problems. "Dennis Reimer has to be allowed to go after the European staff structure. He has got to be allowed to go after the SOUTHCOM staff structure and take some of that staff structure out to keep combat capability."

Sheehan warned that "the next organization to go is the 2nd ACR [Armored Cavalry Regiment]. That would be a travesty. We need light, mobile attack type forces with a protected gun system for the battlefield of the future."

"Nobody likes to cut their own staff," Sheehan observed, quipping, "I've never seen a butcher hand a pig a cleaver and say, 'Go make pork chops.'"

Sheehan appealed to the assembled audience to help find technical solutions to the problem of swollen staff organizations. What is needed, he said, are systems that can help reduce the overhead costs for commanding large forces. "With all this technology and smarts running around, why aren't we more efficient?"

As he has in the past, Sheehan levelled similar criticism against the NATO command structure. In addition to his responsibilities as U.S. Atlantic Command chief, Sheehan serves simultaneously as Supreme Allied Commander of NATO's Atlantic Command. "As a major NATO commander, my main complaint against my NATO allies is that many of these countries took their force structure out and took a peace dividend without reinvesting in the future. [But] they didn't take the overhead out . . .

"There are still 65 NATO headquarters, with over 21,000 staff officers sitting around doing paperwork," Sheehan continued. "That's more staff officers than two NATO nations have land forces. And so you ask yourself, of $1.79 billion we invest in NATO on a burdensharing basis, why is $800 million of that just in infrastructure?"

Mr. GRASSLEY. Mr. President, I yield the floor and reserve the balance of my time. I inquire of the amount of time I have left versus the amount of time that the opposition has.

The PRESIDING OFFICER. The Senator has 6 minutes, 24 seconds. The opposition has 9 minutes, 10 seconds.

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

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

PRIVILEGE OF THE FLOOR

Mr. THURMOND. Mr. President, I ask unanimous consent that Dan Ciechanowski, a fellow with Senator KYL, be granted floor privileges for the duration of the consideration of the DOD authorization bill.

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

Mr. THURMOND. Mr. President, I ask unanimous consent that the vote occur on or in relation to the Grassley amendment No. 4047 at 5:30 p.m., and following the conclusion or yielding back of time the amendment be laid aside until 5:30 p.m. this evening.

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

Mr. GRASSLEY. Mr. President, I yield back the balance of my time on my amendment.

Mr. THURMOND. Mr. President, I yield back my time.

The PRESIDING OFFICER. The amendment is laid aside until 5:30.

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

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

PRIVILEGE OF THE FLOOR

Mr. DORGAN. Mr. President, I ask unanimous consent that Delila Lacevic be accorded the privileges of the floor during the pendency of the defense authorization bill. She is employed with the Center for Democracy and is working as a staff fellow in my office.

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

Mr. DORGAN. Mr. President, I rise to offer an amendment on my behalf and on behalf of Senators LEAHY, HARKIN, and BUMPERS.

AMENDMENT NO. 4048

(Purpose: To reduce to the level requested by the President the amount authorized to be appropriated for research, development, test, and evaluation for national missile defense)

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

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from North Dakota [Mr. DORGAN], for himself, Mr. LEAHY, Mr. HARKIN, and Mr. BUMPERS, proposes an amendment numbered 4048.

On Page 31, strike out line 2 and insert in lieu thereof the following:

"$9,362,542,000, of which—

"(A) $508,437,000 is authorized for national missile defense;".

Mr. DORGAN. Mr. President, if I could have the attention of the Senate.

The PRESIDING OFFICER. The Senate will come to order.

Mr. DORGAN. Mr. President, I am offering an amendment that would reduce, by $300 million, the amount of money authorized in this piece of legislation for national missile defense.

For those who do not know much about this process and have not been involved in the lexicon of Defense issues, the national missile defense, or Defend America, or antiballistic missile system, or Star Wars, all relates to a system that some say is needed to be built in order to defend America against incoming attacks from missiles launched by a potential adversary, ICBM's that would be launched by a rogue nation, or ICBM's that are launched accidentally. All of these are described as threats to our country, and it is proposed by a number of Members of the Congress, and others, that we should build a defense system against them.

Now, if I were to provide a chart to the Senate that showed an array of the threats against our country, the threats would range all over the board. The threats against our country would be, for example: A terrorist who fills a rental truck with a fertilizer bomb and drives it in front of a courthouse or Federal building in Oklahoma and murders scores and scores of American citizens. A threat against our country might be not a fertilizer bomb in a rental truck, but perhaps a small glass vial of the deadliest biological agents known to mankind, placed in a subway strategically, killing thousands and thousands of people. A threat to our country perhaps would be a suitcase bomb, or a nuclear device no bigger than the size of a suitcase put in the trunk of a Yugo car and left at a dock in New York City to hold hostage an entire city. Another threat might be a nuclear device on the tip of an incoming cruise missile launched by air, ground, or sea, by a potential adversary. Another threat might be a full-scale nuclear attack by an adversary, with dozens or scores of incoming missiles, ICBM's, or cruise missiles for that matter. Another threat might be that some rogue nation, some international outlaw on the scene, gets ahold of an ICBM and launches one intercontinental ballistic missile at our country tipped with a nuclear warhead. Or another might be simply an accidental launch of someone who possesses an ICBM with a nuclear warhead.

All of these are potential threats to our country. They are not new threats. These threats have existed for some long while. In fact, a much greater threat existed some years ago than the ones I have just described, and the greater threat was hundreds and hundreds and hundreds of missiles in the ground, in silos, armed with multiple warheads, aimed at American cities, aimed at American military targets, all poised and ready to be fired by a potential adversary called the Soviet Union.

The Soviet Union does not exist any longer. The Soviet Union was fractured into a series of independent states—the Ukraine, Russia, and others—in which there were missiles with nuclear warheads targeted at the United States. But a series of arms control agreements with the old Soviet Union, and now with the independent states, has changed that much larger threat. It has not erased the threat, but it has changed the much larger threat. Arms control agreements now mean that Soviet missiles that used to be aimed at our country in many cases no longer exist.

Mr. President, I showed this piece of metal on a previous occasion. I ask unanimous consent that I be allowed to show it to my colleagues again.

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

Mr. DORGAN. Mr. President, this is a piece from a hinge on the massive door that covered missile silo No. 110, in Pervomaysk, Ukraine. This comes from a silo that housed an SS-19, which had half a dozen warheads aimed at the United States of America. Each of

those warheads had a yield of 550 kilotons each, 20 times the power of the atomic bomb dropped on Hiroshima.

I want to show my colleagues a chart that describes something that I think is quite remarkable. This is that missile site, which housed missile No. 110. On June 5 of this year, this photo shows the Ukrainian Defense Minister Shmarov on the left and his U.S. counterpart, Secretary Perry, watering sunflowers planted in the ground where there use to be a Soviet intercontinental ballistic missile. In other words, it is where there previously existed a missile with nuclear warheads aimed at America, and there now are sunflowers growing. The silo is gone, the missile is gone, and there are sunflowers.

How did this happen? Was this a magic act? Was Harry Houdini involved? No. This happened through a great deal of diligent, hard work. Some of it was here in the Senate, which approved the arms control agreements that were negotiated between the United States and the Soviet Union. Substantial credit, in my judgment, should go to Senators LUGAR and NUNN, who worked to create the Cooperative Threat Reduction program, which funds the dismantling of nuclear weapons in the former Soviet states. The Soviets, the Russians and Ukrainians now, began destroying nuclear weapons.

That destruction of nuclear weapons means that one way to protect America is to destroy a foreign missile before it leaves the silo; destroy the missile before it leaves the silo. This chart shows what happened. There used to be a missile. Now there are sunflowers. What a wonderful thing for humankind—that a missile that used to be aimed at us is now gone. This bit of hinge does not exist as a functional piece of some kind of nuclear threat against the United States. It is not just missiles that Senator LUGAR and Senator NUNN have through their initiative in the U.S. Senate helped to destroy. Here is a picture of Soviet workers sawing off the wings of Soviet long-range bombers. This is success. Arms control agreements have worked. They have substantially reduced the nuclear threat. We are today every day seeing in the old Soviet Union—now Russia, Ukraine, and Kazakhstan—missiles being destroyed, bombers being destroyed, and the world is a safer place as a result.

Some would come to the floor of the Senate and say, "None of this matters very much." The hundreds of ICBM's that are now gone do not matter much. The fact that the President of Ukraine announced that his country, which had previously housed thousands of nuclear warheads, is now nuclear free; no nuclear warheads in the Ukraine is quite a remarkable thing. Some would come to the floor of the Senate, and say, "That does not mean much. What we need to do is begin a new arms race. We need an America to begin building on an expedited basis with expedited deployment a National Missile Defense Program. And we insist on doing it in a way that would make it a multiple-site system, in a way that would provide that it has a space-based component," both of which would jeopardize the arms control agreements we currently have. And they say, "Well, if we jeopardize those arms control agreements, so be it. We will force the other parties to renegotiate."

I am not coming to the floor of the Senate saying that research and development on missile defense programs are not relevant or unworthy. I have supported them in the past. I support them today. The administration requested $508 million in this bill for research and development on national missile defense systems and programs.

In fact, if taxpayers are interested we have spent $98 billion on strategic and theater missile defense programs; $98 billion. The most recent proposal that was brought to the Senate for its consideration, the Congressional Budget Office says, will cost anywhere between $30 billion and $60 billion to construct without regard to the cost of its operation. That is what it will cost simply to build on an expedited basis the kind of national missile defense that was called the Defend America Program that the sponsors envision.

I support the recommendation of the Pentagon to spend $508 million for research and development of a national missile defense system. What I do not support is the Congress saying, "Pentagon, you do not know what you are talking about. We insist on adding $300 million more."

Let me read a comment from the Vice Chiefs of Staff in the Joint Requirements Oversight Council. It says:

> The Joint Requirements Oversight Council believes that with the current projected ballistic missile threat, which shows Russia and China as the only countries able to field a threat against the U.S. homeland, the funding level for national missile defense should be no more than $500 million a year through the Future Years Defense Plan.

That is what the Joint Requirements Oversight Council says. One might argue they are not experts. I do not know how one could credibly argue that. They are the Vice Chiefs of Staff of our Armed Services. But one could make that case and try to make that point. These are the people who ought to know, in my judgment.

General Shalikashvili in a letter to Senator NUNN says the following:

> Efforts which suggest changes to or withdrawal from the ABM Treaty may jeopardize Russia's ratification of START II, and could prompt Russia to withdraw from START I.

These are the arms control agreements that resulted in taking these missiles and warheads out of the ground and reducing the threat posed to the United States of America.

General Shalikashvili says the following. He says:

> I am concerned that failure of either START initiative will result in Russian retention of hundreds or even thousands more nuclear weapons thereby increasing both the cost and the risks that we face.

We will hear no doubt, especially when the Defend America Act comes back to the Senate, if it does—and I cast a vote on that recently. This was a bill to potentially require $30 to $60 billion of expenditure on the part of the taxpayers—just to build, not to operate. It is not the right way in my judgment to do it. But that was the vote we had. Of course, I voted against cloture because, if we are going to have a debate on this, there ought to be a debate. There ought to be a thorough and lengthy debate. It is of substantial importance for this country, its foreign policy, its defense policy, and certainly for the taxpayers.

We will no doubt have comments made here—I do not intend to address these at the moment, although I would be happy to come back and do so—that reflect the comments we heard last year during the same debate. We will have maps put up talking about the threat that North Korea could pose to Alaska, or the threat that some other rogue nation would pose to Hawaii. Those statements are not justified by the facts. Those are not threats that are currently justified by information given by this country's intelligence community.

It seems to me that we ought to worry a bit about how we are spending money, for what purpose we are spending money, and where we are going to get the money. This $300 million is the first incremental first step on a long staircase. And we had a quote from Senator Dole at a press conference. The question was asked where the money was going to come from. "Senator, how much do you think this is going to cost, and where is that money going to come from?"

The answer: "Well, I'll leave that up to the experts."

The experts are not going to pay the bill. The taxpayer will pay this bill—$300 million this year, a long step on a long staircase leading up to the Congressional Budget Office suggesting as much as $60 billion.

In the main, this is a security issue. I accept that and agree to debate it on that premise. But it is also an issue that combines the question of security with the question of, "What is it going to cost?" Well, it is reasonable to ask: How much did we spend, and how much are we going to spend to get a system? What kind of protection will it provide us?

In North Dakota, we have some experience with this. We have in my State the only antiballistic missile system that was ever built in the free world. In today's dollars, they have spent about

$26 billion. It looks a little like this. It is a big concrete pyramid. It was incidentally mothballed in the same year that it was declared operational. That was built in the early 1970's with billions of taxpayers' money spent.

I mentioned that somewhere between $96 and $98 billion was spent in the aggregate in pursuit of missile defense technology. I also said I am not opposed to spending all of the money but that I am opposed to this rush to add extra money to this defense authorization bill. And I will be opposed to adding the money to the appropriations bill as well—to demand that we have accelerated deployment in a system that we are told will cost up to $60 billion, and the accelerated deployment must be combined with a multisite system, and a space-based system that, in my judgment, will jeopardize most of our arms control agreements, agreements that I think are critically important to this country.

I would say this to my friends who support this—and I have great respect for many who will stand up and support this aggressively: Senator KYL has in the past, Senator INHOFE and others. I suspect the Senator from Virginia will weigh in on this subject. I have great respect for their views, but I do believe this. You have to make the case that spending this extra money is critically necessary for our defense. I do not think that case can be made, No. 1. And, No. 2, you also ought to make the case, given what we have talked about—the danger of the Federal deficits and who is for more spending and who is for less spending—you also ought to make the case, who is going to pay for this? Where is the $60 billion going to come from?

This bill contains the first small increment of $300 million, which may not seem like a lot of money to some but I think is a whole lot of money for the American taxpayers to shell out when they do not need to shell it out. This is a proposal that we do not need, a proposal that we cannot afford, a proposal the Pentagon says it does not want, and a proposal this country should not adopt. It defies common sense for this Congress to say to General Shalikashvili: It does not matter what you think; it does not matter what you say about arms control agreements; it does not matter how much you want to spend. We demand you spend more on this because we believe this ought to be built on an accelerated basis.

I say you have to make the case that that be done first, and I do not think the case can be made. And second, as you make that case, if you think you can make the case, tell us, who are you going to get to pay for this? Which taxes are you going to raise to get $60 billion?

Mr. President, I indicated previously we will no doubt have comments from those who say there is a direct threat to some States in our country from this, that, or the other approach. I began speaking about the array of threats to our country and let me end with the same notion. If we are concerned about the principal threats to our country, it seems to me somewhere back on the far side of the range of threats that are likely would be that a Mu'ammar Qadhafi acquires through some magic an intercontinental ballistic missile that he is able to launch complete with a nuclear warhead destined for some American city. That is one of the least likely threats.

Far more likely a threat is an international rogue, some international bandit on the scene who is more likely to acquire a dozen other devices, including, if you are talking missiles, a much more easily acquired missile such as a cruise missile, easier to acquire and easier perhaps to operate. It is much more likely that we will find a threat other than that which they are going to build the national missile defense system to protect our country against. Should our country be unprotected? No. We have always had protection with this understanding: every missile launched against our country has a return address. Every missile launched against America has a return address because we know who launches it. We see all launches in this world through our satellites. Should any country, any rogue nation, any adversary be foolish enough to launch a missile with a warhead against this country, that country will cease to exist quickly. Our defense and our deterrent has always been our ability to let everyone in this world understand you launch a nuclear weapon against our country, and our nuclear arsenal, the most capable in the world, will erase from the face of the Earth those with that kind of judgment.

That nuclear arsenal still exists, and I hope that we will support the amendment to reduce the $300 million. We will still be left with $508 million, which is a substantial amount of money, for research and development, but we will have sent a signal that we do not want to begin climbing the first step on a stairway to a $60 billion expenditure, the justification for which has not and in my judgment cannot be made at this point in this Chamber.

(Mr. ABRAHAM assumed the chair.)

Mr. WARNER. Mr. President, will the Senator yield for a question?

Mr. DORGAN. I would be pleased to yield.

Mr. WARNER. I have followed very carefully his points here. As a matter of fact, it is basically a recitation—and I say this most respectfully—of the points the Senator made last year. The Senator has been consistent in his message. But I was taken by his closing remarks of the history of the relationship between those nations possessing intercontinental systems and how our planet has thus far avoided any confrontation.

This is a subject that I have been dealing with since 1969 when I went to the Department of the Navy, I do not want to calculate how many years ago. But the Senator is absolutely right; it was the deterrence that prevented any confrontation between the former Soviet Union and the United States of America. It was the doctrine of mass destruction, mutual massive destruction. But we were dealing in those days, despite our antipathy toward communism, with governments, with military organizations that were able to grasp the reality of mutual assured destruction and had a very tight command and control over every single one of those sites.

I should say that in the many years I followed this, having served on the Intelligence Committee, there were isolated incidents where there was alcohol involved on a site here and there. We saw the occasional reports. But, fortunately, the command and control was exercised so as to eliminate what I personally regard as the prime reason for this expenditure, the accidental or unintentional firing.

In the former Soviet Union, the rocket forces were the elite. Only the finest men and, I suppose in some instances, women were put into those units. We did not have in those days the risk that I think is present today of the accidental or unintentional firing.

Quite apart from the dollars and cents—and we could debate on into the night as to what the estimates are to build the system and the time in which it is to be done, but I cannot look into the faces of my fellow Americans and say that there is any budget or any calculation which would induce me not to support this given the horrific damage from a single accidental firing of an ICBM against a major city. Take whatever you want as the budget to build this system. If you hit on 57th and 5th Avenue in New York City, it would be billions and billions of dollars in property damage and incalculable lives.

Mr. DORGAN. Mr. President, I wonder if the Senator is warming up to a question.

Mr. WARNER. I am sort of on a roll here, and I rather enjoy it, but my point is, what is your concept of a single accidental firing, a risk present today that was not present during the height of the cold war? That is essentially the purpose of this system.

Mr. DORGAN. The Senator asks a good question, and I understand it well because he set it up quite well. I say to the Senator, you describe this in the context of a rogue nation or an international terrorist who gets hold of one missile and launches one missile against the United States. I contend that it is far more likely that an international terrorist would get hold of a suitcase and put it in a rusty Yugo on

the dock in New York City than be able to find an ICBM and launch an ICBM at the United States. The point I made at the start of my discussion is you have an array of threats against our country. The one you describe is a threat, there is no question about that.

Let me give you another one. How about——

Mr. WARNER. Mr. President, if the Senator will——

Mr. DORGAN. Let me give you a threat.

Mr. WARNER. I am ready to concede that you are correct. It may well be the suitcase——

Mr. DORGAN. Let me continue before you concede. You are conceding a small part. Let us assume a captain of a Typhoon submarine goes half wacko somewhere out in the ocean and launches the entire supply of warheads on that submarine, which is 200 warheads, ICBM's, sea-launched ICBM's against this country. That is a rogue threat. There is nothing proposed by anyone, that I am aware of, nothing under any condition or any system or any bizarre scheme I am aware of that is going to protect this country against that large a threat, is that correct?

Mr. WARNER. Mr. President, the Senator is correct. We do not have anything and that is in the realm of risk. I think farther down the scale than the single isolated incident is either in Russia or, indeed, North Korea—they are rapidly approaching the potential, with their Taepo Dong missile, which could reach Hawaii or Alaska.

My point is the Senator is correct. There is a risk from the suitcase. There is a risk from a berserk crew on a Typhoon submarine. And there is a risk associated with the accidental firing of a single, or perhaps two missiles against the United States.

But the fact that we have a number of risks does not eliminate the responsibility of every Member of this Chamber to apply, diligently, every resource we have in this country to stop these risks.

Mr. DORGAN. I would say this to the Senator, I fully accept the responsibility of doing the research and development on a missile program, a national missile defense program of some type for which there is, in this bill, $508 million—plus $300 million added by the committee, saying $508 million is not enough, we want to add $300 million more. I respect the obligation to be doing the research and development to be available and to be ready to deploy a system if it becomes certain that we need this system and conceivable we can build it in a cost-effective way. I am ready to do that.

But what I am saying to the Senator is this. If you come to us with proposals that the Defense Department says threaten to undermine the arms control treaties that now exist that result in destroying the missiles in the ground—all the missiles are out of the Ukraine at this point.

The fact is today—I know the Senator knows this because we have people on both sides of the aisle who have engineered this, and I would say the Senator has been instrumental in a number of these areas in helping this along—we are seeing adversaries' missiles now being destroyed, sawed in half, cut up. It seems to me you would agree that the very best way to destroy a potential adversary's missile is to destroy it before it leaves the ground. If you propose a national missile defense system that threatens the underpinnings of our arms control agreements, it seems to me what you have done is add to the arsenal of weapons that are potentially going to be weapons against us.

So I am willing to walk down the road, to talk about threats and how one responds to them. I am not willing, under any circumstances, not any, to do anything that I think starts to take apart the arms control agreements. It is not just me that says that. It is the Chairman of the Joint Chiefs of Staff and others who say this threatens to destroy the foundation of these arms control agreements.

Once you start to do that you are not dealing with little rogue threats out there. You are not dealing with some international nut case who manages to find some ICBM and then manages to find a nuclear tip to put on the top of it. Then you are dealing with the questions of hundreds, perhaps thousands of additional weapons and launchers that will be retained when they should in fact have been destroyed, because we were trying to enter into arms control agreements that really do accomplish a reduction in the threat.

So, I hope—I have taken some time, but I hope the Senator understands. I am not opposed to research and development. I am opposed to adding, on top of that, money that means we will run off and buy and build and damn the consequences. I would listen to some very thoughtful people who say you are going to injure the opportunities we have had in the past and will have in the future, as a result of the arms control agreements. That is my major concern.

Mr. WARNER. Mr. President, I would like to reply. Let us say that the Senator and I have a disagreement on the arms control issue. I firmly believe that we can resolve with Russia any apprehension that they may have with respect to the development of this system in a manner that will pose a threat to them. As a matter of fact, I would argue it is in their interests that we have such a system because, should a missile be fired we could have some errors on our side, thinking a strike had been launched against us and suddenly trigger something against Russia.

But let us say we have a disagreement on arms control. But how does the Senator from North Dakota answer the question: We have no arms control with China, yet they have the capability of an accidental firing. We have no arms control with North Korea, yet they are within 3 or 4 years of having a missile that could hit two of our States. What does the Senator say to those arguments?

Mr. DORGAN. The entire philosophy of arms control is to reduce the stock of nuclear arms and launchers and devices to deliver arms that now exists and to try very hard to work on the issue of nonproliferation of nuclear arms. We must do a better job of that.

Do you know why? Because I think people are all too interested in going off and building things. The efforts at nonproliferation are not very sexy. It is not an area that produces the same kind of thing that a building project does. A building project, you pour concrete and get something that you can see and everybody can say, "Look what we have." We ought to, in our country, it seems to me, take seriously this issue of who has and who is going to have nuclear weapons and pose a threat in the future.

If the Senator says it matters with respect to China, yes, it does. Sure it matters. It matters with respect to North Korea, yes. It also matters with respect to what our intelligence community tells us about the capabilities of these countries, No. 1. I will be happy to put that in the RECORD, because we are at odds on that issue.

But, second, it matters very much, it seems to me—it matters very much that this country behave in a way that recognizes it is in our interests to have fewer nuclear weapons in the world. And our arms control agreements, as deficient as they might be—some would want them much more aggressive—have started the process of doing what you and I might have thought unthinkable not too long ago.

The Senator was in the Chamber when I showed this chart. I want to show it again, because I suspect 8, 10 years ago, no one would have believed this. Ten years ago would anyone have believed that the Secretary of Defense and the Defense Minister of the Ukraine would be planting sunflowers on ground where there was planted an SS-19 aimed at the United States of America?

Mr. WARNER. I say to my good friend, Secretary Perry came and met with members of the Armed Services Committee at a breakfast hosted by the distinguished chairman, Chairman THURMOND, this morning, and recounted the very incident portrayed by this picture. We concede all that.

But I would like to come back to this issue. You stress arms control. We have a disagreement on that. Come back to China. We have no arms control—do you not agree they have the capability today of a missile system that could

hit Alaska and could hit Hawaii, and that there could be an accidental or rogue firing in that nation? Just witness what happened in connection with the Straits of Taiwan here just several months ago, when we saw what in my judgment were actions by China, presumably under tight command and control, where those actions were in defiance of what I call responsible conduct by major nations in this hemisphere.

Let us go back. Let us see if we can narrow debate. They have the system, am I not correct?

Mr. DORGAN. Let me ask the Senator, since he has raised the question of China, does the Senator know approximately the estimate of how many ICBM's the Chinese possess?

Mr. WARNER. I do, but I am not sure it is a matter we should bring out in public at this time.

Mr. DORGAN. Does anyone know whether that is classified information?

Mr. WARNER. Let us just concede that we know they have them. I do not know the number—I do know it but I am not sure—let us just assume that they have a system. I think you and I can agree on that.

Mr. DORGAN. Does the Senator also agree that, should any nation——

Mr. THURMOND. Mr. President, I wonder if the Senator will just let us take a voice vote on the Grassley amendment?

Mr. DORGAN. I will be happy to.

Mr. THURMOND. Mr. President, notwithstanding the previous unanimous-consent request, I ask unanimous consent that we resume consideration of the Grassley amendment. I understand Senator GRASSLEY has agreed to have the amendment voted on by a voice vote. I understand there is no further debate on this question.

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

VOTE ON AMENDMENT NO. 4047

The PRESIDING OFFICER. The Senate will vote on amendment No. 4047 of the Senator from Iowa. The question is on agreeing to the amendment.

The amendment (No. 4047) was rejected.

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

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

The motion to lay on the table was agreed to.

Mr. WARNER. Mr. President, I want to make certain the RECORD shows the Senator from Virginia voted in the negative by voice vote.

The PRESIDING OFFICER. The RECORD will so reflect.

AMENDMENT NO. 4048

Mr. WARNER. Parliamentary inquiry, are we now returning to the colloquy?

The PRESIDING OFFICER. The Senator from North Dakota has the floor.

Mr. WARNER. And the distinguished Senator was about to pose a question.

Mr. DORGAN. I was about to ask the question, if the Senator agreed with me, if a rogue nation—China, I suppose, would not be in the definition of "rogue nation" here; China is a trading partner of ours.

Mr. WARNER. Mr. President, it depends on the day of the week. They do have some actions——

Mr. DORGAN. Normally, those who refer to rogue nations or international outlaw leaders have three or four in mind. Now, the Senator raises——

Mr. WARNER. You are correct, China should not be put in the same category as the generic term "rogue nation." I am talking about the accidental, unintentional firing.

Mr. DORGAN. I understand. The Chinese have, as you know, without discussing it, very few intercontinental ballistic missiles. The Senator raises the question of the potential of a country with intercontinental ballistic missiles launching an attack against the United States.

The question I want to ask is, does the Senator agree with me that there cannot be an intercontinental ballistic missile launched without a return address; we will know instantly where it is launched from?

Mr. WARNER. Mr. President, the Senator is correct in that.

Mr. DORGAN. If the launching of an intercontinental ballistic missile means this country immediately knows where that launching took place, is it reasonable to expect, if they attack the United States, they would expect a response that would annihilate the country sending the missile? The point is, that has been a deterrence that has been around for sometime. I thought the Senator was really talking about a real outlaw, nut leader someplace out there in space, and now he has raised the question of China.

Mr. WARNER. Mr. President, for the purpose of this debate, there are really only two nations which possess intercontinental systems that can strike the United States, and that is Russia and China. China has a system which can reach not only two States, Alaska and Hawaii, but, indeed, we have reason to believe that it could reach the central parts of the mainland United States. For the record, I am not talking about an organized command and control attack on the United States by China. I am talking about the accidental firing, the unintentional—perhaps in a training mission—firing of a live missile, either from Russia or China. Should not we have the bare minimum capability in this country to defend against a single or perhaps two or three missiles being fired?

I say yes. Our difference is the schedule on which it is to be built. You have reasons to believe that $500 million is enough. I feel strongly, as does the committee, that $800 million is the required amount to keep the research and development at the most expeditious pace, such as a President can make the decision with regard to deployment.

Mr. DORGAN. The Senator has narrowed this interestingly. So let me ask this question. The Air Force has proposed a system that they say is a minimal cost system to respond to exactly what you are talking about: one isolated case of one intercontinental ballistic missile, perhaps with one warhead, being launched accidentally or deliberately at someplace in this country.

There is a plan floating around that they say will cost $2 billion, $2.5 billion to defend against that, not to give us a defense that is not impenetrable, but one that gives a reasonable certainty of stopping that limited threat.

I ask the Senator, is that what the Senator would support and would that be sufficient?

Mr. WARNER. This Senator is in favor of supporting a system that could perhaps interdict up to 10, 12, 15, maybe as many as 20, certainly not an exchange as was practical, that potentially could have occurred between the former Soviet Union and the United States. China's total arsenal we have agreed we should not discuss here, but it has numbers that could approximate those amounts of exchange. That is not an accidental firing in reality or unintentional to send 10 or 20 missiles. Nevertheless, the system should be built to cope with it.

Mr. DORGAN. If I understand your response, you are not proposing then a system that would in any way protect this country against a lunatic *Typhoon* submarine captain who launches 200 warheads from a *Typhoon* submarine against this country? You are not proposing a system that protects us against that?

Mr. WARNER. Mr. President, the system that I have in mind could limit the damage. Now, whether it could deal with all 20 missiles fired——

Mr. DORGAN. Two hundred warheads.

Mr. WARNER. I am not prepared to give you an answer.

Mr. DORGAN. Two hundred warheads.

Mr. WARNER. If you interdict the missile, you get 10 warheads.

Mr. DORGAN. It depends on when you interdict the launcher. But my point was, I guess most people would say you are not proposing a system that could respond to that threat. So, again, on the scale of threats, you have some you respond to, some you do not. Look, I would not support a penny for research and development if I did not think it is reasonable for us to be trying to figure out what are the threats and what is a reasonable approach to begin thinking about them and planning to meet them when they become

sufficiently real that the intelligence community says this country needs to do something about those threats.

The Senator knows, and we have said before in this debate, that the intelligence community in this country does not concur that this is the time to do what is being proposed we do. The Defense Department tells us that it will undercut the arms control agreements and launch us into an orbit to spend an enormous amount of money against a system that the Senator now concedes will not respond to the more aggressive or robust threats.

Mr. WARNER. Well, Mr. President, all I can say is that what we envision is a limited system to deal with the accidental or unintentional firing. I am not prepared, nor any of us are really prepared, to give you precise numbers, whether it could interdict the entire load of a *Typhoon*. It depends on when interdiction takes place, whether there is warhead separation. There are a lot of factors that deal with it.

I want to also put in the RECORD, I respect your arguments about the suitcase. Fortunately, I think technology is not quite at the point where that is the highest risk now, but we have in place a number of systems to deter and, indeed, interdict the suitcase. It is just my concern we have nothing—nothing—in place to interdict the stray two or three missiles that could be accidentally fired or a terrorist firing against our Nation.

That is the direction in which this Senator wants to move as expeditiously as possible. And we have O'Neill, who was the prior head—he just resigned—of the BMD office, who said $800 million is the figure. I happen to agree with him. You happen to disagree. Therein, I think, we framed the argument.

Mr. DORGAN. You say $800 million. Let me make just a couple additional points. Again, I respect very much the Senator from Virginia. I have admired his work for a long while. We disagree from time to time on things. We disagree on this. I, nonetheless, think he contributes a great deal to defense policy.

This little pager that I use is about the size, I am told, of the device that brought down the Pan Am flight by a terrorist planting a device this size on the Pan Am 747 which crashed in Lockerbie, Scotland. That was a terrible attack. We know what the terrorist attack was with a rental truck in Oklahoma City. We know of many terrorist accidents. We know of the deadly chemical agent attack in Japan on the subway. We know of the bombing of the World Trade Center by terrorists.

The Senator raises the question, what about the ultimate terrorist act of a terrorist getting ahold of, not a suitcase, not a Yugo, but an ICBM, not a cruise, an ICBM missile, and tipping it with a nuclear warhead and launching it against our country?

Again, I will say to the Senator, there is a prospect advanced by one of the services that they say would cost $2 billion that would use existing technology to provide a defense against a very limited, isolated, single missile kind of rogue nation or accidental launch. That proposal does exist.

The Senator and I may not have much disagreement if he said, let us take the limited option at minimum dollars and provide the protection against that threat that he has just described in some detail. I am not sure we would have much disagreement about that.

That is not what is being proposed, as the Senator knows. What is being proposed is a robust system, multiple sites, space-based components, accelerated deployment. That is a much, much different, much more expensive and much more extensive proposal than what we are discussing.

So again I say, if the isolated circumstances that the Senator describes were met by a $2 billion system, which one branch of the service has given me a detailed briefing on, I do not know that we would have a big disagreement. But what we are talking about here—and I believe the Senator in his heart knows we are talking about—is the potential of $60 billion over the years to build a much more capable system, at the end of which we will not have addressed the threat of a robust attack against this country.

I worry that if we spend that money, we may develop the circumstance of saying to the American people, we now have a missile defense system we have spent $60 billion for, just to build, not to operate, and then someone says, "What if somebody launches 50 missiles against us?" We say, "Well, we're sorry about that. We're not going to be able to deal with that."

If we are talking threat, let us respond to the most aggressive threats first. Let us do the things that are necessary to do research and development on national missile defense.

I notice my friend from Oklahoma is now on the floor. I mentioned earlier he is someone who has an interest on this subject. I mentioned him in a kindly way.

But I just believe that to rush off and commit $300 million above what General Shalikashvili recommends, Secretary Perry and others recommend as is prudent and wise, given our circumstances and arms control, and other needs, I think that is not in this country's interests. So I appreciate the colloquy the Senator and I have had.

Mr. WARNER. I shall yield the floor momentarily. I have enjoyed the colloquy. But let us make it clear, this additional $300 million by the Armed Services Committee was for the purpose of the ground system. And it is our collective judgment that that amount of money is needed to keep an aggressive R&D going.

I strongly support it. And $300 million is not specifically earmarked for any system. It in fact is the BMD's program that they have at the moment. We have disagreements as to the total cost. That is clear. But I think we isolated this to be a debate between two individuals who feel equally strongly from their various perspectives.

I think we owe it to the American public to do everything we can to put in place such systems to deter against a suitcase, to deter against the *Typhoon* suddenly coming up and firing its whole load. But I see this as a risk, which I think is far greater, the accidental firing of a single or a double, by either a terrorist or someone who comes in and seizes an installation in China or Russia, some group, band, who goes in and seizes it and fires it somehow. That is what I want to stop.

Mr. DORGAN. If the Senator would yield on that point.

Mr. WARNER. Yes.

Mr. DORGAN. I encourage the Senator to receive the briefing, if he has not yet, on the planning that has been done by the Air Force for a minimal system at minimum cost to address exactly that circumstance.

Mr. WARNER. Mr. President, I have gotten that briefing. I am just not sure that that is a sufficiently robust system to meet the requirements as I see them.

Mr. President, there are other Senators anxious to speak. I thank the Senator. I yield the floor.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I will make some remarks with regard to the matter at hand, and the general feeling that I have with regard to the bill.

Mr. THURMOND addressed the Chair.

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

Mr. EXON. Did my colleague from South Carolina wish to make some kind of a point? I have been recognized. I would be glad to yield to him.

Mr. THURMOND. Mr. President, we have been debating this amendment now for over an hour. I just wanted the Senator from North Dakota to consider entering into a time agreement on his amendment at this time.

Mr. EXON. The Senator from South Carolina had a question for the Senator from North Dakota.

Mr. THURMOND. I wonder if the Senator would agree to a time agreement on this amendment.

Mr. DORGAN. I have no intention of delaying the vote. There are a number of Senators who do want to speak briefly.

Mr. THURMOND. What is a time the Senator would wish to suggest?

Mr. DORGAN. Senator CONRAD from North Dakota wants to speak and Senator EXON wishes to speak.

Mr. THURMOND. 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. EXON. 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. EXON. All the Senator from Nebraska is attempting to do is move things along. If an agreement is reached with regard to a time agreement, I will certainly yield to the managers of the bill and the Senator from North Dakota to make that statement. In the meantime, I would like to proceed with the statement I have regarding the bill.

Mr. President, the Senator from South Carolina, the distinguished chairman of the Armed Services Committee, is a very, very dear friend of mine. He does an excellent job and has as long as this Senator has been in the U.S. Senate. He works very well with Senator NUNN, the ranking member of the committee. They have worked very hard on this defense authorization bill that this Senator supported when it came out of the Armed Services Committee. But at that time I sent a first signal that I would be attempting to make some changes to improve the bill in several areas that I thought needed attention.

I will simply say to my good friend from South Carolina, that he has made noble efforts in the committee. We had thorough discussion on a lot of these issues that we are going to be taking up in the form of amendments now that the bill is on the floor, which I think is entirely proper.

What this Senator has been attempting to do since this bill came out of the authorization committee, and as late as this morning—as referenced by my distinguished friend and colleague from Virginia, we met with the Secretary of Defense—what I am trying to do is, as much as possible, make this defense authorization bill vetoproof.

In other words, if we can accommodate some of the wishes of the President of the United States, the Secretary of Defense and others, that have key roles to play in what happens to the authorization bill that we will eventually pass here, it is to make it as acceptable as possible to reach some compromises on several things where I think there should be compromises, make it somewhat more acceptable to the Clinton administration, and then we will have accomplished something rather than passing a defense authorization bill that will end up dead in the water in the form of a veto.

So the comments that I am now about to make are designed, as best I can design them, to try to reach a compromise, a compromise, if you will, up front in the process of the Senate working its will on the defense authorization bill, and hopefully have a bill that will mean something.

Mr. President, the defense authorization bill before the Senate is a rather rare piece of legislation, one might say. It is one of the few spending or authorization bills for the next year receiving a sizable increase—I repeat, a sizable increase—above the administration's request.

To be specific, at $267 billion, the 1997 defense authorization bill dwarfs—dwarfs—Mr. President, any other discretionary spending program in the Federal budget. Like an out of shape prizefighter, it enters the ring $13 billion overweight from the position of the President of the United States.

Having been overfed by the majority of the Senate Armed Services Committee—and I hope we can at least partially correct that—the quarter of a trillion-dollar defense bill before the Senate is not just $13 billion above the Pentagon's proposed budget, it is $1.7 billion in excess of the originally passed budget resolution, and $4.1 billion more than the 1996 defense spending bill. At a quarter of a trillion dollars, the 1997 defense authorization bill is flush, with $13 billion in unrequested spending authority, much of which adds unnecessarily to our national debt, while adding, in the opinion of this Senator, little or nothing to our national defense.

The 1997 defense authorization bill should be termed the "wish list" bill. It is so much so that every service official and regional military commander that appeared before the Senate Armed Services Committee on the bill was asked by the members of the majority a question, and certainly Federal managers of domestic programs have frequently heard that recently, and it is going to be driven home again during this debate. This was the question that was asked of these various military officials: "If you were given additional funds above the budget request, how would you spend it?"

Let me repeat that. Can you imagine a military person sitting before the Armed Service Committee and they are asked a question, "If you were given additional funds above the budget request, how would you spend it?" What kind of a reply would you expect? To no one's surprise, when blank checks were enticingly dangled before the witness, the replies were as prompt as they were lengthy. No military leader worth his salt, under such a scenario, could not find something that he could use.

Of the $13 billion added to the President's defense budget request, $11.4 billion, or nearly $9 out of every $10 added, went toward procurement and research and development programs. But approximately $2 billion of the add-on dollars proposed in the Pentagon's wish list is not even part of the Pentagon's own budget plan for the next 5 years, and certainly it is not, nor has it been previously, projected.

What is more, a similar portion of the $13 billion committee add-on is neither part of the long-range budget, nor any armed services wish list, including the wish lists that are included in this proposal.

In other words, the Armed Services Committee did not even get enough requests, after dangling that enticing proposition before the witnesses, to add up to the billions that we are spending. In other words, nearly $4.6 billion of the $13 billion-plus-up to the Pentagon's outyear budget plan, or a part of the services' wish list. It is something that came through the fat-feeding program in the Armed Services Committee.

In my opinion, it is vital that the American public understand this important distinction between several options:

One, what the President proposed in his budget for defense spending. Two, what the Pentagon says it needs to provide for our national defense. Three, what the military witnesses wish they could have after having the proposition dangled in front of them. Four, what level of funding the committee ultimately approved.

Such a wish-list approach to defense budgeting is not responsible, in this Senator's opinion, and stands out as a glaring exception to the manner in which painful cuts have been levied against domestic budget accounts. Nor is the end product of $13 million in additional defense spending justified and, certainly not, Mr. President, in order to do what we are trying to do in these times, when we are supposedly being prudently fiscal, to reach a balanced budget by the year 2002.

A cursory look at the defense authorization bill before the Senate indicates that a rising budget tide floats all boats. Among the largest beneficiaries of the committee's blank check wish list in the budget includes these items: An $856 million increase in the proposed ballistic missile defense spending, which has just been debated to some extent on the floor of the Senate preceding my remarks; a $760 million increase in the National Guard and Reserve equipment; a $750 million increase in DDG–51 destroyer funding; a $701 million increase in new attack submarine funding; a $700 million increase in military construction and housing funding; a $351 million increase in V–22 aircraft funding; and a $341 million increase in F–16 and F–18 funding for 10 unrequested aircraft.

These increased spending levels are only a downpayment—I emphasize once again, Mr. President, the funding levels I have just cited are only a downpayment for future spending that will confound budget-making in the years to come.

Mr. President, at a minimum, the spending level included in the defense

authorization bill should be reduced by $1.7 billion to be brought into conformance with the budget resolution so as to eliminate hollow budget authority in the bill. But the Senate should not stop there. We should question the need for the remaining $11 billion increase and whether this extraordinary increase is needed to properly defend the national security interest of the United States.

Perhaps the starting point for reduction in spending authority contained in this bill should begin at $4.6 billion, the sum total of weapon add-ons and program increases not requested in the service wish lists, or contained in the Pentagon's long-range budget plan.

At a later point during the consideration of this bill, I will propose an amendment along with Senators BINGAMAN, KOHL, LEVIN, and WELLSTONE, to reduce the top-line defense spending figure by a modest $4 billion. This represents a full $600 million less, Mr. President, than the $4.6 billion in unsupported, unjustified, and unwise spending authority.

In essence, the Exon amendment would retain $9 billion in defense spending authority over and above the President's request. Now, let me repeat that. The Exon amendment would retain $9 billion in defense spending authority above and added on top of what the President has suggested. If the Exon amendment is agreed to by the Senate, our Nation would still be spending $155 million more in 1997 than in 1996. I would have more to say about this amendment when it is offered.

One of the most questionable of the committee add-ons, in the opinion of this Senator, is $856 million for missile defense programs—most notably, the $300 million add-on for a national missile defense system.

The Senator for North Dakota has an amendment before the Senate at this time, which has been debated for the last hour and a half. I also intend to support that, and I have included that in the numbers that I have presented and will be presenting later in the form of an Exon amendment, with several important cosponsors.

Earlier this month, the Senate debated the wisdom of the Dole star wars proposal to pursue a crash program to field a continental missile defense system by the year 2003. It was pointed out then that the threat does not and will not exist in the near term to justify such a proposition. In the longer term, all of us are continuing to look at various types of missile defenses that we may need in the long term.

Furthermore, the Dole star wars bill as presently drafted would cost, according to the Congressional Budget Office, anywhere from between $31 and $60 billion. So the $300 million plus that we are talking about now would grow to $31 billion to $60 billion just to deploy, and perhaps another $10 billion on top of that to operate. The committee's $350 million increase is an initial downpayment; $350 million may not sound like a whole lot of money. But that is a downpayment, if you will, on a multibillion dollar program most likely, at a minimum, in the range of $50 billion between now and the year 2002.

Downpayments are easy, as the average American family knows. But in this case this is a system that I urge the Senate to delete as wasteful expenditures even though there may be some arguments and some people sincerely feel that we should move faster than the Pentagon and the experts in the field tell us we should in this area. As was the case in last year's authorization bill, there are language provisions in the 1997 defense authorization bill which are unwise and may prove to be a problem down the road in getting this bill signed by the White House. This is something that I opened my remarks on by saying that I was trying to steer this bill into something that is workable and not another knockdown, dragout between the Congress and the President.

Mr. President, two provisions in particular stand out as being questionable forays by the majority of the Senate Armed Services Committee into the area of foreign policy, and each could possibly jeopardize bilateral efforts between the United States and Russia to lower our nuclear inventories in a balanced and accountable fashion.

One provision ultimately interprets the ABM Treaty demarcation between long-range and short-range missile defenses at a time when our nations are negotiating this very issue right now.

The second language provision that I have concerns about is with regard to changing the bilateral Antiballistic Missile Treaty to a multilateral treaty that includes several of the independent states of the former Soviet Union. This is a major concern of the President of the United States. And, unless this language is corrected, I think we stand a high chance of a veto. The majority's insistence that such multilateralization of the treaty would constitute a substantive change in requiring reratification by the Senate is equally meddlesome on the part of the committee.

As President Clinton stated in his April 8 letter to the Armed Services Committee chairman, STROM THURMOND, he has strong objections to this matter for very valid reasons, in the opinion of this Senator. He said in that letter: "Refusing to recognize Ukraine, Belarus, and Kazakhstan as coequal successors to the Soviet Union with regard to the ABM Treaty would undermine our own interests in seeing that these countries carry out their obligations as successors to the Soviet Union under other arms control treaties, such as START I—and START II and others—and the intermediate range nuclear forces treaty," which is very important.

Mr. President, to summarize, this year's defense authorization bill is a marked improvement over last year's bill. I have saluted the committee for its action on that in the opening of these remarks. Yet, changes must be made, in the opinion of this Senator, to reduce unjustified spending increases and delete intrusive foreign policy language before I can enthusiastically support this bill. However, I would say, Mr. President, that overall I congratulate Senator THURMOND, my friend, colleague, and chairman of the committee, for other than some of the shortcomings that I see. I salute him for a very well-balanced bill in several other areas.

I appreciate the consideration, the cooperation, and the understanding. For those of us who tried to make some changes in the committee, the chairman of the committee did not agree with us, but as usual he gave us every opportunity to make our point. We in turn supported the bill as it came out of committee with the clear understanding to the chairman that we would be making some changes on the floor of the U.S. Senate.

I thank the Chair. I yield the floor.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

UNANIMOUS-CONSENT AGREEMENT

Mr. THURMOND. Mr. President, I ask unanimous consent that there now be 60 minutes equally divided for debate on the pending Dorgan amendment with no amendment in order to the amendment; that at the conclusion or yielding back of time the amendment be set aside; and, further, that at 9 a.m. on Wednesday, June 19, the Senate resume consideration of the Dorgan amendment and there be 15 minutes equally divided for debate with a vote on or in relation to the Dorgan amendment at the expiration of that debate.

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

Mr. THURMOND. Mr. President, in light of this agreement, there will be no more votes this evening. The next rollcall vote will occur at approximately 9:15 tomorrow morning.

AMENDMENT NO. 4048

The PRESIDING OFFICER. Under the previous agreement, there are 60 minutes equally divided on the Dorgan amendment.

Who yields time?

Mr. THURMOND. Mr. President, I now yield myself such time as may be required under the Dorgan amendment.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, it is unfortunate that the Senator from North Dakota does not think that the American people deserve to be defended against the only military threat that

faces them in their homes every day, a threat that is growing more severe every year. Simply stated, what the Dorgan amendment seeks to do is perpetuate American vulnerability.

We have heard quite a bit about how there is no threat and how investment in national missile defense is a waste of money. Let's remember that more Americans died in the Persian Gulf war as a result of a single missile attack than any other cause. I don't imagine that their families would view missile defense investments as a waste.

It has been argued that there is no threat to justify deployment of a national missile defense system to defend the United States. This view is strategically shortsighted and technically incorrect. Even if we get started today, by the time we develop and deploy an NMD system we will almost certainly face new ballistic missile threats to the United States. Unfortunately, it will take almost 10 years to develop and deploy even a limited system.

Much has been made of the intelligence community's estimate that no new threat to the United States will develop for 10 years or more. This estimate, however, only has to do with new indigenously developed missile threats to the continental United States. It treats Alaska and Hawaii as if they were not part of the United States. Moreover, the intelligence community has confirmed that there are numerous ways for hostile countries to acquire intercontinental ballistic missiles in much less than 10 years by means other than indigenous development.

North Korea has also demonstrated to the world that an ICBM capability can be developed with relatively little notice. The Taepo-Dong II missile, which could become operational within 5 years, is an ICBM. Each new development of this missile seems to catch the intelligence community by surprise. It certainly undermines the argument of those who downplay the threat and the intelligence community's own 10-year estimate.

Even if we knew with certainty that no new threat would materialize for 10 years there would still be a strong case for developing and deploying a national missile defense system. Deploying an NMD system would serve to deter countries that would otherwise seek to acquire an ICBM capability. A vulnerable United States merely invites proliferation, blackmail, and even aggression.

It has also been argued that the administration's NMD program is adequate to hedge against an emerging threat. Unfortunately, the budget request does not adequately support the administration's own plan. Since the administration's NMD program is supposed to preserve the option of deploying an NMD system by 2003 it is appropriate for Congress to add sufficient funds to ensure that such an option is truly viable. The director of the Ballistic Missile Defense Organization has testified repeatedly to Congress that about $800 million per year is needed for NMD in order to preserve such an option. This is precisely what the Armed Services Committee has recommended.

For those who argue that the Senate Armed Services Committee is throwing money at ballistic missile defense, I would point out that the amount in this bill for the Ballistic Missile Defense Organization is only slightly higher than the Clinton administration's own bottom-up review recommended for fiscal year 1997.

The bottom line is simple. If you think that the American people should not be defended against ballistic missiles, then you should support the Dorgan amendment. If you think that the United States should preserve the option of deploying an NMD system by 2003, then vote against this amendment. I strongly urge my colleagues to put themselves on the side of defending the American people.

Mr. President, I yield the floor and acknowledge the able Senator from Oklahoma, Senator INHOFE.

(Mr. BURNS assumed the chair.)

Mr. INHOFE. I thank the Senator and I certainly concur in the comments that he is making. It is a very frustrating thing to have knowledge of the threat that exists out there and merely because the American people are not aware of it, we are ignoring the defense of our country which I have always understood when I was growing up should have been the primary concern or function of Government, to protect its citizens.

In a few of the things that have been said by a number of those who are on the opposite side of defending America was the discussion about the threat of suitcases, of carrying around bombs, of terrorist activities. Being from Oklahoma, nobody needs to tell me about terrorist activities. I understand. It is almost as if to say that because there are crazy people out there that burn churches and carry around suitcases, we need to address that and not address the potential of an attack on the United States of America by an ICBM, armed with a warhead that can be a weapon of mass destruction, chemical, biological or nuclear. It is like saying you do not want to have car insurance because you want to have insurance on your home. You want to have a comprehensive policy that insures you against everything. There is a threat out there and I think we need to talk about that, and certainly now is the appropriate time because we have heard Senator after Senator stand up and allege there is no threat out there; the cold war is over.

It was 2 years ago that James Woolsey, who was the CIA Director under President Clinton, made a statement, and his statement 2 years ago was we know of between 20 and 25 nations that either have or are in the final stages of completing weapons of mass destruction, biological, chemical or nuclear, and are working on the missile means to deliver those weapons.

That was 2 years ago. He updated that statement and said there are somewhere closer to 30 nations now. Let us look at who those nations are, the type of people, the mentality of those individuals who are potentially armed with this type of destruction, countries like Iraq and Iran and Libya and Syria, North Korea, China, Russia, countries where just not too long ago, for example, Saddam Hussein, a guy who murdered his own grandchildren, made the statement back during the Persian Gulf war that if we had waited 5 more years to invade Kuwait, we would have had the capability of sending a weapon of mass destruction to the United States.

Well, here it is. It is now 5 years later. So let us assume that some of these guys might be right. They come up and they say, well, we do not want to do it because it might in some way affect adversely the ABM Treaty. The ABM Treaty was put together back in 1972, and we cannot say this was done in a Democrat administration. It was not. I am a Republican. Richard Nixon was a Republican. Henry Kissinger, I assume, was a Republican. At least he worked for a Republican. And he put together a plan. The ABM Treaty at that time was designed to address the problem of two superpowers in the world environment. Those superpowers were the U.S.S.R. and the United States, and so they put together a plan that said we will restrict our nuclear capability bilaterally.

So let us assume that they would do it. I never believed they would. Let us assume they would. If you bring that up to today, there is no longer a U.S.S.R. It is now Russia. Let us assume that Russia would agree to stepping into this issue as the former U.S.S.R. And live up to the expectation of the ABM Treaty. What about these other 25 or 30 nations out there?

Let us assume that the United States and Russia are downgrading their nuclear capability. At the same time what is Iraq doing? What is China doing? What are the other countries doing? They are certainly not a part of this treaty.

It was brought out by one of the Senators in the Chamber a few minutes ago that these people are not part and parcel to the treaty so they could continue to increase their nuclear capability, the weapons of mass destruction, and their capability to develop a missile means of delivering them.

If we do not want to take the word of somebody who is not here as to how significant and how applicable today is

the policy of a mutually assured destruction, listen to what Henry Kissinger said just the other day. I had lunch with him. I asked him if I could quote him. He said yes. His statement was, "It is nuts to make a virtue out of our vulnerability." And that is exactly what we are doing. Let us for a minute talk about the cost. I have never heard anyone throw around figures like I have heard in the Chamber of the Senate—talking about another $30 billion to $60 billion. The CBO estimate of $30 to $60 billion over 14 years was taking every system that is out there right now and saying we want to deploy all of these systems by a date in the future.

No one has ever suggested that. Right now, we are talking about in this bill looking at what options are there. Let us take the Aegis system. We have a $40 to $50 billion investment in 22 ships that are floating out there right now. They have missile launching capability. They are there. They are already bought and paid for. We need to spend about $4 billion more to give that system capability of reaching up into the upper tier and giving us a defense from an attack of a missile that might be coming from North Korea or from someplace else. In that, we already have an investment. Mr. President, 90 percent of it is already paid for. We have some estimates here that were made by the team B of the Heritage Foundation. That is made up of people like Hank Cooper, the former director of the Strategic Defense Initiative, and several others. All of them are acknowledged experts. No one has ever questioned their credibility. They say that a Navy-wide area defense system on Aegis cruisers would cost between $2 and $3 billion over the next 6 years, plus $5 billion for a sensor satellite.

We are talking about, now, not $70 billion, we are talking about somewhere in the neighborhood of $7 to $8 billion over the next 6 years. So let us get this in perspective. Let us assume there could be some truth to the statements that these experts like James Woolsey are making, and, in fact, the threat is out there. Let us assume the Russians already have one.

This morning in a speech on the floor I used several articles, four or five of them. I wish I had them with me now. I did not think this subject would come up again. But we talked about how China is now selling technology to Pakistan, how Syria and Libya have a new, cozy arrangement with each other.

Here is an article right here that I did not use. The headline of this article, found in the Washington Times, dated May 20, "China's arsenal gets a Russian boost. Deal for ICBM technology a threat to U.S., classified Pentagon report says."

Then it says:

> China, under the guise of buying space launchers, is enhancing its strategic arsenal with technology and parts from Russia's most lethal intercontinental ballistic missile, the SS-18, [that is the MIRV'd missile with 10 warheads] says a classified Pentagon intelligence report.

Further quoting,

> Incorporating the SS-18-related military guidance or warhead technologies into China's strategic missile forces would greatly improve Beijing's ability to threaten targets in the United States. . .

Now, that is in a confidential report that so far no one has refuted. Let us keep in mind that was about the time that a high Chinese official said—during the time they were experimenting with missiles in the Strait of Taiwan, the Chinese were conducting experiments—they said, "We don't have to worry about the United States coming to their aid because they," the United States, "would rather protect Los Angeles than they would Taipei."

I would characterize that at the very least as an indirect threat at the United States. It is like the Senator from South Carolina said, the honorable chairman of this committee, he said, "We are being held hostage." Threats like this: "They are not going to do that, because if they do that we will go after them." Do they have the capability? According to the reports, yes, they have the capability.

So I just think we need to look at this in terms of the costs that have been grossly, dramatically inflated into something that is totally unrealistic—the constant use of terms like "star wars" and other things to put this into some kind of fiction environment so people will think this thing is not real.

Keep in mind what was started in 1983 and was right on target all the way up through about last year, when the President vetoed the DOD authorization bill from last year, and in his veto message said he did not want to spend any more money on a national missile defense system. In light of that, since that has happened, we have probably had more threats that have come to the United States than we have at any other time.

We have talked about the cost. I am from Oklahoma. The cost of the damage that was done to the building itself in Oklahoma City was $500 million, half a billion dollars. That is just a drop in the bucket as to the total cost. The bomb that caused so much damage in Oklahoma had the power of 1 ton of TNT. The smallest nuclear warhead known at the present time is 1 kiloton, 1,000 times bigger than that bomb.

So I would like to have anyone, any of these Senators who seem to be so passive in their interest in protecting ourselves from a missile attack, to stop and look and remember, recall what happened in Oklahoma City on April 19 of last year and multiply that by 1,000. It does not have to be just in New York City. It does not have to be in Los Angeles. It could happen in North Dakota, it could happen in Nebraska, or anywhere.

I will conclude by saying if all these experts say the threat is out there, if all of them say the Taepo Dong 2 missile will have the capability of reaching the United States by the year 2000, and there are missiles in existence today that can already reach us, and this missile technology is permeating all the way through the various countries like Iraq, Iran, Syria, Libya, Pakistan and other nations, if this is out there, just ask the question—we are talking about $300 million right now. We are talking about $300 million, far less than just the damage to the building in Oklahoma City. Ask yourself the question: What if we are wrong?

I challenge any of those on the other side of the aisle who want to take this money and put it into social programs, to ask themselves: What good are these social programs if we were wrong on this, on our estimate as to the extent of the capability of these countries to reach the United States?

I see this as a very difficult time for us. It is difficult because it is very difficult for us to convey to the American people the truth, and the truth is, we have threats from many, many nations now. It is something that we should have as our single highest priority in this body, and that is to protect the lives of Americans. That is what we are attempting to do.

I said this morning I am supporting this bill. I think we got the very most we could out of a defense authorization bill. It is still not adequate. We should be moving forward in a more rapid pace to put ourselves in a position to spend this other 10 percent of the investment we have already spent and give ourselves some type of defense for a missile that comes over, outside the atmosphere, to the United States. The technology is there. We saw it during the Persian Gulf war. We know you can knock down missiles with missiles. This is our opportunity to go forward with this program in a very minimum that we must do to fulfill our obligation to the American people.

Last, let us look at this in terms of a nonpartisan or bipartisan priority. Back during the years that John Kennedy was President of the United States, regarding our budget to run the entire Government of the United States, 60 percent of that was on defense, 17 percent on human services. Today, approximately 17 percent is on defense and 60 percent on human services. I think we have this completely turned around. This is our opportunity to try to get back on track to making America strong again, defending ourselves against a very serious threat.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. 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. KYL. 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. 4049

(Purpose: To authorize underground nuclear testing under limited conditions.)

Mr. KYL. Mr. President, I have an amendment I would like to send to the desk. I ask unanimous consent we lay aside the pending amendment, and I send an amendment to the desk.

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

The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona [Mr. KYL], for himself and Mr. REID, proposes an amendment numbered 4049.

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

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

The amendment is as follows:

At the end of subtitle F of title X add the following:

SEC. . UNDERGROUND NUCLEAR TESTING CONSTRAINTS.

(a) AUTHORITY.—Subject to subsection (b), effective on October 1, 1996, the United States may conduct tests of nuclear weapons involving underground nuclear detonations in a fiscal year if—

(1) the Senate has not provided advice and consent to the ratification of a multilateral comprehensive nuclear test ban treaty;

(2) the President has submitted under subsection (b) an annual report covering that fiscal year (as the first of the fiscal years covered by that report);

(3) 90 days have elapsed after the submittal of that report; and

(4) Congress has not agreed to a joint resolution described in subsection (d) within that 90-day period.

(b) REPORT.—Not later than March 1 of each year, the President shall submit to the Committees on Armed Services and on Appropriations of the Senate and the Committees on National Security and on Appropriations of the House of Representatives, in classified and unclassified forms, a report containing the following matters:

(1) The status on achieving a multilateral comprehensive nuclear test ban treaty, unless the Senate has already provided its advice and consent to the ratification of such a treaty.

(2) An assessment of the then current and projected safety and reliability of each type of nuclear warhead that is to be maintained in the active and inactive nuclear stockpiles of the United States during the four successive fiscal years following the fiscal year in which the report is submitted.

(3) A description of the number and types of nuclear warheads that are to be removed from the active and inactive stockpiles during those four fiscal years, together with a discussion of the dismantlement of nuclear weapons that is planned or projected to be carried out during such fiscal years.

(4) A description of the number and type of tests involving underground nuclear detonations that are planned to be carried out during those four fiscal years, if any, and a discussion of the justifications for such tests.

(c) TESTING BY UNITED KINGDOM.—Subject to the same conditions as are set forth in paragraphs (1) through (4) of subsection (a) for testing by the United States, the President may authorize the United Kingdom to conduct in the United States one or more tests of a nuclear weapon within a period covered by an annual report if the President determines that is in the national interest of the United States to do so.

(d) JOINT RESOLUTION OF DISAPPROVAL.—For the purposes of subsection (a)(4), "joint resolution" means only a joint resolution introduced after the date on which the committees referred to in subsection (b) receive the report required by that subsection the matter after the resolving clause of which is as follows: "Congress disapproves the report of the President on nuclear weapons testing, transmitted on _____ pursuant to section _____ of the National Defense Authorization Act for Fiscal Year 1997." (the first blank being filled in with the date of the report).

(e) IMPLEMENTATION OF TEST BAN TREATY.—If, with the advice and consent of the Senate to ratification of a comprehensive nuclear test ban treaty, the United States enters into such a treaty, the United States may not conduct tests of nuclear weapons involving underground nuclear detonations that exceed yield limits imposed by the treaty unless the President, in consultation with Congress, withdraws the United States from the treaty in the supreme national interest.

(f) REPORT OF SUPERSEDED LAW.—Section 507 of Public Law 102-377 (106 Stat. 1343; 42 U.S.C. 2121 note) is repealed.

Mr. KYL. Mr. President, I will describe this very briefly. It is actually a simple amendment. I will only discuss it here for about 3 or 4 minutes, then we can have further discussion tomorrow when there are more Members present, when they desire to do so.

This is an amendment dealing with nuclear testing, and the effect of it is to simply extend the time for the President to decide to test a nuclear weapon to the point that the United States ratifies a comprehensive test ban treaty and it goes into effect.

Today, the law is, as of September 30, the President could not order a nuclear test unless another country were to test a weapon.

What this amendment would do is to allow the President to order a test for safety and reliability purposes; in other words, not dependent upon whether another country happened to engage in testing, and that right would exist until such time as this country ratified and a CTBT went into effect. This chart describes very simply what we are doing.

The current law is that as of September 30 of this year, the President's ability to order a test would no longer exist, unless another country engaged in a test. And then once a CTBT is entered into force, there is no test except for extreme national emergency.

What our amendment would do is to continue the status quo until such time as there is a CTBT, and the rationale is very simple. The fact that another country tests does not necessarily mean that the United States should test. Our ally France has conducted nuclear tests. China has conducted nuclear tests and plans to conduct some more. And in neither of those events is it necessarily the case that as a result the United States should test.

We have no reason to test just because some other country does. But there is always the possibility that the President would want to order a test in order to assure stockpile safety and reliability. If we had some reason to believe, for example, that one of our weapons was no longer safe and we wanted to test that it was safe or to find out why it was not safe, in that event, today the President has such a right to order such a test, and he would continue to have that right until such time as the CTBT is adopted.

That is it. That is as simple as the amendment is.

I further state, the Congress would have the right under this amendment to ratify the President's decision or to reject it, based upon reports that the President would continue to send to us. Today, the President is required to send us a report, and we would continue to require that report be sent to us on the status of the stockpile and whether any testing is required.

Under this amendment, if the President said he wanted to conduct a test, the Congress would have the ability to tell him he could not do so. This is not something that we are suggesting that the President do or suggesting that he would do it. It is simply a safety valve, if you will, in the event of some untoward event with our stockpile that the President should conclude that a test is necessary that he would have the ability to do that.

It does not affect the CTBT negotiations in any way. As I said, our amendment simply goes up to the time that a CTBT is entered into. It is that simple, Mr. President.

If Members wish to further discuss it tomorrow, I will be happy to try to answer any questions about it or discuss it. I cannot imagine it would be particularly controversial.

Mr. President, if there is no one seeking to speak, 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. THURMOND. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from South Carolina is recognized.

Mr. THURMOND. Mr. President, the subject matter of this amendment will

probably be quite contentious. I hope not. I hope that other Members will see that the amendment does not advocate opposition to concluding a comprehensive test ban and that it does not promote testing. With that in mind, I rise in support of the amendment offered by the distinguished Senator from Arizona.

As I understand the amendment, it would authorize the President to conduct underground nuclear weapons tests after October 1, 1996, if a comprehensive test ban treaty has not been ratified by the United States. In order to conduct an underground nuclear test, the President would have to submit a report to Congress detailing justification for the test. In order to stop the test from being conducted, the Congress would have to pass a joint resolution within 90 days.

During the debate on the Exon-Hatfield legislation which prohibits nuclear testing, I voiced my concerns for the safety and reliability of the nuclear stockpile without the ability to test. So long as our defense relies on nuclear weapons, we must ensure the safety and reliability of the stockpile. That requires the authority to conduct underground nuclear tests. I urge my colleagues to adopt the amendment.

Mr. KYL addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

MORNING BUSINESS

Mr. KYL. Mr. President, on behalf of the leader, I ask unanimous consent that there now be a period for the transaction of morning business with Senators permitted to speak for up to 5 minutes each.

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

REPORT OF SENATE DELEGATION VISIT TO BOSNIA

Mr. DASCHLE. Mr. President, during the April recess, the Senator from Utah [Mr. HATCH], the Senator from Nevada [Mr. REID], and I traveled to Bosnia and other countries of the former Yugoslavia as well as Albania and Hungary to monitor developments related to implementation of the Dayton peace accord and to visit United States troops stationed in Bosnia and the surrounding area. We have prepared a report of our trip and submit it for our colleagues' and the public's consideration. It should be noted that the situation in Bosnia is constantly evolving and that the report reflects our findings based on developments through the period of our visit, which ended on April 12, 1996. I ask unanimous consent that the full report be printed in the RECORD.

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

REPORT OF SENATE DELEGATION VISIT TO BOSNIA, APRIL 3–12, 1996

INTRODUCTION

A delegation from the United States Senate, consisting of Democratic Leader Tom Daschle (D-SD), Senator Orrin G. Hatch (R-UT), and Senator Harry Reid (D-NV), met with leading officials in Bosnia and the other countries of the former Yugoslavia—Croatia, the Former Yugoslav Republic of Macedonia (FYROM), Serbia, Slovenia—as well as Albania and Hungary from April 3 to April 12, 1996. The delegation was authorized by the joint leadership of the Senate to explore outstanding issues related to implementation of the Dayton Peace Accord formally signed on December 14, 1995, by President Alija Izetbegovic of Bosnia and Herzegovina, President Slobodan Milosevic of Serbia and Montenegro, and President Franjo Tudjman of Croatia in Dayton, OH.

The accord is based upon the tenet that Bosnia will remain a single state within its internationally recognized borders, but that the state will be comprised of two entities—the Bosnian Muslim-Croat Federation and the Republika Srpska—with substantial authority. In an effort to create the conditions for peace in Bosnia, the Dayton agreement provides for a peace implementation force (IFOR) under NATO command and calls for civilian implementation through elections and economic reconstruction.

In the period between the signing of the accord and the delegation's departure, the ceasefire had held, elections were being scheduled, and problems related to implementation of the civilian aspects of the peace agreement were reported.

On the day the delegation left for the region, Americans received the tragic news that the plane carrying Commerce Secretary Ron Brown, 32 other Americans, and two Croatians had crashed near Dubrovnik, Croatia. Secretary Brown had been traveling in and around Bosnia with U.S. business leaders and Commerce Department officials as part of the American effort to help build democratic and economic institutions in the region so that a lasting peace might take hold in the Balkans. After making schedule adjustments, the delegation chose to go forward with its planned visit to the region to honor Ron Brown's vision and to send a clear signal to those struggling for peace in Bosnia that the United States remains committed to that mission.

TOM DASCHLE.
ORRIN G. HATCH.
HARRY REID.

SUMMARY

Senators Daschle, Hatch, and Reid met with leading officials in Bosnia, Croatia, the former Yugoslav Republic of Macedonia, Serbia, Slovenia, Albania, and Hungary. In each country, the delegation gathered perspectives on: (1) military implementation of the Dayton Peace Accord; (2) civilian implementation of the Dayton Peace Accord; (3) that country's progress toward democratization; and (4) that country's progress toward privatization and development of a market economy. In Bosnia, the FYROM, and Hungary, the delegation visited U.S. military installations and met with troops stationed in the region.

While perspectives on progress toward peace in Bosnia and the Balkans varied from country to country, the delegation found there was general consensus around two basic points: first, that NATO's Implementation Force (IFOR), led by the United States, has been an unqualified success in terms of stopping the war in Bosnia; and, second, that, while moving forward, implementation of the civilian and economic aspects of the Dayton accord has met with significant delay and difficulty.

U.S. military and diplomatic leadership were credited by virtually everyone in the region for progress that has been made in Bosnia. Still, concerns persist about the prospects for full implementation of the Dayton accord within the timeframes laid out in the plan. Officials stressed that key to successful implementation will be the efforts of Serbian and Croatian leaders to garner the commitment of Serbs and Croats within Bosnia to the borders agreed to in the Dayton accord as well as human rights for all ethnic groups within those borders.

Morale among U.S. troops appeared to be high, despite the fact that they are living and working under extremely difficult conditions. The servicemen and women with whom the delegation spoke understood and believed in the importance of their mission. They also spoke highly of the cooperative spirit that has exemplified their relationship with forces from Russia, Britain, France, and the other countries represented in IFOR.

The delegation's goals were to promote, and assess progress with respect to, full implementation of the Dayton Peace Accord; to express support for U.S. troops participating in the NATO and UN peacekeeping efforts; to promote democracy, economic growth, and respect for human rights in the region; and to reflect the United States' commitment to those working for a lasting peace in Bosnia.

FINDINGS

The delegation returned to the United States confident that U.S. military and diplomatic leadership has been the driving force behind the current peace in Bosnia—that the peace could not have been accomplished, and probably cannot be sustained, without our efforts. The delegation returned convinced of the value of that mission, for, as fragile as the peace in Bosnia may be, the promise of peace, freedom and democracy for all the people of the former Yugoslavia—and the regional stability that would follow from that achievement—justify their pursuit.

Several major findings—some of them confirmations of past ones—resulted from this visit.

NATO military action, U.S. diplomacy, and military implementation supporting that diplomacy stopped the war in Bosnia and have been the primary deterrents to resumption of the war.

U.S. military and foreign service personnel serve as models for the rest of the world; their professionalism under extraordinary circumstances should make every American proud.

Landmines pose a serious threat to U.S. and other peacekeeing forces as well as the civilian population in Bosnia. The United States should actively seek an international ban on the use of anti-personnel landmines.

Regarding the military aspect of the Dayton Peace Accord, IFOR has successfully carried out its mandate thus far.

Conditions for free and fair elections in Bosnia have not yet been established. Numerous concerns were heard regarding the willingness of the dominant parties in the three regions to allow free elections.

People throughout the Balkan region are concerned about the timing of IFOR's departure in light of problems related to implementation of the civilian aspects of the Dayton accord and economic reconstruction.

While these concerns should be taken seriously, the ultimate success or failure of the

Dayton accord—and the chance for sustained peace in the region—will depend on the political will of its signatories.

The United States must continue to pressure those signatories to commit themselves fully to that effort.

HUNGARY

The delegation began its investigations in Hungary, host to 7000 American troops at three U.S. military installations, including Taszar Airbase, the primary logistics center and staging area for U.S. troops deployed in Bosnia. In meetings with the Deputy Foreign Minister, American troops at Taszar, business leaders in Budapest, and U.S. Embassy officials, the delegation explored issues related to implementation of the Dayton Peace Accord, Hungary's role in supporting the military aspects of the accord, NATO expansion, and Hungary's progress toward fulfillment of the country's political and economic goals.

Deputy Foreign Minister Istvan Szent-Ivanyi told the delegation that, while implementation of the military aspects of the Dayton Peace Accord was proceeding in the right direction, he remained concerned about implementation of the political aspects of the accord. He expressed the view that the American and European military presence in Bosnia has been essential to the restoration of peace in the region and that continued U.S. support of the peace effort will be essential to maintenance of that peace and the safe resettlement of war refugees, including ethnic Hungarians. He reported that Hungary is fully cooperating with the War Crimes Tribunal's efforts to identify, locate, and prosecute perpetrators of war crimes in Bosnia.

Szent-Ivanyi also stressed Hungary's desire to be included in the first round of candidates for NATO expansion and called for a "normal integration process." He also discussed with the delegation the upcoming official opening of the International Law Enforcement Academy in Budapest to combat organized crime.

During a visit to the United States' Intermediate Staging Base in Taszar, Hungary, the delegation was briefed on the massive effort to deploy U.S. forces to Bosnia. Seventy-five to 80 percent of the 18,000 U.S. troops stationed in Bosnia have entered the country through the staging area in Taszar since the deployment began last December.

Major General Walter H. Yates, Jr., Deputy Commanding General, V Corps, United States Army, Europe, advised the delegation that the size and configuration of the U.S. deployment in Bosnia would be assessed again in early summer and that any minor adjustments that might be needed would be made at that time. He also reported that, from a military perspective, all sides have been in general compliance with the Dayton Peace Accord. He concluded that the greatest challenge facing the multinational force in Bosnia is the existence of 3 to 8 million landmines in that country. He added that U.S. forces are encouraging, training, and monitoring the work of various factions to deactivate the mines. Finally, the group was told that the Hungarian government has been especially helpful to U.S. military efforts and that U.S. personnel at Taszar is seeking to further its cooperation with Hungary and the local community at the military, political, and civic levels.

Senator Daschle addressed the troops in attendance at the briefing, thanking them for their role in the mission and expressing the support of the Senate. He and the entire delegation also had a chance to visit with individual servicemembers.

SERBIA AND MONTENEGRO

In Belgrade, the delegation met with President Slobodan Milosevic, opposition leaders, union leaders, members of the independent press, and U.S. Embassy officials. Discussions focused on Serbia's compliance with the Dayton agreement, cooperation with the War Crimes Tribunal, relations with other republics of the former Yugoslavia, movement toward democratization and privatization, the situation in Eastern Slavonia, resettlement of the Krajina Serbs, and progress toward a peaceful solution to the disputes between the government and ethnic Albanians in Kosovo.

In its meeting with President Slobodan Milosevic, the delegation reiterated and expressed strong support for U.S. policy concerning normalization of relations with Serbia—that the "outer wall" of UN sanctions will remain in place until the Dayton agreement is fully and successfully implemented. Serbia has fully cooperated with the War Crimes Tribunal's effort to arrest and prosecute war criminals, and there is significant progress in Kosovo. The delegation also pressed Milosevic on the need for progress toward the development of democratic institutions, including a free and independent media. The delegation stressed the importance of normalization of Serbian-FYROM relations.

Milosevic characterized developments since the signing of the Dayton accord as "pretty positive," concluding that the military aspects of the agreement have been "absolutely successful" and that civilian implementation of the agreement has slowed somewhat. Although he said he questions the objectivity of the War Crimes Tribunal, Milosevic stated that Serbia has cooperated with the Tribunal and "will not protect war criminals." While acknowledging that respect for human rights is a "global issue," he called the situation in Kosovo "an internal matter." Milosevic suggested that the independent press in Serbia is thriving and that Serbian-FYROM relations would be normalized in the near future.

BOSNIA

Sarajevo

The flight over Bosnia and into Sarajevo gave the delegation its first sense of the magnitude of the devastation in that country, and the drives from the Sarajevo airport through the city and through the Sarajevo suburbs revealed the reality of "ethnic cleansing" in a way that news reports can only suggest. Burned and bombed buildings lined the main street running through Sarajevo. The delegation's visit to the ruins of the Sarajevo library, which was known as one of the most magnificent buildings in the country was graphic evidence of the war's devastating impact on Bosnia. Some have proposed to leave the library as it currently stands—if it can be stabilized structurally—and turn it into a war memorial.

Make-shift cemeteries in what were formerly soccer fields and other public spaces served as sad reminders of the 200,000 Bosnians, including 10,000 Sarajevans, who died in the 4½ year war. Still, the resumption of activity all over Sarajevo served as evidence that peace is both hoped for and possible if all sides commit themselves to it.

At the U.S. Embassy, the delegation was briefed by Admiral Leighton W. Smith, Jr., Commander in Chief, IFOR (Smith also serves as Commander-in-Chief, Allied Forces Southern Europe and Commander-in-Chief, U.S. Naval Forces), and by Embassy officials accompanied by various U.S. and international representatives charged with implementation of various aspects of the Dayton accord. The delegation also met with President Alija Izetbegovic.

Again, the delegation heard that the military aspects of the Dayton agreement had been very successful, but that civilian implementation of the agreement has proven more complex. Of particular concern were efforts to ensure the Muslim-Croat Federation in Bosnia remains viable, ensure that the Bosnian elections—at the municipality, canton, entity, and republic levels—are free, fair, and in full compliance with the Dayton guidelines, and ensure the safe resettlement of refugees from all ethnic groups as well as general freedom of movement.

The delegation was told by international representatives at the Embassy briefing that Serb, Croat, and Muslim factions within Bosnia all have been accused of varying degrees of authoritarianism and violations of human and civil rights and that concerns about Serbian President Milosevic's and Croatian President Tudjman's interests in pursuing a "Greater Serbia" and a "Greater Croatia" persist. Nevertheless, most analysts reported that Milosevic and Tudjman appeared to be complying with the Dayton accord, though limits on Serbian cooperation on the release of prisoners continues to pose a serious challenge, and greater cooperation in turning over war criminals remains wanting from both leaders. Furthermore, many are concerned that Bosnian Serb Army Commander Ratko Mladic and Bosnian Serb President Radovan Karadzic are still in control of the Bosnian Serbs, and that Tudjman has been reluctant to disassociate himself from troubling actions by the Bosnian Croats. It is clear that close monitoring of these factors and continued pressure on all sides to comply with the Accord, including the removal of all indicted war criminals from political power and their submission to the Hague, will be important to the long-term viability of the Muslim-Croat Federation and peace in general.

The delegation was briefed on efforts to build the civilian police and criminal justice systems in Bosnia. The importance of having these systems in working order by the time the NATO implementation force departs was stressed.

In its meeting with President Izetbegovic, the delegation discussed the President Izetbegovic's perspective on the military and civilian implementation of the Dayton Peace Accord; ways to strengthen the Muslim-Croat Federation; progress toward free and fair elections; the importance of freedom of the press; and efforts to ensure that borders in the Dayton Accord, as well as the human rights of all ethnic groups within those borders, are respected. The senators stressed the importance of ensuring that all Iranian and other foreign forces leave Bosnia. The delegation congratulated Izetbegovic for his efforts to release prisoners under Muslim control and reiterated the United States' commitment to a lasting peace and a multiethnic Bosnia.

Tuzla Airbase

After an aerial tour of the devastation of countless Bosnian villages, the delegation was briefed by U.S. military personnel, led by Major General William L. Nash, Commanding General, First Armored Division, Operation Joint Endeavor, and Colonel John R. S. Batiste, Commander, Second Brigade, First Armored Division, Operation Joint Endeavor. They described a combat team evenly distributed between the Republika Srpska and the Muslim-Croat Federation and

stressed the importance of operating within both entities in an even-handed, impartial way and always reflecting the competence and discipline that have given NATO the legitimacy to make this operation a success. Batiste stated that IFOR operates on the premise that any violation of the peace accord demands an appropriate response.

Colonel Batiste reported that contact between the Muslim, Croat, and Serb factions in Bosnia has become less confrontational over time, but that civilian freedom of movement has been restricted by all factions and that this is a key area of concern. He stated that exemplary U.S.-Russian troop cooperation has led to combined patrols and that the U.S. military's relationships with both NATO and non-NATO countries involved in the mission has been excellent.

Reiterating what the delegation had heard in Hungary, Colonel Batiste reported that one of the greatest challenges facing IFOR is the threat posed by remaining landmines. He said there had been good cooperation in clearing the minefields for which there are records but that only 30 to 40 percent of the mines are included in that category. He reported that, on the previous day, 68 mines in the area had been cleared through the Mine Action Center in Tuzla. Only minutes after the delegation was given that information, Colonel Batiste's briefing was interrupted by a report that a Russian soldier had just lost his foot in a mine explosion.

Colonel Batiste stressed the importance of the effort to ensure that the political and civilian aspects of the Dayton accord are fully implemented and to keep the economic reconstruction effort on track. He discussed the difficulties related to the election process, since many, particularly Serbs, are uninformed about where they must vote (under the Dayton agreement, all Bosnians' voting eligibility is based on where they lived in the spring of 1990 before the war began). The economic impact of Serb, Muslim, and Croat army downsizing was also discussed, as were the ongoing effort at arms control within Bosnia and the importance of the development of a professional, civilian police force.

The delegation was briefed on the medical facilities serving U.S. forces (every lodgement has a medic and a surgeon) and advised that environmental data collection that might be needed in any follow-up health investigations has been vigorous.

Senators Daschle, Hatch, and Reid addressed the servicemen and women at the briefing, acknowledging their personal sacrifices and praising and thanking them for the professionalism with which they are carrying out their mission. Members of the delegation also had an opportunity to share a lunch of soup and MREs (meals ready to eat) with personnel from their respective states.

ALBANIA

The delegation's visit to Albania was marked by visual impressions as much as verbal reports. As soon as the plane made its descent, the American mental image of one of the world's most closed societies was overshadowed by the reality of a green, mountainous countryside and a capital filled with activity. Reminders of Albania's past, including 600,000 to 750,000 seven-ton concrete-and-steel bunkers built to respond to the perceived threat of simultaneous attacks from NATO and the Warsaw Pact, remain, but the future is clearly Albania's focus.

In Tirana, in addition to sessions with the President and opposition leaders, the delegation met with U.S. Embassy officials joined by representatives of the U.S. Information Agency and the U.S. Peace Corps mission in Albania. They were briefed on the repression suffered by the Albanians for 40 years at the hands of dictator Enver Hoxha. It is estimated that 25 to 30 percent of Albanian families experienced that repression—imprisonment, exile, torture, or execution—firsthand. Albania had been a bankrupted economy that for decades had outlawed private ownership of cars, monitored the direction of people's television antennas, and declared itself atheist, turning its largest Catholic cathedral into a basketball court to prove it. In April 1992, Albania elected a new president and was on its way to filling its streets with cars and every other form of transportation, tuning in to "CNN International," erecting coffeehouses on every city curb, privatizing its economy, and reducing inflation from 400 percent to single digits.

Certainly Albania faces serious challenges. According to the briefing team, reports of discrimination against the ethnic Greek minority continue; criminal justice and judicial reforms are needed; the state controls Albania's electronic media; the civilian police force is ill-trained; opposition parties complain the country's "Lustration" law, which bars certain former communist officials and others from seeking political office until 2002, is too broad; the military is severely underfunded; and the country's economy and infrastructure have a long way to go. Still, they report that Albania has made significant progress toward the establishment of democracy.

In a meeting with the delegation, Albanian President Sali Berisha reported that his administration has focused on efforts to promote fast growth, make possible integration into NATO and the European Union, and improve educational opportunities within the country. He thanked the delegation for U.S. support for progress in Albania and reported that U.S.-Albanian military cooperation has been especially good. He also expressed thanks for U.S.A.I.D.'s reforestation program in Albania, adding that the construction of the ubiquitous bunkers had caused serious damage to Albania's forests.

President Berisha added his voice to those who rate the military implementation of the Dayton accord as successful and the political progress slow. He also provided an Albanian perspective on the situation in Kosova, saying that Albania wants a peaceful solution with Serbia. He defended Albania's Lustration law, arguing that Albania faced a true "cultural genocide" at the hands of its former rulers and that those barred from political candidacy may appeal that ruling if they can show that documents linking them to abuses have been falsified. He addressed concerns about state-controlled media outlets by saying that private entities are forming and that state-controlled outlets will be privatized as independent outlets develop.

President Berisha expressed optimism about Greek-Albanian relations and discussed the process in place for Albania's upcoming elections. He concluded by saying that Albania's greatest challenges are to maintain the country's fast economic growth and continue to build its democratic institutions.

FORMER YUGOSLAV REPUBLIC OF MACEDONIA (FYROM)

The former Yugoslav Republic of Macedonia is the only former republic to make a completely peaceful transition to independence, and, in virtually every discussion the delegation had with political leaders in that country, a pragmatic and democratic attitude about how to approach problems and resolve disputes was reflected. The delegation met with Tito Petkovski, President of the Macedonian Parliament, Prime Minister Branko Crvenkovski, and President Kiro Gligorov, as well as U.S. Embassy officials. The discussions focused on implementation of the Dayton accord, the impact of potential instability in Bosnia and Kosovo on the FYROM, the FYROM's political process, efforts to fully privatize the country's economy, and the FYROM's relations with its neighbors. The delegation also visited two U.N. Preventative Deployment Force (UNPREDEP) observation posts along the Serbian border.

Parliament President Tito Petkovski advised the delegation that Serbia and the FYROM had agreed within the previous 24 hours to establish full diplomatic relations, though the details of the agreement were not fully available at the time of the meeting. He said he was hopeful that the issue of his country's name could be resolved with Greece in the near future and noted that his country has no other open problems with Greece. Petkovski stressed the importance of a lasting peace in Bosnia, saying that failure to fully implement the Dayton accord would threaten the FYROM's stability. He thanked the delegation for the United States' military cooperation and support of FYROM's efforts to develop democratic institutions and a stronger economy. Petkovski also briefed the delegation on the parliament's preparation of a new electoral law and the current situation with respect to political parties in the FYROM.

Prime Minister Branko Crvenkovski declared the UN military presence, led by a force of 550 Americans, to be an overwhelming success, arguing that such preventive efforts are much more cost-effective than war, and predicted that the deployment would serve as a prototype for other deployments. He discussed the impact on the FYROM's economy of past UN sanctions against Serbia and stressed the importance of turning around the negative economic trends that have been suffered by the Macedonian people. Crvenkovski acknowledged the difficulties the FYROM has faced in the area of the schooling for ethnic Albanians and outlined the FYROM's plan to increase the percentage of classes taught in the Albanian language. He also noted the importance of stabilizing the situation in Kosovo.

The delegation met with President Kiro Gligorov and was pleased to learn both that he had recovered well from his injuries resulting from an assassination attempt several months earlier, and that, during his absence from office, the FYROM government adhered strictly to its constitutional precepts. President Gligorov spoke of the resiliency of the Macedonian people and their willingness to accept great personal sacrifices to achieve independence and democracy. He expressed his commitment to a peaceful, fair resolution of the Kosovo issue and, like Petkovski and Crvenkovski, noted that Albanians are active participants in FYROM's government. Gligorov spoke of his country's two most basic challenges and obligations during the war in Bosnia were: to do nothing to cause the expansion of the war to the south and to care for the FYROM's internal stability. He noted that he had substantial support from the United States in these efforts. Gligorov expressed the hope that continued US-FYROM cooperation would lead to his country's integration into NATO and the European Union.

The delegation traveled by helicopter to two U.S.-operated UNPREDEP observation posts along the Serbian border, meeting with

servicemembers at each post. Five hundred fifty U.S. troops are stationed in the FYROM as part of this effort, first proposed by President Bush and later implemented by President Clinton, to monitor the FYROM-Serbia border and prevent the Bosnian conflict from spreading to the south.

SLOVENIA

In addition to a briefing from U.S. Embassy officials, the delegation's visit to Slovenia, the most economically advanced country of the former Yugoslavia, was marked by meetings with President Milan Kucan, State Secretary Ignac Golob, and Prime Minister Janez Drnovsek.

In the meeting with President Kucan, the delegation discussed the historic roots of Slovenia, which he described as a traditional identification with Austria-Hungary that has manifested itself in the Slovenian people through individualism, realism, a strong work ethic, and tolerance of different peoples. He stated that Tito interrupted that tradition but that Slovenia has maintained its Central European, rather than Balkan, orientation.

With respect to the break-up of Yugoslavia, Kucan argued that, while Islam and socialism had served as integrating elements beginning in 1918, there had been no "new idea" to keep Yugoslavia unified beyond those periods. He called that explanation an oversimplification, but said he believed it was a major factor in the former Yugoslav republics' declarations of independence.

Kucan called the Dayton agreement "a decisive point," stating that the United States had successfully interrupted the cycle of violence and ignorance. He reiterated what many others had said about the roots of the conflict—that the war was not a civil or religious one, but an attempt to use ultranationalism to create a "Greater Serbia" and, later, a "Greater Croatia" by exporting the war to Bosnia-Herzegovina. Kucan stated that the U.S. presence has been critical to the effort to prevent resumption of the war, he believes the ultimate success of the Dayton accord will depend on a commitment to that peace reflected in Belgrade and Zagreb, and he called for continued U.S. and European pressure on Serbia and Croatia toward that end.

Kucan also discussed Slovenia's current dispute with Italy over Slovene land that was owned by Italians before 1945. The Slovene parliament was to consider a law to ease restrictions on foreign ownership of property later that day. (The parliament did later approve a proposal by the Spanish presidency of the European Union to resolve the dispute. The Italians foreign ministry has responded positively, but the final outcome of the issue, which rests in the Italian parliament, remains uncertain.)

With State Secretary Golob of the Ministry of Foreign Affairs, the delegation discussed the Kosovo issue. Golob shared the view of many others—that war in Kosovo would destabilize the entire region and that the foreign presence in the area—particularly that of the United States—is "extremely important." He described the situation in the former Yugoslavia as "complicated, but not hopeless," and argued that the price the international community is paying for the IFOR deployment is small compared to the costs that would be associated with failure in Bosnia and a spread of the war.

Prime Minister Drnovsek also argued the legitimacy and importance of the U.S. role in Bosnia. He acknowledged the challenges the involvement poses for the United States in the short term, but expressed its long-term value in terms of the cost-effectiveness of prevention as well as the benefit of helping small democracies develop in Central Europe and the Balkans. He said, "You who espouse democracy, and have enjoyed it for 200 years, have the opportunity to see people who have lived for generations under tyranny, dictatorship, and communism now breathe freely under democracy. We, the small struggling republics, could be like you."

CROATIA

In addition to a briefing from the Ambassador and other U.S. Embassy officials in Zagreb, the delegation met with Croatian President Franjo Tudjman to discuss progress related to implementation of the Dayton Peace Accord, the prospects for long-term peace in the region, and the investigation of the crash of Secretary Brown's plane in Dubrovnik.

The delegation thanked President Tudjman for Croatia's assistance in the aftermath of the plane crash and expressed the delegation's and the United States' interest in continuing the mission that Secretary Brown started. The senators pressed Tudjman on the importance to U.S.-Croatian relations of continued progress toward democratization and privatization. The delegation also indicated that the United States would be monitoring the following issues over the next 6 to 18 months: continued support for the Muslim-Croat Federation, including respect for Bosnia's borders and protection of human rights within those borders, and for peaceful resolutions of regional disputes; fair treatment and resettlement of Serbs who lived in Croatia before the war; continued progress in Eastern Slavonia; and cooperation with the War Crimes Tribunal. The delegation stated that the United States is looking to Croatia for leadership toward a lasting peace in the region.

Tudjman reported that good progress is being made in Eastern Slavonia, and supported the idea of Serb family reunification, but said that it "would not be realistic" to expect the return of all Serbs from that region. He argued that Bosnian Croats have been more cooperative than Bosnian Muslims with respect to implementation of the Dayton agreement and pointed to recent problems in Mostar to support that claim. Still, Tudjman called himself "an optimist," saying that optimism is based on peace being in Croatia's strategic interest and the Bosnians having no other option. He summarily dismissed rumors of his willingness to enter into an agreement with Serbian President Milosevic to divide Bosnia.

GOOD SAMARITAN CENTER'S 50 YEARS OF SERVICE

Mr. DASCHLE. Mr. President, I would like to take this time to congratulate the staff of the Good Samaritan Center as they celebrate 50 years of service to the Tyndall community. The center has provided quality care to senior citizens in the Tyndall area, and its management and staff are to be commended for their hard work and dedication.

During my travels throughout South Dakota, I am continually reminded of the importance of health care institutions in our rural communities. They provide important services to local residents and help preserve our tight-knit communities.

The Good Samaritan Center in Tyndall is one of those institutions, and it gives me great pride to be able to point to such an exemplary South Dakota facility. For half a century, the center has been an integral part of the Tyndall community, serving the elderly with respect and compassion. Most importantly, the Good Samaritan Center ensures that its residents can continue to live close to their friends and loved ones, and in the towns in which many of them have spent their entire lives. The center can be very proud of its role in the Tyndall community.

Once again, I applaud the management and staff of the Good Samaritan Center on this important milestone. I know their next 50 years will be just as successful and rewarding.

TRIBUTE TO MINISTER GABRIEL LEWIS

Mr. THURMOND. Mr. President, the United States and the Republic of Panama enjoy a long and strong relationship between our two nations, one that stretches back to the 1904 founding of Panama. Since that time, these two great American nations have worked together to build partnerships for peace and prosperity that have not only greatly benefited our respective countries, but all the states of the American continents. During these 92 years, Panamanian and American officials and citizens have built countless friendships, and I rise today to share with my colleagues the unfortunate news that a man most of us know and like very much, Foreign Minister of the Republic of Panama Gabriel Lewis, is resigning his position due to illness.

Minister Lewis' contributions to his nation are well known and well respected. He has served Panama faithfully and selflessly during his career, and through his service, he has worked to make his nation a better and stronger place for its citizens. Perhaps Minister Lewis' greatest legacy and contribution to his countrymen, though, is the leading role he took in opposing the dictatorial and criminal regime of the former Panamanian strongman, Manuel Noriega.

Bringing Noriega to justice and holding him accountable for his illegal and immoral behavior took thousands of individuals to commit acts of great courage. It took courage for Panamanian citizens to take to the streets and protest the regime of Noriega and to face his riot police and organized thugs dubiously titled "Dignity Battalions"; and, it took courage for the young soldiers of the 82d Airborne and the 7th Infantry Divisions to engage in combat with the well trained and equipped Panamanian Defense Force. It took great courage for Minister Lewis to openly defy and condemn the government of his nation, and to take Noriega

and his puppet advisers to task for attempting to quash democracy and ignore the basic civil rights of their citizens. Minister Lewis' leadership in the international community during that time of crisis was just as critical to the successful outcome of Operation Just Cause, and the arrest and conviction of Noriega as were the contributions made by the people of Panama or the military personnel of the United States.

Mr. President, though I am sure that those who know Minister Lewis are sorry to see him leave his post as Foreign Minister of the Republic of Panama, I am pleased to note that our friend is not leaving public service. Recognizing an individual of unusual characteristics and qualities, the President of Panama has appointed Gabriel Lewis to be his senior counsel, with cabinet rank. I am confident that Minister Lewis will continue to make many valuable contributions to the people and nation of Panama through this new position, and that he will also continue to work to maintain and further strengthen the friendship between our nations, as well as to further the march of democracy throughout Latin America. I wish him success in his work as senior counsel, and for a speedy and complete recovery to his full health.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, as of the close of business yesterday, Monday, June 17, the Federal debt stood at $5,137,826,225,531.03, which amounts to $19,306.97 per man, woman, and child on a per capita basis.

SETTING THE RECORD STRAIGHT

Mr. FORD. Mr. President, I am sure that we all have high standards for accuracy on this floor, and therefore I wish to comment on certain statements which have been made in recent days.

On June 7, the junior Senator from Oklahoma mistakenly represented that the Senate had voted on a version of the balanced budget amendment in the 103d Congress that was "identically the same" as the version voted on in the 104th Congress. He then mistakenly inserted into the CONGRESSIONAL RECORD copes of two resolutions when he represented to be "the two resolutions that we voted on * * *."

In fact, he inserted into the RECORD copies of the resolutions as introduced, but not as amended and actually voted on by the Senate. The two resolutions which were ultimately voted on contained language differences concerning judicial review.

The distinguished Senator from North Dakota and I had a colloquy with the Senator from Oklahoma. As we pointed out then, the language differences were not the primary reasons for our votes in opposition to the balanced budget amendment in the 104th Congress. Our opposition stemmed mainly from the dramatic change in the interpretation of section 6 of the proposal concerning implementing language—regarding the intention to count the annual surplus in the Social Security trust fund. However, since the Senator from Oklahoma was attempting to portray the issue in a simple black-and-white fashion—as two votes on identical proposals—we sought to clarify for the RECORD that the representations he made were flat out wrong.

Last Friday, the junior Senator from Oklahoma again took the floor to discuss this matter. He stated that, after all, the two resolutions really were "exactly the same thing" since both added language dealing with the issue of judicial review. Therefore, even though the language was different, certain Senators "turned right around and actively opposed the same exact language in a balanced budget amendment" that they had earlier supported in 1994.

The junior Senator from Oklahoma then quoted the distinguished Senator from Georgia, Senator NUNN, who authored a 1995 amendment on judicial review. What the Senator from Georgia actually said on February 28, 1995 was that his amendment on judicial review was "similar to the Danforth amendment we agreed to last year and the Johnston amendment, which was defeated last week" by a vote of 47 to 52.

I ask unanimous consent that the Danforth amendment from 1994 and the Johnston and Nunn amendments from 1995, each of which amends section 6 of the balanced budget amendment, be printed in the RECORD at this point.

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

DANFORTH AMENDMENT

The power of any court to order relief pursuant to any case or controversy arising under this Article shall not extend to ordering any remedies other than a declaratory judgment or such remedies as are specifically authorized in implementing legislation pursuant to this section.

JOHNSTON AMENDMENT

The judicial power of the United States shall not extend to any case or controversy arising under this article except for section 2 hereof, or as may be specifically authorized in implementing legislation pursuant to this section.

NUNN AMENDMENT

The judicial power of the United States shall not extend to any case or controversy arising under this article except as may be specifically authorized by legislation adopted pursuant to this section.

Mr. FORD. As the Senator from Georgia noted, all three amendments are similar. The Senator form Oklahoma says the Danforth and Nunn amendments are "exactly the same thing." Yet last year he voted against the Johnston amendment, which also dealt with judicial review. Perhaps the next time we are discussing identical proposals on the balanced budget amendment, the junior Senator from Oklahoma can inform all of us concerning what was so different about the Johnston amendment on judicial review to justify his different positions. I would think he would consider it to be the same exact language. The junior Senator from Oklahoma continues to try to make a silk purse out of a sow's ear.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Thomas, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MEASURES REFERRED

The following resolution was read and referred as indicated:

S. Res. 263. Resolution relating to church burning; to the Committee on the Judiciary.

REPORTS OF COMMITTEE SUBMITTED DURING ADJOURNMENT

Pursuant to the order of the Senate of June 13, 1996, the following report was submitted on June 17, 1996, during the adjournment of the Senate:

By Mr. D'AMATO, from the Special Committee to Investigate Whitewater Development Corporation and Related Matters:

Special Report entitled "The Final Report" (Rept. No. 104-280).

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ROTH, from the Committee on Finance, with an amendment:

H.R. 3448. A bill to provide tax relief for small businesses, to protect jobs, to create opportunities, to increase the take home pay of workers, and for other purposes (Rept. No. 104-281).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. THURMOND, from the Committee on Armed Services:

John W. Hechinger, Sr., of the District of Columbia, to be a member of the National

Security Education Board for a term of 4 years.

(The above nomination was reported with the recommendation that he be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

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. BYRD:

S. 1881. A bill to amend title 23, United States Code, to make available for obligation such sums as are necessary to pay the Federal share of completion of construction of the Appalachian Development Highway System, and for other purposes; to the Committee on Environment and Public Works.

By Mr. DEWINE:

S. 1882. A bill to amend chapter 89 of title 5, United States Code, to include medical foods as a specific item for which coverage may be provided under the Federal Employees Health Benefits Program; to the Committee on Governmental Affairs.

By Ms. SNOWE (for herself and Mr. COHEN):

S. 1883. A bill to amend title 23, United States Code, to conform to State law the vehicle weight limitations on certain portions of the Interstate System, and for other purposes; to the Committee on Environment and Public Works.

By Mr. GRAMM:

S. 1884. A bill to provide a penalty of not less than 10 years imprisonment without release for damage by arson to houses of worship; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. LOTT (for himself, Mr. DASCHLE, Mrs. HUTCHISON, Ms. MOSELEY-BRAUN, Mr. FAIRCLOTH, Mr. LEVIN, Mr. HELMS, Mr. KEMPTHORNE, Mr. ABRAHAM, Mr. BIDEN, Mrs. BOXER, Mr. BRADLEY, Mr. CHAFEE, Mr. COCHRAN, Mr. COVERDELL, Mr. D'AMATO, Mr. DODD, Mrs. FEINSTEIN, Mr. GRAMM, Mr. HARKIN, Mr. INHOFE, Mr. KENNEDY, Mr. KERRY, Mr. LAUTENBERG, Mr. LIEBERMAN, Mr. MCCONNELL, Ms. MIKULSKI, Mr. MOYNIHAN, Mr. MURKOWSKI, Mrs. MURRAY, Mr. NICKLES, Mr. PELL, Mr. SIMON, Mr. THOMPSON, Mr. THURMOND, Mr. WARNER, and Mr. WELLSTONE):

S. Res. 265. A resolution relating to church burnings; considered and agreed to.

By Ms. MOSELEY-BRAUN (for herself and Mr. SIMON):

S. Res. 266. A resolution to congratulate the Chicago Bulls on winning the 1996 National Basketball Association Championship and proving themselves to be one of the best teams in NBA history; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BYRD:

S. 1881. A bill to amend title 23, United States Code, to make available for obligation such sums as are necessary to pay the Federal share of completion of construction of the Appalachian Development Highway System, and for other purposes; to the Committee on Environment and Public Works.

THE APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM COMPLETION ACT

Mr. BYRD. Mr. President, I rise today to introduce the Appalachian Development Highway System Completion Act of 1997. This bill will ensure that adequate funds will be disbursed to complete the Appalachian Development Highway System by the year 2003, some 38 years after the Federal Government first committed itself to the completion of this critical highway network.

We are quickly approaching the expiration of the funding authorizations contained in the Intermodal Surface Transportation Efficiency Act, or ISTEA as it is commonly referred to. Our colleagues in the other body have already begun hearings on the reauthorization of ISTEA, and the Senate Environment and Public Works Committee will begin efforts toward that end in the next several months. As we approach the drafting of a new comprehensive multiyear highway bill, I want to call the attention of my Senate colleagues to the proposal to ensure that the Federal Government finally fulfills its commitment to providing adequate highway access throughout the Appalachian region.

The necessity to expand highway access to spur the development of the Appalachian region was first cited by the President's Appalachian Regional Commission of 1964, 32 years ago. The commission's report stated:

> Developmental activities in Appalachia cannot proceed until the regional isolation has been overcome by a transportation network which provides access to and from the rest of the Nation and within the region itself. The remoteness and isolation of the region lying directly adjacent to the greatest concentration of people and wealth in the country are the very bases of Appalachian life. Penetration by an adequate transportation network is the first requisite of its full participation in industrial America.

One year later, the Appalachian Regional Development Act of 1965 authorized several programs for the development of the region, the first of which called for the construction of a new highway network. According to the act, these highways "will open up an area or areas with a developmental potential where commerce and communication have been inhibited by lack of adequate access."

Mr. President, subsequent amendments to the act defined the 3,025 miles that comprise the Appalachian Development Highway System. Unfortunately, today we find that while the Interstate Highway System is virtually 100 percent complete, the Appalachian Development Highway System is only 76 percent complete. Of the 3,025 miles that comprise the Appalachian system, roughly 725 miles remain unfinished more than 30 years after the system was promised.

These unfinished miles, spread throughout the 13 States that have counties within the statutorily designated boundaries of Appalachia, await completion. Those States include Alabama, Georgia, Kentucky, Maryland, Mississippi, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Virginia, and West Virginia. All of West Virginia is within Appalachia. West Virginia is the only State that is wholly within Appalachia.

While the completion of the Interstate Highway System did play a role in the development of certain parts of Appalachia, the interstate system largely bypassed the Appalachian region due to the extremely high costs associated with building roads through Appalachia's rugged topography. As a result, the construction of the interstates had the detrimental effect of drawing passengers and freight, and their accompanying economic benefits, away from the Appalachian region. This left the Appalachian region with a transportation infrastructure of dangerous, narrow, winding roads that followed the paths of river valleys and streambeds between mountains. These roads are, more often than not, two-lane roads that are required to be squeezed into very limited rights-of-way. They are characterized by low travel speeds and long travel distances due to the winding roadway pattern. They were often built to inadequate design standards and, therefore, present very hazardous driving conditions.

For those areas where the Appalachian Development Highway System has been completed, we have seen stunning economic successes. The Appalachian Regional Commission has completed surveys indicating that of the hundreds of thousands of jobs that have been created in the Appalachian region over recent decades, over 80 percent of these jobs have been located along either the Appalachian highway system or the Interstate Highway System.

We have seen this in West Virginia as we have seen it in each of the other 12 States that comprise the Appalachian region. Unfortunately, we have also seen that in those areas where the Appalachian Development Highway System has not been completed, it is almost impossible for communities to compete for large employers due to poor access to national markets.

Mr. President, the rationale behind the completion of the Appalachian highway system is no less sound today than it was 32 years ago—in 1964. Unfortunately, there are still children in Appalachia who lack decent transportation routes to schools. There are still

pregnant women, elderly citizens, and others who lack timely road access to area hospitals. There are thousands of people who certainly find it very difficult to obtain sustainable, well-paying jobs because of poor road access to the major employment centers.

Mr. President, the people of Appalachia have waited long enough for the Federal Government to fulfill its commitment to the Appalachian region. The bill I am introducing today will ensure that sufficient funds are set aside in the next major highway bill to complete the remaining 24 percent of the Appalachian Development Highway System.

This bill takes a different approach from that of the prior authorization acts for the Appalachian highway system. The bill calls for direct contract authority to be made available from the highway trust fund to be distributed to the States of the Appalachian region solely for the purpose of completing the 725 unfinished miles of the Appalachian Development Highway System.

One of the primary reasons why completion of the Appalachian highway system has lagged behind that of the Interstate Highway System is because the interstate system has benefited from the direct availability of highway trust funds, while the Appalachian Development Highway System has been required to be financed largely through incremental annual appropriations of general funds.

Now, Mr. President, the Appalachian Development Highway System is no less deserving of highway trust funds than any other major arterial road system. The 725 miles of the Appalachian Development Highway System that await completion represent just 1.6 percent of the size of our completed Interstate Highway System. They represent less than one-half of 1 percent of the size of the National Highway System, just designated in law in 1995. It is certainly high time that the funding mechanism for the Appalachian Development Highway System be put on a par with those of other highway systems of national significance that are customarily funded through direct contract authority from the trust fund.

The bill I introduce today also makes clear that funds provided to the Appalachian States for the completion of the Appalachian Development Highway System will be provided in addition to the funds that those States will receive from the Federal aid highway program for their customary purposes. These States should not be required to choose between the maintenance of their interstate and other Federal highways and the completion of the Appalachian system. It would not be fair to the States of the Appalachian region to give with the one hand and take away with the other.

Under this bill, States will still be required to provide the standard 20 percent matching share for Federal funds for the completion of these highways, as is the case for all major Federal aid highway programs. The bill authorizes the Secretary to distribute such sums as are necessary for the completion of the Appalachian Development Highway System.

The Appalachian Regional Commission, with the cooperation of the Federal Highway Administration, is currently updating its estimate for the cost to complete the system. I anticipate that when this bill is incorporated into next year's highway legislation, it will identify and authorize the appropriate dollar figure that results from this ongoing study.

I should point out, Mr. President, that the administration shares my goal for the completion of the Appalachian Development Highway System in the near term. I recently wrote to the President regarding my concern in this area.

OMB Director, Alice Rivlin, responding for the President, stated that it is the administration's goal to complete the construction of the system by the year 2005. In response to my questions during a recent Transportation Appropriations Subcommittee hearing, Secretary Pena also signaled his support and cooperation.

Therefore, I urge all of my colleagues to support this legislation. Our entire Nation has benefited from the improvements brought about by the Appalachian Development Highway System and so, too, will we all benefit from its completion in the near future.

By Mr. DEWINE:

S. 1882. A bill to amend chapter 89 of title 5, United States Code, to include medical foods as a specific item for which coverage may be provided under the Federal Employees Health Benefits Program; to the Committee on Governmental Affairs.

MEDICAL FOODS LEGISLATION

• Mr. DEWINE. Mr. President, I introduce legislation that will clarify the ability of fee-for-service plans in the Federal Employees Health Benefit Program [FEHBP] to provide coverage for medical foods.

Medical foods are a liquid formula given to a patient under the supervision of a doctor in cases where patients cannot take solid foods to meet their nutritional needs. Medical foods are often used for patients with AIDS or patients undergoing chemotherapy and have difficulty taking solid foods.

So this bill would amend title 5 of the United States Code to include medical foods specifically in the list of items and services that can be covered by fee-for-service plans serving FEHBP beneficiaries. This legislation would not mandate coverage of medical foods. It simply clarifies that fee-for-service plans can provide coverage for medical foods.•

ADDITIONAL COSPONSORS

S. 684

At the request of Mr. HATFIELD, the name of the Senator from Nevada [Mr. BRYAN] was added as a cosponsor of S. 684, a bill to amend the Public Health Service Act to provide for programs of research regarding Parkinson's disease, and for other purposes.

S. 794

At the request of Mr. LUGAR, the names of the Senator from Minnesota [Mr. GRAMS] and the Senator from Virginia [Mr. WARNER] were added as cosponsors 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. 949

At the request of Mr. GRAHAM, the name of the Senator from Alaska [Mr. MURKOWSKI] was added as a cosponsor of S. 949, a bill to require the Secretary of the Treasury to mint coins in commemoration of the 200th anniversary of the death of George Washington.

S. 1035

At the request of Mr. DASCHLE, the name of the Senator from Alaska [Mr. MURKOWSKI] was added as a cosponsor of S. 1035, a bill to permit an individual to be treated by a health care practitioner with any method of medical treatment such individual requests, and for other purposes.

S. 1095

At the request of Mr. MOYNIHAN, the names of the Senator from Oregon [Mr. WYDEN] and the Senator from Vermont [Mr. JEFFORDS] were added as cosponsors of S. 1095, a bill to amend the Internal Revenue Code of 1986 to extend permanently the exclusion for educational assistance provided by employers to employees.

S. 1237

At the request of Mr. HATCH, the name of the Senator from Indiana [Mr. COATS] was added as a cosponsor of S. 1237, a bill to amend certain provisions of law relating to child pornography, and for other purposes.

S. 1400

At the request of Mrs. KASSEBAUM, the name of the Senator from Arkansas [Mr. PRYOR] was added as a cosponsor of S. 1400, a bill to require the Secretary of Labor to issue guidance as to the application of the Employee Retirement Income Security Act of 1974 to insurance company general accounts.

S. 1477

At the request of Mrs. KASSEBAUM, the name of the Senator from Tennessee [Mr. FRIST] was added as a cosponsor of S. 1477, a bill to amend the Federal Food, Drug, and Cosmetic Act and the Public Health Service Act to improve the regulation of food, drugs, devices, and biological products, and for other purposes.

S. 1506

At the request of Mr. ABRAHAM, the names of the Senator from Alabama [Mr. SHELBY] and the Senator from Alabama [Mr. HEFLIN] were added as cosponsors of S. 1506, a bill to provide for a reduction in regulatory costs by maintaining Federal average fuel economy standards applicable to automobiles in effect at current levels until changed by law, and for other purposes.

S. 1632

At the request of Mr. LAUTENBERG, the name of the Senator from California [Mrs. FEINSTEIN] was added as a cosponsor of S. 1632, a bill to prohibit persons convicted of a crime involving domestic violence from owning or possessing firearms, and for other purposes.

S. 1669

At the request of Mr. LOTT, the names of the Senator from Colorado [Mr. CAMPBELL] and the Senator from Idaho [Mr. CRAIG] were added as cosponsors of S. 1669, a bill to name the Department of Veterans' Affairs medical center in Jackson, MS, as the "G.V. (Sonny) Montgomery Department of Veterans' Affairs Medical Center".

S. 1674

At the request of Mr. GRASSLEY, the name of the Senator from Nebraska [Mr. EXON] was added as a cosponsor of S. 1674, a bill to amend the Internal Revenue Code of 1986 to expand the applicability of the first-time farmer exception.

S. 1729

At the request of Mrs. HUTCHISON, the name of the Senator from California [Mrs. FEINSTEIN] was added as a cosponsor of S. 1729, a bill to amend title 18, United States Code, with respect to stalking.

S. 1740

At the request of Mr. NICKLES, the names of the Senator from New Hampshire [Mr. GREGG], the Senator from Missouri [Mr. ASHCROFT], the Senator from Washington [Mr. GORTON], the Senator from Arizona [Mr. KYL], the Senator from Utah [Mr. BENNETT], the Senator from Tennessee [Mr. FRIST], and the Senator from South Dakota [Mr. PRESSLER] were added as cosponsors of S. 1740, a bill to define and protect the institution of marriage.

S. 1808

At the request of Mr. MURKOWSKI, the name of the Senator from Arkansas [Mr. BUMPERS] was added as a cosponsor of S. 1808, a bill to amend the Act of October 15, 1966 (80 stat. 915), as amended, establishing a program for the preservation of additional historic property throughout the Nation, and for other purposes.

S. 1816

At the request of Mr. BOND, the name of the Senator from Tennessee [Mr. FRIST] was added as a cosponsor of S. 1816, a bill to expedite waiver approval for the Wisconsin Works plan, and for other purposes.

S. 1844

At the request of Mr. MURKOWSKI, the name of the Senator from Arkansas [Mr. PRYOR] was added as a cosponsor of S. 1844, a bill to amend the Land and Water Conservation Fund Act to direct a study of the opportunities for enhanced water-based recreation and for other purposes.

S. 1856

At the request of Ms. SNOWE, her name was added as a cosponsor of S. 1856, a bill to establish a commission to study and provide recommendations on restoring solvency in the Medicare Program under title XVIII of the Social Security Act.

S. 1879

At the request of Mr. MOYNIHAN, the name of the Senator from Rhode Island [Mr. CHAFEE] was added as a cosponsor of S. 1879, a bill to amend the Internal Revenue Code of 1986 to provide for 501(c)(3) bonds a tax treatment similar to governmental bonds, and for other purposes.

SENATE RESOLUTION 263

At the request of Ms. MOSELEY-BRAUN, the name of the Senator from Iowa [Mr. HARKIN] was added as a cosponsor of Senate Resolution 263, a resolution relating to church burning.

SENATE RESOLUTION 265—RELATING TO CHURCH BURNINGS

Mr. LOTT (for himself, Mr. DASCHLE, Mrs. HUTCHISON, Ms. MOSELEY-BRAUN, Mr. FAIRCLOTH, Mr. LEVIN, Mr. HELMS, Mr. KEMPTHORNE, Mr. ABRAHAM, Mr. BIDEN, Mrs. BOXER, Mr. BRADLEY, Mr. CHAFEE, Mr. COCHRAN, Mr. COVERDELL, Mr. D'AMATO, Mr. DODD, Mrs. FEINSTEIN, Mr. GRAMM, Mr. HARKIN, Mr. INHOFE, Mr. KENNEDY, Mr. KERRY, Mr. LAUTENBERG, Mr. LIEBERMAN, Mr. MCCONNELL, Ms. MIKULSKI, Mr. MOYNIHAN, Mr. MURKOWSKI, Mrs. MURRAY, Mr. NICKLES, Mr. PELL, Mr. SIMON, Mr. THOMPSON, Mr. THURMOND, Mr. WARNER, and Mr. WELLSTONE) submitted the following resolution; which was considered and agreed to:

S. RES. 265

Whereas, there have been at least 156 fires in houses of worship across the nation since October 1991;

Whereas, there have been at least 35 fires of suspicious origin at churches serving African-American communities in the last 18 months;

Whereas, these churches and houses of worship are a vital part of the life of these communities;

Whereas, intentionally burning churches or other houses of worship is a very heinous crime;

Whereas, intentionally burning churches, when done to intimidate any American from the free exercise of his or her rights as an American, is inconsistent with the First Amendment of the United States Constitution, which guarantees every American the right to the free exercise of his or her religion, and which ensures that Americans can freely and peaceably assemble together; and,

Whereas, intentionally burning churches, when done to intimidate any American from the free exercise of his or her rights, is a serious national problem that must be expeditiously and vigorously addressed.

Now, therefore, be it *Resolved*, That—

(1) the Senate condemns arson and other acts of desecration against churches and other houses of worship as being totally inconsistent with fundamental American values; and,

(2) the Senate believes investigation and prosecution of those who are responsible for fires at churches or other houses of worship, and especially any incidents of arson whose purpose is to divide communities or to intimidate any Americans, should be a high national priority.

SENATE RESOLUTION 266—TO CONGRATULATE THE CHICAGO BULLS

Ms. MOSELEY-BRAUN (for herself and Mr. SIMON) submitted the following resolution; which was considered and agreed to:

S. RES. 266

Whereas the Chicago Bulls at 72–10, posted the best regular season record in the history of the National Basketball Association;

Whereas the Bulls roared through the playoffs, sweeping the Miami Heat and defeating the New York Knicks in five games; before sweeping the Orlando Magic to return to the NBA Finals for the first time in two years;

Whereas the Bulls displayed a potent offense, and what some consider to be their best defense ever, throughout the playoffs before beating the Seattle Supersonics to win their fourth franchise NBA championship;

Whereas head coach Phil Jackson, who won his first Coach of the Year award, and the entire coaching staff skillfully led the Bulls through a record 72-win season and a 15-3 playoff run;

Whereas Michael Jordan, Scottie Pippen, and Dennis Rodman all were named to the NBA's "All-Defensive Team", the first time in 13 years that three players from the same team have been so named;

Whereas Michael Jordan, in his first full season after coming out of retirement, won his record eighth scoring title, his fourth Most Valuable Player award, and was again named playoff most valuable player (for the fourth time);

Whereas Scottie Pippen again exhibited his outstanding offensive and defensive versatility, proving himself to be one of the best all-around players in the NBA;

Whereas the quickness, tireless defensive effort, and athleticism of the colorful Dennis Rodman, who won his fifth straight rebounding title, keyed a Bulls front line that led the league in rebounding;

Whereas veteran guard Ron Harper, in shutting down many of the league's top point guards throughout the playoffs, demonstrated the defensive skills that have made him a cornerstone of the league's best defense;

Whereas center Luc Longley frustrated many of the all-star caliber centers that he faced in this year's playoffs while at times providing a much needed scoring lift;

Whereas Toni Kukoc, winner of the league's "Sixth Man" award, displayed his awesome variety of offensive skills in both assisting on, and hitting, several big shots when the Bulls needed them most;

Whereas the laser-like three-point shooting of career three-point field goal percentage leader Steve Kerr sparked many a Bulls rally;

Whereas the outstanding shooting of Jud Buechler and Bill Wennington, and the tenacious defense of Randy Brown, each of whom came off the bench to provide valuable contributions, were an important part of each Bulls victory;

Whereas John Salley and James Edwards provided valuable contributions throughout the season and the playoffs, both on and off the court, at times giving the Bulls the emotional lift they needed; and

Whereas the regular season contributions of second year forward Dickey Simpkins and rookie forward Jason Caffey, and the constant emotional lift provided by the injured Jack Haley, both on the court and in practice, again demonstrated the total devotion of Bulls personnel to the team concept that has made the Bulls into one of the most devastating basketball forces of modern times: Now, therefore, be it

Resolved, That the Senate congratulates the Chicago Bulls on winning the 1996 National Basketball Association championship.

AMENDMENTS SUBMITTED

THE NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1997

GRASSLEY AMENDMENT NO. 4047

Mr. GRASSLEY proposed an amendment to the bill (S.1745) to authorize appropriations for fiscal year 1997 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes; as follows:

At the end of subtitle A of title X add the following:

SEC. . FORCE MODERNIZATION FUNDED BY REDUCTIONS IN SPENDING FOR INFRASTRUCTURE PROGRAMS.

(a) FUNDING FREEZE AT PROGRAMMED LEVEL FOR FISCAL YEAR 1998.—The Secretary of Defense shall ensure that the total amount expended for infrastructure programs for each of fiscal years 1998 through 2001 does not exceed $145,000,000,000.

(b) USE OF SAVINGS FOR FORCE MODERNIZATION.—The Secretary of Defense shall take the actions necessary to program for procurement for force modernization for the fiscal years referred to in subsection (a) the amount of the savings in expenditures for infrastructure programs that is derived from actions taken to carry out that subsection.

(c) PROTECTION OF PROGRAM FOR SPARE PARTS AND TRAINING.—In formulating the future-years defense programs to be submitted to Congress in fiscal year 1997 (for fiscal year 1998 and following fiscal years), fiscal year 1998 (for fiscal year 1999 and following fiscal years), fiscal year 1999 (for fiscal year 2000 and following fiscal years), and fiscal year 2000 (for fiscal year 2001 and following fiscal years), the Secretary shall preserve the growth in programmed funding for spare parts and training for fiscal years 1998 through 2001 that is provided in the future-years defense program that was submitted to Congress in fiscal year 1996.

(d) REDUCTIONS TO BE SHOWN IN FISCAL YEAR 1998 FUTURE-YEARS DEFENSE PROGRAM.—The future-years defense program submitted to Congress in fiscal year 1997 shall reflect the programming for the reduction in expenditures for infrastructure programs that is necessary to carry out subsection (a) and the programming for force modernization that is required by subsection (b).

(e) GAO REVIEW OF FISCAL YEAR 1998 FUTURE-YEARS DEFENSE PROGRAM.—The Comptroller General shall review the future-years defense program referred to in subsection (c) and, not later than May 1, 1997, submit to Congress a report regarding compliance with that subsection. The report shall include a discussion of the extent, if any, to which the compliance is deficient or cannot be ascertained.

(f) INFRASTRUCTURE PROGRAMS DEFINED.—For the purposes of this section, infrastructure programs are programs of the Department of Defense that are composed of activities that provide support services for mission programs of the Department of Defense and operate primarily from fixed locations. Infrastructure programs include program elements in the following categories:

(1) Acquisition infrastructure.
(2) Installation support.
(3) Central command, control, and communications.
(4) Force management.
(5) Central logistics.
(6) Central medical.
(7) Central personnel.
(8) Central training.
(9) Resource adjustments for foreign currency fluctuations and Defense Logistics Agency managed stock fund cash requirements.

(g) FUTURE-YEARS DEFENSE PROGRAM DEFINED.—As used in this section, the term "future-years defense program" means the future-years defense program submitted to Congress pursuant to section 221 of title 10, United States Code.

DORGAN (AND OTHERS) AMENDMENT NO. 4048

Mr. DORGAN (for himself, Mr. LEAHY, Mr. HARKIN, and Mr. BUMPERS) proposed an amendment to the bill, S. 1745, supra; as follows:

On page 31, strike out line 2 and insert in lieu thereof the following:

"$9,362,542,000, of which—

"(A) $508,437,000 is authorized for national missile defense;".

KYL (AND REID) AMENDMENT NO. 4049

Mr. KYL (for himself and Mr. REID) proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of subtitle F of title X add the following:

SEC. . UNDERGROUND NUCLEAR TESTING CONSTRAINTS.

(a) AUTHORITY.—Subject to subsection (b), effective on October 1, 1996, the United States may conduct tests of nuclear weapons involving underground nuclear detonations in a fiscal year if—

(1) the Senate has not provided advice and consent to the ratification of a multilateral comprehensive nuclear test ban treaty;

(2) the President has submitted under subsection (b) an annual report covering that fiscal year (as the first of the fiscal years covered by that report);

(3) 90 days have elapsed after the submittal of that report; and

(4) Congress has not agreed to a joint resolution described in subsection (d) within that 90-day period.

(b) REPORT.—Not later than March 1 of each year, the President shall submit to the Committees on Armed Services and on Appropriations of the Senate and the Committees on National Security and on Appropriations of the House of Representatives, in classified and unclassified forms, a report containing the following matters:

(1) The status on achieving a multilateral comprehensive nuclear test ban treaty, unless the Senate has already provided its advice and consent to the ratification of such a treaty.

(2) An assessment of the then current and projected safety and reliability of each type of nuclear warhead that is to be maintained in the active and inactive nuclear stockpiles of the United States during the four successive fiscal years following the fiscal year in which the report is submitted.

(3) A description of the number and types of nuclear warheads that are to be removed from the active and inactive stockpiles during those four fiscal years, together with a discussion of the dismantlement of nuclear weapons that is planned or projected to be carried out during such fiscal years.

(4) A description of the number and type of tests involving underground nuclear detonations that are planned to be carried out during those four fiscal years, if any, and a discussion of the justification for such tests.

(c) TESTING BY UNITED KINGDOM.—Subject to the same conditions as are set forth in paragraphs (1) through (4) of subsection (a) for testing by the United States, the President may authorize the United Kingdom to conduct in the United States one or more tests of a nuclear weapon within a period covered by an annual report if the President determines that is in the national interest of the United States to do so.

(d) JOINT RESOLUTION OF DISAPPROVAL.—For the purposes of subsection (a)(4), "joint resolution" means only a joint resolution introduced after the date on which the committees referred to in subsection (b) receive the report required by that subsection the matter after the resolving clause of which is as follows: "Congress disapproves the report of the President on nuclear weapons testing, transmitted on pursuant to section of the National Defense Authorization Act for Fiscal Year 1997." (the first blank being filled in which the date of the report).

(e) IMPLEMENTATION OF TEST BAN TREATY.—If, with the advice and consent of the Senate to ratification of a comprehensive nuclear test ban treaty, the United States enters into such a treaty, the United States may not conduct tests of nuclear weapons involving underground nuclear detonations that exceed yield limits imposed by the treaty unless the President, in consultation with Congress, withdraws the United States from the treaty in the supreme national interest.

(f) REPORT OF THE SUPERSEDED LAW.—Section 507 of Public law 102–377 (106 Stat. 1343; 42 U.S.C. 2121 note) is repealed.

NOTICES OF HEARINGS

COMMITTEE ON INDIAN AFFAIRS

Mr. McCAIN. Mr. President, I would like to announce that the Senate Committee on Indian Affairs will meet during the session of the Senate on Wednesday, June 19, 1996, at 9:30 a.m.

to mark up title III of H.R. 3286, the Adoption Promotion and Stability Act of 1996. The markup will be held in room 485 of the Russell Senate Office Building.

COMMITTEE ON INDIAN AFFAIRS

Mr. McCAIN. Mr. President, I would like to announce that the Senate Committee on Indian Affairs and the Senate Committee on Banking, Housing, and Urban Affairs will conduct a joint hearing during the session of the Senate on Thursday, June 20, 1996, beginning at 10 a.m. on title VII, American Indian Housing Assistance, to H.R. 2406, the U.S. Housing Act of 1996. The hearing will be held in room 538 of the Dirksen Senate Office Building.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. THURMOND. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry Subcommittee on Research, Nutrition, and General Legislation be allowed to meet during the session of the Senate on Tuesday, June 18, 1996, to discuss issues that affect the livestock industry.

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

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. THURMOND. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be allowed to meet during the Tuesday, June 18, 1996, session of the Senate for the purpose of conducting an oversight hearing on the Federal Communications Commission.

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

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. THURMOND. Mr. President, I ask unanimous consent that the full Committee on Environment and Public Works be granted permission to meet to consider pending business Tuesday, June 18, at 9:30 a.m., hearing room (SD-406).

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

COMMITTEE ON THE JUDICIARY

Mr. THURMOND. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Tuesday, June 18, 1996, at 10 a.m. to hold a hearing on oversight of the Department of Justice witness security program.

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

COMMITTEE ON RULES AND ADMINISTRATION

Mr. THURMOND. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be authorized to meet during the session of the Senate on Tuesday, June 19, 1996, beginning at 9 a.m., and Wednesday, June 19, 1996, beginning at 9:30 a.m. until business is completed, to hold a hearing on public access to Government information in the 21st century, with a focus on the GPO depository library program title 44.

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

ADDITIONAL STATEMENTS

TRIBUTE TO DANIEL HEALY AS HE CELEBRATES HIS 50TH YEAR IN THE NEW HAMPSHIRE LEGISLATURE

• Mr. SMITH. Mr. President, I rise today to pay tribute to Daniel Healy as he celebrates the completion of 50 years as a New Hampshire State lawmaker. Dan Healy is the longest serving State legislator in the history of New Hampshire and the United States. I commend him and thank him for his long career of service to the Granite State.

Representative Healy, a Democrat from Manchester, currently holds the honorary title of Dean of the House. Mr. Healy is the longest serving State legislator in the history of New Hampshire and the United States. First elected in 1944, he is the only person in the state's history to be elected 25 times to the New Hampshire House.

Dan is the son of an Irish immigrant, attended Georgetown School of Law and began his career as a lawyer. He has seen the terms of 11 Presidents as well as 12 New Hampshire Governors. In addition, he was a delegate to the 1938, 1964, and 1974 constitutional conventions. He has seen the beginning and the end of the cold war in office. Daniel was serving the city of Manchester as it celebrated its 100th anniversary, and he is still serving as the city celebrates its 150th anniversary this year. Secretary of State Bill Gardener says of the 88-year-old Healy that it is his "conservative nature and Yankee sensibility" that brought him success and longevity.

Daniel Healy's career bears the marks of dignity and distinction from its earliest days. He epitomizes the concept of public servant, faithfully representing his constituents for the past 50 years. Their confidence in him is apparent as he completes his 25th consecutive term in office. As he has been in ill health, the 50th anniversary celebration marks his first visit to the State House this year. His record of public service to the State of New Hampshire is outstanding, having devoted his life to serving the Granite State. The public trust has been and continues to be safe in the hands of Dan Healy.

I commend Dan Healy for his long career of excellence in public office. He is a New Hampshire institution and I would like to take this opportunity to wish him well. I hope that New Hampshire may continue to be blessed by his faithful leadership and dedication.•

JUNETEENTH DAY

• Mr. KOHL. Mr. President, I would like to join my fellow citizens of the State of Wisconsin in celebrating the 25th anniversary of Juneteenth Day in Milwaukee, WI. Juneteenth Day commemorates the day on which the last slaves in the United States learned of their freedom. While the Emancipation Proclamation, issued by President Lincoln on January 1, 1863, represents an important step in the African-American population's quest for freedom and equality, Juneteenth Day, or June 19, 1865, marks the final abolition of slavery in the United States and thus occupies a special place in our Nation's history.

The celebration of Juneteenth Day in Milwaukee, WI, dates back to 1971 when the staff at Northcott Neighborhood House initiated the celebration. Juneteenth Day simultaneously pays homage to the African-American struggle for freedom and equality, commemorates the end of slavery, and celebrates the rich and varied contributions of African-Americans to the fabric of American society.

This year, on the 25th anniversary of Juneteenth Day in Milwaukee, the contributions of several individuals were honored. I would like to take this opportunity to extend special recognition to Margaret Henningsen, whose extensive work in the community has touched the lives of many, and to the memories of Jan Kemp-Cole, Terrance Pitts, and O.C. White, all of whom made tremendous contributions to the Milwaukee community. The lives and work of these individuals embody the spirit of Juneteenth Day: A celebration of African-American achievement, culture, and history.

Juneteenth celebrations throughout the Nation serve to reaffirm the ideals, goals, and dreams of all African-Americans. While much has been achieved in the years since President Lincoln signed the Emancipation Proclamation, the fight for equality continues and we must pursue the dream of Dr. Martin Luther King, Jr., that all children "not be judged by the color of their skin but by the content of their character." I invite my colleagues to join me in celebrating Juneteenth Day, a day of freedom, pride, and dignity in the African-American community.•

THE THEODORE ROOSEVELT DAM IN HISTORY

• Mr. KYL. Mr. President, on March 18, 1911, Teddy Roosevelt stood at the conjunction of the Salt River and Tonto Creek in the Salt River Valley, and

pushed a button to release water from the dam that had been named after him. The harnessing of the Salt River 85 years ago created a lake that is 30 miles long, 4 miles wide, and a tribute to the dogged determination of turn-of-the-century engineers, political leaders, and residents of the local Indian and Anglo communities. At the rededication of the dam this spring — the ceremony marked the completion of a 9-year makeover by the Salt River project—I and some 2,000 other Arizonans gathered to celebrate this historic accomplishment.

From this distance in time, it is easy to forget that harnessing water to make the desert bloom put American political and technological ingenuity to a severe test. In the late 1800's, east-coast investors had first planned to build a masonry dam to tame the Salt River, but they proved unable to raise the $3 million necessary for this vast project. Only the Federal Government could do it. Just as in our own day, many different interests had to be reconciled before this mammoth effort could begin. As the historian Thomas Sheridan writes:

> Debate raged between farmers and speculators, between small farmers and large landowners like Dwight Heard and Alexander Chandler, between those who favored federal involvement and those who wanted Maricopa County or Arizona Territory to take control.

The man who made it all come together was Benjamin Fowler of Chicago, who had moved west for his health. Fowler was a private citizen who was able, Sheridan says, to "talk his fellow farmers into hammering out a plan the Government would approve." In 1903, the Salt River Valley Water Users' Association—today's Salt River project—was incorporated, and a complex yet workable public-private partnership was born. Two years later, ground was broken on the site, and the water control project commenced.

Instead of calling for the huge masonry structure that was originally envisioned, the U.S. Geological Survey plan made use of a natural rock basin to create the dam. Conditions at the Tonto Basin were gruelling: In the parching heat, laborers lowered themselves off steep cliffs on lifelines in order to hack roads out of solid rock. The setbacks were many. Temporary dams and flues were swept away by the floods of 1905. The transmission of electrical current to run heavy equipment caused one fatal accident; three others were drowned during construction of concrete bridges over the Grand Canal. But gradually, block by heavy block, the stone and concrete structure rose 284 feet from the river bed. Hundreds of geologists, stonecutters, zanjeros—gate operators,—laborers, and engineers had reclaimed the Great American Desert, turning Arizona's unnavigable waterways into irrigation for fields of grain, vegetables, cotton, and livestock.

Today, the Salt River project continues the partnership of Arizona citizens and the Federal Government by operating the dam on behalf of the U.S. Bureau of Reclamation. The SRP's work has enabled the Roosevelt Dam, which, at 85, is 19 years older than Nevada's Hoover Dam, to keep up with the times. The average family of four uses 325,851 gallons of water in 1 year. The recently completed renovation has increased the dam's height and capacity, adding storage for flood control as well as enabling the facility to serve another 1.2 million in population. As the valley's population grows, and as more and more recreational users flock to the camp grounds of Roosevelt Lake, the Roosevelt Dam bears out the vision of those who planned, risked, and sweated to bring it into existence.•

TRIBUTE TO SHERIFF CHARLES A. FUSELIER, NATIONAL SHERIFF OF THE YEAR

• Mr. JOHNSTON. Mr. President, it is with great pleasure that I rise to honor Sheriff Charles Fuselier who has been named sheriff of the year by the National Sheriffs' Association. The renowned national Ferris E. Lucus Award presented annually by the National Sheriff's Association, recognizes the accomplishments, outstanding public service and strong leadership qualities of its recipient. Of the forty-two sheriffs in the Nation to have been nominated, Sheriff Fuselier holds the distinction of being the first sheriff from Louisiana to receive this most prestigious award.

Sheriff Fuselier, who is currently serving his fifth term in office, is a very valuable resource both to St. Martin Parish and the State of Louisiana. He has demonstrated time and time again his dedication to the citizens of St. Martin Parish through his many accomplishments which have touched the lives of many people and had an overwhelmingly positive impact on the State as a whole.

When Sheriff Fuselier took office in 1980, the staff consisted of 28 deputies. Currently, the sheriff's office boasts a 160 deputy staff. This is just one of the many instances where Sheriff Fuselier recognized a critical need and took the necessary steps to better serve the people of St. Martin Parish. Other examples of his leadership and dedication include the establishment of law enforcement centers, parish prisons and a special emergency reaction team. Sheriff Fuselier has not only recognized the law enforcement needs of the parish but also the individuals under his care with the implementation of an inmate rehabilitation program.

Due to his tireless efforts to enhance the delivery of law enforcement services and combat the victimization of older persons, Sheriff Fuselier was instrumental in creating the first TRIAD program in the Nation in Louisiana. He heard about the TRIAD concept at a national FBI forum, knew it would help the people of St. Martin Parish and began a TRIAD program within weeks of having heard about it. Thus having earned the title "Father TRIAD," he has also instructed and moderated numerous TRIAD workshops and seminars providing assistance to develop TRIAD programs throughout Louisiana and the Nation.

Through his work on a myriad of law enforcement task forces, study groups, and commissions, Sheriff Fuselier has made many very important contributions to the Louisiana Sheriffs' Association and the National Sheriffs' Association. In fact, Sheriff Fuselier served in every position of the Louisiana Sheriffs' Association and also in many capacities on the National Sheriffs' Association such as the crime prevention committee and the national TRIAD advisory board.

I congratulate Sheriff Fuselier on receiving this very prestigious award and also on his contributions to the State and national criminal justice system. His achievements are truly an inspiration and the national sheriff of the year award is well deserved.•

TRIBUTE TO DEAN KAMEN, NEW HAMPSHIRE'S BUSINESS LEADER OF THE YEAR

• Mr. SMITH. Mr. President, I rise today to commend Dean Kamen, New Hampshire's Business Leader of the Year for 1996, president of DEKA Research and Development, and founder of U.S. First. I congratulate him for his record of excellence in business and community development.

Business NH Magazine and the Association of Chamber of Commerce Executives sponsor an annual event to recognize New Hampshire individuals and businesses making outstanding contributions to industry and community. Each year the sponsoring group receives hundreds of nominations. The exceptional quality of the entries gives testimony to the strength of Granite State businesses and the New Hampshire volunteer spirit.

Dean Kamen's record of achievement is certainly worthy of this outstanding honor. His inventions hold over 30 U.S. patents, he invented a life-saving 22-pound portable kidney dialysis machine, and he created a climate control system used by NASA. Dean has been recognized by President Clinton for his accomplishments and received the Hoover Medal, an international engineering honor.

Dean Kamen is a visionary who wants to change the way children view science and technology. He would like to see our Nation's children emulate scientists as much as they do sports heroes. His award-winning and community-minded contribution for this year

is the U.S. First program designed to inspire American children. Children from across the Nation work with engineers and compete in a technological version of "American Gladiators."

Dean is working on a new project and keeping it tightly under wraps, but I look forward to hearing about it in the future. This is an outstanding record of accomplishment for this 45-year-old businessman. I wish to congratulate him for his recognition as New Hampshire's Business Leader of the Year, and I am proud to call Dean Kamen my friend.•

HONORING THE TRIMBLES FOR CELEBRATING THEIR 50TH WEDDING ANNIVERSARY

• Mr. ASHCROFT. Mr. President, families are the cornerstone of America. The data is undeniable: individuals from strong families contribute to the society. In an era when nearly half of all couples married today will see their union dissolve into divorce, I believe it is both instructive and important to honor those who have taken the commitment of "till death us do part" seriously, demonstrating successfully the timeless principles of love, honor, and fidelity. These characteristics make our country strong.

For these important reasons, I rise today to honor Mr. David and Mrs. Hazel Trimble of St. Charles, MO, who on June 16, 1996, celebrated their 50th wedding anniversary. My wife, Janet, and I look forward to the day we can celebrate a similar milestone. David and Hazel's commitment to the principles and values of their marriage deserves to be saluted and recognized. I wish them and their family all the best as they celebrate this substantial marker on their journey together.•

TRIBUTE TO GIRL OF THE YEAR, KIM YARMO

• Mr. SMITH. Mr. President, I rise today to recognize Kim Yarmo, a sixth-grader at Amherst Street School in Nashua, NH, for receiving the honor of Girl of the Year Award from Girls, Inc.

Girls, Inc. is an organization open to girls between the ages of 5 and 18 and dedicated to the empowerment of young women. The programs are designed to help girls compensate for neglect they sometimes suffer in the development of skills in certain areas, such as sports or subjects such as math and science. Kim's parents thought that the program would help her overcome the difficulties of growing up with three brothers and no sister.

Selection for both Girl of the Month and Girl of the Year is based upon several qualities: cooperative attitude, enthusiasm, steady attendance, positive attitude, leadership skills, and outstanding ability to interact with staff and peers. Kim was chosen by the local Girls, Inc. staff and all of the 4 to 500 girls in the program as Girl of the Year. She was chosen from a group of 12 girls who had been named Girl of the Month during 1 of the past 12 months. Kim will represent Girls, Inc. at special events throughout the next year.

Kim is known by her peers for her helping ways, including assisting her peers with homework and reading. She is a responsible and caring young lady who understands the definition of teamwork. Kim is a leader and I am proud to call her one of New Hampshire's own.

Young women like Kim are important to the future of New Hampshire and the future of this Nation. I congratulate her as the recipient of Girls, Inc.'s Girl of the Year award.•

SWISS BANKS AND GOLD LOOTED BY THE NAZIS

• Mr. D'AMATO. Mr. President, I rise today to discuss the role of Swiss banks and their handling of gold looted by the Nazis.

On May 25, 1946, the Allies and Switzerland agreed to a treaty liquidating German property in Switzerland. In section II, paragraph 2 of the treaty, Switzerland agreed to pay the Allies $250 million in Swiss francs payable on demand, in gold in New York. This treaty was the culmination of a very difficult negotiation with the Swiss, who long refused to deal with the problem of their banks, essentially, laundering gold looted from all over Europe by the Nazis.

Yet, while the Swiss agreed to pay this sum, there was clearly more gold deposited in Switzerland by the Nazis during the war. As a February 5, 1946 State Department document clearly states, the amount agreed to in this treaty was far lower than the true amount. At this time, I ask that this document be printed in the RECORD.

The document follows:

ALLIED CLAIM AGAINST SWISS FOR RETURN OF LOOTED GOLD

1. It has been determined from available ledgers of the German Reichsbank that a total of at least 398 million dollars worth of gold was shipped to Switzerland by the German Reichsbank during the war. This figure does not include the following which, when verified and amounts definitely determined, should also be taken up with the Swiss:

(a) One additional shipment known to have taken place after these books were closed and evacuated from Berlin.

(b) Other shipments believed to have taken place early in the war and to have been recorded in earlier ledgers of the German Reichsbank which are not now available;

(c) An amount approximately 12 million dollars worth of gold which the Germans seized when they looted the Italian gold but delivered directly to the Swiss.

2. It is perfectly possible that the entire amount of 398 million dollars (or more) worth of gold received by the Swiss from the German Reichsbank was looted gold because of the following facts:

(a) The large amounts of gold known to have been looted by the Germans from the countries which they occupied in Europe before and during the course of the war. It is known that at least 579 million dollars worth of gold was looted by the Germans and made available to the German Reichsbank. This figure represents a conservative tabulation based upon the estimates of the countries from which gold was looted and upon a careful examination of the records of the Germans.

(b) The relatively small amounts of legitimate gold available to them.

(c) The very small proportion of the looted gold which appears to have remained in Germany at the end of the war or to have been disposed of in countries other than Switzerland. The amount of such looted gold now identified as being in Germany at the end of the war or disposed of to foreign countries other than Switzerland is only 169 million dollars. These figures have been derived for a complete inventory of the gold found in Germany at the end of the war and a thorough examination of the records of the Reichsbank, including a detailed tracing of the processing and disposition of more than half of the gold originally looted.

Subtraction of the loot thus traced to German war-end stocks and to third countries (169) from the total loot (579) leaves 410 million dollars worth of loot or more than the entire amount of the known shipments to Switzerland still to be accounted for.

3. Even if one makes the assumption, which is quite unrealistic but presents the most favorable possible case for the Swiss, that the shipments which they received included all of the non-looted gold available to the Germans during the war, there still remains an absolute minimum of 185 million dollars of the gold taken by the Swiss from the German Reichsbank which must have been looted.

(a) A thorough examination of the records of the German Reichsbank and intensive interrogations in Germany of high Reichsbank officials in a position to know the true facts have determined the amount of hidden reserves of gold held by the Reichsbank before and during the war in addition to the published reserves which were known to the world.

(b) For the purpose at hand June 30, 1940 has been chosen as the base date in order to make the case as favorable as possible to the Swiss and eliminate any uncertainty as to legitimate acquisitions of gold by the Germans prior to their attack on the low countries. The Reichsbank's total gold holdings on that date were 232 million dollars.

(c) From the holdings shown above (232 million dollars), there must be subtracted an amount of 49 million dollars worth of loot accumulated by the Reichsbank in the preceding year, which gives a total of 183 million dollars worth of non-looted gold stocks held on June 30, 1940.

(d) The only significant source of legitimate gold still open to the Germans after June 1940 was Russia. German records show that the total amount of gold received from Russia between the outbreak of war with Poland and the attack on Russia was 23 million dollars. Although it is clear that much of the gold was received prior to June 30, 1940 and, therefore, is undoubtedly included in the German gold reserve figure for that date (183 million dollars), we are making the assumption most favorable to the Swiss and assuming that all 23 million was acquired after June 30, 1940 and is, therefore, to be added to the gold reserve shown on that date as additional legitimate gold. The resultant total of

206 million dollars is the maximum possible amount of non-looted gold available to the German Reichsbank at any time after June 1940.

(e) Subtracting from the total known shipments to Switzerland (398) the portion of those shipments which took place prior to the end of June 1940 (7 million) leaves an amount of at least 391 million dollars worth of gold received by the Swiss thereafter, and the difference between this amount and the maximum possible amount of non-loot available to the Germans in the same period (206) is 185 million dollars.

4. On the fairest assumptions the amount of loot taken by the Swiss from Germany can be estimated at 289 million dollars.

(a) It is unreal to assume, as was done above, in calculating the absolute minimum figure of looted gold received by the Swiss from Germany that every ounce of non-looted gold available to the Germans was sent to Switzerland.

(b) It is more realistic to assume that the ratio of loot to total gold available to the Germans was reflected in all German gold shipments including those to Switzerland. The total amount of gold available to the Germans after June 30, 1940, as shown above, was 785 million dollars of which 579 million dollars or 74 percent was loot. Applying this percentage to the total amounts received by the Swiss it would appear likely that at least 289 million thereof was loot.

ALLIED POLICIES FOR NEGOTIATIONS OF LOOTED GOLD QUESTION

It is definitely known that the Swiss received at least 398 million dollars worth of gold from Germany during the course of the war. Of this amount the absolute minimum which is to be classified as loot is 185 million dollars. In arriving at this calculation every doubt has been resolved in favor of the Swiss. A more realistic approach indicates that the amount of looted gold taken by the Swiss is closer to 289 million dollars, and there is a possibility that all gold received by the Swiss from Germany was looted.

With these facts in mind, the Allied Governments should insist that the Swiss hand over immediately 185 million dollars worth of gold. Any bargaining between the Allies and Switzerland should only be with respect to the difference between 185 million and 398 million. As to this, the Allies should take the position that such difference should be turned over unless the Swiss are able to prove that such gold was either included in Germany's non-looted pre-war stocks or legitimatedly acquired after the beginning of the war.

It is possible that Switzerland will ask to see the data upon which the figure representing the minimum loot was based. If so, the Allied negotiators should agree to this concession upon the condition that the Swiss make available to Allied experts books, records and other documents in their possession relating to their gold stocks acquired from Germany and the disposition of such gold. However to avoid delays, such concessions should only be made after the Swiss have agreed to turn over the initial 185 million dollars worth of gold.

In taking the above position the Allied negotiators should make it clear to the Swiss officials that the fact that specific looted gold is no longer in Swiss possession does not operate to defeat the Allied claim or hinder or impede the handing over of an equivalent amount of gold. The Swiss should be advised that in cases where the original looted gold has passed from Switzerland to another country and the Swiss Government has made the equivalent amount of such gold available to the three named Allied powers, those powers will, insofar as is feasible, lend their assistance to the Swiss in obtaining the return of the specific gold or an equivalent. However, such offer of assistance is not to be understood or construed as a guarantee on the part of the three governments named.

In the event that the Swiss Government should indicate its preference to settle the gold question by paying over a flat sum rather than assume the burden of proof as is indicated herein above, any compromise figure between 185 and 398 million which is agreed to by all of the Allied negotiators could be accepted. It would seem that 289 million would represent a reasonable settlement.

German gold movements (estimate)

[From April 1938 to May 1945]

Income	*Million*
Germany started the war with estimated gold reserves of (Published gold reserves were only 29.)	$100
Taken over from:	
Austria	46.0
Czechoslovakia	16.0
Danzig	4.0
Poland	12.0
Holland	168.0
Belgium	223.0
Yugoslavia	25.0
Luxembourg	5.0
France	53.0
Italy	64.0
Hungary	32.0
Total	748.0

Outgo	*Million*
Sold to Swiss National Bank	$275 to 282.0
Possibly sold to Swiss Commercial Banks before 1942	20.0
Washed through Swiss National Bank depot account and eventually reported to Portugal and Spain (larger part by far to Portugal)	100.0
Rumania	32.5
Sweden	18.5
Found in Germany (including 64 earmarked for Italy and 32 earmarked for Hungary)	293.0
Sold to or used in Balkan countries and Middle East—mainly Turkey	10.0
	752.0

Swiss Gold Movements (Swiss official statement)

[From January 1, 1939 to June 30, 1945]

Purchased from:	
Germany	$282.9
Portugal	12.7
Sweden	17.0
Sold to:	
Germany	4.9
Portugal	116.6
Spain	42.6
Turkey	3.5

Conclusions: (1) All gold that Germany sold after a certain date, probably from early 1943 on, was looted gold, since her own reserves, including hidden reserves with which she started the war, were exhausted by that time; (2) out of $278,000,000-worth of gold that Switzerland purchased from Germany, the larger part was looted gold; in addition, Switzerland has taken $100,000,000 looted gold in deposit, which later on was re-exported to Spain and Portugal for German account; (3) among the gold that the Swiss sold during the war to Portugal, Spain, and Turkey, there could have been looted German gold; (4) the gold that Switzerland bought from Sweden during the war could theoretically be German looted gold; monetary experts all over the world (Switzerland has monetary experts at her disposal) knew, or ought to have known, roughly the figures and movements as contained in the above estimate—certainly they knew the gold holdings and gold reserves of the German Reichsbank. Switzerland therefore was lacking good faith. In addition, she was warned that all Germany's own pre-war gold stocks had been used up by mid-1943 at the latest and therefore all the gold then in the possession of Germany must be presumed to be looted gold.

Mr. D'AMATO. As one can see, the amount of gold, estimated by this report is said to be $398 million, $148 million more than the treaty amount. A possible reason for the difference can be laid upon the Swiss because they would not agree to give up more than $250 million.

I would like to know what happened to the other $148 million, or more, that apparently was kept by the Swiss. I am quite sure that the other nations of Europe who had their gold looted from them by the Nazis and sent to Switzerland, not to mention the individual citizens who had gold taken from them, would like to know where that gold is today. Only the Swiss know and they aren't talking.•

TRIBUTE TO BILL MARSTON ON HIS RETIREMENT AS PRINCIPAL OF GOFFSTOWN HIGH SCHOOL

• Mr. SMITH. Mr. President, I rise today to pay tribute to an outstanding individual as he nears the end of a 40-year career as an educator. Bill Marston retires this month from his position as principal of Goffstown High School in Goffstown, NH.

Mr. Marston's 15-year tenure as principal has been marked by his unfailing dedication to his students. His example of excellence and integrity, set for his students, his teachers, and his community, will endure long after his retirement. He will be remembered as a true educator in every sense of the word. An educator's job is about much more than passing along information or keeping order in the classroom. An educator provides his students with the tools they need to shape their future. Bill treated each student as an individual and was always willing to go the extra step to see a student succeed.

Educators like Bill are one of our Nation's greatest treasures. They shape the future of this Nation as they shape the mind and character of our young people. Education and educators like Bill Marston give us hope for tomorrow. The young people whose lives our Nation's educators touch each day will

be the leaders of tomorrow. It is the educator who sparks interest in physics or makes civics come alive for the student. They equip the future scientists and inspire the future writers of this Nation. As a former teacher myself, I have seen the impact educators can have on the lives of students. Teachers are, in many ways, the keepers of our Nation's future, holding the promise of tomorrow in their hands.

By all accounts, Bill Marston has been an exemplary educator, both as teacher and as administrator. The job of an administrator is not always an easy one. By keeping the best interests of the students at heart, Bill set an example he can be proud of. Bill, however, was more than an administrator. He was a leader. He always acted with integrity and earned the respect of his community. The influence of his leadership will surely be felt long after his retirement.

I commend Bill Marston for his career of distinction in the field of education. New Hampshire is fortunate to have such a talented and dedicated educator shaping its future generation.•

CONGRATULATING THE CHICAGO BULLS ON WINNING THE 1996 NATIONAL BASKETBALL ASSOCIATION CHAMPIONSHIP

Mr. KYL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. Res. 266, submitted earlier today by Senators MOSELEY-BRAUN and SIMON.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 266) to congratulate the Chicago Bulls on winning the 1996 National Basketball Association Championship and proving themselves to be one of the best teams in NBA history.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Ms. MOSELEY-BRAUN. Mr. President, on behalf of my colleague, Senator SIMON, the city of Chicago, and the State of Illinois, I rise to offer a Senate resolution commemorating the Chicago Bulls for winning the 1995–1996 National Basketball Association Championship.

I say to my friend, Senator PATTY MURRAY, that her great State of Washington was well-represented in this championship series that ended last Sunday. We should all applaud the Seattle Supersonics for an excellent season in which they won 64 games. I am sure it will not be the last we will hear of them. I am just delighted that this happens to be the year of the Chicago Bulls.

The Bulls have put together a truly remarkable season. There should no longer be any doubt that this Bulls team is the best basketball team in the 49-year history of the NBA. Yes, the best ever. One need look no farther than the numbers. The Bulls finished the regular season with an unprecedented record of 72–10. They roared through the playoffs, losing only three games in four playoff rounds. Their final record is a truly unbelievable 87–13. There has never been a team that has so dominated professional basketball at both ends of the court like this year's Bulls.

Coach Phil Jackson once stated that, "Basketball is a sum of parts that sometimes are greater than the whole * * * we try to get the concept to the team that you are only as strong as your weakest link." Coach Jackson's philosophy of teamwork has resonated with the players on this team. From Michael Jordan down to the last player on the bench, each member knew his role, accepted it, and worked for the good of the team. They worked hard in practice, meshed their various talents and selflessly played together for team, not individual, achievements.

As is the case with all great teams however, when the team is successful, individuals stand out as well. Michael Jordan, the greatest basketball player on this planet, was named the league's most valuable player for the regular season, for the playoffs, and for the all-star game, something that has never been done before. Dennis Rodman won the rebounding title. The sixth man of the year award went to Toni Kukoc. Coach Jackson was honored as Coach of the Year. And three members—Jordan, Rodman, and Scottie Pippen—were named to the All-Defensive Team.

Basketball teams around the country have hung banners in their arenas commemorating championship seasons. Undoubtedly, some of those teams possessed more Hall of Famers or had more individual talent. But this year's Chicago Bulls team has amassed a record of success that ranks as the best of all-time. We are so proud that the city of Chicago is associated with the mark of excellence and perfection that this Bulls team has shown.

The values of team, hard work, and both physical and mental toughness that the Bulls embody has brought them fans all across the country—in every State in the union. It is therefore particularly fitting that the Senate recognize the special nature of the Bulls achievement. I, therefore, strongly urge my colleagues to join with my distinguished senior colleague, Senator SIMON, and me, and to vote to approve this resolution commending the Chicago Bulls for their fourth NBA championship.

Mr. KYL. Mr. President, I ask unanimous consent that the resolution and preamble be agreed to, and the motion to reconsider be laid upon the table, and that any statements relating thereto be placed in the RECORD at the appropriate place as if read.

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

The resolution (S. Res. 266) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 266

Whereas the Chicago Bulls at 72–10, posted the best regular season record in the history of National Basketball Association;

Whereas the Bulls roared through the playoffs, sweeping the Miami Heat and defeating the New York Knicks in five games, before sweeping the Orlando Magic to return to the NBA Finals for the first time in two years;

Whereas the Bulls displayed a potent offense, and what some consider to be their best defense ever, throughout the playoffs before beating the Seattle Supersonics to win their fourth franchise NBA championship;

Whereas head coach Phil Jackson, who won his first Coach of the Year award, and the entire coaching staff skillfully led the Bulls through a record 72-win season and a 15–3 playoff run;

Whereas Michael Jordan, Scottie Pippen, and Dennis Rodman all were named to the NBA's "All-Defensive Team", the first time in 13 years that three players from the same team have been so named;

Whereas Michael Jordan, in his first full season after coming out of retirement, won his record eighth scoring title, his fourth Most Valuable Player award, and was again named playoff most valuable player for the fourth time);

Whereas Scottie Pippen again exhibited his outstanding offensive and defensive versatility, proving himself to be one of the best all-around players in the NBA;

Whereas the quickness, tireless defensive effort, and athleticism of the colorful Dennis Rodman, who won his fifth straight rebounding title, keyed a Bulls front line that lead the league in rebounding;

Whereas veteran guard Ron Harper, in shutting down many of the league's top point guards throughout the playoffs, demonstrated the defensive skills that have made him a cornerstone of the league's best defense;

Whereas center Luc Longley frustrated many of the all-star caliber centers that he faced in this year's playoffs while at times providing a much needed scoring lift;

Whereas Toni Kukoc, winner of the league's "Sixth Man" award, displayed his awesome variety of offensive skills in both assisting on, and hitting, several big shots when the Bulls needed them most;

Whereas the laser-like three-point shooting of career three-point field goal percentage leader Steve Kerr sparked many a Bulls rally;

Whereas the outstanding shooing of Jud Buechler and Bill Wennington, and the tenacious defense of Randy Brown, each of whom came off the bench to provide valuable contributions, were an important part of each Bulls victory;

Whereas John Salley and James Edwards provided valuable contributions throughout the season and the playoffs, both on and off the court, at times giving the Bulls the emotional lift they needed; and

Whereas the regular season contributions of second year forward Dickey Simpkins and rookie forward Jason Caffey, and the constant emotional lift provided by the injured Jack Haley, both on the court and in practice, again demonstrated the total devotion

of Bulls personnel to the team concept that has made the Bulls into one of the most devastating basketball forces of modern times: Now, therefore be it

Resolved, That the Senate congratulates the Chicago Bulls on winning the 1996 National Basketball Association championship.

E. BARRETT PRETTYMAN UNITED STATES COURTHOUSE

Mr. KYL. Mr. President, I ask unanimous consent that the Committee on Environment and Public Works be discharged from further consideration of H.R. 3029, and, further, that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

A bill (H.R. 3029) to designate the United States courthouse in Washington, District of Columbia, as the "E. Barrett Prettyman United States courthouse."

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. WARNER. Mr. President, I would urge the Senate to formally consider and pass H.R. 3029, designating the U.S. courthouse at 3d and Constitution Avenue in Washington, DC, the E. Barrett Prettyman United States Courthouse.

Following my graduation from the University of Virginia Law School in 1953, I was privileged to serve as a law clerk under E. Barrett Prettyman, circuit judge, U.S. Court of Appeals for the District of Columbia. He later became Chief Judge of the Circuit Court of Appeals for the District of Columbia.

Known as the "Swing Man" of the nine-member court, Prettyman was renowned for an emphasis on thoughtfulness and fairness in the rendering of his decisions. In perhaps his best known opinion, Prettyman opted to help protect international stability and preserved the State Department's right to bar travel by United States citizens to certain areas, such as Red China. The Supreme Court later upheld this decision.

I can think of no better qualified or more lasting tribute to such a fine, honorable public servant than to name the U.S. Courthouse in the Nation's Capital the "E. Barrett Prettyman Federal Courthouse."

Mr. KYL. Mr. President, I ask unanimous consent that the bill be deemed read a third time, passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be placed at the appropriate place in the RECORD.

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

The bill (H.R. 3029) was deemed read the third time and passed.

APPOINTMENT BY THE PRESIDENT OF THE SENATE

The PRESIDING OFFICER. The chair, on behalf of the President of the Senate, pursuant to Public Law 85–874, as amended, appoints the Senator from Wyoming [Mr. SIMPSON] to the Board of Trustees of the John F. Kennedy Center for the Performing Arts.

ORDERS FOR WEDNESDAY, JUNE 19, 1996

Mr. KYL. Finally, Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 9 a.m., Wednesday, June 19; further, that immediately following the prayer, the Journal of proceedings be deemed approved to date, no resolutions come over under the rule, the call of the calendar be dispensed with, the morning hour be deemed to have expired, and the time for the two leaders be reserved for their use later in the day, and the Senate then resume consideration of S. 1745, the Department of Defense authorization bill, and the pending Dorgan amendment as under the previous consent agreement.

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

PROGRAM

Mr. KYL. Mr. President, for the information of all Senators, on behalf of the leader, again, there will be 15 additional minutes of debate on the Dorgan amendment tomorrow morning, with a vote to occur on or in relation to the amendment at approximately 9:15—a vote on the Dorgan amendment at approximately 9:15. As a reminder to all Senators, rollcall votes will be strictly limited to 20 minutes in length. All Senators should be reminded of this early morning vote, and to be prompt. Additional amendments are expected to the Department of Defense bill on Wednesday. Therefore, Senators can expect rollcall votes throughout the day.

ADJOURNMENT UNTIL 9 A.M. TOMORROW

Mr. KYL. Mr. President, if there is no further business to come before the Senate, I now ask that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 6:35 p.m., adjourned until Wednesday, June 19, 1996, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate June 18, 1996:

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

AYSE MANYAS KENMORE, OF FLORIDA, TO BE A MEMBER OF THE NATIONAL MUSEUM SERVICES BOARD FOR A TERM EXPIRING DECEMBER 6, 2000. (REAPPOINTMENT)

EXECUTIVE OFFICE OF THE PRESIDENT

PATRICIA M. MCMAHON, OF NEW HAMPSHIRE, TO BE DEPUTY DIRECTOR FOR DEMAND REDUCTION, OFFICE OF NATIONAL DRUG CONTROL POLICY, VICE FRED W. GARCIA.

FOREIGN SERVICE

THE FOLLOWING-NAMED PERSONS OF THE AGENCIES INDICATED FOR APPOINTMENT AS FOREIGN SERVICE OFFICERS OF THE CLASSES STATED, AND ALSO FOR THE OTHER APPOINTMENTS INDICATED HEREWITH:

FOR APPOINTMENT AS FOREIGN SERVICE OFFICERS OF CLASS TWO, CONSULAR OFFICERS AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:

AGENCY FOR INTERNATIONAL DEVELOPMENT

DONALD C. MASTERS, OF THE DISTRICT OF COLUMBIA

U.S. INFORMATION AGENCY

GAIL MILISSA GRANT, OF MISSOURI
PATRICIA MCMAHON HAWKINS, OF NEW HAMPSHIRE

FOR APPOINTMENT AS FOREIGN SERVICE OFFICERS OF CLASS THREE, CONSULAR OFFICERS AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:

AGENCY FOR INTERNATIONAL DEVELOPMENT

RICHARD W. LOUDIS, OF FLORIDA
MARK STEWART MILLER, OF FLORIDA
ALLEN F. VARGAS, OF NEW YORK

DEPARTMENT OF COMMERCE

REGINALD A. MILLER, OF CALIFORNIA
JUDY R. REINKE, OF VIRGINIA

DEPARTMENT OF STATE

JUAN M. BRACETE, OF FLORIDA

FOR APPOINTMENT AS FOREIGN SERVICE OFFICERS OF CLASS FOUR, CONSULAR OFFICERS AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:

DEPARTMENT OF AGRICULTURE

KARL HAMPTON, OF THE DISTRICT OF COLUMBIA

U.S. INFORMATION AGENCY

SUSAN TEBEAU BELL, OF SOUTH CAROLINA
REBECCA TRACY BROWN, OF CALIFORNIA
KATE MARIE BYRNES, OF FLORIDA
MARGOT CARRINGTON, OF FLORIDA
ANNE SARA CASPER, OF NEVADA
CHARLES GARY COLE, OF CALIFORNIA
LINCOLN D. DAHL, OF NEVADA
DAVID ADAMS DUCKENFIELD, OF THE DISTRICT OF COLUMBIA
DAVID JOSEPH FIRESTEIN, OF TEXAS
STEFEN GRANITO, OF FLORIDA
MARJORIE R. HARRISON, OF PENNSYLVANIA
ERIK ANDERS HOLM-OLSEN, OF NEW JERSEY
ROBERT C. HOWES, OF MICHIGAN
TIFFANY ANN JACKSON-ZUNKER, OF CALIFORNIA
GERALDINE F. KEENER, OF CALIFORNIA
CHRISTINE A. LEGGETT, OF CALIFORNIA
DEENA FATHI MANSOUR, OF WYOMING
KAREN MORRISSEY, OF FLORIDA
GEORGE P. NEWMAN, OF NEW YORK
THOMAS JOSEPH NICHOLAS PIERCE, OF CONNECTICUT
ADELE E. RUPPE, OF MARYLAND
R. STEPHEN SCHERMERHORN, OF FLORIDA
DANA COHN SHELL, OF CALIFORNIA
VICTORIA L. SLOAN, OF FLORIDA
SUSAN NAN STEVENSON, OF FLORIDA
SCOTT D. WEINHOLD, OF WISCONSIN
IVAN WEINSTEIN, OF NEW JERSEY
RICHARD MORGAN WILBUR, OF NEW YORK

DEPARTMENT OF STATE

ROBERT M. ANTHONY, OF OKLAHOMA
JONATHAN JAY BEIGHLE, OF WASHINGTON
RANDY WILLIAM BERRY, OF COLORADO
PAUL W. BLANKENSHIP, OF TEXAS
SHARON T. BOWMAN, OF NEW YORK
FRANCES CHISHOLM, OF NEW HAMPSHIRE
NANCY ANN COHEN, OF CALIFORNIA
MARIE CHRISTINE DAMOUR, OF VIRGINIA
NATHANIEL PABODY DEAN, OF THE DISTRICT OF COLUMBIA
SHAWN DORMAN, OF NEW YORK
CHRISTOPHER G. DUNNETT, OF FLORIDA
LEVON A. ELDEMIR, OF CALIFORNIA
ROBERT FRANK ENSSLIN, OF FLORIDA
GEORGE H. FROWICK, OF CALIFORNIA
JOANNE GILLES, OF NEW YORK
WILLIAM LEWIS GRIFFITH, OF NEW YORK
ALEXANDER GROSSMAN, OF TEXAS
DAVID C. HERMANN, OF MASSACHUSETTS
ANDREW S. HILLMAN, OF NEW YORK
IRMA J. HOPKINS, OF INDIANA
MARK SCOTT JOHNSEN, OF CALIFORNIA
MARC C. JOHNSON, OF THE DISTRICT OF COLUMBIA
CHRISTOPHER A. LANDBERG, OF WASHINGTON
SCOTT D. MCDONALD, OF FLORIDA
EDWARD VINCENT O'BRIEN, OF FLORIDA
EDWARD W. O'CONNOR, OF PENNSYLVANIA
DERRICK MEYER OLSEN, OF OREGON
MICHAEL JOSEPH PETRUCELLI, OF MARYLAND

PATRICK ROBERT QUIGLEY, OF FLORIDA
JENNIFER ANN RICHTER, OF PENNSYLVANIA
CYNTHIA CORBIN SHARPE, OF TEXAS
KATHLEEN S. SHEEHAN, OF MASSACHUSETTS
CATHERINE ANN SHUMANN, OF NEW JERSEY
RAYMOND DANIEL TOMA, JR., OF MICHIGAN
PAMELA M. TREMONT, OF TEXAS
JAMES J. TURNER, OF MARYLAND

THE FOLLOWING-NAMED MEMBERS OF THE FOREIGN SERVICE OF THE U.S. INFORMATION AGENCY AND THE DEPARTMENT OF STATE TO BE CONSULAR OFFICERS AND/OR SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA, AS INDICATED:

CONSULAR OFFICERS AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:

AMANDA L. BLANCK, OF MISSOURI
PATRICK W. BOYDEN, OF INDIANA
BRUCE W. BRETT, OF VIRGINIA
DAVID H. CANNON, OF CALIFORNIA
ROBERT W. CHAPMAN, OF VIRGINIA
RICHARD K. CHOATE, OF VIRGINIA
COLLETTE M. CHRISTIAN, OF OREGON
JENNIFER N. M. COILE, OF WYOMING
DANIEL KEITH HALL, OF VIRGINIA
JAMES L. HARRIS, OF VIRGINIA
MARY HEINTZELMAN, OF THE DISTRICT OF COLUMBIA
MAUREEN MATTER HOWARD, OF WASHINGTON
MICHAEL J. HUGHES, OF VIRGINIA
MICHAEL C. JOHN, OF VIRGINIA
PATRICIA KOZLIK KABRA, OF CALIFORNIA
ANDREW M. LANGENBACH, OF VIRGINIA
DAVID KENT MASON, OF VIRGINIA
MARYANN MCKAY, OF CALIFORNIA
ANDREA LINDA MEYER, OF PENNSYLVANIA
CYNTHIA L. MORROW, OF VIRGINIA
DUC TAN NGO, OF VIRGINIA
JEAN T. OLSON, OF FLORIDA
ROBERT E. ORKOSKY, OF VIRGINIA
ELIZABETH C. POKORNY, OF VIRGINIA
LAURA B. PRAMUK, OF COLORADO
ANN M. ROUBACHEWSKY, OF MARYLAND
NORVILLE B. SPEARMAN, JR., OF CALIFORNIA
KAREN SULLIVAN, OF NEW YORK
KURT N. THEODORAKOS, OF VIRGINIA

IN THE ARMY

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL IN THE U.S. ARMY WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

MAJ. GEN. DENNIS L. BENCHOFF [redacted]

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL IN THE U.S. ARMY WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

MAJ. GEN. WILLIAM M. STEELE [redacted]

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL IN THE U.S. ARMY WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

MAJ. GEN. JOSEPH W. KINZER [redacted]

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL IN THE U.S. ARMY WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

MAJ. GEN. ERIC K. SHINSEKI [redacted]

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL IN THE U.S. ARMY WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

MAJ. GEN. JOSEPH E. DEFRANCISCO [redacted]

THE FOLLOWING-NAMED OFFICER, ON THE ACTIVE DUTY LIST, FOR PROMOTION TO THE GRADE INDICATED IN THE U.S. ARMY IN ACCORDANCE WITH SECTIONS 624 AND 628, TITLE 10, UNITED STATES CODE:

JUDGE ADVOCATE GENERAL

To be lieutenant colonel

WAYNE E. ANDERSON [redacted]

IN THE AIR FORCE

THE FOLLOWING OFFICERS, WHO WERE DISTINGUISHED GRADUATES FROM THE U.S. AIR FORCE OFFICER TRAINING SCHOOL, FOR APPOINTMENT AS SECOND LIEUTENANTS IN THE REGULAR AIR FORCE, UNDER THE PROVISIONS OF SECTION 531 OF TITLE 10, UNITED STATES CODE, WITH DATES OF RANK TO BE DETERMINED BY THE SECRETARY OF THE AIR FORCE.

LINE

BRIAN K. BAKSHAS [redacted]
TARA B. BEEDLE [redacted]
JOHN J. BELL [redacted]
MICHAEL L. BENNETT [redacted]
MICHAEL S. BRAIBISH [redacted]
LARRY R. BROADWELL, JR. [redacted]
GRETA M. CISSEL [redacted]
JAMES H. CUNNINGHAM III [redacted]
PATRICK C. DALEY [redacted]
SCOTT C. FROMM [redacted]
WILLIAM F. FRY [redacted]
DONALD J. GREGSON [redacted]
SHANNON M. HADDAD [redacted]
EDWARD G. HASKELL, JR. [redacted]
AMY S. HENDERSON [redacted]
MARK G. HUHTA [redacted]
DANIEL G. JACOBSON, JR. [redacted]
ERIC A. KNUDSON [redacted]
THOMAS J. LANG, JR. [redacted]
PATRICK J. LAVERTY [redacted]
SCOTT H. MAYTAN [redacted]
MARK W. MURRAY [redacted]
JEFFREY R. OWEN [redacted]
AMY L. PEPPER [redacted]
STEVEN M. PERRY [redacted]
MICHAEL P. PETERSON [redacted]
CRAIG A. PUNCHES [redacted]
ROBERT L. RUSS [redacted]
HUGH B. ST. MARTIN, JR. [redacted]
MICHAEL R. WEIRICK [redacted]
STEPHEN D. WHITE [redacted]

THE FOLLOWING OFFICERS FOR PROMOTION AS RESERVES OF THE AIR FORCE, UNDER THE PROVISIONS OF SECTIONS 12203, 8366, AND 8372, OF TITLE 10, UNITED STATES CODE. PROMOTIONS MADE UNDER SECTION 8372 AND CONFIRMED BY THE SENATE UNDER SECTION 12203 SHALL BEAR AN EFFECTIVE DATE OF 8 MARCH 1996, AND PROMOTIONS MADE UNDER SECTION 8366 SHALL BE EFFECTIVE UPON COMPLETION OF SEVEN YEARS OF PROMOTION SERVICE AND TWENTY-ONE YEARS OF TOTAL SERVICE, UNLESS A LATER PROMOTION EFFECTIVE DATE IS REQUIRED BY SECTION 8372(C), OR THE PROMOTION EFFECTIVE DATE IS DELAYED IN ACCORDANCE WITH SECTION 8380(B) OF TITLE 10.

CHAPLAIN CORPS

To be lieutenant colonel

DANIEL A. BABINE [redacted]
ROBERT B. COMPTON [redacted]
ROGER N. JACQUES [redacted]
JOHN F. KURZAK [redacted]
CHARLES R. LANGFORD [redacted]
JOSEPH E. LEGACY [redacted]
THOMAS A. SCHENK [redacted]
STEPHEN M. SMALLEY [redacted]
STEVEN R. THOMAS, JR. [redacted]
RUTH M.W. WARREN [redacted]

JUDGE ADVOCATE CORPS

To be lieutenant colonel

BRADLEY S. ADAMS [redacted]
FRANCES G. ADAMS II [redacted]
MARK W. ARMSTRONG [redacted]
JEFFREY D. BILLETT [redacted]
GLENN H. BROWN [redacted]
THEODORE A. CHUN [redacted]
MICHAEL J. CIANCI [redacted]
TIMOTHY COON [redacted]
DAVID N. COOPER [redacted]
AUGUSTUS B. ELKINS II [redacted]
THOMAS J. FAUGNO [redacted]
MARK A. FERRIN [redacted]
TIMOTHY S. FISHER [redacted]
DERENCE V. FIVEHOUSE [redacted]
RICHARD L. FOLTZ [redacted]
JAMES T. FORREST [redacted]
HARRY J. FOX, JR. [redacted]
DAVID F. GARBER [redacted]
ROBERT S. GARDNER [redacted]
KIRK R. GRANIER [redacted]
CLAUDE R. HEINY II [redacted]
STUART S. HELLER [redacted]
ANDREW L. KJELDGAARD [redacted]
DEXTER A. LEE [redacted]
NORMAN E. LINDSEY [redacted]
HAROLD C. MANSON [redacted]
CLYDE W. MATHEWS [redacted]
KAREN MCCOY [redacted]
HILLARY J. MORGAN [redacted]
ELTON J. OGG [redacted]
DENNIS R. PIERSON [redacted]
CURTIS A. RANKIN [redacted]
PATRICK J. SANJENIS [redacted]
DALE W. SANTEE [redacted]
J. C. SETH [redacted]
CRAIG J. SIMPER [redacted]
STEPHEN H. SMITH [redacted]
ROBERT F. STAMPS [redacted]
BRADFORD L. TAMMARO [redacted]
WILLIAM J. WEIGEL, JR. [redacted]

THE FOLLOWING U.S. AIR FORCE RESERVE OFFICER TRAINING CORPS DISTINGUISHED GRADUATES FOR APPOINTMENT IN THE REGULAR AIR FORCE IN THE GRADE OF SECOND LIEUTENANT UNDER THE PROVISIONS OF SECTION 531 OF TITLE 10, UNITED STATES CODE, WITH DATES OF RANK TO BE DETERMINED BY THE SECRETARY OF THE AIR FORCE.

LINE

JUSTIN L. ABOLD [redacted]
BRIAN P. AFFLERBAUGH [redacted]
BRADLEY J. ALDEN [redacted]
CLARK L. ALLRED [redacted]
MARK B. ALTER [redacted]
DAVID R. AMAYA [redacted]
CHRIS R. AMRHEIN [redacted]
NEIL E. ANDERSON [redacted]
STEVEN C. ANDERSON [redacted]
EARL ARDALES [redacted]
JUDY C. ASCANO [redacted]
JENNIFER L. AUCHTER [redacted]
BRYAN L. BARKER [redacted]
KEVIN A. BAYLIS [redacted]
JEFFREY A. BEERS [redacted]
TIMOTHY E. BEERS [redacted]
LYDIA K. BLACK [redacted]
PATRICK B. BOLAND [redacted]
MONICA K. BORDEN [redacted]
HOLLY M. BRANDON [redacted]
SAMUEL D. BROWN [redacted]
JOHN G. BURNETT [redacted]
TODD C. BURWELL [redacted]
JASON M. BUSS [redacted]
MATTHEW D. CALHOUN [redacted]
MICHAEL A. CALVARESI [redacted]
DEAN J. CARTER [redacted]
JONATHAN D. CARTY [redacted]
LEAH C. CASE [redacted]
JUSTIN P. COAKLEY [redacted]
CHARLES W. COLLIER [redacted]
DAVID H. CONLEY, JR. [redacted]
GAVIN D. CONSTANTINE [redacted]
BARRY W. COUCH [redacted]
BLAKE E. CROW [redacted]
VAN R. CULVER [redacted]
ROBERT D. DAVIS [redacted]
THOMAS A. DENT [redacted]
KENNETH R. DIEFFENBACH [redacted]
REBECCA S. DOTY [redacted]
JOSEPH J. DUBOSE [redacted]
JENNIFER L. DVORAK [redacted]
TRAVIS L. EDWARDS [redacted]
GARY J. EILERS [redacted]
MATTHEW J. ESKER [redacted]
DAVID A. FERGUSON [redacted]
CHRISTOPHER R. FERRY [redacted]
DANIEL M. FESLER [redacted]
ROBERT A. FORINO [redacted]
JAMES P. GATCH [redacted]
THEODORE W. GEASLEY [redacted]
PAMELA R. GEIGER [redacted]
CHRISTOPHER J. GERMANN [redacted]
TED D. GLASCO [redacted]
JOHN F. GONZALES [redacted]
BRADLEY D. GRAVES [redacted]
NOLAND T. GREENE [redacted]
TRENT A. GREENWELL [redacted]
SEAN A. GUILLORY [redacted]
DENNIS F. HALE [redacted]
RONALD K. HALL [redacted]
AMANDA M. HARDING [redacted]
PAUL K. HARMER [redacted]
BRIAN S. HARTLESS [redacted]
CHARITY A. HARTLEY [redacted]
JAMES W. HERRINGTON [redacted]
FREDERICK S. HILKOWITZ [redacted]
ANDREW R. HODGES [redacted]
CONSTANCE L. HOOKS [redacted]
TIMOTHY L. HYER [redacted]
STEPHEN R. JONES [redacted]
TERRENCE M. JOYCE [redacted]
ERIC L. JURGENSEN [redacted]
CHAD C. KASCHAK [redacted]
BRYAN Y. KIM [redacted]
DANIEL R. KING [redacted]
ALEXANDER KIRKPATRICK [redacted]
JASON C. KLAAS [redacted]
PAUL E. KLADITIS [redacted]
JAIMIE C. KOHLS [redacted]
AMY Y. KOMATSUZAKI [redacted]
WILLIAM M. LEE, JR. [redacted]
TRAVIS K. LEIGHTON [redacted]
MATTHEW J. LENGEL [redacted]
CICELY R. LEVINGSTON [redacted]
AMAR Q. LIANG [redacted]
PETER J. LINDSAY [redacted]
MICHAEL S. LOCK [redacted]
PHYLLIS D. LOPEZ [redacted]
WILLIAM J. LYNCH [redacted]
ARMAND D. LYONS [redacted]
ALANNA L. MABUS [redacted]
WILLIAM P. MALLOY [redacted]
PAUL A. MANCINELLI [redacted]
MARTIN A. MARTINEZ, III [redacted]
JOSHUA O.MASKOVICH [redacted]
SHANNON A. MCGUIRE [redacted]
DAVID M. MCILLECE [redacted]
DERRY S. MCKINNEY [redacted]
BRIDGET M. MCNAMARA [redacted]
DAVID S. MERTENS [redacted]
ADAM M. METCALF [redacted]
BRIAN R. MOORE [redacted]
TODD R. MOORE [redacted]
SHAWN D. MORGENSTERN [redacted]
KATHLEEN M. MURPHY [redacted]
JOSEPH A.MUSACCHIA [redacted]
MICHAEL M. NACHSHEN [redacted]
VINOD D. NAGA [redacted]
KATRINA M. NELSON [redacted]
WESLEY J. NIMS [redacted]
JONATHAN P. NOLAN [redacted]
TARALYNN M. OLAYVAR [redacted]

DEREK J. OMALLEY [redacted]
VILMA E. ORTIZ [redacted]
THOMAS R. OWEN [redacted]
SUKIT T. PANANON [redacted]
KEVIN L. PARKER [redacted]
CRAIG J. PHILLIPS [redacted]
ALLEN A. PICHON [redacted]
JEANNINE A. PICKERAL [redacted]
CURTIS L. PITTS [redacted]
MARY K. PLUMB [redacted]
WILLIAM S. POTEET [redacted]
MICHAEL T. REESE [redacted]
MICHAEL P. RILEY [redacted]
SHERYL A. RISACHER [redacted]
DAWN Q. ROBERTS [redacted]
BRONWYN H. ROBINSON [redacted]
SCOTT A. ROTHERMEL [redacted]
RYAN L. ROWE [redacted]
CASSANDRA E. RYTTING [redacted]
JASON M. SAWYER [redacted]
DONALD W. SCHMIDT [redacted]
ROBERT J. SCHMOLDT [redacted]
ANNA M. SCHNEIDER [redacted]
ANDREW L. SCHOEN [redacted]
KARL R. SCHRADER [redacted]
TIMOTHY M. SCHWAMB [redacted]
DOUGLAS B. SHAFFER [redacted]
BRYAN J. SHELTON [redacted]
VICTOR O. SHIRLEY, JR [redacted]
ROXANNE R. SKINNER [redacted]
ERIC R. SMITH [redacted]
CHRIS N. SNYDER [redacted]
MYRON O. STAMPS [redacted]
TIFFANY J. STAUDINGER [redacted]
ADAM B. STEVENS [redacted]
DEMETRIUS R. STEWART [redacted]
ERIC M. STOREY [redacted]
BRIAN R. STUART [redacted]
STEPHEN G. STURM [redacted]
BRIAN M. SWYT [redacted]
CHARLES S. TAPP [redacted]
AARON T. TAYLOR [redacted]
MONA A. TENORIO [redacted]
DEBRA L. THOMAS [redacted]
JOEL R. TURINETTI [redacted]
DAVID J. VETTER [redacted]
SCOTT A. VICKERY [redacted]
THOMAS K. WALDRON [redacted]
JOHN K. WEIGLE [redacted]
JOSHUA M. WIELAND [redacted]
BRIAN J. WIGTON [redacted]
FRANK S. WILDE [redacted]
TODD A. WYDRA [redacted]
KEVIN A. YATES [redacted]
SHAYNE R. YORTON [redacted]
STEPHANIE A. ZAJICEK [redacted]
KATHLEEN M. ZENDEJAS [redacted]

EXTENSIONS OF REMARKS

BISHOP KOMARICA—A VOICE FOR PEACE AND JUSTICE IN BOSNIA

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1996

Mr. SMITH of New Jersey. Mr. Speaker, recently the Helsinki Commission, which I chair, held a briefing on political and human rights developments in Banja Luka, the second largest city in Bosnia. Among the participants was the Most Reverend Franjo Komarica, Roman Catholic Bishop of Banja Luka. Bishop Konmarica has steadfastly pursued peace and justice throughout the 4-year-long war of armed aggression and genocide in Bosnia which has left his church in ruins despite the fact that no large-scale fighting occurred in the diocese.

Catholics from the region, predominately ethnic Croats, have been, and continue to be subjected to various forms of harassment and violence. An estimated 90 percent of Catholics have fled the diocese, many the victims of ethnic cleansing. Scores of churches have been destroyed while virtually all of those left standing sustained at least some damage. Several members of the clergy and religious were murdered during the course of the war. Meanwhile, Father Tomislav Matanovic, the former director of Caritas Banja Luka, is missing and believed to be held by Bosnian Serb forces of the 43d Brigade. Bishop Komarica, who was under house arrest for much of 1995, has demonstrated his firm commitment to peace and justice for all people of Banja Luka, regardless of their ethnic or religious background. Strengthened by his faith, Bishop Komarica is a leading advocate of reconciliation in a country rent by violence and war.

Mr. Speaker, I ask that the text of Bishop Komarica's opening statement be placed in the RECORD.

THE COMMISSION ON SECURITY AND COOPERATION IN EUROPE—BANJA LUKA-ETHNIC CLEANSING PARADIGM, OR COUNTERPOINT TO A RADICAL FUTURE

OPENING STATEMENT BY MOST REVEREND FRANJO KOMARICA ROMAN CATHOLIC BISHOP OF BANJA LUKA—JUNE 11, 1996

Bishop Komarica: (through interpreter). Honorable friends, I greet you today as friends of peace and God-loving people. I thank you for your interest specifically regarding Banja Luka, my home town. I thank you for this opportunity given to me to express my concerns and my hopes for my country. I thank you on behalf of all the citizens of my city, regardless of their national or state orientation.

You know that I'm a Catholic bishop and not a political representative of any specific group. I'm not assuming the representation neither of Croatian people specifically, nor Bosnian Muslims or Serb people in this territory. Regretfully, there is no politician available or existing right now to represent the views of my country, of my city, especially to represent the views of the people, of tens of thousands of voiceless people who have no voice.

As a leader and a Christian, I have an obligation to help all the people in their effort to be human and to be God-loving people. I would like to help every human being to affirm their human rights and their freedom and to establish their right to existence. It is now six years that hundreds of thousands of people whose basic human rights have been taken away and denied.

That is the right to life, the right to professions, the right to possess homes and live, the right to have a country, the right to work and to secure a living, the right to have a social and security support, the right of movement, the right to freedom of religion, the right to raise your own children in your own convictions, the right of freedom of conscience, the right of equality of being free to belong to a political or a different faith group.

We cannot talk at all about these rights for thousands of our citizens. The denial of basic human rights has taken place without the presence of any media or any voice to publicly declare this. We had the impression that we are forgotten in our corner of the world. We were strengthened only by our faith in our God, whom we trust that he has the potential to redeem us.

And this thing that I once again mention is really the basis, that we try to respect all our neighbors and not do any harm to any one of them. As in other parts of Bosnia there were confrontations, armed confrontations and clashes, in this part of Bosnia there was no war and no open conflict between different groups of different nationalities or faiths.

We opted for a different option here. We rather accepted denial of our basic human rights than to hurt our neighbors and to establish conflict. We are talking here about people who have been peaceful and made every single effort to remain people who respect others and try to live together. The only blame that they receive is that they did not belong to a side or a group of people who by all means and by all forces and by brutal approach has tried to establish ethnically cleansed territory.

The biggest number, the highest percentage, of the people in this region, be they Serbs or Bosnian Muslims or Croatians, have a desire to remain in peaceful coexistence in this region. The Catholic Croatians in this region have shown by their behavior that they are capable and ready to live together, capable to live together in peace with the other two peoples, which are namely Serbs and Bosnian Muslims.

This desire to live in peace is denied by the members of the existing political structure, and despite all our efforts to live the commandment of respect and love for others, to love those who did so much evil to us, we are brutally hurt again and again and punished for no reason, and not just from the side of extreme nationalists, but those by international democrats.

We ask all those who still crush our human rights: "Why are you doing this to us? Are we people for you? Are we human beings for you? We ask for the basic human rights that you enjoy. If we are guilty, we would ask you to provide it to us, and if we are not guilty, then you are doing great injustice to us when you are denying to us basic human rights."

I am taking this opportunity to tell you and to express to all American peaceloving people, God has given you in this country a generosity of the heart. Your land is almost like a garden, that there are many wonderful plants and beautiful flowers. You are a garden of different people, different cultures, different groups and religions.

The common characteristic of all of you is the freedom and love for peace and respect. In this country, it's especially appreciated especially important human rights and human honor and human dignity. These are the precious gifts to our civilization, the gifts emphasizing diverse cultures and multifaced religion.

You are an ideal and an example for us, and you are a leader for so many other people in the world. When we would affirm similar in Banja Luka, we are punished for that. You know that. Will you with clear conscience allow, continue to allow, that the basic human rights are still denied in my city and in my country? And they are being punished just because they would like to be like you—free, human and democratic people.

I expect an answer from you, which you have to give unto your conscience first and then to your people and then to the world and then hopefully to us as well.

Regardless of how you look at us and for what you think of us, we in Banja Luka are definitely fighting. With enormous efforts, we try to protect and restore civilization. I hope that we will not remain alone in this effort. We hope that we'll find friends who will support us in this effort. We hope to find these supporters in Europe and especially here in the United States. I am quite sure that I will not be disappointed in this expectation.

Thank you for listening.

TIP TAX TRIBULATIONS

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1996

Mr. CRANE. Mr. Speaker, today I introduce legislation to exclude tip income from the administrative and tax burdens of the Federal income tax. I have long objected to the taxation of tips and it was the recent tribulations of a constituent of mine which prompted me to once again introduce this legislation.

Charlene Beyer from Round Lake Park, IL, recently sent to me copies of the forms and regulations covering the tax reporting requirements for tip income she receives as a restaurant employee. It is my understanding that hard working restaurant employees even take time out to attend classes to learn all the rules

concerning tip reporting. While serving customers, they must keep track of their gratuities, then report them to the restaurant and the Internal Revenue Service [IRS]. The restaurant is also held liable for tip income of their employees. Of course, tip income is received by cab drivers, bartenders, and individuals of other professions. The IRS is given the difficult task of policing all these activities. The whole process creates a bureaucratic mess for both the taxpayer and the Government.

I believe that tip income should not be treated on par with earned income for tax purposes. Gratuities are, by definition, discretionary in both amount and practice, irrespective of the service provided. In fact, tips are more gifts than income and current law allows an annual tax exemption from income of gifts up to $10,000 from an individual.

I feel this bill will be especially relevant to the current debate over reforming the Internal Revenue Code. As one of the common goals of the numerous tax reform plans is simplification, the exclusion of tip income will go a long way toward simplifying the compliance of taxpayers with the law. The current process of taxing tip income provides an economic incentive for tip earners to evade taxes by underreporting income. Employers, too, are burdened with paying payroll taxes on both reported and unreported tip income. Although Congress provided a credit to employers for FICA taxes on tip income, a much more efficient solution, again, is to eliminate the tip tax altogether.

I urge my colleagues to consider the merits of this bill and to lend their names as sponsors to it.

CONGRATULATING YEOMAN FIRST CLASS YVONNE A. ZUBER ON HER ACHIEVEMENT AS THE COAST GUARD'S ENLISTED PERSON OF THE YEAR

HON. MICHAEL BILIRAKIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1996

Mr. BILIRAKIS. Mr. Speaker, I rise today to congratulate and recognize the achievement of Yvonne A. Zuber, a resident of Dunedin in my ninth district of Florida, who has been selected as the Coast Guard's Enlisted Person of the Year. She is certainly the cream of the crop.

This is the second year for the Coast Guard's Enlisted Persons of the Year Recognition Program. Awards are given annually to one active duty and one reserve member who demonstrate exceptional standards in leadership, work ethics, Coast Guard knowledge, uniform appearance, and military bearing.

Petty Officer Zuber is a reflection of what every enlisted person can achieve at their best. Currently, she is assigned to the Coast Guard Aviation Training Center [ATC] in Mobile, AL. She is a loyal volunteer for the Mobile Area Special Olympics and has, for the past 3 years, helped over 6,000 special athletes reach their full potential—assisting them in reaching the State and national games.

She has also devoted many hours as a rape-crisis hotline counselor helping rape victims seek assistance and coping with the tragedy of rape. She also volunteers with the ATC's Partner's in Education Program.

She has been the recipient of numerous awards, including: Coast Guard Achievement Medal, Commandant's Letter of Commendation, DOT Gold Medal for Outstanding Achievement, Coast Guard Unit Commendation and Operational Distinguishing Device, Coast Guard Meritorious Unit Commendation, Coast Guard Bicentennial Unit Commendation, Coast Guard Good Conduct Medal, Humanitarian Service Medal, Coast Guard Special Operations Ribbon, Coast Guard Restricted Duty Ribbon, Coast Guard Recruiting Service Ribbon, and the Coast Guard Sharpshooter Pistol Shot Ribbon.

In addition, she is also the 1995 Sailor of the Year for her dedication to the vision and core values of the Coast Guard and her tireless community involvement. It is evident that she serves as an excellent example of dedication, discipline, and responsibility that is necessary to serve ones country well.

Mr. Speaker, I can think of no greater compliment that you could pay to your families than to honor them with the dedication to personal achievement and service to your country that Yvonne Zuber has demonstrated. I would like to congratulate her once again, and wish her the best of luck in all of her future endeavors.

TRIBUTE TO SISTER HELEN M. FAULDS

HON. THOMAS J. MANTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1996

Mr. MANTON. Mr. Speaker, I rise today to pay tribute to Sister Helen M. Faulds.

For over 40 years, Sister Helen has been a tireless servant of the church and has dedicated her life to ministry in education and the healthcare industry.

In September 1949, Sister Helen entered the Congregation of the Sisters of Saint Joseph of Brentwood, NY. Since that time Sister Helen has held various assignments in elementary and secondary schools in Brooklyn, Queens, and Long Island. Sister Helen has also served as a teacher, administrator, and principal.

Mr. Speaker, along the way Sister Helen advanced her education by earning a masters degree in religious education from Providence College in 1965 and a masters degree in health services administration from George Washington University in 1982.

In 1982, Sister Helen returned to New York and reported to St. John's Queens Hospital as associate executive director. Two years later Sister Helen was appointed executive director and has served in that capacity ever since.

Mr. Speaker, as executive director of St. John's Queens Hospital, Sister Helen, through private donations, helped erect a hospital chapel and she has pioneered new hospital services including an AIDS and American heart center designations. Sister Helen has streamlined many hospital services and has advanced the hospital's computer system.

Always aware of her ministry to people, Sister Helen implemented new community services including a bereavement group, Lamaze classes, and has helped to expand the volunteer system.

Mr. Speaker, I am proud to recognize the achievements of Sister Helen M. Faulds, and I know my colleagues will join me in honoring her 40 plus years of ministry and service in education and healthcare and extending our heartfelt congratulations on her retirement.

TRIBUTE TO BERNARD AND ANNETTE ABEND

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1996

Mr. WAXMAN. Mr. Speaker, I ask my colleagues to join me in recognizing two outstanding citizens, Bernard and Annette Abend.

One June 23, 1996, Bernard Abend will be honored with a lifetime achievement award in recognition of his 36 years of devoted service to Etz Jacob Congregation. On this special occasion, he and Annette will also celebrate their golden wedding anniversary.

Bernard and Annette Abend, who were born in Poland and suffered through the atrocities of concentration encampment during the Holocaust, did not meet until after World War II. They married in 1946 and soon after emigrated to the United States. The new paths they forged for themselves in Scranton, PA were enriched with the births of their two daughters and the many challenges facing a young family in an adopted land.

Seeking new opportunities, the Abend family moved to Los Angeles, CA in 1959 and Etz Jacob Congregation quickly became a central part of their lives. Bernard Abend's 32 years as president of the congregation from 1964 to 1996 marked a period of great expansion and religious inspiration. Under his capable and energetic leadership, a social hall, holy ark, Holocaust memorial, and the Etz Jacob Hebrew Academy were constructed.

It is indeed fitting that the congregation honor Bernard Abend for his contributions to Etz Jacob Congregation in conjunction with its celebration of Bernard and Annette's golden wedding anniversary. Their life together has been inextricably intertwined with the growth and blessings of Etz Jacob Congregation.

I ask my colleagues to join me in extending best wishes to Bernard, Annette, and their beloved daughters and grandchildren for continued happiness, good health, and prosperity.

THE WEBB SCHOOLS: SECOND PLACE WINNER, THE 1996 TOSHIBA/NSTA EXPLORAVISION AWARDS PROGRAM

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1996

Mr. BROWN of California. Mr. Speaker, on June 21–22, 1996, more than 40 students will

come to our Nation's Capital to receive top honors in the 1996 ExploraVision Awards Program, sponsored by Toshiba and administered by the National Science Teachers Association (NSTA].

The ExploraVision Awards Program is the largest K to 12 student science competition in the world. The competition asks students to work in teams to use their imaginations to envision what technology will be like 20 years from now.

As a long-standing member of the House Science Committee, I have worked hard to improve science education in this country. The ExploraVision Awards give students the opportunity to identify future technological needs and develop the kind of technological thinking our society needs in order to meet the challenges of the future.

The competition is just one great example of a successful business-education partnership that encourages students to pursue careers in science. I have been supporting this outstanding program since its launch in 1992. In addition, I will be serving as the honorary co-chairperson of the 1996 ExploraVision Awards weekend with Ms. Barbara Morgan, NASA's "Teacher in Space" designee.

Mr. Speaker, I am proud to announce that the class from the Webb Schools of Claremont, one of the finest schools in the inland empire, has been selected as one of the 1996 12 finalist winner teams of the competition. The distinguished members of the team are Ewurama Ewusi-Mensah, William Marshall, and Christopher Maffris. I would also like to recognize their teacher, John Ball, and their advisor, Harlow Johnson, who deserve much of the credit for the success of the team.

I am very proud to recognize the achievements of the class from the Webb Schools and other winners of this year's competition and to reaffirm my commitment to support the Toshiba/NSTA ExploraVision Awards in 1997.

TRIBUTE TO FAUZIYA KASINGA

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1996

Mrs. SCHROEDER. Mr. Speaker, I rise today to commend Fauziya Kasinga, a 19-year-old woman from Togo, who was finally awarded the freedom for which she came to the United States. In a remarkable 11 to 1 decision, the Board of Immigration Appeals, the highest immigration court in the land, ruled in favor of Fauziya last week. In so doing, the Board established a precedent not only in Fauziya's case, but for future women who flee their countries of origin to avoid being subjected to female genital mutilation [FGM].

Although the Immigration and Naturalization Service [INS] had established guidelines in 1995 which state that FGM constitutes a form of political asylum, INS judges demonstrated various interpretations of such guidelines. In one occasion, a judge in Baltimore denied a woman's petition for political asylum, under FGM, because the woman couldn't change her gender, but she could change her mind with regards toward FGM practices.

Fauziya's now-triumphant case was not any less difficult. While in several INS detention facilities, Fauziya was shackled in chains, teargassed and beaten, and forced to spend her 18th and 19th birthdays in prisons intermingled with drug users and murderers. Thus, the decision the 11 Board members took in stating that FGM, an explicit violation of human rights, is a basis for political asylum is long overdue.

Mr. Speaker, as I loudly applaud Fauziya's courage, I also want to humbly thank her for indisputably delivering a wake-up call to the rest of the Nation and the world on the human rights violation of FGM. Our immigration system has finally "gotten it," and women fleeing FGM will not be told that their stories are not credible again.

TRIBUTE TO THE FLORIDA PANTHERS

HON. E. CLAY SHAW, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1996

Mr. SHAW. Mr. Speaker, I rise today to recognize the 1995–96 Eastern Conference champions, the Florida Panthers. The Panthers are a team of dedicated men who accomplished an athletic feat that many believed impossible. Those in the know never thought that a 3-year-old expansion team could defeat the odds and make it to the Stanley Cup Finals, but this special team did just that. The Florida Panthers captured the hearts of thousands of Florida fans, and their storybook season is one which will never be forgotten. The precedent for excellence has been set; the skeptics have been silenced.

After a grueling 80-game regular season schedule, the Panthers traveled to the next level; the National Hockey League playoffs. The experts said the Boston Bruins, the Philadelphia Flyers, and the Pittsburgh Penguins were all better teams, but the Panthers never relinquished their pride; they hung tough and piled up the wins. Finally, the Panthers lived a hockey players' greatest dream—a young upstart team challenging the veteran squad of the former Quebec Nordiques for Lord Stanley's Cup. Although the Florida rat pack showed integrity and professional zeal, the Avalanche took the cup. The dream ended in an all-out, no-holds-barred triple overtime game, and the Panthers showed what it takes to reach greatness.

Mr. Speaker, the Florida Panthers have ignited the passions of our south Florida community. My congratulations to Marti and Wayne Huizenga, and the Panther organization for putting together a group of men committed to teamwork, winning, and community spirit; to Coach Doug McLean and his coaching staff for their dedicated work throughout the year; to the rat crazy fans of the Florida Panthers for their support and enthusiasm; and finally to the Eastern Conference champions for a great season and many, many memories.

Mr. Speaker, the Panthers are a team and an organization that exemplifies hard work and the importance of community, and I urge my colleagues to join me in honoring true champions—the Florida Panthers.

Congratulations Panthers.

TRIBUTE TO THYRA HODGE-SMITH

HON. VICTOR O. FRAZER

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1996

Mr. FRAZER. Mr. Speaker, I rise to salute a long-term community activist in the Virgin Islands, Mrs. Thyra A. Hodge-Smith, and mourn her passing. Mrs. Hodge-Smith lived an active life until her death on June 6, 1996, at age 90.

She had been a part of the Virgin Islands community band for over 50 years and was an active participant of "Carnival" until she became ill. Mrs. Hodge-Smith believed that education was important so therefore, late in life she received her masters' degree from the University of the Virgin Islands.

A stalwart in the Republican Party, Mrs. Hodge-Smith was one of the first females in the Virgin Islands to generate change in her party. Mrs. Hodge-Smith will also be remembered for her numerous years of service in the government and particularly for her work in the Department of Health.

As a strong supporter of families, Mrs. Hodge-Smith was always willing to do anything to strengthen family ties. Her legacy will live forever because of the many lives that she influenced. She was an asset to the Virgin Islands and will be missed by everyone who knew her.

PREFERENCING ON SECURITIES EXCHANGES

HON. SUE W. KELLY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1996

Mrs. KELLY. Mr. Speaker, on May 9, 1996, 18 of my colleagues and I sent a letter to the SEC regarding that agency's recent approval of preferencing on the Cincinnati Stock Exchange or CSE. In the letter, we expressed concern that the SEC had acted precipitously to permit this questionable practice on a securities exchange without an adequate empirical or legal basis.

Preferencing enables a broker-dealer to take the other side of its own customer orders, to the exclusion of other competing market interest. In practice, CSE operates as a pure dealer market, depriving customers of the opportunity for their orders to be executed against each other. The ability of customer to meet customer is one of the hallmarks of the agency auction system, and frequently results in improved prices. In spite of the central place that customer order interaction plays on a true exchange, the SEC's order approving preferencing on the CSE leaves unanswered many questions about the practice's effect on customers. For example, the order does not examine whether customers whose orders are preference on the CSE are receiving the best prices for their transactions. Given the excellent job that the SEC has done over the years

in safeguarding customers and pressing for fair treatment of customer orders, it is indeed surprising that the order approving the CSE preferencing program does not address so basic an issue.

Mr. Speaker, today we take up H.R. 3005, the Securities Amendments of 1996. This legislation does not address the issue of preferencing but I understand that similar legislation in the other body may contain a provision directing the SEC to undertake a detailed study of preferencing on exchange markets. I believe that such a study could be most helpful in addressing, among other issues, the quality of customer executions on the CSE. I urge support for such a study in conference. If the study identifies no tangible benefits to investors and the capital formation from preferencing on exchanges, I would support action to ban this practice.

TRIBUTE TO JOSÉ RAMON QUIÑONEZ

HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1996

Mr. SERRANO. Mr. Speaker, I rise to pay tribute to Mr. José Ramon Quiñonez, who was honored on Saturday by the members of the Holy Family Parish Council for his outstanding service to be community as the chairman of the board, at the Church of the Holy Family, in my South Bronx congressional district.

Ray Quiñonez, as he prefers to be called, was born in Puerto Rico and raised in South Bronx. He completed studies in metallurgy at the U.S. Marine Corps Institute of Technology, in Washington, DC and at Del Mar Technical College, in Oceanside, CA. Later on, he started working for Seandel Studios, Inc., in New York City.

Mr. Quiñonez served the country in the Third Marine Division in Vietnam. After his return from Vietnam, he married his wife, Edmee, with whom he has three children.

Ray Quiñonez has dedicated his life to helping our youngsters develop their full potential as community leaders of tomorrow. His service includes volunteer work at the Castle Hill Little League, where he was the field cleaner, coach, manager, treasurer, and vice president. He also served as a member of the league's board of directors, as well as moderator of the Holy Family Youth Leadership Group. Through the youth group, he inspired high school students from parochial and public schools to develop a sense of leadership and to strive for excellence.

Other community service includes his work as chairman of the Center for Catholic Lay Leadership Formation and as a member of the Community Planning Board 9.

Mr. Speaker, I ask my colleagues to join me in recognizing Mr. José Ramon (Ray) Quiñonez for his outstanding commitment to the service of our youngsters, the Church the Holy Family, and our South Bronx community.

THE IMPORTANCE OF CITRUS TRISTEZA VIRUS RESEARCH TO THE FLORIDA CITRUS COMMUNITY

HON. CHARLES T. CANADY

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1996

Mr. CANADY of Florida. Mr. Speaker, citrus is a major food crop in terms of nutrition, generation of income, foreign exchange, and employment in the United States.

There are approximately 1.2 million acres of citrus in the United States, and the annual retail value is over $17 billion. The citrus industry in the United States exceeds $19 billion in gross revenue.

Florida has 850,000 acres in citrus groves, 70,000 people employed in the citrus industry and 74,000 people employed indirectly, which means on-tree revenues of $9 billion to Florida.

Citrus is the No. 1 fresh produce commodity grown in California and Florida and there is substantial acreage in Arizona, Louisiana and Texas. Hawaii and Puerto Rico are also increasing their citrus industry to reduce their dependence on imports.

The American citrus industry produces table quality navel and Valencia oranges, and my home State of Florida, grows oranges for fresh juice and juice concentrate. Florida is also one of the world leaders in export quality oranges, lemons and grapefruit.

Unfortunately, this vital industry is being threatened by the brown citrus aphid, which is the most efficient transmitter of the citrus tristeza virus. This virus threatens the entire U.S. crop.

Arizona, California, Florida, Louisiana, and Texas have formed a research council to study the eradication of the brown citrus aphid and the citrus tristeza virus. This research is supported by the industry, the U.S. Department of Agriculture, and the land grant colleges.

The farm bill, which the Congress passed earlier this year also, recognized the importance of eradicating this disease before it takes over and destroys the American citrus crop. The legislation authorized $3 million to be spent on Citrus Tristeza Virus research.

Mr. Speaker it is extremely important for us to supply the 1997 funding needed to carry out this research and keep out citrus industry healthy in Florida and elsewhere in the United States.

TURKISH GOVERNMENT REPRESSION: TAKING LESSONS FROM BEIJING

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1996

Mr. SMITH of New Jersey. Mr. Speaker, the United Nations Habitat II conference on sustainable urban development has concluded in Istanbul, Turkey. While most observers will point to the conference's focus on the pressing challenges of urbanization, the repression employed by the host Government of Turkey in response to criticism of its human rights record has cast a pall over the meeting and should be protested at an international level.

While Turkey cannot be compared to China in terms of democratic development, Ankara seems to have taken some lessons from Beijing when it comes to stifling dissent. As Habitat was just convening, Turkish police forcibly evacuated the headquarters of 35 NGO's organizing an "Alternative Habitat." These NGO's were protesting the government's destruction of some 3,000 Kurdish villages and the creation of 3 million refugees in southeast Turkey. These groups rightly believe that such policies were incompatible with the spirit and goals of Habitat II.

Mr. Speaker, last week, Turkish authorities detained hundreds of peaceful demonstrators, including a Habitat NGO representative, and a handful of TV journalists filming the police actions. The demonstrators were protesting government policies, and the reaction of Turkish security forces was reminiscent of China's action during the UN Beijing Conference on Women.

These attacks on free speech and the right of free assembly are cynical attempts by the Government of Turkey to deflect international scrutiny of their policies in southeast Turkey. Yet, Mr. Speaker, these heavy-handed tactics bring even greater scrutiny to the government's repressive, undemocratic activities. Mr. Speaker, I have to imagine that the thousands of NGO's and officials from around the world who attended Habitat II have taken home a distinct impression that Turkish democracy is severely lacking.

Mr. Speaker, the Turkish Government tried to prevent its repressive policies in southeast Turkey from coming to light, but a group of mayors from towns and villages in the region did submit a revealing report to the conference. The report linked human rights abuses in the region directly to Habitat issues and the urban ills facing Istanbul and other large cities in Turkey. The mayors believe that crowding, poverty and instability in Istanbul originated in the towns and villages of southeast Turkey, where economic deprivation and the government's war on terrorism had forced millions from their homes to urban centers unequipped to meet their needs.

Mr. Speaker, I fear Turkey is headed down a road of increasing instability and upheaval. As long as the government stifles the protests of its own people and refuses even to allow open debate of these problems, there will be scant hope for resolving such tough issues.

Mr. Speaker, I would like to enter into the RECORD an article from the Turkish Daily News, June 14, 1996, edition, which further spells out the problems faced by those attempting to bring human rights issues before the Habitat II meeting.

[From the Turkish Daily News, June 14, 1996]

THE OLYMPIC STRUGGLE FOR HUMAN RIGHTS?

(By David O'Byrne)

ISTANBUL—"Turkey is dedicated to advancing the cause of human rights despite the presence of malign element-terrorism-pinching the Turkish nation from within and without."

This rather ungainly quote is taken directly from the introduction to a brochure

on human rights published by the Turkish Minister of Foreign Affairs. One of a package of material prepared for participants in the UN Habitat II conference, this heavily qualified and ungrammatical statement is fairly typical of the document as a whole. For a country like Turkey with a more than dubious record in the human rights department and aspirations to host the 2004 Olympics, this government publication is far from unequivocal acceptance of widely accepted standards.

In fact, the tone of the brochure is decidedly defensive. Much of the brochure is concerned with alleged criticisms of the Turkish human rights record by the Kurdish Workers' Party (PKK) and its supporters. But as a terrorist organization the PKK is certainly not noted for its human rights record, so it's indeed strange that their opinions should carry such weight. Shorter mention is made of other religious and ethnic minorities, again aimed at countering what the Foreign Ministry sees as unwarranted criticism from, apparently, foreign sources.

The unfortunate implication is that human rights are something only demanded by "minority groups", and then only at the bidding of 'outside' forces. Despite giving details of numerous amendments to the Turkish constitution and listing Turkey's many accessions to international treaties, nowhere are human rights referred to as something to which the Turkish population as a whole should be concerned with.

At the Habitat NGO forum however, there was no sign of Turkish people ignoring the human rights issue. In fact many of the stalls were occupied with Turkish groups whose sole concern was human rights. Chilling photographs and texts in several languages detail terrible human rights' abuses in several different countries. Turkoman people in Iraq have, not surprisingly perhaps, suffered terribly under the despotic regime of Saddam Hussein. In western China—or eastern Turkistan as it is also referred to—native Turkomens have been remove from positions of authority as the region has been settled by increasing numbers of Han Chinese moved in by the Chinese government.

Continued nuclear testing in the region has left many parts uninhabitable and has led to the predictable increases in cancers. Displays showing the results of Russian occupation of Chechenya and the occupation of parts of Azerbaijn by Armenian government forces were equally disturbing.

The Turkish speaking minority from Greece were also represented. Greek government policy has long centered around moving the Turkish Muslim community from Western Thrace to areas where it can more easily assimilated. The closure of schools and mosques coupled with continued harassment by the police and civil authorities has forced many to Turkish Greeks leave. Another Foreign Ministry brochure available to people attending Habitat details these and other human rights abuses.

Groups concerned with minorities inside Turkey received no such official sanction however. This in spite of the government statement reprinted above. On the contrary, foreigners attending the NGO forum complained constantly about the presence of plain clothes policemen. One utterly innocuous seminar on the "colorful life of dark people"—ie gypsies—attracted 11 people, two of whom were plain clothes police. While one of the policemen dominated the discussion with loud irrelevant contributions, the other attempted to interview the three Turkish participants and ascertain why they were interested in gypsies.

Outside of Habitat too further Turkish interest in human rights issues made itself evident. The Turkish human rights group IHD organized an "Alternative Habitat" conference, only to find it closed down practically before it started. Further interest was shown by the friends and relatives of the 400 or so people who, since 1979, are alleged to have "disappeared" whilst in police custody. Their silent peaceful protests have been taking place outside Galatasaray school for the past year. Coverage by the press was minimal, with journalists attending dutifully in case of incident.

Last Saturday they were rewarded (sic). Although officially banned the demonstration went ahead anyway with predictable results. A larger than usual but none the less peaceful group of people attempted to sit down in Galatasaray Square but were immediately set upon by the legions of waiting police. Journalists, photographers and even delegates from the Habitat conference were arrested, many being severely beaten in the process. Television pictures of the unwarranted brutality were shown all over the world and photographs were published in many of the world's leading journals. A press conference held the following day to protest at the arrests was also broken up by the police with many arrests.

There were by this time an estimated 1500 people in custody. As releases began—without charge—groups of people congregated outside police stations to welcome their friends. Prominent human rights lawyer Serpil Kaya emerged from her incarceration to find a group of her friends being harassed by the police. On pointing out that they weren't breaking the law she was immediately rearrested. Judging the reaction of shocked delegates to the Habitat conference was not difficult, they were only too happy to express their anger at what they had witnessed. As a spokesman for the NGOs explained in a press conference, "We have witnessed that hundreds of individuals have been beaten, arrested and detained while demonstrating peacefully on the city streets. We will not forget what we have seen."

During the whole length of the Habitat conference another demonstration has been going on, largely unnoticed. Teams of runners have been jogging along the Bosphorus bearing Olympic flags. Turkey's bid for the 2000 Olympics failed to make much impression. The Habitat conference is one of the first major international events to be staged in Turkey. The current bid for the 2004 Olympic games has been making good use of Habitat to show the international community what Turkey is capable of. Those efforts now appear sadly wasted.

Until a Turkish government can make a statement regarding human rights that is both unqualified and is seen to be put into practice it is most unlikely that the international community will see fit to trust Turkey with another event of major significance. After the events of the past two weeks the effort required to bring the 2004 games to Istanbul would seem to be more herculean than olympic.

A TRIBUTE TO MARINE PARK CIVIC ASSOCIATION AS THEY JOIN IN CELEBRATION OF ITS 70TH ANNIVERSARY

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1996

Mr. SCHUMER. Mr. Speaker, I am proud to join all my friends and colleagues in celebrating the Marine Park Civic Association's 70th anniversary. This wonderful park, which occupies over 1,821 acres, has provided an important haven for Brooklyn residents since 1926. I am pleased to congratulate the members of the Marine Park Civic Association for making this area a source of community pride. As a result of the tireless work and vigilant dedication of south Brooklyn families, Marine Park has maintained its reputation as a safe and quiet community distinct from the city's frenetic atmosphere. I have personally enjoyed many visits to Marine Park both as a child and as an adult. I am certain that the strength of this community would not be what it is today without the commitment of its Civic Association. Such countless contributions have ensured the neighborhood's continued growth and stability, which are fully appreciated by all.

The neighboring communities of Sheepshead Bay and those surrounding Floyd Bennett Field are extremely familiar with the services provided by the Marine Park Civic Association. For years, families in Brooklyn have known Marine Park as a solid community, making it a good place to live. I am honored to celebrate 70 years of civic leadership in Marine Park—the Civic Association's members have done much to improve the quality of life for all Brooklyn residents.

A TRIBUTE TO LU ANN DERING

HON. JANE HARMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1996

Ms. HARMAN. Mr. Speaker, I ask that Congress join me today in honoring a dedicated constituent of mine, Lu Ann DeRing. On June 21, Lu Ann will be honored at the Westchester/LAX Chamber of Commerce's annual installation dinner for her outstanding service as chamber president.

Recognizing the need to help fight crime, during Lu Ann's presidency, the chamber helped raise $15 million for mayor Richard Riordan's alliance for a safer Los Angeles. This private sector contribution was essential to create the infrastructure for a Los Angeles Police Department computer network, a critical piece in updating badly outdated equipment. Lu Ann and the chamber also pressed hard to stimulate the local economy and under her watch, Dreamworks SKG announced plans to open a major studio in Playa Vista. Perhaps the metaphor for a renewed Westchester was the landing of the olympic torch at LAX to begin its nationwide journey to Atlanta and the 1996 summer games.

Over the past year, Lu Ann helped arrange several high-visibility chamber meetings including the annual business recognition dinner

which featured many noted entrepreneurs, including the chairman of the board of Southwest Airlines, Herb Kelleher. Lu Ann helped bring the chamber to the forefront of the greater Los Angeles community by securing several well known and respected individuals to address the Westchester Chamber this year including Los Angeles Police Chief Willie Williams.

In addition to her tireless work as chamber president, Lu Ann's career has flourished, both as the international director of promotions for Herbalife and as the owner and founder of DeRing Marketing. Away from the workplace, Lu Ann looks forward to the time she spends with her husband, Robert, and her 9-year old son Jonathan.

Mr. Speaker, Lu Ann DeRing is an inspiration to her family, friends, community, and all who have the pleasure of knowing her. Please join me in saluting a great individual, Lu Ann DeRing.

A TRIBUTE TO DRMS COMMANDER CAPT. DONALD A. HEMPSON, JR., USN

HON. NICK SMITH

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1996

Mr. SMITH of Michigan. Mr. Speaker, on Wednesday, June 19, 1996, Capt. Donald A. Hempson, Jr. (USN) will retire from the Navy and his post as Commander of the Defense Reutilization and Marketing Service [DRMS]. A retirement ceremony will be held at 1:00 p.m. in Battle Creek, MI at DRMS headquarters. Although my duties in Congress prevent my attendance, I would like to take this opportunity to honor Captain Hempson for the outstanding work he has done to improve the efficiency and overall performance of DRMS during his tenure in Battle Creek.

Captain Hempson and dedicated DRMS employees have revitalized DRMS by adopting a variety of management practices similar to those used in private industry. Among the highlights have been the creation of an Internet site to describe surplus items for sale, computer tracking of surplus property to reduce recordkeeping costs, the initiation of toll-free phone lines for improved customer service, and new advertising practices to increase sales. The results have been impressive. Between fiscal years 1993 and 1995, DRMS has increased its annual reutilization, transfer, donation, and sale of excess Defense Department property from $2.9 billion to $3.5 billion. At the same time, it has moved from a net loss of $120.7 million in fiscal year 1993 to a net profit of $254.4 million in fiscal year 1995.

By adopting strategies to put customers first, make use of innovative technologies, and increase efficiency and productivity, DRMS and Captain Hempson have provided an example of how much can be achieved through the reinvention of Government agencies. I salute Captain Hempson and wish him the best of luck in his future endeavors. And to the employees of DRMS, I say keep up the good work.

IN HONOR OF JEANETTE RUDY

HON. BOB CLEMENT

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1996

Mr. CLEMENT. Mr. Speaker, I rise today to honor a distinguished member of the Nashville community, Dr. Jeanette Cantrell Rudy. Dr. Rudy is a generous philanthropist, a nationally accomplished sportswoman and a beloved friend to many in the music city and across the country.

Jeanette Cantrell and her twin sister Geneva were born to Felix and Edna Cautrell on October 27, 1927, in Sheffield, AL. After graduating from Sheffield High School, she enrolled in the St. Thomas Hospital School of Nursing. Jeanette received her nursing degree in the summer of 1948 and served as a public health nurse for 7 years.

On February 20, 1949, Jeanette married Daniel Clees Rudy, cofounder of the Rudy's Farm Sausage Co. The Rudys made their home in the Pennington Bend area on the Cumberland River, and they enjoyed an active life together until Mr. Rudy's death in 1984. In his memory, Jeanette helped to found and fund the Dan Rudy Cancer Center at St. Thomas Hospital.

Mrs. Rudy has long been a devoted and tireless supporter of Cumberland University in Lebanon, TN. When the university and its board of trustees decided to expand the curriculum to include a bachelor of science in the nursing degree program, there were several obstacles in the way. Long-term debt was hindering financial stability, enrollment growth was minimal, and resources were strained. Jeanette helped reduce these obstacles, not only by providing much-needed financial resources, but also by giving her professional guidance in the development of the nursing curriculum. It is not an exaggeration to say that without Jeanette Rudy, the nursing program at Cumberland University would not exist. In 1990, Mrs. Rudy was recognized for her efforts with an honorary doctorate of humanities from Cumberland.

Jeanette is as passionate about her hobbies as she is about her devotion to public service. She has assembled what is widely considered to be the finest privately held collection of State and Federal duck stamps, including the very first stamp issued in 1934. In 1992, Mrs. Rudy served as a judge of the Federal duck stamp competition in Washington, DC. The Smithsonian Institution has established the Jeanette Cantrell Rudy Duck Stamp Gallery at the National Postal Museum in her honor. The gallery will open on June 26, 1996.

Mrs. Rudy is also an avid sportswoman and has held the title of Ladies State Trapshooting Champion for 9 years, and has been named to the women's all-American trap team twice. She sits on the boards of Cumberland University, the St. Thomas Hospital Auxiliary and Foundation and the Nashville Zoo, and she is a major supporter of the Nashville Police and Fire Department. Mrs. Rudy was also the major donor of the National Police Memorial in Washington, DC.

Dr. Jeanette Cantrell Rudy is a living legend and truly an American original. Her generosity and warmth know no bounds, and her devotion to public service and humanity have enriched the lives of countless Tennesseans. It is with tremendous pride and genuine affection that I salute the great spirit, intelligence, and wit of Jeanette Rudy. She honors us all daily with her friendship and love.

TRIBUTE TO THE FIRST NATIONAL PUERTO RICAN PARADE

HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1996

Mr. SERRANO. Mr. Speaker, it is with great joy that I rise today to pay tribute to an historic event, the first National Puerto Rican Parade which was held on June 9, in New York City.

As a Puerto Rican, a New Yorker, and a Member of Congress, it was an honor to participate in this national parade in which thousands of Puerto Ricans marched in celebration of our culture and achievements in this country.

I was 7 years old when my family moved from Puerto Rico to the Bronx in search of employment opportunities and a brighter future.

Leaving the beautiful island of Puerto Rico, its music, its traditions, and its people was no easy task for those who were born on the Caribbean island.

In 1958, my father and I had the opportunity to celebrate our culture during the first Hispanic parade of New York City. As we cheered participants, my father quickly unfolded a Puerto Rican flag to show his love and pride for his heritage.

Two years later, the Hispanic parade became the New York Puerto Rican Parade. From that day on, once every year, Puerto Ricans and friends of the Puerto Rican community from all of the 50 States and the island come to New York City to celebrate our heritage.

This year, for the first time in its 39 years of history, the parade has been recognized as a national event—the largest and most colorful celebration of Puerto Rican heritage in this Nation.

On this occasion, members of the Puerto Rican community will march along Fifth Avenue in Manhattan to reaffirm our identity and pride of our heritage. Among many other achievements, Puerto Ricans have been instrumental in transforming New York City into a great bilingual city.

Dr. Ricardo Alegría, a distinguished Puerto Rican anthropologist led the parade of thousands of participants. Dr. Alegría is internationally renown as an eminence in the restoration of historic cities, for his anthropological and archaeological studies on Puerto Rico and the Caribbean, as well as for his patronage of the arts.

TRIBUTE TO MACON COUNTY

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1996

Mr. GORDON. Mr. Speaker, I rise today to recognize a beautiful and successful county in my district. Natural beauty resides in Macon County at such places as Union Camp Waterfall and Winding Stairs, a natural rock formation, true to its name, that was used by Indians long ago.

The success of Macon County stems from its people's ingenuity. In an area known for tobacco, farmers there are turning to alternative crops such as strawberries, Christmas trees, tomatoes, peppers, cabbage, blackberries, grapes, and more. Macon County farmers are now competing with growers in California and Florida.

Macon County is composed of hard-working people with the desire to be the best. Among other honors, the Macon County Fair has twice been named Best Small Fair by the Annual Tennessee Association of Fairs Convention. Macon Countian Ronald Jenkins is the Tennessee Lion of the Year, while his Lion's Club is ranked third in the State.

Macon County was created by necessity. In 1837, the two closest county seats, that of Sumner County and Smith County, were both 25 miles away. That year the State legislature created Macon County, named for statesman Nathanial Macon. Lafayette is the county seat.

The citizens of this county have always sought to do their best with what has been given them. To these citizens, I wish continued success and the best life has to offer.

HONORING THE CITY OF HOBOKEN: BIRTHPLACE OF OUR NATION'S PASTIME

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1996

Mr. MENENDEZ. Mr. Speaker, I rise today to pay tribute to the City of Hoboken, the birthplace of our national pastime. On June 19, 1996, the City of Hoboken as well as the entire Nation will celebrate the 150th anniversary of baseball. On this day of joyous celebration, the city will conduct a variety of activities, including a parade and awards dinner to commemorate the origins of baseball.

The game of baseball was born on June 19, 1846, on the Elysian Fields in Hoboken. On that day, the Knickerbockers squared off against the New York Nine and the Knickerbockers lost the game 23 to 1. The first newspaper account of a baseball game was actually written the previous year when other participants gathered in Hoboken on the same field to play an intramural variation of the game.

The official birthday of the sport is considered to be in 1846, however, baseball was played in different forms in Hoboken prior to that date. Alexander Joy Cartwright, Jr. of Hoboken, has been recognized by many as one of the initial inventors of the rules of baseball. Thus, the tradition of baseball was established on the banks of the Hudson River in Hoboken, NJ.

Organized baseball has been played in Hoboken ever since that very first game. Citizens of Hoboken have long contributed to the rich tradition of the sport of baseball by lending their support to the game in a variety of fashions. The youth of Hoboken have enjoyed the opportunities that the public parks and fields have provided for their recreational uses. From the success of Hoboken's Little League program to the well-documented achievements of its high school teams, baseball has since been an essential part of the city's culture.

Moreover, many of our modern day heroes all share a piece of the tradition that was established on the Elysian Fields in Hoboken. It is with great pleasure and admiration that I honor the City of Hoboken and its great people.

JOE ALLEN, A SPECIAL SON OF KEY WEST

HON. PETER DEUTSCH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1996

Mr. DEUTSCH. Mr. Speaker, among its many favorite sons, Key West regards Joe Allen with special affection. Not only has he been an outstanding public servant, he is also the unofficial historian of a city which takes its historical heritage very seriously.

This year there is a special facet of Joe's life, to which I would like to bring your attention. It is a romance which began 50 years ago. While serving a brief tour of duty in his home waters helping to track down enemy submarines, which imperiled our ships off the Florida Keys, Joe met Marjorie Holladay of Columbia, KY. At the time, Ms. Holladay had been affiliated with the women of the U.S. Naval Reserve—WAVES.

Now after 50 years of happily married life, Joe and Marjorie will celebrate their anniversary on June 21 at the old Civil War fort on Monroe Court Beach, now known as the "Joe Allen Garden Center."

Forty of those fifty years have been entwined with a long list of civic and political accomplishments. In addition to serving in the State legislature for 10 years before retiring in 1986, he served 8 years as a Monroe County commissioner and 20 years as tax assessor.

While serving as bicentennial chairman in 1976, he was named 1 of 51 State patriots for outstanding service in the field of historic preservation, particularly the restoration of two pre-Civil War forts, East and West Martello Towers and the designation of the lighthouse in Monroe County as a historic landmark. He is also credited with preserving the national guard armory.

In addition to their heavy involvement in community affairs, Joe and Marjorie Allen are the proud parents of four sons, Joseph B. III, Dr. William N., John H., and Henry B. I hope you will join me in wishing them a joyous 50th and many more to come.

TRIBUTE TO THE REV. HENRY LEE BARNWELL

HON. ED PASTOR

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1996

Mr. PASTOR. Mr. Speaker, today it is with great pleasure that I rise to pay tribute to one of Phoenix's finest citizens, and also congratulate the Rev. Henry Lee Barnwell on the occasion of his 29th anniversary in the ministry.

Reverend Barnwell was educated at Rosenwald High School in Panama City, FL. He attended Grand Canyon College and Arizona College of the Bible in Phoenix, Talbort Theological Seminary at Biola University, Bishop College and Lacy Kirk Williams Minister's Institute, both of Dallas, TX. He also has a Training Diploma from the Protestant Chaplin's Association of Okinawa (1958); a Diploma for Christian Work from Arizona College of the Bible (1977); a bachelor of arts degree through Arizona College of the Bible (1978); and a Doctor of Divinity from Guadalupe Baptist Theological Seminary in San Antonio, TX.

Retired from the U.S. Air Force, Reverend Barnwell is now Pastor of the First New Life Baptist Church in Phoenix. He also serves a chaplaincy with the Arizona State Department of Corrections, and is Auxiliary Chaplin at Williams Air Force Base in Higley, AZ. Reverend Barnwell is involved in many other outreach efforts, having served as president of the Interdenominational Ministerial Alliance of Phoenix and vicinity; Bible instructor of Zion Rest District Association; regional director for the National Evangelism Movement; first vice-president of the General Missionary Baptist State Convention of Arizona; and immediate past moderator of the Area One American Baptists Churches of the Pacific Southwest.

Reverend Barnwell has applied his energy and talents to many worthwhile projects over the years as an active member of the board of directors for the Phoenix Opportunities Industrial Center and St. Mary's Food Bank. He is also a member of the Mayor's Human Resources Commission; the Maricopa Branch of the NAACP; the Sheriff's Religious Advisory Committee on Maricopa County; and the city of Phoenix Human Resources Commission. Reverend Barnwell also serves on the Clergy Against Drugs and is a past member of the Governor's Advisory Council on Juvenile Justice Planning.

His efforts to educate and improve the quality of life in the community have earned Reverend Barnwell recognition from many groups who have bestowed awards on him, including The Floyd Adams Community Services Award from the Phoenix Opportunities Industrial Center; the Religion Award from the Maricopa County Branch of the NAACP; and the Recognition for Christian Service Award from the National Evangelism Workshop. Reverend Barnwell was named Pastor of the Year for the State of Arizona in 1989 and carries the title of "Honorary Citizen" from the city of Tucson.

I commend Reverend Barnwell for his many years of community service and involvement. Scores of Phoenicians have benefited from his energy and efforts. I ask my colleagues to join

with me today in congratulating Reverend Barnwell as he celebrates 29 years of service in the ministry.

TRIBUTE TO LYDIA CRUZ OGO, GUAM'S POLICE OFFICER OF THE YEAR

HON. ROBERT A. UNDERWOOD

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1996

Mr. UNDERWOOD. Mr. Speaker, in Guam as elsewhere across our Nation, a grateful community sets aside time to pay tribute to the men and women of law enforcement—that thin blue line separating law-abiding citizens from the criminal element. As part of Guam's Police Week observance, Guam's finest are recognized for their dedicated service to the community. Mr. Speaker, I am proud to announce that Guam's Police Officer of the Year for 1995 is Special Agent Lydia Cruz Ogo, an 18-year veteran of the force.

Special Agent Ogo graduated from the Guam Police Department's 19th cycle on January 6, 1979. She spent the next 14 years in the department's patrol division. On December 7, 1989, Special Agent Ogo was promoted to police officer II. In November 1992, she was transferred to the criminal investigation section assigned to crimes against persons unit, where her primary duty is the investigation of criminal sexual conduct cases. As we all know, Mr. Speaker, domestic disturbances and rape cases are among the most difficult, most heart-wrenching, and most potentially dangerous calls to which police officers are expected to respond to. These are just the types of calls that Special Agent Ogo handles everyday. I daresay she has witnessed more pain and human tragedy over the years than we could bear.

Over the years, Special Agent Ogo has responded to, or conducted the investigation of, nearly every imaginable type of call—from staking out illegal gambling dens and chasing down car thieves, to investigating murder scenes and testifying at trials. But Special Agent Ogo also gives lectures to public and private organizations on family and domestic violence, child abuse, and sexual assault. She assisted in the planning and formation of the Healing Hearts Center, Guam's rape crisis intervention center. In deed and action, Special Agent Ogo exhibits a profound application and understanding of her duty as a peace officer. In the words of her immediate supervisor, "Agent Ogo is an outstanding investigator and continues to be a role model for other investigators. She is judicious in carrying out assignments. She demonstrates admirable judgment and intuition. She has been classified by unit supervisors and her superiors as the most dependable, reliable, and hardworking investigator who never neglects her duties and offers no excuses. She is an asset to this section and to the department."

I would add that Special Agent Ogo is a role model for young men and women in Guam and that she is an asset, not just to her section and the police department, but also to the island of Guam. I proudly join with Special Agent Lydia Crus Ogo's family, friends, neighbors, and fellow officers in extending our heartiest congratulations and heartfelt Si Yu'os Ma'ase. Kontra i piligro, na'fan safo' ham. Yu'os protehi si Lydia yan todo siha i manga'chong-ña gi depatamentun polisian Guahan.

AMERICA'S FRIENDS IN THE SOUTH PACIFIC, H. CON. RES. 189

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1996

Mr. GILMAN. Mr. Speaker, today I am introducing House Concurrent Resolution 189, a resolution expressing the sense of the Congress regarding the importance of U.S. States membership in regional South Pacific organizations.

In the postcolonial era, regional cooperation has become one of the key elements in the development of the South Pacific. While the programs that the South Pacific Commission, the South Pacific Regional Environment Program, and other regional organizations undertake are small in scale, the impact on regional stability is critical. In short, the small investment is for a high return.

Nations in the South Pacific share our values and a commitment to the democratic process. Their support has been important to the United States in the United Nations and other international fora. However, we must not continue to take it for granted.

In the post-cold-war era we need to ensure that we remain engaged in this key strategic region on the doorstep of Asia. In order to do this we must continue to support the work of regional organizations such as the South Pacific Commission, the South Pacific Regional Environment Program, and the South Pacific Forum.

I am pleased to learn that the administration has recently paid the U.S. contribution for this year to the South Pacific Commission. It is important that we maintain our commitment to this key regional organization.

Accordingly, I urge my colleagues to support the resolution and request that the full text of House Concurrent Resolution 189 be printed at this point in the RECORD.

H. CON. RES 189

Resolved by the House of Representatives (the Senate concurring), That the Congress—

(1) recognizes the traditional and close ties between the United States and the South Pacific region and reaffirms the value of these ties;

(2) notes the need to continue to support the efforts of the countries of the region to enhance the sustainable development of the more fragile island economies and their integration into the regional economy, while helping to ensure the protection of the unique ecosystems of the region;

(3) commends the South Pacific Commission for the process of managerial and organizational reform currently being undertaken, and recognizes the important role the United States financial contribution to, and participation in, the organization makes in assisting it to realize the gradual economic self-sufficiency to all members of the organization; and

(4) reaffirms the commitment of the United States as a member of the South Pacific Commission and the South Pacific Regional Environment Programme, and the post-forum dialogue partnership of the United States with the South Pacific Forum.

TRIBUTE TO LOUISE AND GERALD STEIN

HON. GERALD D. KLECZKA

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1996

Mr. KLECZKA. Mr. Speaker, I am pleased today to rise in tribute to Milwaukeeans Louise and Gerald Stein, as they receive the Jerusalem 3000 Builders of Israel Award on Monday evening, June 24, 1996.

Both Louise and Jerry were raised in traditional Jewish homes, stressing family and faith. These commitments remain an important and vital part of their lives to this day.

Louise, in addition to raising the couple's three daughters, has been very active over the years as an officer in the Milwaukee Jewish Federation, the Milwaukee Association for Jewish Education and the B'nai B'rith Women's Council.

As president and chief executive officer of the Milwaukee-based Zilber/Towne Realty family of companies, Jerry has been a positive force in the Milwaukee business and Jewish communities for many years. He is currently the president of the Milwaukee Jewish Federation and is a past campaign chair. In addition, he is a director and past president of the Milwaukee Center for Independence and the Milwaukee Public Museum. The University of Wisconsin-Milwaukee Foundation Board, the Milwaukee Heart Institute, First Bank Milwaukee, the UW–M School of Business and the Marquette University Law School Multicultural Council all benefit from Jerry's dedicated efforts.

Therfore, it is with great pleasure that I join the family of Louise and Jerry Stein, their business associates and many friends in honoring them as they receive the prestigious Jerusalem 3000 builders of Israel Award.

Continued best wishes, and on behalf of the residents of the greater Milwaukee-area, I offer a heartfelt "thank you" for your generosity and many, many hours of unselfish work over the years.

F.E. SPOONER, CHUCK SHAW, RON RHODES HONORED FOR DEDICATION TO STUDENTS

HON. HARRY JOHNSTON

OF FLORIDA

HON. MARK ADAM FOLEY

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1996

Mr. JOHNSTON of Florida. Mr. Speaker, we are pleased to congratulate F.E. (Buz) Spooner, Chuck Shaw, and Ron Rhodes for their long dedication to the students of Palm Beach County. For 38 years they have provided over 55,000 students with the opportunity to visit our Nation's Capital. It has been

our pleasure to greet the thousands of students they brought to Washington, DC. Every year the patrols arrive and fill the seats on the floor of the House of Representatives, bringing their interest and excited enthusiasm to these normally staid Chambers. Their enthusiasm reminded all of us who work here of the awesome nature of the Capitol and what it represents.

We commend Buz, Chuck, and Ron for granting this opportunity to so many students over the years. One of the greatest problems in our country today is a lack of understanding and appreciation for our democratic system and the way we make laws and why. Introducing young people to the Capitol and educating them on the law-making process is a truly admirable pursuit that will serve our entire country as those same students become adults who have the power to vote and effect change.

The efforts and dedication of Buz Spooner, Chuck Shaw, and Ron Rhodes are remembered and appreciated by our south Florida colleagues in the U.S. House of Representatives and our predecessors, the Honorables Dan Mica and Tom Lewis. Most importantly, they are remembered by the students who will retain the experience and grow up to be citizens actively involved in the democratic process. We can only hope that others will take up the challenge and continue providing this service for future generations. It would be the best way to honor the legacy of these three men.

IN SUPPORT OF THE IRAN OIL SANCTIONS ACT OF 1996

HON. E. CLAY SHAW, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1996

Mr. SHAW. Mr. Speaker, I rise today in support of the Iran Oil Sanctions Act of 1996. H.R. 3107 is a good bill that will impose sanctions on those who provide Iran and Libya with the ability to acquire or create weapons of mass destruction.

Iran and Libya continue to pose a serious threat to the Middle East Peace process and to the security of nations around the world. Both nations continue to sponsor international terrorism and operate to disrupt world stability. They have shown complete disregard for the value of human life with the downing of Pan Am Flight 103, the Berlin disco bombing in 1985, the seizure of U.S. hostages in Tehran and their continued sponsorship of international terrorists.

Since these nations refuse to cooperate with the rest of the world on peace initiatives, the United States must take steps to prevent these nations from earning the money they need to sponsor further international terrorism. The best way to do this is to convince Iran and Libya's creditors and trading partners not to transact business with them. This will put pressure on these terrorist countries to reform their policies. The United States needs to take the lead and take decisive action today and if we fail to do so, we are bound to see the loss of more innocent lives around the world.

I urge each of my colleagues to support H.R. 3107.

JUNE: SCIENCE AND TECHNOLOGY MONTH

HON. SCOTT L. KLUG

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1996

Mr. KLUG. Mr. Speaker, since June is Science and Technology Month, it is appropriate that we honor the 25th anniversary of the Association for Women in Science [AWIS]. This association is the largest multidisciplinary science organization for women in the United States. Founded in 1971, it has grown to 74 chapters with nearly 6,000 members nationwide.

AWIS is committed to achieving equity and full participation of women in all areas of science and technology. Serving as a national voice, the association has been recognized for its leadership and has made a lasting impact on the accessibility of science and engineering education and careers to women.

A high priority of AWIS is diversity in the broadest definition, including race and ethnicity, workplace, education level and discipline. The scope of this diversity is reflected in its membership. Disciplines include natural sciences, from agronomy to engineering, and social sciences, from anthropology to psychology. Nearly 60 percent of AWIS members hold a Ph.D. In addition, more than 50 percent are involved with academic institutions. The remainder work in industry or government.

AWIS has also been instrumental in nominating women who were subsequently appointed to the National Science Board and the President's Committee on Science and Technology. Members have also received several prestigious national awards such as the National Medal of Science. I would especially like to commend the president of AWIS, Jaleh Daie, a professor at the University of Wisconsin. She was recently inducted into the Hall of Fame for the Network of Women in Technology International.

In 1996, AWIS celebrates 25 years of service and commitment to equity, leadership training, diversity, and to supporting women in their career advancement. I am pleased to honor this important organization which is committed to a strong and diverse science and education enterprise.

SGT. CHARLES KOHRHERR HONORED FOR SERVICE TO HIS COUNTRY AND COMMUNITY

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1996

Mr. MENENDEZ. Mr. Speaker, I rise today to pay special tribute to Sgt. Charles Kohrherr, a courageous individual who has served the Nation in time of war and whose bravery has helped protect Union City from crime for many years. His selfless dedication to public service has made him a model of excellence in law enforcement and an ambassador of goodwill throughout the community.

In 1967, Sgt. Kohrherr began his career enlisting in the U.S. Army. From 1968 to 1969, he was assigned to the 1st Aviation Brigade, 61st Helicopter Company, while serving in Vietnam. Before being honorably discharged from the Army in 1970, he amassed an outstanding service record, including 11 air medal awards, the Vietnam Campaign Ribbon, a Unit Citation and the Air Crewman Badge of Courage.

Following his military service, he joined the Union City Police Department in 1971. By 1972, he was made a detective and assigned to the Narcotics Unit. Then in 1974, while serving as a narcotics officer, he was shot and his partner was killed while apprehending an escapee from a Florida chain gang. Despite this enormous tragedy, Sgt. Kohrherr found the courage to continue his law enforcement career and to serve with the Narcotics Unit until 1976. After serving several more years in various departmental units such as the Motorcycle Division and Uniform Patrol, he was promoted to the rank of Sergeant where he completed his law enforcement career.

Sgt. Kohrherr's career exemplifies the true meaning of valor and achievement. For his service as a law enforcement officer, he was awarded the New Jersey State Medal of Honor, the State P.B.A. Valor Award, four meritorious service awards, and the Knights of Columbus Policeman of the Year Award. Aside from being a highly decorated and respected officer, Sgt. Kohrherr has for many years put his life on the line for the protection and safety of others. It is therefore fitting to say that Sgt. Charles Kohrherr is truly one of New Jersey's finest.

I ask that my colleagues join me in honoring Sgt. Charles Kohrherr, a special individual who has devoted himself to serving his country and community with honor and dignity. I applaud the dedication of such a remarkable man and an exceptional law enforcement official.

TRIBUTE TO JOHN BRAGG

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1996

Mr. GORDON. Mr. Speaker, I rise today to recognize the 30-year career of a great statesman, Tennessee State Representative John Bragg. Upon his retirement, I would like to recognize his outstanding achievements, honors, and successes, both personally and for the State of Tennessee.

Serving as the House Finance chairman for 22 years, Mr. Bragg established an ethical foundation of admirable weight. He subsequently made significant changes in the State legislative process. For these measures, he was awarded the title chairman emeritus.

In addition, he was a stronghold in the creation of the Tennessee Consolidated Retirement System. As such, Tennessee is considered one the best managed States in the country, with regard to public pension plans.

Mr. Bragg hails from Murfreesboro, TN, and his loyalty has never swayed. He has represented the city and Rutherford County throughout his entire three decades in politics.

During that time, he boosted Middle Tennessee State University to a premier educational institution within the State. He secured the funds to build three multimillion dollar complexes for the school: the mass communications building, the Tennessee Livestock Center, and a $31.7 million library.

Joining Mr. Bragg at his retirement ceremony were colleagues, friends, and family. He attributed most of his accomplishments to their support; and similarly, his desire to care for those he loves extends to his fellow citizens. I ask that we recognize John Bragg for his endless dedication, his honorable values, and his compassion for Tennessee.

A TRIBUTE TO DR. RICHARD J. BOXER

HON. THOMAS M. BARRETT

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1996

Mr. BARRETT of Wisconsin. Mr. Speaker, I pay tribute today to one of Milwaukee County's truly outstanding citizens, Dr. Richard J. Boxer. As the Lubavitch House of Wisconsin prepares to honor Dr. Boxer for his multitude of contributions to our community, I would like to take a moment to reflect on the remarkable achievements of this great man.

Dr. Boxer, or Rick, as he prefers to be known, has been nationally recognized for his countless number of contributions to American medicine. Rick is the only member of the board of advisors to the Health Policy Institute at both the Medical College of Wisconsin and the University of Wisconsin. He has authored 435 scientific articles, chapters, and a book and has lectured throughout the world. Rick is the former chairman of the surgery department at both Sinai-Samaritan and St. Michael Hospitals in Milwaukee. Rick was voted by his peers the best urologist in Milwaukee in three separate surveys by Milwaukee Magazine in 1987, 1991, and 1996. Rick further serves as the medical director of the Bernard and Helen Soref Prostate Cancer Foundation and the Gordon Henke Cancer Foundation. In addition, he is a professor in the Health Policy Institute and in the Department of Family Medicine at the Medical College of Wisconsin.

President Clinton recognized Rick's capabilities in 1995 when he appointed him to the National Cancer Advisory Board and the National Institutes of Health. In 1996, Rick broke new international ground when he led the first physicians' mission to Israel. In addition to his professional associations, Rick selflessly devotes his personal time to numerous philanthropic organizations including the Milwaukee's Jewish Federation, the Milwaukee Jewish Council, the Wisconsin State of Israel Bonds, the Milwaukee Jewish Home and Care Center, the Weizmann Institute, and the Friends of Lubavitch.

Mr. Speaker, I commend the Wisconsin Friends of Lubavitch on its excellent selection of Dr. Richard Boxer as this year's honored guest, and I wish Rick, his wife Barbara, and their loving children continued success in all of their endeavors.

TRIBUTE TO CAPITAL COMMITMENT

HON. CARRIE P. MEEK

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1996

Mrs. MEEK of Florida. Mr. Speaker, I rise today to congratulate a dynamic local organization which has brought telecommunications training and knowledge to the economically disadvantaged of the Washington area. Capital Commitment, recently celebrated its 50th anniversary. And, through its fine work, 424 disadvantaged students have graduated from programs which have prepared them for well paying jobs in telephone installation, maintenance, and repair.

Capital Commitment was born from a vision held by Ernest and La Verne Boykin who recognized in June 1991 that the telecommunications industry in which they had worked for so many years had few minorities. They also witnessed increased violence in their Washington neighborhood and had the compassion to ask themselves what they could do to help these young people bring focus to their lives. The answer to Ernest and La Verne was to leave their jobs at high technology telecommunications companies to set up Capital Commitment.

In the fall of 1991, they formed partnerships with the DC public schools, Ballou STAY and Northern Telecom [Nortel], a world leader in designing, engineering, building, and maintaining digital networks. By January 1992, they graduated their first class, which consisted of six homeless men from the Omega-Alpha Brotherhood. They were successful in placing this class in good jobs and they used their success to solicit support from local foundations.

As they struggled financially, they continued their important program and, by the end of 1993, had graduated 150 students and had an all-time high placement record of 97.5 percent. They still had not met their most important goal, to raise $100,000. However with continued support from Nortel as well as help from the National Center for Neighborhood Enterprises, the Hitachi Foundation, The Beer Institute and the United Black Fund, they reached 50 percent of their money raising goal.

In the summer of 1994, their success in training and placing their students in high paying, high technology jobs—by this time they had graduated 219—attracted additional partnerships with Bell Atlantic and the Eisenhower Foundation. Things had started to turn around for them.

Capital Commitment has been featured on several TV and radio stations within the last year. They have announced further partnerships with the Pentagon Renovations, BISCI, the Private Industry Councils of Washington, DC, Prince Georges County and Montgomery County. Their partners provide funding and also help secure employment for Capital Commitment graduates.

It gives me great pleasure to ask my colleagues to join me in congratulating Ernest and La Verne Boykin and all of their partners in Capital Commitment for making a real difference in their communities by providing hope and a future to the economically disadvantaged.